



**WESTPAC
STADIUM**

2009

ANNUAL REPORT

WELLINGTON REGIONAL
STADIUM TRUST (INC)







WINNERS: NZ, IRB INTERNATIONAL SEVENS // 1-2 FEB 2008



CONTENTS

SPONSOR'S MESSAGE

02

CHAIRMAN + CHIEF EXECUTIVE'S REPORT

03

07/08 ANNUAL SCOREBOARD

04

FINANCIAL SCOREBOARD

16

NOTES TO THE FINANCIAL STATEMENTS

20

AUDIT REPORT

20

TRUST PARTICULARS

29



SPONSOR'S MESSAGE

Westpac Stadium has a firmly established position as an iconic part of the Wellington landscape. Likewise it has a firmly established position as one of Westpac New Zealand's most important sponsorships and I am pleased to report that the partnership has developed strongly through what has been a very busy year.

The presence of the Wellington Phoenix football franchise at the stadium, and the enthusiastic base of supporters the franchise is building around the team, has been a welcome development.

Westpac Stadium has become the football ground of choice for major matches, cemented by the Phoenix's match against the LA Galaxy featuring superstar David Beckham. Beyond the match itself, it was exciting to see the stadium filled with thousands of school children, there to watch the LA Galaxy train.

These events are on top of the significant number of rugby games held at Westpac Stadium. All six Hurricanes home Super 14 games were hosted here this year, and who can forget the All Blacks' 21-11 victory over Ireland in bitterly cold conditions where the crowd, as much as the players, deserved accolades for their tenacity and perseverance.

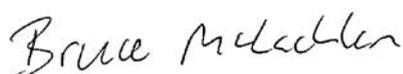
Another highlight was the New Zealand Sevens team claiming its fourth win from nine International Sevens tournaments at the Stadium.

However, what constantly impresses me, and reinforces the value of the facility to both Wellington and the country, is the range of events Westpac Stadium hosts.

Summer concerts included the 30th Anniversary tour of The Police, while major exhibitions included the Home and Garden Show and the Food Show.

Such events attract diverse audiences that are very important to us as a sponsor.

To successfully coordinate all these activities requires a huge amount of work from a dedicated team. I commend all those involved, particularly the management and Board. I offer our full support towards planning for the 2011 Rugby World Cup and beyond and look forward to the continued development of Westpac Stadium as it builds on its place in the hearts and minds of the people of, and visitors to, the capital city.



BRUCE McLACHLAN
Acting Chief Executive Officer
Westpac New Zealand



CHAIRMAN + CHIEF EXECUTIVE'S REPORT

A RECORD-BREAKING YEAR

THE 2007/08 EVENT YEAR HAS BEEN A STELLAR YEAR FOR WESTPAC STADIUM. WE HAD A DRAMATIC 30% INCREASE IN THE NUMBER OF SPORTING, CONCERT AND EXHIBITION EVENTS OVER THE PREVIOUS YEAR, WHICH IN TURN RESULTED IN US RECORDING OUR BEST EVER ANNUAL RESULT.

In all we hosted 58 event days, including 14 community events, making it our busiest year since opening – an average of more than one event per week.

The key contributor to the significant growth of sporting event days has been the emergence of the Wellington Phoenix FC who in their first year in the Football Federation of Australia's professional competition, have established themselves as a competitive football club which was never achieved in Auckland.

Securing football events has always been a major objective of the Trust; we recognised the potential in growth and crowd support for this increasingly popular sport. The establishment of the Phoenix and their positive impact on Wellington has been a welcome bonus for the Stadium, delivering 13 football games to a passionate supporter base who have not previously been regular patrons of the Stadium.

Beckham-Mania

The match between LA Galaxy and Wellington Phoenix, brought Beckham-mania to the capital when the superstar, David Beckham, played. The event would rate as one of the best held at the Stadium, with the football activities on offer over that weekend attracting 66,000 fans to the Stadium.

A highlight in many ways was the public training session held by the LA Galaxy. Attended by 16,000 cheering school children and supporters, it was a very special occasion. The event presented significant logistical difficulties to both ourselves and the Wellington City Council as organisers, but Wellington lived up to its reputation as New Zealand's events capital and it proceeded without a problem.

Events Capital

The growth of our event calendar has also benefited from our continued success in attracting major concerts. This summer concert goers had the choice of attending The Police 30th Anniversary tour concert and/or two nights of the Rock2Wgtn "Rocktacular". These were three concert days of exceptional quality and featured a list of artists that satisfied a wide variety of musical tastes and converted more fans to the Stadium as a music venue.

Super Rugby

Rugby has also helped the growth of our event calendar by hosting all six Hurricanes home Super 14 games at the Stadium. This was a departure from the normal policy of playing one game elsewhere within our Super 14 franchise area.

Servicing Debt

All of the above, combined with a substantial increase in non-event revenue, has provided us with a record surplus of \$2.98 million, up from \$2.05 million the previous year. This is the fourth consecutive year that we have been able to achieve our minimum target of \$2 million surplus. This level of surplus is the amount needed to service debt and provide for enhancements and refurbishments that have to be undertaken to maintain the Stadium to the high standard required to ensure a world-class facility.

The current surplus will be difficult to replicate over the next few years. We expect the concert and non-sporting events market to become more difficult, with a shortage of big-name acts playing in stadia and a growing trend towards indoor concerts.

International Standards

One of the biggest challenges for the Stadium in the medium term is the need to maintain the facilities for patrons to international standards. We must continue to deliver the best stadium experience in New Zealand if we are to continue to deliver the events calendar that meets both our expectations and those of the loyal Wellington region stadium attendees. To this end the Trust is developing a 15-year capital expenditure plan.

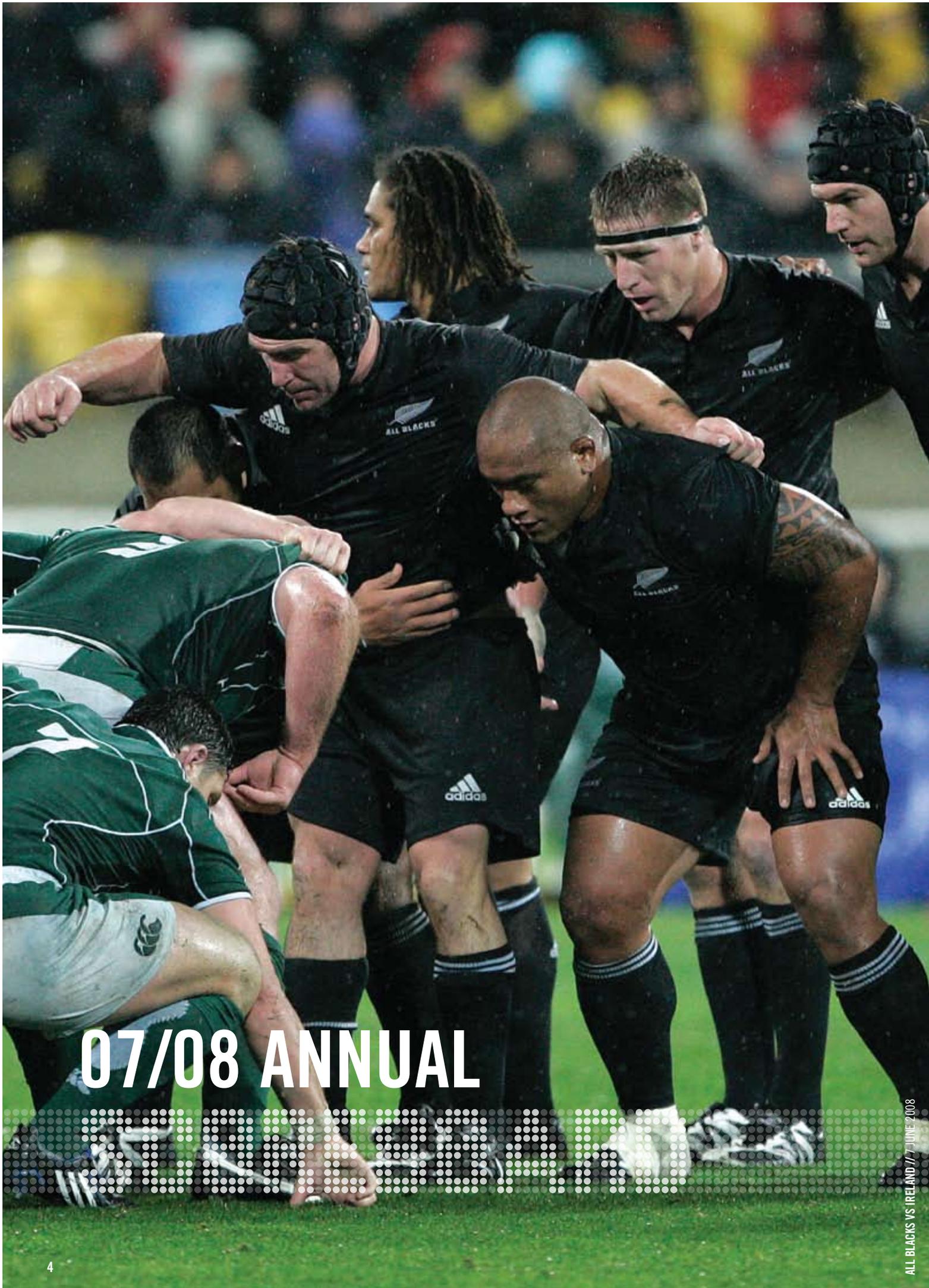
This plan will ensure that we provide new and improved facilities to international standards and continue to be competitive with all other New Zealand stadiums, particularly after the redevelopment of Eden Park in Auckland and AMI Stadium in Christchurch. The plan will require the reinvestment of a substantial amount of money, and the Trustees believe that planning needs to start now.

RUGBY WORLD CUP 2011

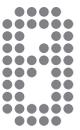
The Rugby World Cup in 2011 has played a big part in our activities for the current year. We have been active partners in the Wellington Regional Group, whose goal is to attract the best games we can and maximise the benefits from the World Cup for the region, and to provide an experience in the capital that surpasses that of the British and Irish Lions Test of 2005.

We have also been a major contributor to the Regional Bid Committee, which has developed and submitted a proposal to Rugby New Zealand 2011 for hosting quarter-finals in Wellington. This Committee involved many local government representatives from the region and senior business people in the city, who have produced a very compelling case for the region to host quarter-finals at the Stadium.

During the next 12 months decisions will also be made on allocation of pool games and where teams will be based during the tournament. We expect that planning for Rugby World Cup 2011 will take up much of our time in the next three years.



07/08 ANNUAL

“ THE ALL BLACK VICTORY ON        CONTINUES ”

A REMARKABLE TRADITION OF NEVER LOSING AN INTERNATIONAL TEST MATCH AGAINST IRELAND.

EVENTS

RUGBY

NZI INTERNATIONAL SEVENS

New Zealand snatched a last minute victory from Western Samoa, the defending champions, to win the 2008 tournament. The pulsating final game capped off another outstanding Sevens event. This win gave the New Zealand team four wins from nine tournaments at the Stadium as they continue to dominate the Sevens rugby world.

The crowd was as happy and as well behaved as in previous years and continue to be inventive in costuming which has become a key feature of the Wellington Sevens.

ALL BLACKS VS IRELAND

The All Blacks won 21-11, but with the teams locked at 11-all with 20 minutes to play it took a Dan Carter penalty and a decisive try to home town hero Ma'a Nonu to secure the All Black win.

A bitterly cold southerly wind blew through Wellington for the duration of the game, creating very difficult conditions for players and spectators. Few will forget the interview with a shivering O'Driscoll after the game.

Attendance was not as high as we had expected and was probably affected by a number of factors, including poor weather, the rugby public's disappointment with New Zealand's quarter-final loss at the Rugby World Cup, and the scheduling of the New Zealand vs South Africa Tri-Nations test the following month.

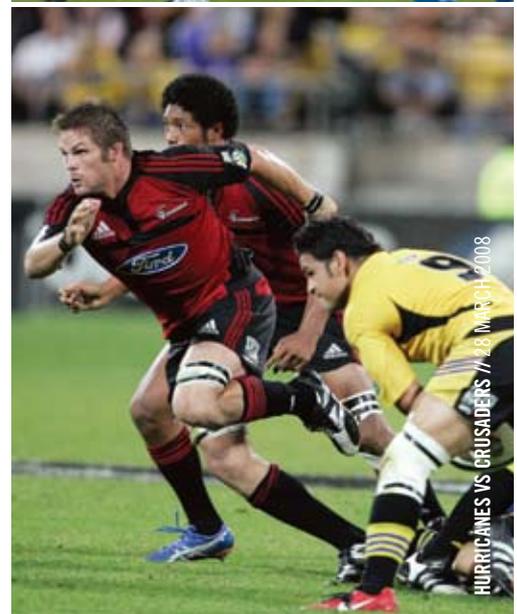
CLUB RUGBY

The 2007 Club Rugby Finals were held on 12 August before a crowd of 3,585. Hutt Old Boys Marist beat Marist St Pats, 18-10, and won the Jubilee Cup for the first time since 1991. In the Hardham Cup Final, Wainuiomata, the beaten finalists the previous year, beat Oriental Rongotai, 23-17.

SUPER 14 COMPETITION

The Hurricanes played six home games in 2008, losing only to the Crusaders and drawing with the Sharks. The Crusaders game achieved a near capacity crowd, but attendance was disappointing at other games. A very successful trip to South Africa with two bonus point wins kept the Hurricanes in contention for the play-offs. The Hurricanes finished fourth in the round robin and lost their semi final to the Crusaders. It is the fourth time in six years that the Hurricanes have made the play-offs.

SCOREBOARD



HURRICANES

vs Reds	Won	23-18
vs Chiefs	Won	39-19
vs Crusaders	Lost	13-20
vs Sharks	Draw	13-13
vs Lions	Won	31-12
vs Western Force	Won	21-10



AIR NEW ZEALAND CUP COMPETITION

The Wellington Rugby Football Union hosted an Auckland–Wellington pre-season game at the Stadium as a special promotion for its supporters, because the teams weren't drawn to meet in pool play in the provincial competition. The small crowd of 1,698 who attended enjoyed a good game, won by Wellington 44-21.

Wellington had five round robin games at the Stadium, winning them all in high-scoring games, but away losses to Hawke's Bay and Canterbury meant that there was little chance of securing a home semi-final or final. The biggest crowd was against Manawatu as the fans came out in numbers to farewell Tana Umaga in his last game for Wellington. As part of this celebration, Aisle 13 has been designated the Tana Umaga aisle with appropriate acknowledgement.

The only home game in the knock-out section of the competition was a quarter-final against Southland, which was won comfortably by Wellington.

FOOTBALL

ALL WHITES

Because of the high level of interest in football in Wellington, fans were rewarded with the World Cup qualifying match against Vanuatu held on 21 November, which New Zealand won.

SCOREBOARD

WELLINGTON LIONS

vs Auckland (P/S)	Won	44-21
vs Otago	Won	68-7
vs Manawatu	Won	37-7
vs Tasman	Won	38-25
vs North Harbour	Won	39-14
vs Taranaki	Won	53-12
vs Southland (Q/F)	Won	45-3

FOOTBALL

All Whites vs Vanuatu	Won	4-1
Phoenix vs LA Galaxy	Lost	1-4

Q/F = Quarter Final
P/S = Pre-Season

“ THE PHOENIX ATTRACTED THE  HIGHEST AVERAGE HOME GROUND ATTENDANCES IN THE A-LEAGUE. ”

PHOENIX

Wellington Phoenix FC marked their first season with a programme of 13 games, creating a level of interest in football in New Zealand that has not been seen since the All Whites played in the World Cup in 1982.

The Stadium hosted two A-League pre-season games and 10 league games, plus the game against the LA Galaxy, featuring David Beckham, which attracted the largest crowd for a football game in New Zealand, at 31,853. While this game was an outstanding event and a fantastic promotion for football, the real contribution of the Phoenix was in generating large crowds for the regular-season games, and in playing an attractive style of football to entertain a very dedicated and enthusiastic supporter base.

Their home record was two wins and four draws in regular-season games, good enough to ensure that they will receive excellent support in 2008. The fans showed their true colours when 13,055 turned up for the last game of the season.

RUGBY LEAGUE

KIWIS VS AUSTRALIA

On a beautiful evening in October, 14,611 people watched the Kiwis put on their worst ever performance against Australia in losing 58-0.

Following an outstanding test against Great Britain at the Stadium the previous year, the result and the attendance were disappointing. Despite this, we believe that there is still a strong following of rugby league in the Wellington region and we want to ensure we continue to offer league at the Stadium.

The economics of bringing Australian NRL teams to play home games in Wellington no longer works, because many smaller Australian venues are more competitive in attracting clubs to shift games to their venues. The NRL itself is also focused on promoting and building rugby league in Queensland.



KIWIS VS KANGAROOS // 14 OCT 07

CRICKET

BLACK CAPS VS ENGLAND

Westpac Stadium only hosted one ODI this summer because of the Cricket World Cup. England made 130 runs from 49.4 overs, which New Zealand matched in 30 overs, to win convincingly by six wickets.

While it was a low scoring game, the New Zealand team and supporters enjoyed a comprehensive win over England and the locals got considerable satisfaction from a solid performance from its rising new star, Jesse Ryder.



NZ VS ENGLAND // 14 FEB 08

SCOREBOARD

WELLINGTON PHOENIX FC (A LEAGUE GAMES)

vs Sydney FC (P/S)	Won	3-0
vs Newcastle Jets (P/S)	Lost	2-4
vs Melbourne Victory	Draw	2-2
vs Newcastle Jets	Lost	0-1
vs Adelaide United	Draw	2-2
vs Perth Glory	Won	4-1
vs Central Coast Mariners	Lost	1-2
vs Sydney FC	Draw	1-1
vs Adelaide United	Lost	1-2
vs Perth Glory	Won	3-0
vs Queensland Roar	Draw	1-1
vs Sydney FC	Lost	0-2



ROCK2WGTN // 22-23 MARCH 08



LORDI // 22 MARCH 08

“ THE POLICE WERE INDUCTED IN THE ROCK N ROLL HALL OF FAME IN
AND HAVE SOLD MORE THAN 50 MILLION RECORDS. ”

2008

50

CONCERTS

THE POLICE

Twenty-seven years after their last appearance at the Wellington Town Hall in 1981, The Police treated their loyal Wellington fans to an outstanding concert, which received great reviews.

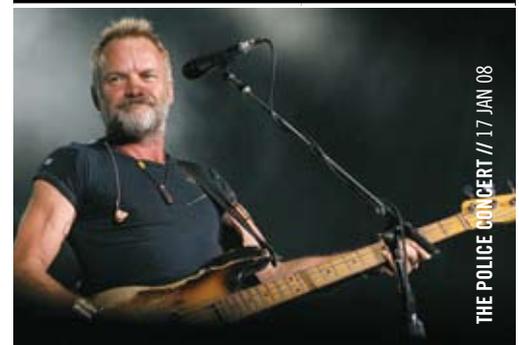
The concert featured an 80-metre stage and the same state-of-the-art video screen and sound system that the band used on their tour of Europe and the United States. The 30th Anniversary Tour was the hottest concert tour during the past year and drew more than two million fans worldwide. Despite the mid-week date the concert attracted more than 6,000 visitors from outside the Wellington region.

ROCK2WGTN

Held over the Saturday and Sunday of Easter weekend, Rock2WgtN was a two-day musical extravaganza. Legendary international acts included Ozzy Osbourne, KISS, Alice Cooper, Poison, Lordi and Whitesnake. Weta Workshop provided some spectacular magic, with a laser-eyed fire eating dragon, and six of New Zealand's best rock guitarists using special Weta “dressed” guitars “duelling” across the Stadium.

It was a concert line-up to satisfy every rock fan's dream as the six headline acts have sold a combined total of over 230 million records. This was a major event for Wellington over two days of the holiday weekend. With 51% of the tickets sold to fans from out of the region it delivered a substantial tourism benefit to the city during a normally quiet holiday period.

SCOREBOARD



THE POLICE CONCERT // 17 JAN 08

Decibel Score	100 +
CROWD SCORE	18,629



KISS // 22 MARCH 08

Decibel Score	100 +
CROWD SCORE	37,348

EXHIBITIONS

The Stadium hosted two major exhibitions, the Home and Garden Show and the Food Show, which enjoyed similar success to the previous year. These are three-day shows that have been regular events at the Stadium and are very well supported and enjoyed by the big crowds that attend.

The Parent and Child Show was hosted at the Stadium for the first time. This is a two-day show that has been held regularly in Wellington but was in need of a bigger venue. We hope to secure this as a regular event at the Stadium.

COMMUNITY EVENTS

It has been a big year for community events, with 14 events being hosted in various parts of the Stadium ranging from the very big LA Galaxy/David Beckham training session, to use of the Fran Wilde walkway for Indoor Speed Skating training.

The Stadium has a number of unique areas which provide a solution for many of the community groups that cannot be provided for elsewhere. We seek to accommodate these requests whenever we can.

FUNCTIONS

Our functions business continues to grow, though it has been restrained by the increasing number of event days. The installation of a second replay screen this year also reduced the days function facilities were available at the busiest time of the year.

The Stadium has 13 function rooms, able to accommodate everything from a large sit-down dinner for 700 people to small meeting rooms. Most rooms have a view of the playing field, which creates a unique atmosphere for business and social gatherings.

Many of our privately owned corporate boxes are used regularly for meetings by their owners.



WESTPAC RESCUE HELICOPTER // 9 MAY 08

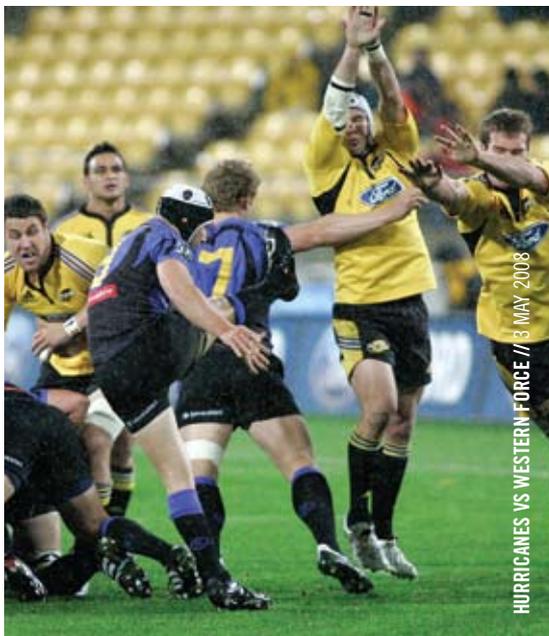
SCOREBOARD

COMMUNITY EVENTS HELD DURING 2007/08

Jul 07	Drug dog training venue
Jul 07	Speed skating training venue
Jul 07	Wellington Phoenix FC Open Day
Sep 07	College Sport Wellington Cross Country
Sep 07	Wellington Rugby Season Ticket holder Open Day
Sep 07	E-day – computer recycling
Oct 07	Wellington Brass Band Marching Practice
Nov 07	LA Galaxy Public training session
Feb 08	Wadestown Scout Group (Kea) Cycling
Mar 08	Police Training Course – protection officers
Mar 08	Sport Wellington – Junior Sports Day
Apr 08	Wishbone Trust Hip Walk
May 08	Drug dog training venue
Jun 08	Wellington Marathon



KIDS MAGIC MILE // 22 JUNE 08



HURRICANES VS WESTERN FORCE // 3 MAY 2008



PHOENIX SUPPORTERS // 2007



NZ VS ENGLAND // 9 FEB 08

SCOREBOARD

EVENTS HELD DURING THE YEAR

Date	Event	Attendance
20 Jul 07	Air NZ Cup Rugby: Wellington vs Auckland (pre season)	1,698
22 Jul 07	A League Football: Phoenix FC vs Sydney FC (pre season)	5,879
27 Jul 07	Air NZ Cup Rugby: Wellington vs Otago	11,592
10 Aug 07	A League Football: Phoenix FC vs Newcastle Jets (pre season)	4,761
11 Aug 07	Air NZ Cup Rugby: Wellington vs Manawatu	14,081
12 Aug 07	Wellington Club Rugby Finals: Jubilee Cup – Marist St Pats vs Hutt Old Boys Marist Hardham Cup – Oriental Rongatai v Wainuiomata	3,585
25 Aug 07	Air NZ Cup Rugby: Wellington vs Tasman	11,000
26 Aug 07	A League Football: Phoenix FC vs Melbourne Victory	14,177
08 Sep 07	Air NZ Cup Rugby: Wellington vs North Harbour	8,300
09 Sep 07	A League Football: Phoenix FC vs Newcastle Jets	10,800
15 Sep 07	Exhibition: Parent & Child Show	4,569
20 Sep 07	Air NZ Cup Rugby: Wellington vs Taranaki	9,025
22 Sep 07	A League Football: Phoenix FC vs Adelaide United	11,528
30 Sep 07	A League Football: Phoenix FC vs Perth Glory	9,358
05 Oct 07	Air NZ Cup Rugby: Wellington vs Southland Quarter Final	9,277
14 Oct 07	Rugby League Test: Kiwis vs Australia	14,611
21 Oct 07	A League Football: Phoenix FC vs Central Coast	9,586
26 Oct 07	Exhibition: Home & Garden Show	13,000
17 Nov 07	A League Football: Phoenix FC vs Sydney	7,041
21 Nov 07	Football: All Whites vs Vanuatu	2,676
30 Nov 07	A League Football: Phoenix FC vs Adelaide United	18,229
01 Dec 07	Football: Phoenix FC vs LA Galaxy	31,853
07 Dec 07	A League Football: Phoenix FC vs Perth	6,117
14 Dec 07	A League Football: Phoenix FC vs Queensland Roar	7,333
04 Jan 08	A League Football: Phoenix FC vs Sydney	13,065
17 Jan 08	The Police Concert	18,629
01-02 Feb 08	IRB International Sevens Tournament	69,000
09 Feb 08	Cricket ODI – Black Caps vs England	17,268
22 Feb 08	S14 Hurricanes vs Reds	15,682
29 Feb 08	S14 Hurricanes vs Chiefs	16,913
22-23 Mar 08	Rock2Wgtn Concert	37,348
28 Mar 08	S14 Hurricanes vs Crusaders	31,744
05 Apr 08	S14 Hurricanes vs Sharks	13,500
03 May 08	S14 Hurricanes vs Lions	13,993
09 May 08	S14 Hurricanes vs Force	16,899
16 May 08	Exhibition: The Food Show	20,000
07 Jun 08	Rugby Test: All Blacks vs Ireland	26,375
TOTAL		550,492

FINANCIALS

We achieved a record surplus of \$2.98 million, up from \$2.05 million in the previous year. The increase was a result of a substantial increase in the number of events days and the continued growth in our car parking business, which alone generated revenues of \$818,000. Though very important, it must be recognised that a number of these events are non-recurring, so in itself, the surplus is not an indicator of likely future results.

In this regard, the Trust has a high level of fixed costs totalling \$9.67 million per annum or \$807,000 a month, which do not fluctuate to any great extent with events. We rely on our core events to produce enough revenue to cover these costs and produce a small surplus. To achieve a reasonable surplus we must continue to grow our non-event revenue while securing good one-off events.

The increased revenues and surplus have allowed us to bring forward the installation of the second replay screen in the Stadium, as well as updating the original screen. Cash surpluses have also been applied to reduce our commercial loan by \$2.5 million during the year and it now stands at \$19.8 million. Our repayments are \$3.5 million ahead of schedule, which means we are paid up to 2012.

While we are very satisfied with our performance, we are mindful that we operate in a very competitive market and are experiencing a reduction in some of our traditionally strong revenue streams as a result of falling attendance levels.

All our maintenance budgets and asset replacement plans recognise the very harsh environment in which the Stadium is located, adjacent to the sea, the port and the railway yards. This environment means that we face an accelerated rate of deterioration in assets and we need to compensate by extensive maintenance and/or investing in expensive cleaning regimes to reduce the impact. We have increased the funds allocated to preventive and reactive maintenance

to maintain a stadium of international quality. We recognise the need to focus on maintaining and growing our revenues to meet those challenges.

This year we are obliged to apply International Financial Reporting Standards (IFRS) for the first time. The impact of IFRS is fully detailed in the notes to the financial statements on page 25. The main item relates to the revaluation of the non-recourse interest free loans totalling \$40 million from the Greater Wellington Regional Council and the Wellington City Council. These loans provided the core funding which enabled the stadium to be built. Under IFRS, the loans are required to be recorded at fair value. In simplistic terms, this required the trustees to establish a likely repayment schedule for the loans and then apply a discount rate to bring the loans back to a fair value at balance date. As a result, the value of the loans recorded at 30 June 2008 has changed as follows:

- Wellington City Council – \$15 million down to \$191,781
- Greater Wellington Regional Council – \$25 million down to \$319,634.

Consequently the Trust funds have increased from \$18,930,199 to \$62,058,711. The application of IFRS also requires the previous years' figures to be adjusted.

In our view, while IFRS requires us to adopt these values, they are largely illusory and do not reflect the reality of how the stadium was funded.

In particular, the write down does not affect the Trust's obligation to repay the Council loans at the full face value of \$40 million, when funds permit. Under the old accounting standards this was the value at which they were recorded in the accounts which in our view was a more appropriate treatment.



PROJECTIONS

It is unlikely that in the next three years we will host the same number of events that we have in the current year, unless we can secure concerts or other one-off events beyond what we currently expect. However, during this period and prior to the Rugby World Cup in 2011, Eden Park and AMI Stadium will both be in reconstruction mode, with greatly reduced capacities. Westpac Stadium could be selected to host additional rugby tests as a result of the reconstructions of those stadiums.

It might be difficult to maintain the same level of concerts and non-sporting events that we have achieved in the past. We no longer have the same favourable exchange rate, many major acts are playing indoors and there are few touring acts that can fill stadia.

Our projected surpluses based on achieving 41 to 47 events a year for the next three years are as follows:

2008/09	\$1.58 million
2009/10	\$1.67 million
2010/11	\$1.72 million

In this period we expect to spend \$6.7 million on Stadium enhancements. Due to loan repayments being ahead of schedule we have not provided for any additional loan repayments in this period.

15 YEARS FROM NOW

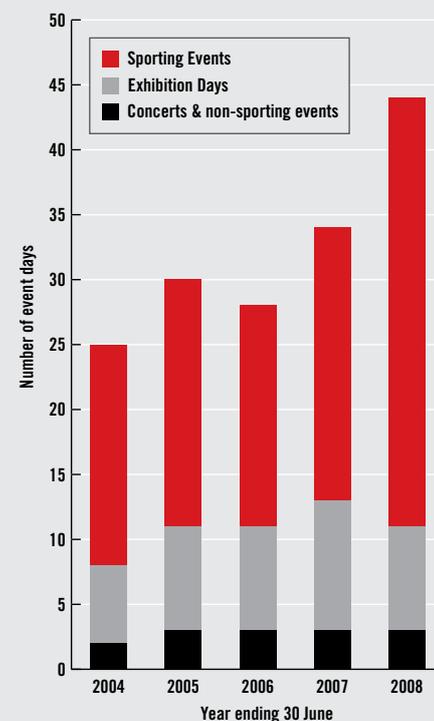
After nine years of establishing an event schedule that is four times bigger than originally expected, and reducing our loans by nearly \$14 million, it is time to look ahead at long-term capital developments in the Stadium. We are very aware of examples of stadia in New Zealand and overseas that have not continually maintained and upgraded the facilities, and have become redundant. In the next 10-15 years we must have a stadium as good as any in New Zealand and Australia, capable of hosting events we host today and delivering the Stadium experience that will be expected in 2020-2025.

In the next six years we will renew our naming rights, renew the Deloitte Club Stadium memberships and have to resell the corporate boxes. We recognise that there was a high goodwill factor in the original purchase of some of the corporate boxes to ensure the Stadium was built. We cannot expect corporates to do that again. We will be renewing memberships and box licenses without the need to raise the large capital sums that were necessary to build the facility nine years ago. It is therefore likely that these renewals will be on different terms delivering different cash flows.

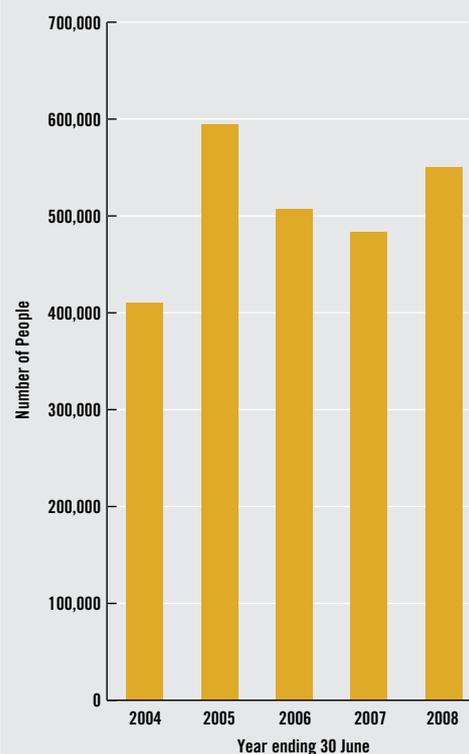
The Trust is in the process of developing a long-term capital expenditure plan and identifying the patrons' needs for the facilities required through to 2025. We will then obtain a reliable estimate of the cost of funding these developments and build these into our long-term plans. We expect this to be a substantial investment, which will provide a significant improvement to the facilities for patrons.

SCOREBOARD

STADIUM EVENT DAYS



ATTENDANCE



MAINTENANCE AND ENHANCEMENTS

Management are very focused on establishing effective maintenance programmes throughout the Stadium.

During the year we have been working with contractors and consultants to resolve some maintenance issues with the exterior cladding. This cladding is subject to a 15-year warranty and discussions are continuing with contractors and consultants to resolve the problem. Any share that the Trust is likely to pay is expected to fall under existing maintenance budgets.

The installation of special asset management software during the year will assist us with monitoring and controlling maintenance.

During the year, we installed two new Mitsubishi LED replay screens, replacing the 84m² screen at the northern end of the ground and installing a new 54m² screen at the southern end. All seats now have a view of a large screen.

A second passenger lift is being installed adjacent to the current lift in the main reception area. This is particularly important as it will provide better access to disabled people, which has been a problem on some event days.

We have substantially upgraded the ticket-selling facilities, increasing the number of ticket-selling windows and providing improved services to customers buying on event days. A shift in ticket-buying habits for rugby and the advent of the Phoenix has resulted in many events becoming predominantly walk-up events, with large ticket sales on the day of the event.

We have upgraded the Deloitte Gallery and built a new pizza kitchen, which is providing an easy and delicious meal and proving very popular with members.

Last but certainly not least, we have upgraded the irrigation system to allow the sprinkler heads to be operated individually, which enables the watering of selected areas of the ground when in concert mode.



PHOENIX SUPPORTERS // 2007

SCOREBOARD



WELLINGTON LIONS VS OTAGO // 27 JULY 07



STADIUM ENHANCEMENTS SINCE OPENING	\$M
Concourse improvements	1.13
Members areas & lounges	0.38
Other public areas	2.29
Administration area & equipment	0.92
Turf and turf equipment	0.71
Other	0.47
TOTAL	5.90



IRB INTERNATIONAL SEVENS // 1-2 FEB 2008

ALLIED NATIONWIDE BASIN RESERVE

We provide full ground maintenance and cricket wicket preparation services to the Basin Reserve Trust, with an obligation to maintain cricket wickets to international standard.

The Basin Reserve continues its heavy workload as the only first class cricket ground in Wellington. During the year it hosted 36 days of cricket, including a test match against Bangladesh, as well as 56 practice days and 18 days of winter sports. The Basin Reserve also hosted three concert events.

ENVIRONMENT SUSTAINABILITY

The Stadium is working with Greater Wellington Regional Council and its contractors on a number of environmental issues including waste management, waste minimisation, water management and energy management. We expect to put a range of initiatives in place over the next 12 months.

Deloitte. MEMBERS, CORPORATE CLUB MEMBERS AND CORPORATE BOX HOLDERS

The Deloitte Club Members, Corporate Club Members and Corporate Boxes enjoyed free entry to 33 sporting events in the past year, compared to 10 sporting events that we projected when memberships first went on sale in 1997. This included free entry to the Phoenix game against LA Galaxy, which gave all our members the opportunity to see one of the world's greatest footballers.

The Trust and Spotless Catering have made considerable effort to improve our contact with corporate box owners during events and at other times, including hosting those who manage their corporate box at an event at the Stadium. We recognise the need to consistently improve service to this very important group of stakeholders.

TURF

The turf team have done an outstanding job producing international-class playing surfaces with 33 sporting events, including four double-headers and one triple-header, as well as coping with the stress on the turf created by three concerts. Because of the full event schedule this year we were unable to schedule a full turf renovation period. However, next year we will schedule a full six-week renovation period which is necessary if we are to maintain the quality of the playing surface.

We are continually rethinking our turf strategy and we have increased our ground staff to help with the increased work load. There will be a major focus on turf management through to Rugby World Cup 2011. Our long term plan is to install a reinforced turf system that will overcome many of these issues.

MAJOR SPONSORS

The naming rights contract expires next year and we are already having discussions with Westpac about their renewal for a further term. We enjoy a very positive working relationship with Westpac and are keen to continue to grow the relationship for the benefit of both parties.

We thank Westpac for another year of support. We particularly appreciate the enthusiasm that Westpac staff have for the Stadium.

The sponsorship of our members club by Deloitte is also very important, and again we are grateful for the support that we get from the local partners of Deloitte.

THANKS

The Trust receives extraordinary support from its two major stakeholders, Wellington City Council and the Greater Wellington Regional Council, through the positive leadership provided by Mayor Kerry Prendergast and Chair Honourable Fran Wilde, and from council officers whom we work with on a day-to-day basis. We are working very closely with both Councils, now and for the next few years to play our part in delivering an outstanding Rugby World Cup to Wellington.

The Stadium Trustees give freely of their time and provide willing assistance to management staff. We are fortunate that such well qualified and busy people devote so much time to the Stadium. Robert Armstrong retired as a Wellington City Council appointed Trustee in November, and was replaced by Councillor John Morrison. Craig Sims was appointed as a Trustee in July 2007, but retired during the year following his promotion and appointment overseas. Robert and Craig were very positive and enthusiastic Trustees and we thank them for their contribution. Sue Elliot has been appointed from 1 July 2008. Sue was one of the founding Trustees.

The substantial increase in the number of events has put pressure on all our contractors, who have responded well to the challenge and maintained the quality of the services through this busy year. All contractors provide vital services and many of them interact with the public, and we thank them all for their professionalism and commitment:

- | | |
|--------------------|----------------------------|
| Aquaheat | Ticketek NZ Ltd |
| Mexted Contractors | Turflands Palmerston North |
| PGG Wrightson | TVNZ (Avalon Studios) |
| Red Badge Group | United Group |
| Spotless Catering | Waste Management |
| Spotless Cleaning | Wellington Free Ambulance |

The substantial increase in the number of events has also increased the workload of our staff, who have responded professionally and with enthusiasm. We give a very special vote of thanks to this dedicated, loyal group, who set the standards of professionalism in the industry.

We work closely with our key hirers, New Zealand Rugby Union, Wellington Rugby Football Union, New Zealand Cricket, Cricket Wellington, Wellington Phoenix FC, and New Zealand Football. We enjoy our working relationship with each and appreciate the events that they bring to the Stadium. We have a common interest in presenting the best possible experience we can to patrons and we thank the codes for their positive contribution to a very successful year.

Special thanks also to the major promoters, both in New Zealand and Australia who contribute so much to the Stadium having a full event calendar. Thanks also to our regular exhibition organisers for their continued support and confidence in us.

We will host our five-millionth patron early in 2009, an outstanding achievement when compared to our original expectation. Most importantly we would like to thank all those who attended an event in the past year, there is no success without you, and we look forward to welcoming you back in the year ahead.

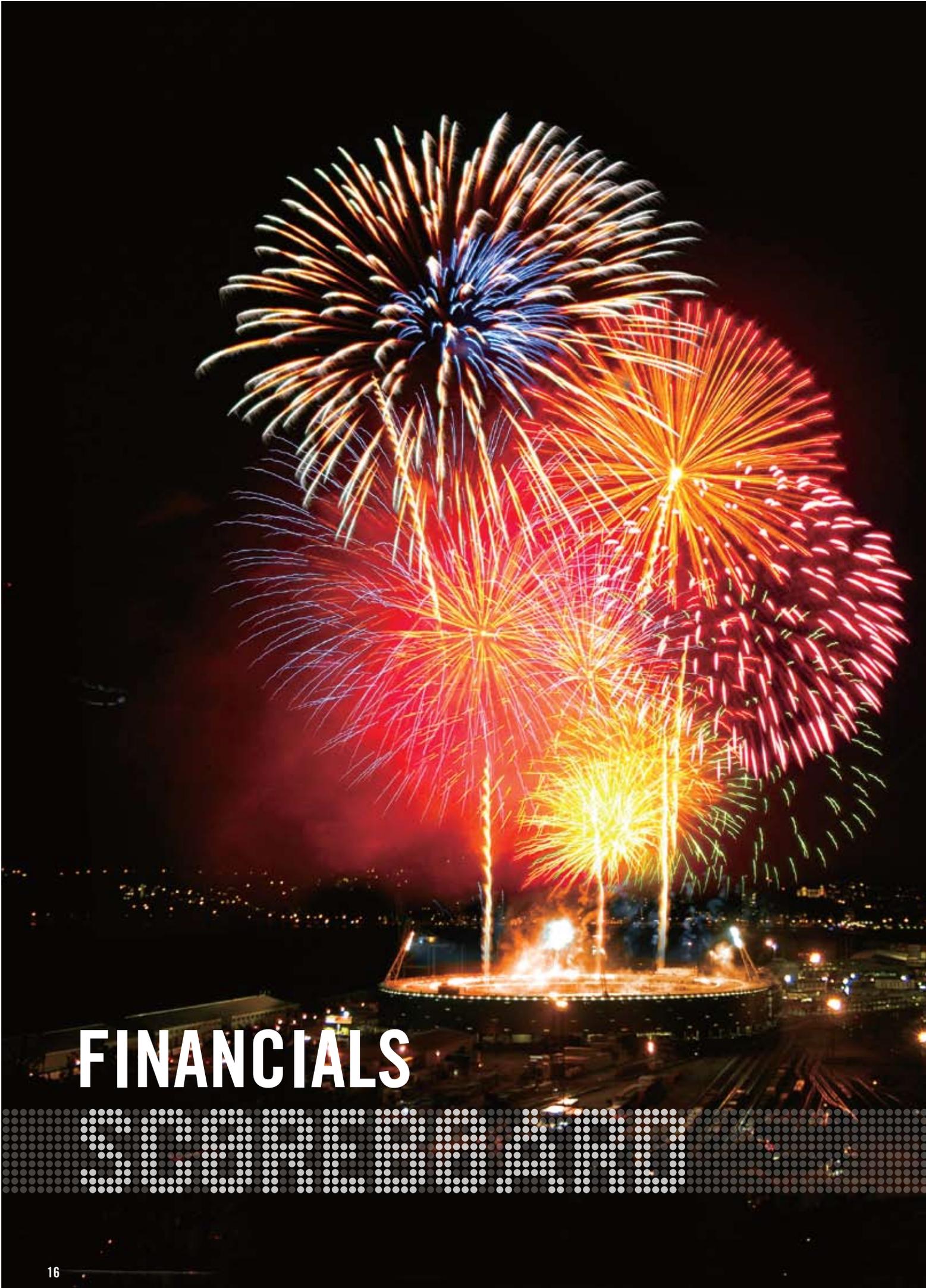


PAUL COLLINS
Chairman



DAVID GRAY
Chief Executive





FINANCIALS

FINANCIALS

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED) INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$000	2007 \$000
Revenues			
Event Revenues		7,688	7,442
License Fees and Sponsorship Revenues		4,406	4,436
Amortisation of Membership, Corporate Box and Sponsorship Funding		3,126	3,130
Interest income		130	86
Sundry income	2	1,203	818
Total Revenue		16,553	15,912
Less Operating Expenses	3	8,220	8,786
Operating Surplus before Depreciation & Interest		8,333	7,126
Less:			
Depreciation	8	3,172	3,184
Interest	4	2,177	1,891
NET OPERATING SURPLUS		2,984	2,051

STATEMENT OF MOVEMENT IN TRUST FUNDS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$000	2007 \$000
Funds at the beginning of the year	59,074	57,023
Operating Surplus	2,984	2,051
Total recognised revenue and expenses	2,984	2,051
FUNDS AT END OF YEAR	62,058	59,074

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$000	2007 \$000
TRUST FUNDS			
Accumulated Surplus		62,058	59,074
NON-CURRENT LIABILITIES			
Limited Recourse Loans			
Greater Wellington Regional Council	5	320	267
Wellington City Council	5	192	161
Wellington City Council – Accrued Interest	5	2	2
Total Limited Recourse Loans		514	430
Other Non-Current Liabilities			
Membership, Corporate Box & Sponsorship Funding		15,359	18,499
Borrowings	6	19,800	22,300
Total Other Non-Current Liabilities		35,159	40,799
CURRENT LIABILITIES			
Revenue in Advance		5,656	5,454
Payables	7	982	983
Total Current Liabilities		6,638	6,437
TOTAL FUNDING		104,369	106,740
<i>Represented by:</i>			
NON-CURRENT ASSETS			
Property Plant & Equipment	8	102,546	103,351
Total Non-Current Assets		102,546	103,351
Current Assets			
Cash and Cash Equivalents		1,270	1,630
Receivables and Prepayments	9	553	1,759
Total Current Assets		1,823	3,389
TOTAL ASSETS		104,369	106,740

On behalf of the Trustees:



TRUSTEE

1 September 2008



TRUSTEE

1 September 2008

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	NOTES	2008 \$000	2007 \$000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Event and operating income		9,136	7,567
Corporate box fees and sponsorships		4,526	4,411
Interest received		130	87
Donations and other sundry income		126	168
		13,918	12,233
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(7,410)	(7,128)
Interest paid		(1,978)	(1,888)
Good and services tax (net)		(665)	(729)
		(10,053)	(9,745)
Net cash inflow from operating activities	14	3,865	2,488
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
<i>Cash was applied to:</i>			
Purchase of property, plant & equipment		(1,725)	(381)
Net cash outflow from investing activities		(1,725)	(381)
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
<i>Cash was applied to:</i>			
Repayment of loans		(2,500)	(1,650)
		(2,500)	(1,650)
Net cash outflow from financing activities		(2,500)	(1,650)
NET (DECREASE)/INCREASE IN CASH HELD		(360)	457
Cash at beginning of the period		1,630	1,173
CASH AT END OF THE PERIOD		1,270	1,630
<i>Composition of cash:</i>			
Cash at bank		74	75
Money market investments		1,196	1,555
		1,270	1,630

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY AND PERIOD

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The financial statements are prepared in accordance with the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

For the purposes of financial reporting the Trust is a public benefit entity.

The financial statements of the Trust are for the year ended 30 June 2008. The financial statements were authorised for issue by the Trustees on 1 September 2008.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice, applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions. These are the Trust's first financial statements complying with NZ IFRS and NZ IFRS 1: First-time Adoption of NZ Equivalents to International Financial Reporting Standards has been applied.

The Trust qualifies for Differential Reporting exemptions as it has no public accountability and it does not qualify as large under the criteria set out in the Framework for Differential Reporting.

Differential reporting exemptions as available under the Framework for Differential Reporting have been applied in relation to:

NZ IAS 1	Presentation of Financial Statements
NZ IAS 16	Property Plant & Equipment
NZ IAS 17	Leases
NZ IAS 24	Related Party Transactions
NZ IFRS 7	Financial Instruments: Disclosures

An explanation of how the transition to NZ IFRS has affected the reported financial position and financial performance of the Trust is provided in Note 15.

The financial statements are presented in New Zealand dollars. The functional currency of the Trust is New Zealand dollars. The financial statements are prepared on the historical cost basis except for interest rate swaps and the limited recourse loans.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Balance sheet as at 1 July 2006 for the purposes of the transition to NZIFRS.

REVENUE

Revenue is recognised when billed or earned on an accrual basis.

License Fees and Sponsorship Revenues

Corporate box holders and stadium members are required to pay an annual license fee. These items are recorded as revenue in advance, and amortised on a straight line basis over the period covered by the license fee. Signage properties are also sold on an annual basis, with the revenue being recognised on a straight line basis over the term of the contract.

Amortisation of Membership, Corporate Box and Sponsorship Funding

The development of the Stadium was partially funded by the sale of stadium club memberships, corporate boxes and sponsorship properties. The term of the memberships and corporate box licenses is 15 years. The terms of the sponsorship agreements range from one year to ten years. Payment for these items has been received and recorded as revenue in advance. This funding is amortised as revenue on a straight-line basis over the term of the agreement.

Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.

EXPENSES

Expenses are recognised when the goods or services have been received on an accrual basis.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

TAXATION

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

FINANCIAL INSTRUMENTS

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non Derivative Financial Instruments

Non derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity. These are recorded at their nominal value.

Trade and other receivables are stated at their cost less impairment losses.

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Income Statement as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

Derivative Financial Instruments

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Income Statement. Fair value is determined based on quoted market prices.

EMPLOYEE ENTITLEMENTS

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

OTHER LIABILITIES & PROVISIONS

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

LEASES

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Income Statement in the period in which they are incurred. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payment.

Finance leases transfer to the Trust as lessee substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The capitalised values are depreciated over the period in which the Trust expects to receive benefits from their use.

PROPERTY, PLANT AND EQUIPMENT

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Income Statement.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch category and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 CONTINUED

Land	indefinite
Pitch	15 years to indefinite
Buildings	10 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	5 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust; record the cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the funding structure of the Trust.

COMPARATIVE FIGURES

The Trust has adopted the NZ equivalents to International Financial Reporting Standards (NZ IFRS) commencing with this report. Comparative figures for the year ended 30 June 2007 have been restated to comply with these standards.

In addition, to ensure consistency with the current year, certain comparative information has been restated or reclassified where appropriate. This has occurred where classifications have changed between periods.

Reconciliations of equity and surplus/deficit for the year ended 30 June 2007 under NZ IFRS to the balances reported in the 30 June 2007 financial statements are detailed in Note 15.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies, other than those required under NZ IFRS as detailed in Note 15.

2. SUNDRY INCOME

	2008 \$000	2007 \$000
Carpark income	819	410
Tenancy income	251	221
Other sundry income	133	187
	1,203	818

3. OPERATING EXPENSES

	2008 \$000	2007 \$000
Event operating expenses	3,808	3,899
Maintenance and facility operation	2,101	1,900
Personnel	1,467	1,324
Trustee Fees	116	107
Loss on disposal of assets	119	1,023
Audit Fee – annual audit	28	23
– IFRS adoption audit	8	–
Rental expense on operating leases	111	161
Other operating expenses	462	349
TOTAL OPERATING EXPENSES	8,220	8,786

4. INTEREST EXPENSE

	2008 \$000	2007 \$000
Interest on ANZ Loan	1,921	1,871
Interest on Limited Recourse Loans	84	70
Interest rate swaps – fair value adjustment	158	(63)
Other financing charges	14	13
TOTAL INTEREST EXPENSE	2,177	1,891

5. LIMITED-RECOURSE LOANS

The development of the stadium was partially funded by the Wellington City Council (\$15 million) and the Greater Wellington Regional Council (\$25 million). The funding was by way of unsecured limited-recourse loans. No interest has been charged on these loans by the Councils.

The Wellington City Council loan also includes an amount for accrued interest (face value \$394,893) which arose under a membership underwrite agreement. The interest component is not payable until both of the original Council limited-recourse loans have been repaid. The underwrite was fully repaid in a previous financial year and no further interest will accrue.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their loans after meeting costs, liabilities, and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves. No surplus funds are available for repayment in the current year.

Under previous NZ GAAP loans at nil interest rates were recognised at the original loan principal amounts, less any loan repayments made. NZ IAS 39 requires loans to be initially recognised at fair value and subsequently measured at amortised cost. In accordance with NZ IAS 39 the limited recourse loans have been valued at the net present

value of expected future repayments, using a discount rate at of 18%. The effect of this has been a reduction in the loan carrying value. An interest charge is then recorded each year, and this is disclosed in Note 4.

6. BORROWINGS

	2008 \$000	2007 \$000
Non Current Borrowings		
ANZ National Bank Ltd	19,800	22,300
	19,800	22,300

ANZ NATIONAL BANK LTD FACILITIES

The ANZ has a first mortgage security over the stadium land and buildings and a floating first debenture charge over the assets of the Trust. The following interest rate swaps have been entered into, effectively fixing interest rates at:

	Interest Rate	Expires
\$4 million	7.80%	July 2008

The remainder of the loan is on floating rates of between 9.594% and 9.902% at balance date.

A repayment of \$1.0 million is due at 30 June 2009. However at balance date a temporary repayment of \$3.55 million had already been made against the loan. These funds remain available for drawdown if required.

Future scheduled repayments are as follows:

30 June 2010	\$1,000,000
30 June 2011	\$1,000,000

Repayment terms relating to the balance of the loan at 30 June 2011 will be renegotiated at or before that date.

7. PAYABLES

	2008 \$000	2007 \$000
Trade payables	313	255
Accrued expenses	463	622
Employee entitlements	206	106
	982	983

8. PROPERTY PLANT & EQUIPMENT

	COST \$000	ACCUMULATED DEPRECIATION \$000	CARRYING VALUE \$000	DEPRECIATION CHARGE \$000
2008				
Land	4,225	–	4,225	–
Pitch	1,202	(50)	1,152	12
Stadium Buildings	82,823	(12,200)	70,623	1,482
Fitout	13,941	(4,211)	9,730	492
Replay Screen & Production equipment	3,665	(888)	2,777	229
Fittings	1,356	(1,029)	327	136
Plant, machinery & equipment	19,651	(6,018)	13,633	821
Work in progress	79	–	79	–
	126,942	(24,396)	102,546	3,172
2007				
Land	4,225	–	4,225	–
Pitch	1,184	(37)	1,147	11
Stadium Buildings	82,848	(10,729)	72,119	1,441
Fitout	13,954	(3,750)	10,204	481
Replay Screen & Production equipment	1,641	(775)	866	316
Fittings	1,284	(896)	388	128
Plant, machinery & equipment	19,511	(5,206)	14,305	807
Work in progress	97	–	97	–
	124,744	(21,393)	103,351	3,184

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

CONTINUED

The useful life of two items included in the Building category (Fences, Roller Shutter doors) was reassessed at 1 July 2007 from 50 years to 25 and 20 years respectively. This resulted in additional depreciation of \$49,781 being charged in the current year.

There is no evidence of impairment in Property Plant and Equipment at balance date.

SECURITY

The ANZ National Bank has a first mortgage security over the stadium land and buildings and a floating first debenture charge over the assets of the Trust (see Note 6).

9. RECEIVABLES

	2008 \$000	2007 \$000
Trade receivables	328	672
Fair value of interest rate swaps	21	179
Prepayments	204	908
	553	1,759

There is no evidence of impairment in receivables at balance date.

10. FINANCIAL INSTRUMENTS RISK

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Trust uses interest rate swaps to manage the interest rate risk on its borrowings. The interest rates on the Trust's borrowings are disclosed in Note 6. The interest rate swaps are recorded at fair value and classified as held for trading.

CREDIT RISK

Financial instruments which potentially expose the Trust to credit risk consist of bank deposits, short term investments, accounts receivable and interest rate swaps. The Trust invests with high credit quality financial institutions. Accordingly, the Trust does not require any collateral or security to support financial instruments with organisations it deals with. There is no concentration of credit risk with respect to accounts receivable.

CURRENCY RISK

The Trust has no exposure to currency risk.

11. RELATED PARTY TRANSACTIONS

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include the settlors of the Trust, the governing body and key management personnel.

SETTLORS OF THE TRUST

Wellington City Council

Councillor John Morrison is the Wellington City Council's representative on the Board of Trustees.

The following transactions took place on normal commercial terms. Services provided by Council exclude payments for water and rates.

WELLINGTON CITY COUNCIL	2008 \$000	2007 \$000
Services provided to Council	273	89
Receivables balance outstanding	–	–
Services provided by Council	115	12
Payable balance outstanding	1	2

Details of the Advance from the Wellington City Council are given in Note 5.

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. The Trust provides turf management services to the Basin Reserve Trust, at no charge, to the value of \$245,755 (2007: \$201,360). Services provided and charged for were \$7,362 (2007: \$11,696) and the receivables balance outstanding was \$8,282 (2007: \$1,804) John Morrison is also a trustee of the Basin Reserve Trust.

Greater Wellington Regional Council

Councillor Christopher Laidlaw is the Greater Wellington Regional Council's representative on the Board of Trustees.

Details of the Advance from the Greater Wellington Regional Council are given in Note 5. There were no other related party transactions with the Greater Wellington Regional Council.

OTHER RELATED PARTIES

Certain trustees also hold governance positions in other entities that the Trust transacts with. The Trust has written policies regarding conflicts of interests, and it is both policy and practice for Trustees with a conflict of interest to abstain from voting in the rare instances that conflicts arise.

Sir John Anderson is the Chairman of Television New Zealand who provide replay screen services and equipment to the Trust. Television New Zealand were appointed following an open tender process. Sir John Anderson was not a trustee at the time of appointment, and took no part in the subsequent renewal of the contract.

Sir John Anderson is also the Chairman of New Zealand Cricket, who hire the Stadium for events. The hire arrangements are governed by a long term agreement that was entered into prior to the opening of the Stadium.

Paul Collins is a director of Hurricanes Ltd, Wellington Rugby Football Union and Wellington Rugby Ltd. These entities hire the Stadium for events. He also has an interest in a corporate box at the Stadium.

Elizabeth Dawson is a director of Hurricanes Ltd. Her partner is a director of a company that leases a corporate box at the Stadium.

Use of the Stadium by Wellington Rugby and the Hurricanes is governed by a long term agreement that was entered into prior to the opening of the Stadium.

The corporate boxes are provided under standard stadium corporate box lease agreements.

The aggregate of transactions with this group is:

	2008 \$000	2007 \$000
Revenues	1,987	2,073
Receivables balance outstanding	4	-
Purchases	1,822	1,727
Payables balance outstanding	8	6

Transactions and balances have been aggregated for commercial confidentiality reasons. All transactions have been undertaken within the normal course of business under standard terms and conditions.

12. COMMITMENTS

The following amounts have been committed to by the Trust, but not recognised in the financial statements.

	2008 \$000	2007 \$000
Operating leases		
Non cancellable operating lease commitments		
Within one year	105	107
Between one and five years	412	413
More than five years	1,185	1,283
	1,702	1,803
Capital expenditure		
Amounts committed to capital expenditure	161	1,441

13. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2008 (2007: Nil)

14. RECONCILIATION OF NET OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2008 \$000	2007 \$000
Net surplus for the year	2,984	2,051
Impact of changes in working capital items		
Decrease/(increase) in receivables and prepayments	1,206	(1,041)
Increase/(Decrease) in revenue in advance	202	(231)
Decrease in payables and provisions	(1)	(193)
	1,407	(1,465)
Non Operating items in above movements		
Receivables	(700)	699
Payables	(61)	(5)
Increase in Non Current Revenue in Advance	(14)	28
Non Cash Items in Operating Surplus		
Depreciation	3,172	3,184
Amortisation	(3,126)	(3,088)
Other	203	1,084
NET CASH INFLOW FROM OPERATING ACTIVITIES	3,865	2,488

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 CONTINUED

15. EXPLANATION OF TRANSITION TO NZ IFRS

These are the Trust's first financial statements prepared in accordance with NZ IFRS.

The accounting policies set out in the notes to the financial statements have been applied in preparing financial statements for the year ended 30 June 2008, the comparative information presented for the year ended 30 June 2007 and in the preparation of an opening NZ IFRS Balance Sheet at 1 July 2006 (the Trust's date of transition).

In preparing its opening NZ IFRS Balance Sheet and restating the 2007 financial statements, the Trust has adjusted amounts reported previously in financial statements prepared with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to NZ IFRS has affected the Trust's financial position and financial performance is set out below and in the following tables.

(a) Limited recourse loans

As recorded in Note 5, the limited recourse loans have been valued at the net present value of expected future repayments, using a discount rate at of 18%. The effect of this has been a reduction in the loan carrying value. At transition date, the difference between the fair value of the loans and the face value of the loans was transferred to Trust Funds.

(b) Interest rate swaps

The Trust uses derivatives in the form of interest rate swaps to swap its variable interest rate debt cashflows to fixed rate debt cashflows to limit its exposure to rises in interest rates.

Under previous NZ GAAP, these derivatives were not required to be recorded within the Statement of Financial Position. Instead, note disclosure covered their existence and face and fair values.

FIRST TIME ADOPTION OF NZ IFRS RECONCILIATION OF THE SURPLUS FOR THE YEAR ENDING 30 JUNE 2007

	PREVIOUS NZ GAAP \$000	EFFECT OF TRANSITION TO NZ IFRS \$000	NZ IFRS \$000
REVENUES			
Event Revenues	7,442		7,442
License Fees & Sponsorship Revenues	4,436		4,436
Amortisation of Membership, Corporate Box and Sponsorship Funding	3,130		3,130
Interest income	86		86
Sundry income	818		818
TOTAL REVENUE	15,912	-	15,912
Operating Expenses	8,786		8,786
Operating Surplus before Depreciation and Interest	7,126	-	7,126
Depreciation	3,184		3,184
Interest	1,884	7	1,891
NET OPERATING SURPLUS	2,058	(7)	2,051
Interest adjustment is made up of:			
Nominal interest charge on Limited Recourse loans (a)		70	
Fair value adjustment for swaps (b)		(63)	
		7	

NZ IFRS requires that all derivatives be carried on the balance sheet at fair value with changes in fair value recorded in earnings, unless the derivatives are designated as hedges and are effective.

The Trust has elected not to meet the specific requirements for hedge accounting. At transition date, the Trust has recognized a liability for

the interest rate swaps to reflect the fair value of the swaps at that date. Any subsequent changes in the fair value of these derivatives will be recorded through the statement of financial position.

All adjustments shown in the Reconciliation of Equity and the Reconciliation of Surplus relate to these two items.

FIRST TIME ADOPTION OF NZ IFRS RECONCILIATION OF EQUITY

	PREVIOUS NZ GAAP	EFFECT OF TRANSITION TO NZ IFRS	NZ IFRS	PREVIOUS NZ GAAP	EFFECT OF TRANSITION TO NZ IFRS	NZ IFRS
	1 JUL 06 \$000	1 JUL 06 \$000	1 JUL 06 \$000	30 JUN 07 \$000	30 JUN 07 \$000	30 JUN 07 \$000
TRUST FUNDS						
Accumulated Surplus	16,871	40,152	57,023	18,930	40,144	59,074
NON-CURRENT LIABILITIES						
<i>Limited Recourse Loans (a)</i>						
Wellington Regional Council	25,000	(24,776)	224	25,000	(24,733)	267
Wellington City Council	15,000	(14,866)	134	15,000	(14,839)	161
Wellington City Council – Accrued Interest	395	(394)	1	395	(393)	2
Total Limited Recourse Loans	40,395	(40,036)	359	40,395	(39,965)	430
NON-CURRENT LIABILITIES						
Membership, Corporate Box & Sponsorship Funding	21,560		21,560	18,499		18,499
Borrowings	23,950		23,950	22,300		22,300
Total Non-Current Liabilities	45,510	–	45,510	40,799	–	40,799
CURRENT LIABILITIES						
Revenue in Advance	5,685		5,685	5,454		5,454
Payables	1,132		1,132	983		983
Provisions	45		45	–		–
Total Current Liabilities	6,862	–	6,862	6,437	–	6,437
TOTAL FUNDING	109,638	116	109,754	106,561	179	106,740
<i>Represented by:</i>						
NON-CURRENT ASSETS						
Property Plant & Equipment	107,863		107,863	103,351		103,351
Total Non-Current Assets	107,863	–	107,863	103,351	–	103,351
CURRENT ASSETS						
Cash	1,173		1,173	1,630		1,630
Receivables & Prepayments (b)	602	116	718	1,580	179	1,759
Total Current Assets	1,775	116	1,891	3,210	179	3,389
TOTAL ASSETS	109,638	116	109,754	106,561	179	106,740

AUDIT REPORT

TO THE READERS OF WELLINGTON REGIONAL STADIUM TRUST'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of Wellington Regional Stadium Trust (the Trust). The Auditor-General has appointed me, A P Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust, on his behalf, for the year ended 30 June 2008.

UNQUALIFIED OPINION

In our opinion:

- The financial statements of the Trust on pages 17 to 27:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Trust's financial position as at 30 June 2008; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 1 September 2008, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and the Auditor, and explain our independence.

BASIS OF OPINION

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITOR

The Trustees is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2008 and the results of its operations and cash flows for the year ended on that date. The Trustees' responsibilities arise from clause 15 of the Trust Deed.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

INDEPENDENCE

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out an assignment in the area of IFRS, which are compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the Trust.



A P BURNS
Audit New Zealand

On behalf of the Auditor-General Wellington, New Zealand



PHOENIX FC VS LA GALAXY // 1 DEC 2007

SETTLORS

Wellington City Council
Greater Wellington Regional Council

TRUSTEES

P D Collins (Chair)
Sir John Anderson
D W Bale
E A Dawson
M J Egan
C R Laidlaw
J Morrison
S E Elliot (from 1 July 2008)

DATE OF SETTLEMENT

1 January 1998

AUDITORS

Audit New Zealand, Wellington
on behalf of the Controller and Auditor General

SOLICITORS

Maude & Miller

BANKERS

ANZ National Bank Limited
Westpac Banking Corporation

PHOTO CREDITS Peter Bush, Dee Art Photography, Dominion Post, Marathon-photos.com, Hyve Communications



WELLINGTON REGIONAL
STADIUM TRUST (INC)

PO Box 2080, Wellington, New Zealand
Ph: 04 473 3881 Fax: 04 473 3882
Email: info@stadiumtrust.org.nz

www.westpacstadium.co.nz