

# Wellington Regional Stadium Trust Annual Report 2023



**sky**  
**STADIUM**

## **CONTENTS**

Chair and Chief Executive's Report	2
Financial Statements	10
Statement of Service Performance	25
Audit Report	26

## **TRUST PARTICULARS**

Settlers:	Wellington City Council Greater Wellington Regional Council
Trustees:	Rachel Taulelei (Chair) Tracey Bridges Diane Calvert Nicola Crauford Penny Gaylor Owen Gibson Phillipa Harford Stephen Tew
Registered Charity:	CC10754
Web:	<a href="http://www.skystadium.co.nz">www.skystadium.co.nz</a>

## CHAIR AND CHIEF EXECUTIVE'S REPORT

### EXECUTIVE SUMMARY

It was full steam ahead for Sky Stadium in 2022-2023 after several years of disruption due to the global pandemic, and it was great to be able to once again host a full calendar of events.

#### Some highlights of the year:

- One of the most memorable test matches in recent times with Ireland defeating the All Blacks for their first ever series win in New Zealand.
- The return of the Wellington Phoenix men's side for their first uninterrupted season since 2018/19.
- The debut of the Wellington Phoenix women's side at home in front of a record crowd and the Hurricanes Poua's first home game in Super Rugby Aupiki.
- Hosting both the Football Ferns and All Whites in Wellington.
- A fantastic line-up of concerts including Ed Sheeran, SIX60 and Guns N' Roses.
- The return of the NZ Warriors for their NRL season opener.
- Preparations for the FIFA Women's World Cup 2023 and significant upgrades to lights, pitch, changerooms and turnstiles.

The financial year began with the Irish rugby team in Wellington for the first time since Rugby World Cup 2011. The Irish beat the Māori All Blacks in a mid-week encounter before defeating the All Blacks in very memorable test 32-22.

It was a big year for football ahead of the FIFA Women's World Cup 2023. We hosted the Phoenix men's team for a full uninterrupted season for the first time since 2019/20 and we also welcomed the women's team to their new home for the first time after their inaugural season had to be played in Australia. We hosted both the Football Ferns who took on the USA, who at the time were the reigning World Cup champions, and the All Whites who played China.

The eagerly awaited Black Caps v India T20 match was unfortunately rained out, the first time we have lost a single over of cricket to rain since 2009.

And it was a big year for concerts with three shows entertaining locals and visitors to Wellington. We saw SIX60 and Guns N' Roses return to the Stadium. And who can forget Ed Sheeran? The concert was the biggest single day event we have ever hosted. Operationally the event went smoothly thanks to the great work of the 1,000-plus staff.

We hosted another full season of Super Rugby and NPC, with the Wellington Lions ending the season as champions and Ranfurly Shield holders. We also hosted our first Super Rugby Aupiki game.

Good progress was made on planning for FIFA Women's World Cup. Major projects completed in preparation included retrofitting all pitch lighting with LED lights, upgrades of changerooms to gender neutral specifications, replacement of the turf and installation of new turnstiles. We also secured Green Star Performance Certification required by FIFA for our work in improving sustainable building operations.

Looking ahead, we are filling the calendar with exciting events for the next year highlighted by a first appearance of Rock and Roll Hall of Fame rockers, Foo Fighters.

Thanks to the Board of Trustees for their ongoing support and guidance and to the staff whose hard work and commitment contributes directly to the success of the Stadium. And thank you to our hirers who choose Sky Stadium to host their events and to the fans and attendees who make these events so special. It's great to have you all back.

## EVENTS

Sky Stadium hosted a total of 48 major event days for the year, plus several community event days. 358,193 fans attended events during the 12 months, with the cumulative attendance since opening now over 11.1 million.

## CONCERTS

The Stadium hosted three concerts with over 77,000 fans in attendance.

In October SIX60 brought their SIX60 SATURDAYS back to the Wellington for a second year running. The show was postponed from earlier in the year due to restrictions on gatherings and then had to move out a further day due to high winds. The band thrilled their fans and unveiled a huge replica set of their 660 Castle St flat in Dunedin where some of the band's founding members lived during their university years.

In December Guns 'N Roses entertained their fans with an epic set that went for over three hours. This was the band's second appearance at the Stadium.

Ed Sheeran set a new crowd attendance record for the Stadium as he performed the first show to be held in-the-round with the stage at the centre of the field. The show was a multi-sensory musical extravaganza, unlike anything we have hosted before and will arguably go down as one the greatest nights in the Stadium history. 15,000 visiting fans injected nearly \$5m into the local economy.

## RUGBY

### SUPER RUGBY

We welcomed the new Super Rugby Pacific with the Hurricanes hosting a full season of matches. The Hurricanes fell just short of hosting a home final.

Hurricanes 2023		
v Blues	Loss	19-25
v Waratahs	Win	34-17
v Chiefs	Loss	17-33
v Brumbies	Win	32-37
v Moana Pasifika	Win	71-22
v Crusaders	Win	27-26

We hosted our first ever Super Rugby Aupiki game when the Poua took on the Blues at Sky Stadium for the first time, in a 22-31 defeat. Our last Super Rugby game of the season was preceded by a match between the NZ Men's U20 against the Junior Wallabies, with NZ winning 19-18.

## BUNNINGS NPC

The Wellington Lions had a strong season winning the NPC for the first time since 2000. They also won and retained the Ranfurly Shield.

Wellington Lions 2022		
v Bay of Plenty	Win	37-35
v Taranaki	Win	31-25
v Otago	Win	32-26
v Waikato	Win	34-6
v Hawkes Bay (QF)	Win	28-21
v Auckland (SF)	Win	54-19

## INTERNATIONAL RUGBY

The midweek Irish side defeated the Māori All Blacks 30-24 in an open encounter that belied the windy, slippery conditions, both sides crossing for four tries apiece.

Ireland claimed a historic series win over All Blacks with 32-22 victory at Sky Stadium in front of a sell-out crowd. Down 22-3 at halftime, New Zealand staged a spirited comeback to get within three points before a late Irish try sealed victory.

New Zealand Rugby		
Māori All Blacks v Ireland	Loss	24-30
All Blacks v Ireland	Loss	22-32

## FOOTBALL

### WELLINGTON PHOENIX

The Wellington Phoenix men's side kicked off their season at Sky Stadium for the first time in three years. The men had a good season making the finals.

Phoenix FC - Men		
v Adelaide United FC	Draw	1-1
v Central Coast Mariners FC	Draw	2-2
v Macarthur FC	Win	4-1
v Western United FC	Loss	2-3
v Adelaide United FC	Win	3-1
v Melbourne City FC	Loss	1-3
v Central Coast Mariners FC	Win	2-1
v Newcastle Jets FC	Win	2-1
v Melbourne Victory FC	Loss	1-2

And we welcomed the women's team for the first matches at Sky Stadium. Their standalone first home fixture set a new regular A-League Women's crowd attendance record.

Phoenix FC - Women		
v Melbourne City FC	Loss	1-4
v Western United FC	Loss	1-4
v Adelaide United FC	Loss	0-1
v Western Sydney Wanderers	Draw	1-1
v Canberra United	Win	5-0
v Brisbane Roar FC	Draw	1-1
v Perth Glory FC	Loss	0-1
v Melbourne Victory FC	Draw	2-2

#### INTERNATIONAL FOOTBALL

We were fortunate to host both the men's and women's national teams in Wellington.

New Zealand Football		
Football Ferns v USA	Loss	0-4
All Whites v China	Win	2-1
NZ U23 v China U23	Win	2-1

#### EXHIBITIONS

We hosted a total of 15 exhibition days with over 58,000 patrons attending. These events continue to enhance Sky Stadium's reputation as a multi-purpose venue and as a convenient location for large scale exhibitions. Armageddon, Beervana, Better Home & Living Show, the Food Show, and the Home & Garden Show were all well attended and provide an enormous variety of content for Wellingtonians.

#### RUGBY LEAGUE

We welcomed the New Zealand Warriors back after a long Covid- enforced absence, as they beat the Newcastle Knights in Round 1 of the NRL season to kick off a very successful season. We hope to see the Warriors back in the capital soon.

#### COMMUNITY EVENTS

The Trust is proud to be able to give back to the regional community through making the Stadium available for a variety of community uses.

In December we teamed up with Wellington City Mission for The Silent Night, a crowd-less fundraising event that aimed to ensure all Wellingtonians are cared for at Christmas. By purchasing a ticket but not attending, 100% of the cost of the ticket was donated to fund Christmas hampers for families, groceries for individuals and families, social work support, gifts for the Christmas Toy Store, and more. It was a very successful fundraiser with \$328,000 raised for the Mission.

We hosted Eid Al-Adha in both July 2022 and June 2023. New Zealand Eid Day is a bi-annual event bringing together the New Zealand Muslim community for a day of celebration and joy. We also hosted the Philippines Independence Day celebrations in June, as well as once again being the base for the Wellington Marathon/Half/10k events. Earlier in the year we hosted the Spirit to Cure step challenge fundraising for the Leukaemia & Blood Foundation.

And throughout the year we provided the venue to groups such as the Police, Defence and Corrections for training exercises.

## FINANCIAL PERFORMANCE

The financial result for the year to 30 June 2023 is a net surplus of \$3.9 million compared to a budgeted loss of \$5.6 million. This result is inclusive of grant income. Excluding the grant income received, the net loss is \$1.9m.

With the return to a more normal event calendar, the net surplus from events was much improved contributing \$2.7m this year, compared to a small loss in the prior year.

Operating cash flows were positive at \$6.8m, inclusive of grant income.

Grant income received during the year included the \$1.5m from the Greater Wellington Regional Council as part of the Covid support package agreed in the prior financial year. It also included \$3.5m from the Ministry of Business Innovation and Employment towards the tower light upgrade and \$0.76m from Sport New Zealand via New Zealand Football for the conversion of the change rooms to provide gender neutral facilities.

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
<b>Total</b>	<b>\$4.2m</b>	<b>\$3.0m</b>

\* Each loan drawdown jointly funded by the settlors

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

## STADIUM IMPROVEMENTS

Good progress was made on planning for FIFA Women's World Cup 2023. Major projects completed included:

- Upgrade of stadium tower lights to LED fittings
- Upgrade of player changerooms including ensuring they are gender neutral
- New turnstiles
- Replacement of the turf

We are one of only two venues in Aotearoa New Zealand to have achieved a 3 Star Green Star Performance rating, representing good practice in sustainable building management. This is no mean feat for a building that is nearly 25 years old, built at a time where sustainability was not a key focus of building requirements. As part of FIFA's sustainability requirements, all match venues had to achieve a minimum requirement of a 2 Star Green Star Performance rating.

## 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. Events included the T20 Super Smash competitions, Ford Trophy, Hally-Burton Shield and the first three rounds of Plunket Shield cricket. The White Ferns played an ODI in December and at the end of the season the Cello Basin Reserve hosted two memorable Test Matches v England and v Sri Lanka. Other events hosted were the annual Beers at the Basin festival and a Wine & Food festival, both proving popular.

At the end of the season the turf team has completed installation of a new secondary drainage system in preparation of the next summer season.

	Days
Cricket match days	53
Cricket practice days	86
Junior Sports (Rugby/Football)	12
Other Events	6
<b>Total</b>	<b>157</b>

## 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 what has been a difficult few years.

We achieve such a diverse and successful calendar of events only with the support of our hirers. We 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
New Zealand Warriors	Frontier Touring
New Zealand Football	



Thank you to our dedicated staff, who worked tirelessly over the year to deliver great events for Wellington.

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.

Finally, we offer our sincere thanks to the fans who support all of our events throughout the year.

Rachel Taulelei  
Chair

Shane Harmon  
Chief Executive

EVENTS HELD DURING THE YEAR		
Date	Event	Attendance
12-Jul-22	Māori All Blacks v Ireland	11,216
16-Jul-22	All Blacks v Ireland	35,572
7-Aug-22	Rugby NPC: Wellington v Bay of Plenty	1,328
19-20 Aug-22	Exhibition: Beervana	12,782
28-Aug-22	Rugby NPC: Wellington v Taranaki	1,281
11-Sep-22	Rugby NPC: Wellington v Otago	1,571
16-18 Sep 22	Exhibition: Home & Garden Show	8,328
24-Sep-22	Rugby NPC: Wellington v Waikato	3,377
8-Oct-22	Rugby NPC QF: Wellington v Hawkes Bay	3,088
9-Oct-22	A League: Phoenix FC v Adelaide United	7,351
14-Oct-22	Rugby NPC SF: Wellington v Auckland	4,189
16-Oct-22	A League: Phoenix FC v Central Coast Mariners FC	5,976
30-Oct-22	SIX60 Concert	10,609
6-Nov-22	A League: Phoenix FC v Macarthur FC	5,058
13-Nov-22	A League: Phoenix FC v Western United FC	4,910
18-Nov-22	T/20 Cricket: Blackcaps v India	6,362
20-Nov-22	A League: Phoenix FC (W) v Melbourne City FC	4,128
26-Nov-22	A League: Phoenix FC (W) v Western United FC	1,048
3-4 Dec-22	Exhibition: Armageddon	11,465
8-Dec-22	Guns N' Roses Concert	22,234
17-Dec-22	A League: Phoenix FC v Adelaide United FC Phoenix FC (W) v Adelaide United FC	3,764
2-Jan-23	A League: Phoenix FC (W) v Western Sydney Wanderers FC Phoenix FC v Melbourne City FC	4,813
18-Jan-23	Football Ferns v USA	10,216
22-Jan-23	A League: Phoenix FC (W) v Canberra United Phoenix FC v Central Coast Mariners FC	4,680
2-Feb-23	Ed Sheeran Concert	44,718
3-Mar-23	NRL: New Zealand Warriors v Newcastle Knights	14,387
4-Mar-23	A League: Phoenix FC v Newcastle Jets FC Phoenix FC (W) v Brisbane Roar FC	4,898
11-Mar-23	Super Rugby: Hurricanes Poua v Blues Women Hurricanes v Blues	12,771
17-Mar-23	Super Rugby: Hurricanes v Waratahs	6,341
18-Mar-23	A League: Phoenix FC (W) v Perth Glory FC	629
26-Mar-23	Football: All Whites v China With NZ U23 v China U23	8,607
1-Apr-23	A League: Phoenix FC (W) v Melbourne Victory FC Phoenix FC v Melbourne Victory FC	5,076
15-Apr-23	Super Rugby: Hurricanes v Chiefs	16,203
22-23 April 23	Exhibition: Armageddon	10,871
28-Apr-23	Super Rugby: Hurricanes v Brumbies	8,665
13-May-23	Super Rugby: Hurricanes v Moana Pasifika	7,933
19-21 May 23	Exhibition: Better Home & Living Show	5,177
26-28 May 23	Exhibition: Food Show	9,827
3-Jun-23	Super Rugby: Hurricanes v Crusaders With NZU20 v Junior Wallabies	16,744
<b>Total Attendance</b>		<b>358,193</b>

**Wellington Regional Stadium Trust Incorporated**  
**Statement of Comprehensive Revenue & Expense**  
**For the Year Ended 30 June 2023**

	Notes	2023 \$000	2022 \$000
<b>Revenues</b>			
<i>From Exchange Transactions</i>			
Event Revenues		8,269	1,371
Corporate Box, Membership & Sponsorship Revenues		4,074	2,526
Sundry income	1	<u>7,453</u>	<u>2,256</u>
		19,796	6,153
<i>From Non-Exchange Transactions</i>			
Grant income	2	<u>1,500</u>	<u>1,500</u>
<b>Total Revenue</b>		<u>21,296</u>	<u>7,653</u>
Less Operating Expenses	3	<u>13,654</u>	<u>8,301</u>
<b>Operating Surplus/(Deficit) before Depreciation &amp; Finance costs</b>		<b>7,642</b>	<b>(648)</b>
Less:			
Depreciation	10	3,581	3,987
Finance costs	4	165	65
<b>Total comprehensive revenue &amp; expense</b>		<u><u>3,896</u></u>	<u><u>(4,700)</u></u>

**Wellington Regional Stadium Trust (Incorporated)**  
**Statement of Changes in Net Assets**  
**For the Year Ended 30 June 2023**

	Notes	2023 \$000	2022 \$000
<b>Balance at 1 July</b>		85,873	90,573
Total comprehensive revenue & expense for the year		3,896	(4,700)
<b>Balance at 30 June</b>		<u><u>89,769</u></u>	<u><u>85,873</u></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 2023**

	Notes	2023 \$000	2022 \$000
<b>TRUST FUNDS</b>			
Accumulated Surplus		49,375	45,478
<b>Limited Recourse Loans</b>			
Greater Wellington Regional Council	5	25,000	25,000
Wellington City Council	5	15,395	15,395
<b>Total Trust Funds &amp; Limited Recourse Loans</b>		<u>89,770</u>	<u>85,873</u>
<b>NON-CURRENT LIABILITIES</b>			
Revenue in Advance		75	57
Borrowings	6	4,700	4,700
Leases	7	116	116
<b>Total Non-Current Liabilities</b>		<u>4,891</u>	<u>4,873</u>
<b>CURRENT LIABILITIES</b>			
Revenue in Advance	8	2,351	3,066
Payables	9	2,336	1,492
<b>Total Current Liabilities</b>		<u>4,687</u>	<u>4,558</u>
<b>TOTAL FUNDING</b>		<u><b>99,348</b></u>	<u><b>95,304</b></u>
<i>Represented by:</i>			
<b>NON-CURRENT ASSETS</b>			
Property Plant & Equipment	10	93,596	90,158
<b>Total Non-Current Assets</b>		<u>93,596</u>	<u>90,158</u>
<b>CURRENT ASSETS</b>			
Cash		3,766	3,529
Receivables & Prepayments	11	1,986	1,617
<b>Total Current Assets</b>		<u>5,752</u>	<u>5,146</u>
<b>TOTAL ASSETS</b>		<u><b>99,348</b></u>	<u><b>95,304</b></u>

On behalf of the Trustees:



Trustee



Trustee

Date: 29 September 2023

**Wellington Regional Stadium Trust Incorporated**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2023**

	Note	2023 \$000	2022 \$000
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Event and operating income		8,614	1,484
Corporate box, membership and sponsorship income		3,132	2,784
Grant income		5,805	1,500
Goods and services tax	18	110	-
Sundry income		3,080	2,508
		<u>20,741</u>	<u>8,276</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(13,724)	(8,002)
Interest paid		(157)	(116)
Goods and services tax	18	-	(56)
		<u>(13,881)</u>	<u>(8,174)</u>
<b>Net cash inflow from operating activities</b>		6,860	102
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Disposal of property, plant & equipment		<u>4</u>	<u>-</u>
<i>Cash was applied to:</i>			
Purchase of property, plant & equipment		<u>(6,627)</u>	<u>(1,111)</u>
<b>Net cash (outflow) from investing activities</b>		(6,623)	(1,111)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Council loan drawdown		<u>-</u>	<u>2,400</u>
<i>Cash was applied to:</i>			
Loan repayments		<u>-</u>	<u>(2,000)</u>
<b>Net cash inflow from financing activities</b>		-	400
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		237	(609)
Cash at beginning of the period		3,529	4,138
<b>CASH AT END OF THE PERIOD</b>		<u><u>3,766</u></u>	<u><u>3,529</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 2023

### 1. SUNDRY INCOME

	Note	2023	2022
		\$000	\$000
Carpark income		1,922	1,443
Tenancy income		443	182
Grant income:			
Ministry of Business & Innovation for tower light upgrade		3,500	-
NZ Football for change room upgrade		765	-
GWRC Low Carbon Acceleration Fund	14	40	-
Interest income		64	4
Other sundry income		719	627
Total operating expenses		<u>7,453</u>	<u>2,256</u>

The first two items listed under Grant income above were received to assist the Trust with capital works in preparing the venue for the FIFA Women's World Cup tournament held in July and August 2023.

### 2. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	Note	2023	2022
		\$000	\$000
Grant income	14	1,500	1,500
Total operating expenses		<u>1,500</u>	<u>1,500</u>

This grant income was received from the settlors to assist the Trust in managing the impacts of the Covid-19 pandemic on its operations. The 2023 amount was received from Greater Wellington Regional Council and the 2022 amount was received from Wellington City Council.

### 3. OPERATING EXPENSES

	Note	2023	2022
		\$000	\$000
Event operating expenses		5,562	1,469
Maintenance and facility operation		3,479	2,540
Insurance		1,317	1,609
Personnel *	14	2,558	2,165
Loss on disposal of assets		40	2
Audit Fee - annual audit		51	35
Rental expense on operating leases		4	3
Bad debt expense		-	1
Other operating expenses		643	477
Total operating expenses		13,654	8,301

\*Personnel expense includes Kiwisaver employer contributions of \$67,426 (2022: \$61,352)

### 4. FINANCE COSTS

	2023	2022
	\$000	\$000
Interest and line fee on bank loan	93	94
Interest rate swaps - fair value adjustment	-	(31)
Interest on GWRC loan	35	-
Interest on WCC loan	35	
Other financing charges	2	2
Total finance costs	165	65

### 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 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 (2022: 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 and/or possible further investment from the settlors. Until the bank loan is extinguished, the Trust is not required to make any repayments of the limited-recourse loans.

**6. BORROWINGS**

	2023	2022
	\$000	\$000
Westpac New Zealand Ltd	500	500
Greater Wellington Regional Council	2,100	2,100
Wellington City Council	2,100	2,100
<b>Total borrowings</b>	<b>4,700</b>	<b>4,700</b>

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 2025 and is expected to be extended prior to that date. The interest rate that applied to the balance at 30 June is 7.64% (2022: 4.15%).

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 repayment is due until December 2030.

**7. FINANCE LEASES**

The Trust is party to a finance lease for some equipment. The net carrying amount of the equipment held under finance lease is \$108,400 (2022: \$108,400). The fair value of finance leases is \$116,490 (2022: \$116,490). 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.

**8. 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.

**9. PAYABLES**

	Note	2023	2022
		\$000	\$000
Trade payables		1,788	569
Accrued expenses		336	681
Employee entitlements		212	242
		<b>2,336</b>	<b>1,492</b>

## 10. PROPERTY PLANT & EQUIPMENT

	1-Jul-21		30-Jun-22	Additions	Disposals & impairment		30-Jun-23
	\$000		\$000	\$000	\$000		\$000
<b>Cost</b>							
Land	4,225		4,225	-	-		4,225
Pitch	3,397		3,397	-	-		3,397
Stadium Buildings	92,426		92,736	1,127	-		93,862
Fitout	21,006		21,121	501	(113)		21,509
Replay Screen & Production equipment	3,775		3,739	11	-		3,750
Fittings	2,145		2,144	80	(5)		2,220
Plant, machinery & equipment	32,936		33,257	5,429	(1,421)		37,265
Leased equipment	-		116	-	-		116
Work in progress	438		400		(85)	*	315
	<u>160,348</u>		<u>161,135</u>	<u>7,148</u>	<u>(1,624)</u>		<u>166,658</u>
<b>Depreciation</b>	1-Jul-21	Charge for year	30-Jun-22	Charge for year	Disposals		30-Jun-23
Land	-	-	-	-	-		-
Pitch	(1,244)	(229)	(1,473)	(229)			(1,703)
Stadium Buildings	(33,211)	(1,455)	(34,666)	(1,470)			(36,136)
Fitout	(9,988)	(653)	(10,641)	(690)	69		(11,262)
Replay Screen & Production equipment	(3,459)	(137)	(3,596)	(57)			(3,653)
Fittings	(1,618)	(62)	(1,680)	(60)	5		(1,735)
Plant, machinery & equipment	(17,816)	(1,097)	(18,913)	(1,055)	1,421		(18,547)
Leased equipment	-	(8)	(8)	(19)			(27)
Work in progress	-	-	-	-			-
	<u>(67,336)</u>	<u>(3,641)</u>	<u>(70,977)</u>	<u>(3,581)</u>	<u>1,495</u>		<u>(73,063)</u>
<b>Carrying value</b>	1-Jul-21		30-Jun-22				30-Jun-23
Land	4,225		4,225				4,225
Pitch	2,153		1,924				1,694
Stadium Buildings	59,215		58,070				57,726
Fitout	11,018		10,480				10,247
Replay Screen & Production equipment	316		143				97
Fittings	527		464				484
Plant, machinery & equipment	15,120		14,344				18,718
Leased equipment	-		108				89
Work in progress	438		400				315
	<u>93,012</u>		<u>90,158</u>				<u>93,596</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 6.

## 11. RECEIVABLES

	2023	2022
	\$000	\$000
Trade receivables	1,126	572
Prepayments	860	1,045
	<b>1,986</b>	<b>1,617</b>

All receivables are from Exchange Transactions. There are no receivables from non-exchange transactions (2022: Nil)

## 12. 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. 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.

### 13. 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.

	2023	2022
	\$000	\$000
<b>Financial assets</b>		
Financial assets at fair value through surplus or deficit	-	-
<i>Loans and receivables</i>		
Cash and cash equivalents	3,766	3,529
Receivables from exchange transactions	1,126	572
Receivables from non-exchange transactions	-	-
	4,892	4,101
<b>Financial liabilities</b>		
<i>At amortised cost</i>		
Trade and other creditors	1,788	569
Employee entitlements	212	242
Loans and borrowings	4,700	4,700
	6,700	5,511

### 14. 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 was 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 5 and details of the loan made available for Covid-19 support are given in Note 6. Note 2 details grant income received and Note 4 details the interest paid on the borrowings.

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 \$460,848 (2022: \$400,542). The receivables balance outstanding is \$158,449 (2022: \$144,172).

#### **Greater Wellington Regional Council**

Councillor Glenda Hughes was 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 5 and details of the loan made available for Covid-19 support are given in Note 6. Notes 1 and 2 detail grant income received and Note 4 details the interest paid on the borrowings.

<b>Key management personnel compensation</b>	2023	2022
	\$000's	\$000's
<i>Board members</i>		
Trustee Fees	171	166
Full time equivalents based on number of Trustees	8	8
<i>Management team</i>		
Remuneration	1,113	1,038
Full time equivalent members	5	5

## **15. COMMITMENTS**

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

	2023	2022
	\$000	\$000
<b>Operating leases</b>		
Non cancellable operating lease commitments		
Within one year	3	1
Between one and five years	6	-
More than five years	-	-
	<b>9</b>	<b>1</b>
<b>Capital expenditure</b>		
Amounts committed to capital expenditure	22	513

## **16. CONTINGENCIES**

The Trust has no contingent liabilities or assets at 30 June 2023 (2022: Nil).

**17. EVENTS AFTER BALANCE DATE**

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

**18. 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.

## 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 2023. The financial statements were authorised for issue by the Trustees on 29 September 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.

### 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 2023.

**Wellington Regional Stadium Trust Incorporated**  
**Statement of Service Performance**  
**For year ending 30 June 2023**

The core purposes of the Stadium Trust, as set out in its Trust Deed are:

- To own, operate and maintain the Stadium as a high-quality multi-purpose sporting and cultural venue.
- To provide high quality facilities to be used by rugby, cricket and other sports codes, musical, cultural, and other users including sponsors, event and fixture organisers and promoters so as to attract to the Stadium high quality and popular events for the benefit of the public of the region; and
- To administer the Trust’s assets on a prudent commercial basis so that the Stadium is a successful, financially autonomous community asset\*

In essence, it is to provide a high-quality venue that attracts a range of events that are well attended, for the benefit of the public of the Wellington region. How this achieved is set out below.

<b>RANGE OF EVENTS PROVIDED</b>		
<b>Performance Measures</b>	<b>Results FY23</b>	<b>Results FY22</b>
At least three different sporting codes represented in annual event calendar	Achieved Rugby Union, Rugby League, Football, and Cricket	Not achieved – Hosted Rugby Union and Football events. Event calendar disrupted by Covid-19 pandemic.
At least four exhibition events held covering a range of interests	Achieved – six exhibitions, 15 days, covering Beer, Food, Pop Culture and Home and Garden services.	Not achieved – two exhibitions only covering Beer and Food. Impacted by Covid-19 pandemic
At least one concert or non-sporting event per year	Achieved – three concerts held	Not achieved. Two concerts were booked in but subsequently rescheduled due to Covid-19 pandemic
Annual attendance of at least 400,000 (Attendance is based on patrons who attend the event on paid or complimentary tickets and may differ from the total tickets issued for events)	Not achieved – annual attendance was 358,193	Not achieved due to the impact of the Covid 19 pandemic. Annual attendance was 77,180
Annual event days of at least 45 (excluding community events)	48	15
At least one community event held with attendance or participation of 500 or more	Achieved – four held that exceeded this level of attendance – Eid Al Adha (x2), the Philippines Independence Day and the Wellington Marathon.	Achieved with Wellington Marathon

\*The Trust does not receive annual operating grants from settlors and aims to generate operating surpluses year on year. Major capital expenditures and upgrades are beyond the means of the Trust alone. Performance against the financial autonomy requirement is primarily reported on through the financial statements on pages 10 to 24.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF WELLINGTON REGIONAL STADIUM TRUST INCORPORATED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of 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 and performance information of the Trust on his behalf.

#### Opinion

We have audited:

- the financial statements of the Trust on pages 10 to 24, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on page 25.

In our opinion:

- the financial statements of the Trust on pages 10 to 24:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; 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 the Public Benefit Group Reporting Standards Reduced Disclosure Regime; and
- the performance information of the Trust on page 25 presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

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 and the performance information, we comment on other information, and we explain our independence.

#### Basis for our 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 opinion.

### **Responsibilities of the Trustees for the financial statements and the performance information**

The Trustees are responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, 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 the Trustees intend to liquidate the Trust or to cease operations, or has 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 and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 and the performance information.

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

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 and the performance information, 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 evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- 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 and the performance information 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 and the performance information, including the disclosures, and whether the financial statements and the performance information 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 9, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information 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 the audit, 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