

The background features a dark blue field with several large, overlapping geometric shapes in shades of blue and red. The shapes are angular and create a dynamic, abstract composition. The text is centered horizontally and positioned in the upper half of the image.

SKY STADIUM

Annual Report 2022
Wellington Regional Stadium Trust

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TRUST PARTICULARS

Settlers: Wellington City Council
Greater Wellington Regional Council

Trustees: Rachel Taulelei (Chair)
Tracey Bridges
Nicola Crauford
Steven Fyfe (retired 30 June 2022)
Glenda Hughes (until October 2022)
Phillipa Harford
Sean Rush (until October 2022)
Stephen Tew

Owen Gibson (from July 2022)
Diane Calvert (from November 2022)
Penny Gaylor (from November 2022)

Registered Charity: CC10754

Web: www.skystadium.co.nz

CHAIR AND CHIEF EXECUTIVE'S REPORT

EXECUTIVE SUMMARY

The past year was the third, and hopefully final, year when the events industry continued to be the impacted by the global pandemic. It was by a large margin, the most difficult trading year so far, as venues around New Zealand had to operate for eight months with restrictions on gatherings as well as closed borders.

The establishment of the trans-Tasman bubble in April 2021 had allowed the Trust to develop a forecast of relative normality for the 2022 financial year. However, that optimism quickly turned when the bubble closed in July 2021. As a result, Wellington lost both its All Blacks test matches for the year, and the SIX60 and Guns N' Roses and SIX60 concerts were postponed (ultimately held in October and December 2022 respectively).

Sky Stadium hosted Beervana in mid-August 2021. This was the last event held without restrictions until a Super Rugby game on 3 April 2022.

In all, just over 77,000 people attended events over the year, down from the long term pre-Covid-19 average of 500,000. The Stadium hosted just 12 event days without crowd restrictions. In a normal year this would be 50 to 60.

The Stadium Trust derives most of its revenues directly or indirectly from hosting events. Non-event revenues from tenancies and commuter car parking were also greatly impacted due to large numbers of people working from home. Extensions were issued to members, box holders and sponsors. This all weighed heavily on the financial result for the year which saw the Trust post a significant loss.

In February 2022, the Trust's settlors; the Greater Wellington Regional Council and Wellington City Council each approved a grant of \$1.5m to assist the Trust to get through the difficult trading period. The Trust remains indebted to the settlors for their unwavering support over the past three years. It has enabled us to retain our core team and to be prepared for the resumption of events.

With the pause in events, the Trust made its car park available to the Capital & Coast District Health Board for Covid-19 testing, vaccination and RAT collection. The car park was used for 37 days for these purposes. We were pleased to be able to play a part in keeping our community safe.

Despite these challenges the Trust remained future focussed. The team has secured a very strong calendar of events for the 2023 financial year with 50 event days locked in. And planning continued for the hosting of the FIFA Women's World Cup 2023™. The draw, which took place in the current year, has delivered a very strong schedule for Wellington.

We are planning venue upgrades in advance of the World Cup. During the year funding was secured from the New Zealand Government to assist in upgrading the tower lights to LED fittings as well as upgrading our changerooms to become gender neutral.

Thanks to the Board of Trustees for their ongoing support and guidance and to the staff who ensured we remained event ready over a very difficult three years. We can now look forward with increased confidence to once again delivering great events for Wellington.

EVENTS

Above all, Sky Stadium is a venue that exists to provide a facility for a range of events to take place. However due to the restrictions, just eight sporting events were held without crowd limitations.

Wellington Lions 2021		
v Northland	Win	54-7
v Hawkes Bay (crowd restrictions)	Loss	28-31
v Canterbury (crowd restrictions)	Win	35-30
Phoenix		
v Central Coast Mariners	Loss	0-4
Hurricanes 2022		
v Highlanders (crowd restrictions)	Win	21-14
v Chiefs	Loss	29-30
v Crusaders	Loss	21-24
v Moana Pasifika	Win	53-12
V Fijian Drua	Win	67-5
v Melbourne Rebels	Win	45-22

Aside from sporting events, just two other exhibitions took place, Beervana in August, and the Food Show in May.

As well as making the facility available to support public health measures for the pandemic management, the Stadium facility continued to be used by various organisations such as Police, Customs, Fire and Emergency, Corrections, Defence and Aviation Security for training exercises. The National Shakespeare Schools Production was also hosted in October 2021. We were delighted that the annual Wellington Marathon was finally able to go ahead in June 2022 after a number of postponements and cancellations.

FINANCIAL PERFORMANCE

The financial result for the year to 30 June 2022 is a net loss of \$4.7m million compared to a budgeted loss of \$3.2 million.

The event calendar was significantly different from what was anticipated in the original budget for FY22. Overall, there was a net loss from events held of \$98,000 compared to a budgeted net event surplus of \$2.6m, and a net event surplus in the prior year of \$2.0m.

Since the Covid-19 pandemic arose, the Trust has received the following support from its settlors:

	Loans *	Grants
FY2021	\$1.8m	-
FY2022	\$2.4m	WCC: \$1.5m
FY2023	-	GWRC: \$1.5m
Total	\$4.2m	\$3.0m

* Each loan drawdown jointly funded by the settlors

The grants have an impact on the net loss for the period, whereas the loans are recorded in the balance sheet and do not impact the reported loss.

Excluding the grant income received for FY22, the net loss is \$6.2m.

STADIUM IMPROVEMENTS

Venue improvements were limited during the year due to the ongoing pandemic disruptions. The bulk of the seismic improvements for the Fran Wilde Walk have been completed.

Planning took place for the following projects, scheduled to commence in the 2023 and 2024 financial years:

- Upgrade of stadium tower lights to LED fittings
- Upgrade of player changerooms including ensuring they are gender neutral
- Finalising designs and plans for seismic upgrades to the main stadium building.

BASIN RESERVE

The Trust's turf team also provides turf management services to the Basin Reserve Trust and it was another busy year this venue, despite the disruptions of Covid-19.

Events included the T20 Super Smash competitions, Ford Trophy, Hally-Burton Shield and the first four rounds of Plunket Shield cricket in as many weeks. This opened up the back end of the season for the venue's commitments to hosting the 2022 Women's Cricket World Cup. The Cello Basin Reserve hosted seven matches effectively becoming the tournament winner's home away from home. Junior sport during the winter months at the venue also continues to be popular with 130+ matches played across three fields over 24 days.

The ground played host to the following:

	Days
Cricket match days	50
Cricket practice days	90
Junior Sports (Rugby/Football)	24
Other Events	2
Total	166

MEMBERSHIPS AND CORPORATE BOXES

We continue to be very grateful for the ongoing support of our Stadium members, and corporate box holders, especially in the current environment. We have been able to retain members and box numbers close to pre-Covid-19 levels.



ACKNOWLEDGEMENTS

Sky Stadium is proud of its position as an iconic venue for the Wellington region. The diverse range of events that we provide each year is possible thanks to the support of our key stakeholders, the Wellington City Council and Greater Wellington Regional Council, as well as WellingtonNZ.

We particularly acknowledge our naming right partner Sky for their ongoing support over a difficult trading period.

We achieve such a diverse and successful calendar of events only with the support of our hirers. We are most appreciative and thank the following for working with us over the last year:

Hurricanes Rugby	Armageddon
Wellington Rugby Union	Jade Promotions
New Zealand Rugby	Xpo Exhibitions
Cricket Wellington	Wellington Culinary Events Trust
New Zealand Cricket	Eccles Entertainment
Wellington Phoenix Football Club	TEG Dainty

Thank you again to our dedicated staff, who worked tirelessly over the year to deliver great events for Wellington, in a challenging environment.

The team is supported by a number of key suppliers and contractors all of whom go above and beyond in their provisions, often with short notice. We thank you all for your professionalism and support.

We acknowledge the service of Steven Fyfe who retired from the Board on 30 June 2022 after nine years. The Board and staff are very appreciative of the invaluable input and support provided by Steven over his term.

We welcomed Owen Gibson onto the Board.

Finally, we offer our sincere thanks to the fans who support all of our events throughout the year. Although it wasn't the year that anyone wanted, we thank you for continuing to come out and attend events at the Stadium, and we look forward to returning to the busy and varied event calendar we have enjoyed in the past. There are exciting times to look forward to.

Rachel Taulelei
Chair

Shane Harmon
Chief Executive

EVENTS HELD DURING THE YEAR		
Date	Event	Attendance
7-Aug-21	Rugby NPC: Wellington v Northland	1,349
13-14 Aug 21	Exhibition: Beervana	13,981
26-Sep-21	Rugby NPC: Wellington v Hawkes Bay*	301
8-Oct-21	Rugby NPC: Wellington v Canterbury*	915
5-Mar-22	Super Rugby: Hurricanes v Highlanders*	897
3-Apr-22	Super Rugby: Hurricanes v Chiefs	8,047
9-Apr-22	Super Rugby: Hurricanes v Crusaders	9,307
12-Apr-22	Super Rugby: Hurricanes v Moana Pasifika	3,369
17-Apr-22	A League: Phoenix v Central Coast Mariners	14,397
8-May-22	Super Rugby: Hurricanes v Fijian Drua	8,352
21-May-22	Super Rugby: Hurricanes v Melbourne Rebels	7,001
27-29 May 22	Exhibition: Food Show	9,264
Total Attendance		77,180
*Event held with crowd restrictions due to Covid-19		

Wellington Regional Stadium Trust Incorporated
Statement of Comprehensive Revenue & Expense
For the Year Ended 30 June 2022

	Notes	2022 \$000	2021 \$000
Revenues			
<i>From Exchange Transactions</i>			
Event Revenues		1,371	4,645
Corporate Box, Membership & Sponsorship Revenues		2,526	4,001
Sundry income	1	2,256	5,993
		<u>6,153</u>	<u>14,639</u>
<i>From Non-Exchange Transactions</i>			
Grant income	1	1,500	-
Total Revenue		<u>7,653</u>	<u>14,639</u>
Less Operating Expenses	2	<u>8,301</u>	<u>9,166</u>
Operating Surplus/(Deficit) before Depreciation & Finance costs		(648)	5,473
Less:			
Depreciation	9	3,987	3,960
Finance costs	3	65	98
Total comprehensive revenue & expense		<u>(4,700)</u>	<u>1,415</u>

Wellington Regional Stadium Trust (Incorporated)
Statement of Changes in Net Assets
For the Year Ended 30 June 2022

	Notes	2022 \$000	2021 \$000
Balance at 1 July		90,573	89,158
Total comprehensive revenue & expense for the year		(4,700)	1,415
Balance at 30 June		<u>85,873</u>	<u>90,573</u>

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

Wellington Regional Stadium Trust Incorporated
Statement of Financial Position
As at 30 June 2022

	Notes	2022 \$000	2021 \$000
TRUST FUNDS			
Accumulated Surplus		45,478	50,178
Limited Recourse Loans			
Greater Wellington Regional Council	4	25,000	25,000
Wellington City Council	4	15,395	15,395
Total Trust Funds & Limited Recourse Loans		<u>85,873</u>	<u>90,573</u>
NON-CURRENT LIABILITIES			
Revenue in Advance		57	135
Borrowings	5	4,700	4,300
Leases	6	116	-
Total Non-Current Liabilities		<u>4,873</u>	<u>4,435</u>
CURRENT LIABILITIES			
Revenue in Advance	7	3,066	2,515
Payables	8	1,492	1,158
Total Current Liabilities		<u>4,558</u>	<u>3,673</u>
TOTAL FUNDING		<u>95,304</u>	<u>98,681</u>
<i>Represented by:</i>			
NON-CURRENT ASSETS			
Property Plant & Equipment	9	90,158	93,012
Total Non-Current Assets		<u>90,158</u>	<u>93,012</u>
CURRENT ASSETS			
Cash		3,529	4,138
Receivables & Prepayments	10	1,617	1,531
Total Current Assets		<u>5,146</u>	<u>5,669</u>
TOTAL ASSETS		<u>95,304</u>	<u>98,681</u>

On behalf of the Trustees:



Trustee



Trustee

Date: 30 January 2023

Wellington Regional Stadium Trust Incorporated
Statement of Cash Flows
For the Year Ended 30 June 2022

	Note	2022 \$000	2021 \$000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Event and operating income		1,484	4,606
Corporate box, membership and sponsorship income		2,784	4,053
Grant income		1,500	-
Goods and services tax	17	-	140
Sundry income		2,508	2,821
		<u>8,276</u>	<u>11,620</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(8,002)	(9,330)
Interest paid		(116)	(163)
Goods and services tax	17	(56)	-
		<u>(8,174)</u>	<u>(9,493)</u>
Net cash inflow from operating activities		102	2,127
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Grant income		-	2,957
Disposal of property, plant & equipment		-	1
		<u>-</u>	<u>2,958</u>
<i>Cash was applied to:</i>			
Purchase of property, plant & equipment		<u>(1,111)</u>	<u>(4,107)</u>
Net cash (outflow) from investing activities		(1,111)	(1,149)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Council loan drawdown		<u>2,400</u>	<u>1,800</u>
<i>Cash was applied to:</i>			
Loan repayments		<u>(2,000)</u>	<u>-</u>
Net cash inflow from financing activities		400	1,800
NET INCREASE/(DECREASE) IN CASH HELD		(609)	2,778
Cash at beginning of the period		4,138	1,360
CASH AT END OF THE PERIOD		<u><u>3,529</u></u>	<u><u>4,138</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. REVENUE - GRANTS AND SUNDRY INCOME

	Note	2022	2021
		\$000	\$000
<i>From Exchange Transactions - Sundry Income</i>			
Carpark income		1,443	1,949
Tenancy income		182	373
Grant income	13	-	2,957
Interest income		4	1
Other sundry income		627	713
Total sundry income		2,256	5,993
<i>From Non-Exchange Transactions</i>			
Grant income		1,500	-
Total revenue from non-exchange transactions		1,500	-

The Grant income (Revenue from Non-Exchange transactions) received in the current financial year is from the Wellington City Council in support of Covid-19 disruptions to the Trust's operations.

The Grant income (Revenue from Exchange transactions – part of Sundry Income) received in the prior financial year was from Wellington City Council as a contribution to the concourse upgrade project. A total of \$5 million has been received since 2017 and this grant is now fully paid.

2. OPERATING EXPENSES

	Note	2022	2021
		\$000	\$000
Event operating expenses		1,469	2,644
Maintenance and facility operation		2,540	2,332
Insurance		1,609	1,616
Personnel *	13	2,165	2,049
Loss on disposal of assets		2	-
Audit Fee - annual audit		35	34
Rental expense on operating leases		3	3
Bad debt expense		1	-
Other operating expenses		477	488
Total operating expenses		8,301	9,166

*Personnel expense includes Kiwisaver employer contributions of \$61,352 (2021: \$56,116)

3. FINANCE COSTS

	2022	2021
	\$000	\$000
Interest and line fee on bank loan	94	161
Interest rate swaps - fair value adjustment	(31)	(65)
Interest on finance leases	-	-
Other financing charges	2	2
Total finance costs	65	98

4. 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 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 the Greater 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 (2021: Nil).

To maintain the Stadium asset to a suitable standard will require ongoing investment in the asset. This will be funded either from accumulated earnings or borrowings. Until the bank loan is extinguished, the Trust is not required to make any repayments of the limited-recourse loans.

5. BORROWINGS

	2022	2021
	\$000	\$000
Westpac New Zealand Ltd	500	2,500
Greater Wellington Regional Council	2,100	900
Wellington City Council	2,100	900
Total borrowings	4,700	4,300

The Westpac borrowing is secured by a Composite General Security Agreement and a registered first mortgage over the Stadium property.

At balance date the Westpac loan limit is \$10 million, and therefore \$9.5 million remains available for drawdown if required. The facility expires on 30 June 2024 and is expected to be extended prior to that date. The interest rate that applied to the balance at 30 June is 4.15% ((2021: 4.67%).

Since 30 June 2020, the two settlors of the Trust have jointly provided the Trust with a credit facility of up to \$4.2 million (combined) to assist the Trust in managing the impact of Covid-19 on its operations. The term of the facility is 10 years, with an annual interest rate of 3% that applies from December 2022 (No interest is payable for the first two years after the initial drawdown). No repayment is due until December 2030.

6. FINANCE LEASES

During the year the Trust entered a finance lease for some equipment. The net carrying amount of the equipment held under finance lease is \$108,400 (2021: nil). The fair value of finance leases is \$116,490 (2021: nil). Fair value has been determined using contractual cash flows discounted using the interest rate implicit in the lease of 0.492%. Rental payments under this lease commence in February 2024, no payments have been made in the current year.

The term of the lease is 60 months. Upon expiry, it can be renewed on a monthly basis at the Trust's option, on the same terms and conditions as the initial rental period. There are no restrictions placed on the Trust by the finance leasing arrangements.

7. REVENUE IN ADVANCE (CURRENT)

This balance represents the portion of funds received from corporate box holders, stadium members and signage and sponsorship agreements that will be recognised as revenue in the next 12 months, as the services deliverable under the contracts are delivered to those clients.

8. PAYABLES

	Note	2022	2021
		\$000	\$000
Trade payables		569	710
Accrued expenses		681	249
Employee entitlements		242	168
Fair value of interest rate swaps		-	31
		1,492	1,158

9. PROPERTY PLANT & EQUIPMENT

	1-Jul-20		30-Jun-21	Additions	Disposals & impairment		30-Jun-22
	\$000		\$000	\$000	\$000		\$000
Cost							
Land	4,225		4,225	-	-		4,225
Pitch	3,397		3,397	-	-		3,397
Stadium Buildings	91,633		92,426	310	-		92,736
Fitout	18,030		21,006	161	(46)		21,121
Replay Screen & Production equipment	3,782		3,775	-	(37)		3,739
Fittings	1,788		2,145	1	(1)		2,144
Plant, machinery & equipment	32,017		32,936	586	(265)		33,258
Leased equipment	-		-	116	-		116
Work in progress	1,650		438	-	(38)	*	400
	<u>156,522</u>		<u>160,348</u>	<u>1,174</u>	<u>(386)</u>		<u>161,135</u>
Depreciation	1-Jul-20	Charge for year	30-Jun-21	Charge for year	Disposals		30-Jun-22
Land	-	-	-	-	-		-
Pitch	(1,015)	(229)	(1,244)	(229)	-		(1,473)
Stadium Buildings	(31,692)	(1,519)	(33,211)	(1,455)	-		(34,666)
Fitout	(9,373)	(615)	(9,988)	(698)	46		(10,641)
Replay Screen & Production equipment	(3,273)	(186)	(3,459)	(173)	37		(3,596)
Fittings	(1,581)	(37)	(1,618)	(64)	1		(1,680)
Plant, machinery & equipment	(16,510)	(1,306)	(17,816)	(1,360)	263		(18,913)
Leased equipment	-	-	-	(8)	-		(8)
Work in progress	-	-	-	-	-		-
	<u>(63,444)</u>	<u>(3,892)</u>	<u>(67,336)</u>	<u>(3,987)</u>	<u>346</u>		<u>(70,977)</u>
Carrying value	1-Jul-20		30-Jun-21				30-Jun-22
Land	4,225		4,225				4,225
Pitch	2,382		2,153				1,924
Stadium Buildings	59,941		59,215				58,070
Fitout	8,657		11,018				10,480
Replay Screen & Production equipment	509		316				143
Fittings	207		527				464
Plant, machinery & equipment	15,507		15,120				14,344
Leased equipment	-		-				108
Work in progress	1,650		438				400
	<u>93,078</u>		<u>93,012</u>				<u>90,158</u>

*The disposals column of Work in Progress shows the net transfer into Additions from this category over the year.

There is no evidence of impairment in the carrying amount of any Property Plant and Equipment at balance date.

For details of the security held by Westpac over the stadium land and buildings refer to Note 5.

10. RECEIVABLES

	2022	2021
	\$000	\$000
Trade receivables	572	717
Prepayments	1,045	814
	1,617	1,531

All receivables are from Exchange Transactions. There are no receivables from non-exchange transactions (2021: Nil)

11. 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 5. 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. Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Currency Risk

The Trust has no exposure to currency risk.

12. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities.

	2022	2021
	\$000	\$000
Financial assets		
Financial assets at fair value through surplus or deficit	-	-
<i>Loans and receivables</i>		
Cash and cash equivalents	3,529	4,138
Receivables from exchange transactions	572	717
Receivables from non-exchange transactions	-	-
	4,101	4,855
Financial liabilities		
<i>At amortised cost</i>		
Trade and other creditors	569	710
Employee entitlements	242	168
Loans and borrowings	4,700	4,300
	5,511	5,178

13. 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.

Related party disclosures have not been made for transactions with related parties that are within normal supplier relationships on terms and conditions no more or less favourable than those it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Settlors of the Trust

Wellington City Council

Councillor Sean Rush has been the Wellington City Council's representative on the Board of Trustees for the period November 2019 to October 2022. From November 2022, Councillor Diane Calvert is the representative. Trustee Fees for the Council representative are paid directly to the Council.

Details of the Advance from the Wellington City Council are given in Note 4 and details of the loan made available for Covid-19 support are given in Note 5.

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. During the year the Trust received income from the provision of turf management services to the Basin Reserve Trust, of \$400,542 (2021: \$358,695). The receivables balance outstanding is \$144,172 (2021: \$125,435).

During the year the Trust also received grant income of \$1,500,000 (2021: \$2,957,281) from the Wellington City Council as detailed in Note 1.

Greater Wellington Regional Council

Councillor Glenda Hughes has been the Greater Wellington Regional Council's representative on the Board of Trustees for the period November 2019 to October 2022. From November 2022, Councillor Penny Gaylor is the representative. Trustee Fees for the Council representative are paid directly to the Council.

Details of the Advance from the Greater Wellington Regional Council are given in Note 4 and details of the loan made available for Covid-19 support are given in Note 5.

Key management personnel compensation	2022	2021
	\$000's	\$000's
<i>Board members</i>		
Trustee Fees	166	157
Full time equivalents based on number of Trustees	8	8
<i>Management team</i>		
Remuneration	1,038	995
Full time equivalent members	5	5

14. COMMITMENTS

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

	2022	2021
	\$000	\$000
Operating leases		
Non cancellable operating lease commitments		
Within one year	1	3
Between one and five years	-	1
More than five years	-	-
	1	4
Capital expenditure		
Amounts committed to capital expenditure	513	511

15. CONTINGENCIES

The Trust has no contingent liabilities or assets at 30 June 2022 (2021: Nil).

16. EVENTS AFTER BALANCE DATE

There were no events subsequent to balance date that require adjustment of amounts in the financial statements or additional disclosures.

17. GOODS & SERVICES TAX IN CASH FLOW STATEMENT

In the Statement of Cash Flows, 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.

18. IMPACT OF COVID 19 AND GOING CONCERN ASSESSMENT

The Covid-19 pandemic has impacted the revenues of the Trust in the year ended 30 June 2022 through the restrictions on mass gatherings and the constraints on New Zealand's borders. These restrictions reduced the number of events that the Stadium could hold.

Since April 2022, the Stadium has been able to host events with crowds in attendance and has a strong calendar of future event bookings which are similar to pre-pandemic levels. The New Zealand Government's Covid-19 protection framework was retired in September 2022.

Therefore, the Trustees are satisfied that the going concern basis remains valid for the preparation of these financial statements

19. 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 Sky Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CC10754.

The financial statements of the Trust are for the year ended 30 June 2022. The financial statements were authorised for issue by the Trustees on 30 January 2023.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust is to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as it does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on an historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. The impact of Covid-19 on the going concern assessment is discussed in Note 18.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliability measured. It is recognised at

the fair value of the consideration received. Specific recognition criteria apply to the following income streams as noted below.

Revenue from Exchange transactions

Corporate Box, Memberships & Sponsorship Revenues
Licenses for Corporate boxes are issued for terms of between one and six years. Signage and sponsorship properties are sold for a range of terms of between one and six years. The related license fees/revenues are paid annually and initially recorded as Revenue in Advance with the revenue recognised on a straight-line basis throughout the term.

Stadium memberships have been sold for terms ranging between two and three years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance and recognised on a straight-line basis over the term of the membership.

Rental income

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

Revenue from Non-Exchange transactions

Grant income

Grants are recognised as income once the conditions of the grant are met.

Expenses

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

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, except for 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. After 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. Purchases and sales of financial assets in the ordinary course of business 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 a duration of 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 Statement of Comprehensive Revenue & Expense 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 Statement of Comprehensive Revenue & Expense. 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 Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

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 Statement of Comprehensive Revenue & Expense.

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 Statement of Comprehensive Revenue & Expense 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 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:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years
Leased equipment	6 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.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of

future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, including periodic independent review, and a planned preventative maintenance and asset replacement programme.

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 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 the funding structure of the Trust.

Changes in Accounting Policies

There have been no changes in accounting policies in the year ended 30 June 2022.

Independent Auditor's Report

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To the readers of The Wellington Regional Stadium Trust Incorporated's financial statements for the year ended 30 June 2022

The Auditor-General is the auditor of The Wellington Regional Stadium Trust Incorporated (the "Trust"). The Auditor-General has appointed me, Brent Kennerley, using the staff and resources of Grant Thornton New Zealand Audit Limited, to carry out the audit of the financial statements of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 7 to 20, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expenses, statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and

In our opinion:

- the financial statements of the Trust on pages 7 to 20:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Other matters

The financial statements of the Trust for the year ended 30 June 2021 was audited by another appointed auditor who expressed an unmodified opinion on the financial statements on 30 September 2021.

Our audit was completed on 30 January 2023. This is the date at which our opinion is expressed. I was appointed as the auditor of the Trust after their financial year-end, which has resulted in our audit being completed later than required by legislation.

Basis for Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Trustees are responsible for such internal control as it determines is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Trust, or there is no realistic alternative but to do so.

The Trustees' responsibilities arise from the Wellington Regional Council (Stadium Empowering) Act 1996 as well as the Trust Deed.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 6 but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Trust.



Brent Kennerley
Grant Thornton New Zealand Audit Limited

On behalf of the Auditor-General
Wellington, New Zealand

30 January 2023