

Wellington Regional Stadium Trust Draft Statement of Trustees Intent For the year ending 30 June 2009

Objectives and Nature of Activities to be Undertaken

The objectives of the Wellington Regional Stadium Trust (the Trust) as set out in the founding Trust Deed established by the Wellington City and Greater Wellington Regional Councils (the Councils) are as follows:

- 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 assets and the Stadium on a prudent commercial basis so that it is a successful, financially autonomous community asset.

These objectives and the outcomes required to achieve them are set out in more detail in the Five-year Strategic Plan which is attached to this document in Appendix 1.

The Councils also have general objectives for the Trust. These are that it should:

- Have a partnership approach with the Councils and their entities;
- Have a regional focus where this is appropriate;
- Appropriately acknowledge the contribution of Councils;
- Achieve maximum effectiveness and efficiency of, and concentrated focus on service delivery;
- Provide a range of events with broad community appeal;
- Operate at breakeven after depreciation expense.

The Council's objective for the Trust to operate at breakeven is superseded by the Trust Deed requirement for the Trust to be financially autonomous. The Trust must make significant surpluses to ensure it can meet loan repayments on its commercial banking facilities and provide for the capital expenditure required to maintain the Stadium to world's best standards.

To meet its responsibilities under the Trust Deed and the general objectives of the Councils, the Trust has a number of initiatives, procedures and strategies that ensure these obligations are met.

The continuing focus is on securing a long-term schedule of regular sporting, non-sporting and community events that complements the programmes provided by foundation tenants rugby and cricket. The addition of a full A-League football programme for Wellington Phoenix Football Club has contributed to a very full events programme. Management will continue to promote the Stadium to concert promoters, as the preferred New Zealand venue for major touring artists. However, the changing concert market and competition from other New Zealand venues, will impact on the Trust's ability to secure major events. The assistance

provided through the Wellington City Council (WCC) event fund is a critical element to the success of these initiatives.

The Trust will also be looking to assist in the development of new events that can become regular and unique events on the Wellington region's event calendar. We work closely with the WCC event team to target known events or develop new events.

The Trust also accommodates a number of community events where these do not clash with the regular event programme and where they fit in with the priority booking rights of our principal tenants. The addition of up to 10 home games for the Wellington Phoenix football franchise will further restrict our ability to provide the venue for community events.

The Trust has a long term preventative and reactive maintenance programme that maintains the facility to a high standard and to meet world's best practice. This programme is currently being reviewed by independent experts and updated according to their findings. Maintenance programmes and related costs at the Stadium are impacted by its location between the sea, a commercial port and railway yards. It is a major focus of the Trust to maintain and replace assets as required.

The objective of meeting world's best practice is an essential commitment of the Trust and it is a contractual obligation to our major tenants. It is also important to ensure we are able to present world class facilities for the Rugby World Cup matches in 2011 and Cricket World Cup in 2015. While the Trust has always had a long term capital expenditure plan, the timing of these events has resulted in a prioritisation of enhancements which we will complete prior to 2011. Stadia design is continually evolving, and it is now more than 12 years since Westpac Stadium was designed. This factor combined with competitive pressures from redevelopments of other major stadia in New Zealand means the Trust must consider enhancements over the next ten years to ensure that the Stadium stays at the cutting edge of international best practice for stadia of this size.

Management will also maximise event and non event day revenues, maintain strict control over costs and focus on improving services to major hirers and patrons to maintain the high level of satisfaction and enjoyment that patrons get from Stadium events.

Risk Management

A formal risk management review of strategic and operational risks has been completed and all risks identified in that review have been addressed, and will be monitored.

Major Transactions

During the three year period under review in our planning process, the Stadium naming rights are due for renewal in 2009. The contract has a clearly defined renewal process which both parties will follow in negotiating a renewal.

Rugby World Cup 2011 and Cricket World Cup 2015

New Zealand has secured these two events and the Stadium is expecting to play a major role in hosting events in both Cups. These events present a major opportunity for the region to share in the economic benefits delivered by these top quality international events. The Trust is working with Rugby New Zealand 2011 and all local bodies in the region to ensure we maximise that benefit. The Chief Executive of the Trust is on the Wellington City Council's Project team. As part of the Capital Expenditure Plan, the Trust has identified the enhancements it wishes to complete prior to the Rugby World Cup in 2011 (RWC 2011).

FIFA Under-17 Women's World Cup

The Stadium will host eight games in the competition including two quarter finals between 30 October and 8 November 2008.

Creative Wellington – Innovation Capital

The Wellington City Council's long term strategic vision is to promote Wellington's reputation as New Zealand's centre of creativity and innovation in order to attract and retain smart innovative people and creative forward looking enterprises.

The strategic goal of the Council in achieving that vision that directly relates to the business of the Stadium is:

"attracting sport events, concerts, cultural festivals and other major events".

The Trust has attracted many major events to the city and those achievements are well detailed in various reports to the City and Regional Councils. The economic impact report updated by BERL in October 2004 confirmed that the economic benefits of events at the Stadium, is more than double the initial projections. This result clearly reflects the economic contribution the Trust makes to the Wellington Region, which more than justifies the investment of both the city and the region in the Stadium; as well as contributing to the reputation of Wellington as a creative and vibrant city.

Council's General Objectives for Council Controlled Organisations

Wellington City Council has general objectives for Council Controlled Organisations. The Trust meets these objectives in the following ways:

Regional Focus

The Trust is very conscious of its responsibilities to the Region and acknowledges the support it gets from outside greater Wellington. Events such as Sevens, concerts and Rugby Tests attract 50% or more attendance from outside the Wellington region. Our major support base is the lower half of the North Island.

Partnership Approach

The Trust works in partnership with the Wellington City Council and other CCOs including a close working relationship with Council officers responsible for promoting and facilitating major events, traffic management and resource and building consents. Positively Wellington Tourism assists with promotion of events and we communicate with local hotel groups to ensure they have a high level of understanding of what is happening at the Stadium.

Contribution of Councils

The Trust will ensure that the contribution of Councils in supporting the operation of the Stadium and in securing major events is properly recognised in public announcements, promotions and marketing. It is also very important that the Councils willingness and ability to provide support to events is promoted internationally. The Trust is in regular communication with event promoters to ensure they understand the assistance that is available to bring events to Wellington.

Maximise effectiveness and efficiency of service delivery

The Trust regularly conducts performance reviews with its customers to improve service to patrons. Rugby, football and cricket events are given rigorous reviews particularly after international events. We are acknowledged as providing a high level of services by our two major hirers. We contribute positively to assisting all hirers in the delivery of events.

Provide range of events with broad community appeal

The Trust has always targeted a wide range of events outside of the regular rugby and cricket events and exhibitions. During 2007/08 we held three concerts, two Phoenix pre-season games, an Air NZ Cup pre-season game, an All Whites World Cup qualifying game, LA Galaxy training session hosting 16,500 school children, and established a New Zealand record attendance for a football match at the Wellington Phoenix versus LA Galaxy game. The Trust recognises the need to provide events for the youth market. We meet all requests to have community events that can be accommodated in the events schedule.

Specific Issues

Issues raised by WCC in the letter of expectation not covered elsewhere in SOI are:

Declining attendance at rugby

Ultimately attendance at sports events is determined by the success of the team in the competition. New Zealand Rugby Union (NZRU) research shows that attendance in 2007 was principally affected by the player rotation policy and a perceived oversupply of rugby on television. We expect NZRU and Wellington Rugby to address these issues. Our contract negotiations with rugby reported in 2005 did, in part, deal with financial arrangements related to attendance. The A-League Football franchise provides a natural hedge against falling rugby attendance.

Stadium Revenues

Since 2000 the Trust have focussed on growing its non event day revenues with considerable success. Functions, car parking and out catering have increased significantly providing recurring non-event revenues, which reduce the reliance on event income alone.

Repayment of Council loans

The Trust is currently reviewing a long term cash flow incorporating the renewal of memberships, corporate boxes and naming rights together with a ten year stadium enhancement plan. Part of this process incorporates assessing the likely repayment

date of the limited recourse loans to both Councils. These will be discussed and presented to the Councils prior to the completion of the Business Plan.

Post 2011 Competitive Environment

For RWC 2011, Eden Park will be upgrading to a 60,000 seat stadium and AMI Stadium will accommodate 41,000.

The biggest threat to Westpac Stadium is the potential loss of the IRB International Sevens tournament to a bigger venue. The Eden Park development is basically a renovation and redevelopment of an existing ground which in our view does not result in a design that meets the demands of a Sevens Tournament. The Wellington response will be to keep producing an outstanding event up to the renewal of the contract and then convince NZRU that the Sevens is a uniquely Wellington event.

The Christchurch development is also replacing a stand. The old capacity of AMI Stadium of 36,000 has not sold out for major Test matches in the last two years. We do not see the additional capacity as a threat.

A challenge may emerge in competition for concerts but we see that as normal competition and Vector Arena in Auckland is likely to be a bigger threat. The issue with concerts is the availability of major artists who can fill stadia.

After RWC 2011, the Trust will need to continue to do what it has been doing since it opened and secure a full, varied and profitable events programme.

Trustees approach to governance of the Trust

The Board of Trustees is responsible for the proper direction and control of the Trust's activities. This responsibility includes such areas of stewardship as the identification and control of the Trust's business risks, the integrity of management information systems and reporting to stakeholders. While the Board acknowledges that it is responsible for the overall control framework of the Trust, it recognises that no cost effective internal control system will prevent all errors and irregularities. The system is based on written procedures, policies and guidelines, and an organisational structure that provides an appropriate division of responsibility, sound risk management and the careful selection and training of qualified personnel.

The Board has three Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance & Risk Committee, the Audit Committee and the Non Sporting Events Committee. The Board is also represented on the Catering Performance Committee, whose membership includes management from the Trust and the holder of the catering license. It is chaired by an independent chairperson. The Board is also represented on the Deloitte Club Members Committee.

Both the Board and the Finance Committee generally meet on a monthly basis. The Audit Committee meets at least annually, and the Non Sporting Events Committee meets twice a year. The Catering Performance Committee and the Members Committee meet half yearly.

The Chairman conducts an interview with each Board member prior to the expiry of their term.

Ratios

The ratio of Trust Funds to Total Assets is expected to be*:

30 June 2009	21%
30 June 2010	14%
30 June 2011	76%

The ratio of total Trust Assets to Trust Liabilities is expected to be*:

30 June 2009	127%
30 June 2010	131%
30 June 2011	135%

(* Note that these ratios are based on old generally accepted accounting practice. They will change significantly once IFRS adjustments are finalised).

Trust Funds are defined as the residual interest in the assets of the Trust after the deduction of its liabilities.

Assets are defined as service potential or future economic benefits controlled by the Trust as a result of past transactions or other past events.

Liabilities are defined as future sacrifices of service potential or of future economic benefits that the Trust is presently obliged to make to other entities as a result of past transactions or other past events.

International Financial Reporting Standards (IFRS)

Subsequent to the completion of last year's Business Plan, the Trust decided to defer the adoption of IFRS by one year. The 30 June 2008 financial year will be the first that the Trust reports under IFRS.

The major impact of IFRS on the Trust's financial position is the requirement to record the Councils' limited recourse loans at a discounted fair value to reflect their interest free nature.

Accounting Policies

General accounting policies of the Trust are set out in Appendix 2. These are consistent with the policies applied in the previous year apart from changes required as a result of implementing International Financial Reporting Standards.

Performance Measures

The key performance indicators agreed with the Wellington City Council and Wellington Regional Council are:

- Revenue – total, and event
- Net surplus (deficit)
- Net cash flow
- Liquidity ratio
- Bank borrowing to total assets

- Interest cover (on an annual basis)
- Capital expenditure
- Events held and attendance numbers
- Patron and hirer satisfaction

These indicators are reported on by the Trustees in their Quarterly Report.

Distributions to Settlers

Section 5 of the Trust Deed sets out the powers of the Trustees regarding the income of the Trust.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their limited recourse loans after meeting costs, liabilities and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves.

The Trust does not expect to have surplus funds available for repayment in the years covered by this Statement of Intent.

No other distributions to settlers are intended to be made.

Quarterly Reporting

The Trustees will present a Quarterly Report to both Councils, which will include a written report on agreed key performance indicators and financial statements for the period.

Audited financial statements will also be available on completion of the annual audit.

The Trustees will inform the Councils of any significant expected obligations or contingent liabilities to third parties.

Investments in other organisations

The Trustees currently have no intention of subscribing for, purchasing or otherwise acquiring shares in any other company or other organisation.

Compensation from local authority

There are no activities for which the Trust seeks compensation from any local authority.

Trust's estimate of the commercial value of settlers investment in the Trust

Not applicable

Other matters as set out in the Funding Deed

Significant Third Party Obligations

There are no significant third party obligations other than those disclosed in the Financial Statements.

Relevant Legislation

The Trustees confirm that the Trust will comply with all relevant legislation affecting the conduct of this business.

Current Trustees

Name	Appointed until
Paul Collins (Chair)	30 June 2009
Liz Dawson	30 June 2008
Michael Egan	30 June 2008
Sir John Anderson	30 June 2009
Craig Sims	30 June 2010
David Bale	30 June 2010
John Morrison	formal declaration of results of WCC 2010 elections
Christopher Laidlaw	formal declaration of results of GWRC 2010 elections

Conclusion

The Trust will:

- Work with the two Councils to meet the needs of the Region.
- Develop a capital expenditure and ongoing maintenance programmes that ensure the Stadium meets “world best practice” for Rugby World Cup 2011 and Cricket World Cup 2015.
- Develop a ten year capital expenditure plan which positions the stadia at the cutting edge of international stadia developments.
- Work with Wellington City Council, Positively Wellington Tourism and Wellington Rugby Union so we get the maximum possible allocation of Rugby World Cup games.
- Secure the existing events schedule.
- Secure additional events that complement the existing events schedule.
- Maintain net surpluses so that the Trust remains financially autonomous.
- Reduce debt to a manageable level.

Achievement of these objectives and those set out in the Strategic Plan will ensure that the Trust remains financially autonomous thus meeting all its principal objectives.



For the Trustees
Paul Collins
Chairman

APPENDIX 1: FIVE YEAR STRATEGIC PLAN

JULY 2007 – JUNE 2012

Objectives	Outcomes
<p>1. To be viewed by residents of the greater Wellington region as a valued and essential city and regional asset.</p>	<ul style="list-style-type: none"> • Positive outcome to surveys of Wellington region residents by the Wellington City Council • Ratepayers recognise that their contribution to the funding of the Stadium produces significant economic benefits to the region. • Event schedule includes events that bring economic benefit to the region. • Stadium supports city initiatives to sustain position as Events Capital of NZ.
<p>2. To operate the best venue in New Zealand as measured by:</p> <ul style="list-style-type: none"> • Patron Satisfaction • Match Allocation • Attraction of special events • Return to hirers • World best practice. 	<ul style="list-style-type: none"> • Regular attendance and consistently higher patronage than other NZ venues. • Positive outcome for regular surveys conducted of key stakeholders. • Comprehensive Asset Management Plan in place to ensure maximum economic value obtained out of the assets and the facility remains the premier New Zealand Stadium. • Events are profitable to users to encourage bookings. • Continuing enhancements to meet world's best practice in Stadium development. • Produce an outstanding facility for New Zealand Rugby Union for RWC 2011.
<p>3. To remain financially autonomous.</p>	<ul style="list-style-type: none"> • Profitable Stadium able to meet annual loan repayments and banking covenants and invest in Stadium enhancements.

<p>4. To manage the environmental impact of Stadium operations</p>	<ul style="list-style-type: none"> • The environmental impacts of Stadium operations are minimised.
<p>5. To be recognised as a good neighbour by Thorndon and Highland Park residents.</p>	<ul style="list-style-type: none"> • Positive support for our activities and no complaints from residents about management of noise, lights and parking.
<p>6. To sustain event programmes by adding regular quality events so that the Stadium becomes a significant part of the region's entertainment scene and meet the requirements of the promoters.</p>	<ul style="list-style-type: none"> • Develop and sustain a programme of regular annual events. • Maintain a regular programme of events which meet the needs of the promoters and satisfies the demands of the local market. • Secure the best possible allocation of matches for RWC 2011.
<p>7. To develop and grow the Function Centre business.</p>	<ul style="list-style-type: none"> • Function centre becomes one of the leading venues in Wellington for private functions.
<p>8. To grow non event revenues.</p>	<ul style="list-style-type: none"> • Create independent revenue streams to reduce dependence on events. • Grow car parking revenue.
<p>9. To be a good employer and provide personal development opportunities to employees.</p>	<ul style="list-style-type: none"> • Satisfied staff achieving their full potential and enjoying their work.
<p>10. Maintain the Basin Reserve playing surface to international standard.</p>	<ul style="list-style-type: none"> • NZ Cricket/Cricket Wellington and Basin Reserve Trust satisfied with state of the ground.
<p>11. Meet realistic requests to host Community events. Continue to support and encourage existing events.</p>	<ul style="list-style-type: none"> • Community use encouraged for non-profit events that do not conflict with Stadium operations. • Stadium contractors provide support for selected community events.
<p>12. To meet the Trust's public accountability requirements.</p>	<ul style="list-style-type: none"> • Fulfil all reporting requirements and keep public of the region informed of objectives and outcomes of operation.

NATURE AND SCOPE OF ACTIVITIES

Objectives	Outcomes
<p>Essential City & Regional Asset</p> <ul style="list-style-type: none"> • Valued and essential city and regional asset. 	<ul style="list-style-type: none"> • Wellingtonians understand the benefit the Stadium brings to the region. • Wellingtonians appreciate that the Stadium provides a variety of events and activities for their enjoyment. • Economic benefit is delivered to the region and is recognised by its residents and ratepayers.
<p>Best Venue</p> <ul style="list-style-type: none"> • Ensure that the quality and friendly management and administration of events, provide efficient booking, arrival, attendance and departure processes providing full satisfaction to the patron. • Efficient delivery of high quality food and beverage service in all catering areas. • Deliver positive patron experience. • Ensure that the venue is profitable to hirers to encourage return bookings. 	<ul style="list-style-type: none"> • Provide quality, user-friendly public booking systems with easy access for the patrons. • Good transport plans with publicity covering cars, buses, trains and ferries. • No delays at entrance gates. • Adequate supply of quality food, beverages and merchandise with acceptable queuing times. • Good crowd control and behaviour standards. • Effective alcohol management plans that ensure that all patrons enjoy Stadium hospitality and the Stadium meets the host responsibility requirements under its liquor license. • Hirer profitability will come from higher attendances and public satisfaction with Stadium experience.

<ul style="list-style-type: none"> • Provision of regular event programmes and quality fixtures that attract regular attendances from region. • Ensure Wellington gets share of “superstars”. • Continuous enhancement of the facility to ensure the Stadium is at cutting edge of world best practice. 	<ul style="list-style-type: none"> • The event programme contributes to meeting the regions entertainment needs. • Our reputation as an international concert venue is enhanced with promoters and artists. • Review Asset Management Plan annually. • Develop a 10 year Stadium enhancement plan so that the Stadium continues to meet World’s Best Practice. • Complete identified enhancements prior to RWC 2011.
<p>Budget</p> <ul style="list-style-type: none"> • Maximise revenue. • Manage costs. • Manage facility on a commercially prudent basis. 	<ul style="list-style-type: none"> • Full revenue earning opportunities of the Stadium are achieved and non event revenues reduce reliance on events. • Good accounting systems to control costs and produce timely and accurate reports. • Stadium is a successful financially autonomous community asset able to service its commercial loans.
<p>Environment</p> <ul style="list-style-type: none"> • Work with Greater Wellington Regional Council, Wellington City Council and contractors to implement and maintain systems to manage environmental issues and improve practice. 	<ul style="list-style-type: none"> • Efficient management of energy, recycling, minimisation of waste and reduction of environmental impacts through sourcing of products and patron education
<p>Good Neighbour</p> <ul style="list-style-type: none"> • Manage crowd noise, parking and traffic in accordance with resource consent requirements. • Encourage responsible behaviour by patrons arriving and leaving the venue. 	<ul style="list-style-type: none"> • Comply with all requirements of District Plan and resource consent. • Minimal effect on neighbours from noise, parking and lights. • Residents and businesses operating in close proximity to Stadium are satisfied with Stadium management.

<ul style="list-style-type: none"> • Be a pro-active participant in Community Liaison Group. 	<ul style="list-style-type: none"> • Neighbours understand what is happening and are consulted on all relevant matters.
<p>Events Programme</p> <ul style="list-style-type: none"> • Establish regular events programme. • Work with principal users to attract additional major events. • Attract other international sporting events. • Work with concert promoters to ensure high quality events at Stadium. 	<ul style="list-style-type: none"> • Create full programme within the constraints of competing and seasonal events. • Communicate with Rugby, Cricket, and Football and review requirements and minimise clashes. • Seek opportunities to host international events for Rugby League. • Secure concerts and non sporting events that can be successfully accommodated in the Wellington market. • Undertake professional marketing of venue to promoters in NZ and overseas. • Work with WCC Events staff and Positively Wellington Tourism to identify events that can be developed and held at the Stadium.
<p>Function Centre</p> <ul style="list-style-type: none"> • Grow Functions and out catering. • Improve quality of service and functions. • Enhance facilities to meet needs of a function centre. 	<ul style="list-style-type: none"> • Increase recurring revenues for Trust. • Satisfied customers come back for more events. • Facilities continue to meet needs of function organisers and attendees.
<p>Non Event Revenues</p> <ul style="list-style-type: none"> • Complete renewal of Naming Rights contracts by December 2009. • Secure existing signage contracts and create new signage product. • Maintaining and developing non event day revenue streams. 	<ul style="list-style-type: none"> • Naming Rights sponsors secured at fair market price and meeting the sponsors requirements. • Secure independent revenue stream. • Continue to maximise non event day revenue.

<p>Good Employer</p> <ul style="list-style-type: none"> • Provide staff training and development programme. • Ensure job satisfaction for staff. 	<ul style="list-style-type: none"> • On the job and structured training provided to meet requirements of job. • Happy staff achieving the job satisfaction they want.
<p>Basin Reserve – As provider of ground management services</p> <ul style="list-style-type: none"> • Maintain quality of playing surface and wickets. • Maintain to international standard. 	<ul style="list-style-type: none"> • Playing surface and wicket enhances quality of cricket for international and domestic games. • Long term ground maintenance programme developed with Wellington City Council, Cricket Wellington and New Zealand Cricket and Basin Reserve Trust.
<p>Public Accountability</p> <ul style="list-style-type: none"> • Fulfil all reporting requirements of the Funding and Trust Deeds. • Fulfil all statutory responsibilities, and obtain unqualified audit report • Ensure timely reporting to the WCC and GWRC. • Support WCC and GWRC initiatives that are consistent with the policies and objectives of the Trust. 	<ul style="list-style-type: none"> • Ensure that the processes are observed in such a way that the WCC, the GWRC and the Wellington region public are aware of the Stadium’s broad objectives and the outcome of its operations. • Ensure WCC and GWRC are fully informed about Stadium operational and financial performance. <p>Current initiative that are supported by the Trust are:</p> <p>Creative Wellington Innovative Capital</p> <ul style="list-style-type: none"> • as host of arts/culture events where they can accommodated. <p>Events Capital</p> <ul style="list-style-type: none"> • using events fund to bring major acts to Wellington that promote visitor numbers and economic benefit to the region. <p>Positively Wellington Tourism</p> <ul style="list-style-type: none"> • assisting to maximise visitor numbers to Wellington and promotion of events.

<p>Community Events</p> <ul style="list-style-type: none">• Host community events and activities that realistically fit into events calendar.	<ul style="list-style-type: none">• Stadium accommodates a programme of community events and activities to the benefit of the region.
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APPENDIX 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

The financial statements are prepared in accordance with the Charitable Trust Act 1957.

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

Statement of Compliance and Basis of Preparation

The financial statements will be prepared in accordance with New Zealand generally accepted accounting practice, applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

The Trust qualifies for Differential Reporting exemptions as it has no public accountability and it does not qualify as large under the criteria set out in the Framework for Differential Reporting. Differential reporting exemptions as available under the Framework for Differential Reporting that will be applied will be confirmed in the 30 June 2008 audited financial statements.

The financial statements are presented in New Zealand dollars. The financial statements are prepared on the historical cost basis except that the following assets and liabilities will be stated at their fair value in the financial statements: interest rate swaps.

Revenue

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

Interest

Interest income is accrued using the effective interest rate method.

Rental income

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

Expenses

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

Interest

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

Taxation

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

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

Revenue in Advance

The development of the Stadium was partially funded by the sale of stadium club memberships, corporate boxes and signage and sponsorship properties. The term of the memberships and corporate box licenses is 15 years. The terms of the signage and sponsorship agreements range from one year to ten years. Payment for these items has been received and recorded as revenue in advance. This funding is amortised as revenue on a straight-line basis over the term of the agreement. Amortisation of revenue from memberships and corporate boxes commenced from 1 January 2000. Where signage and sponsorship agreements were entered into prior to the opening of the Stadium, amortisation of revenue commenced from 1 January 2000.

Financial Instruments

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

Non Derivative Financial Instruments

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

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

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

Financial Assets

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

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

Financial Liabilities

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

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

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

Derivative Financial Instruments

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

Employee Benefits

A provision for employee benefits is recognised as a liability when benefits are earned but not paid.

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 financial performance in the period in which they are incurred.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payment.

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

Property, Plant and Equipment

Recognition

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

Measurement

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

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

Impairment

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

Disposal

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

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

Land	indefinite
Pitch	15 years to indefinite
Buildings	10 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years

Fittings	5 to 20 years
Plant & machinery & equipment	2 to 70 years

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

Work in progress

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

Statement of Cash Flows

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