

Wellington Regional Stadium Trust DRAFT Statement of Trustees Intent For the year ending 30 June 2010

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 2.

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;
- 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The Council's objective for the Trust to operate at breakeven is superseded by the Trust Deed requirement for the Trust to be financially autonomous.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 key objectives of the Trust continue to be a full and balanced event calendar, maintaining and enhancing the facility and achieving a level of profitability that provides for continuing capital expenditure and meets debt reduction obligations.

The various issues raised by the Councils for consideration in the SOI can be considered as elements of these three main objectives, and these are discussed further below.

Events

Providing a full and balanced event calendar that attracts both residents of the region, and visitors from further afield is the raison d'être for the Stadium's existence.

This links well with the Wellington City Council's vision for Wellington as Creative Wellington – Innovation Capital. 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 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. With the Phoenix Football Club about to play their third season of A-League football we already have a full programme of sporting events.

However competitions can change and we will work closely with hirers to manage the impact of such changes upon our calendar.

Management will maintain and develop relationships with key concert promoters so that the Stadium maintains its position as a preferred outdoor venue for major touring artists. The assistance provided by the WCC event fund remains a critical element in securing concerts.

Current economic conditions will result in less artists touring, and many will prefer indoor venues. The weaker New Zealand dollar means that there are few stadium-sized concerts touring during 2009. We believe concert artists with larger outdoor acts will begin touring again in 2010 and 2011, and we need to attract the stadium shows when that occurs.

The Trust will continue to look for new events that can become regular and unique events on the Wellington regional event calendar. In doing this we need to recognise that the events calendar is now just about at capacity and we must be careful not to over supply the market. We will work closely with the WCC event team to do this.

Falling attendances

Attendances at rugby matches across all competitions have been falling, not just at the Stadium but across New Zealand. Attendances are always affected by factors such as the performance of the team, the quality and quantity of rugby events being played. In recent times the controversy around the outcome of the Rugby World Cup 2007 has also had an impact on attendances. The current recession will also have an impact. All of these factors are beyond the control of the Trust. We do expect that as Rugby World Cup 2011 draws closer, the level of interest in rugby will increase.

Cricket attendances in 2009 have been good. With a high level of interest in the Twenty/20 and One Day International cricket, and a high performing New Zealand team, the future for cricket looks encouraging.

The Trust does have a natural hedge with the A-league games, as well as other significant sources of revenue such as corporate box annual license fees and commuter car parking.

The role of marketing and selling tickets lies with the code or the promoters. The Wellington Rugby Union have taken some very positive initiatives to increase crowds and the Phoenix crowds have been consistent across all games.

The Trust will work with Rugby (and all hirers) to ensure that events are put on as efficiently as possible and ensuring a high quality Stadium experience for patrons. The success of the Phoenix games show that by managing where tickets are sold, a great atmosphere can still be created with a smaller crowd.

Corporate Boxes and Memberships

Long term licences on corporate boxes and Stadium memberships expire at the end of 2014. Over the next few years the Trust will plan for the renewals of these memberships and box licences, bearing in mind that a full and balanced event calendar, and a world class facility will be required for these important stakeholders to renew. The Trust will also focus on its service delivery to these groups to ensure it maintains a high standard that meets their needs and expectations.

It is likely however that renewal terms will be different from the original offer, as market conditions have changed significantly, and now that the Stadium is built there is not the same need for upfront cash. When the Trust was raising funds for construction, the corporates and high net worth Wellingtonians recognised the need to support the fundraising activities if we were to have a new Stadium and purchased accordingly. That situation will not be a factor in 2014.

The corporate make up of the region is also significantly different from the late 1990's when the boxes first went on the market. We note that when corporate boxes have been assigned (subsequent to the Stadium opening) no consideration has been paid, with the assignees only taking on the obligation for the annual license fee. The terms of the renewal in 2014 will need to meet the prevailing market conditions and expectations of the potential purchasers at the time.

Naming Rights

The Naming Rights Agreement with Westpac expires at the end of 2009. The Trust is working positively through a renewal process with Westpac.

We are very pleased to have renewed the Naming Rights Sponsorship of our Members Club with Deloitte for a further period of five years to December 2014.

Community Events

The Trust will continue to host community events where these can be fitted into our regular events programme and do not clash with the priority booking rights of our principal tenants. The Trust is also keen to provide annual support to a recurring community event should this opportunity arise.

Maintaining and Enhancing the Facility

To ensure that both patrons and hirers keep coming back to events at the Stadium, we must continually maintain and enhance the facility. Maintenance programmes and related costs at the Stadium are impacted by its location between the sea, a commercial port and railway yards.

The main tool for managing this objective is the asset management plan which is reviewed annually. The Trust also seeks specialised external advice where necessary to ensure that any maintenance issues are dealt with appropriately.

The Trust carries out preventative and reactive maintenance programmes, and staff meet regularly to manage facilities related issues.

The Trust has been in ongoing dialogue with the contractors regarding the condition of the exterior cladding and roof. We continue to engage with the contractors in an effort to resolve the deterioration in these areas. The Trust has taken a conservative approach and we are making provisions within our budget to meet anticipated costs to resolve these issues. The warranty on the roof expires at the end of 2009. The Trust is trying to ensure that all work is completed by that date or that the warranty is extended until the work is complete. The warranty on the cladding expires in 2014.

World Cup preparations

The Trust is very conscious of the need to present a world class facility for both the Rugby World Cup in 2011 and the Cricket World cup in 2015. These events present a major opportunity for the region to share in the economic benefits delivered by these top quality international events.

Management of the Trust have been closely involved with the WCC project team and have made a major contribution to the bids for quarter finals and pool games. Seven games will be played at the Stadium, including two quarter finals. The focus will now shift to ensuring the Stadium is ready to deliver a world class facility in 2011. Last year we identified the projects we wanted to complete prior to 2011 and these will be further refined in the current business planning process. We are in the fortunate position of being the only major New Zealand Stadium that does not require major renovations or redevelopments prior to the World Cup.

We are actively and positively involved in all RNZ 2011 programmes aimed at getting all venues prepared for the event.

Turf

Turf management and renovation periods will be carefully managed in the next few years to ensure we present a quality playing surface while still presenting a wide calendar of events. The focus is on meeting the standard required for RWC 2011.

The Stadium will close for six weeks for a major turf renovation at the end of this year and it is likely the Phoenix will need to take games outside of Wellington during this period. There will be a similar turf renovation period in 2010.

The turf farm at Palmerston North is an important part of the turf management plan, ensuring we have 5000 m² of replacement turf available on a continuing basis.

The Trust will also continue to monitor developments in reinforced turf technology and evaluate whether these are a suitable solution for the Stadium.

Sustained level of profitability

Achieving a continued level of profitability that allows for capital expenditure and the repayment of debt is the third key focus of the Trust.

Current economic conditions provide an additional challenge in this area but the Trust is currently well placed having already diversified its revenue streams where possible and with success. Functions and car parking revenues have increased significantly providing recurring non-event revenues, which reduce the reliance on event income alone.

The Trust is also well ahead of bank requirements for its debt repayment. This funding remains available for drawdown if necessary.

Management will continue to keep a strong control on costs and seek to maximise event and non event day revenues.

The effect of the current recession will be felt in the fall in attendance, reduced food and beverage spend, and with the possibility of sponsorships and signage contracts not being renewed at the end of their contracts. The recession will have a similar effect on our major tenants rugby, cricket and football.

We have experienced some reduction in signage renewals, but we are preparing marketing initiatives to attract new signage business.

The Trust is now reviewing all costs, but it needs to be noted that the major costs of the Stadium are salaries, interest, depreciation and repairs and maintenance. There is little opportunity to reduce the salary, interest or depreciation costs. We are accruing the benefit of our interest rate swap policy and maximising the benefit from the lower interest rates that are currently on offer. It is important that we maintain our level of expenditure on repairs and maintenance, and we plan to do so.

This round of budgeting and business planning will include a thorough review of all our costs. Our recent recycling initiatives, with the assistance of the Greater Wellington Regional Council, has produced some cost savings, and this area will be a continuing focus for us. We will also conduct an energy audit over the next year.

Council's General Objectives for the Trust

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

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.

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.

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.

PERFORMANCE REPORTING

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.

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.

Accounting Policies

General accounting policies of the Trust are set out in Appendix 4. These are consistent with the policies applied in the previous year.

OTHER POINTS RAISED BY COUNCILS

Risk Management

A formal risk management review of strategic and operational risks was completed with the assistance of Marsh Ltd in 2007 and all risks identified in that review have been addressed, and are monitored. The Trust intends to update this review in 2009 to ensure that the risks are still valid and appropriately managed.

Detailed risk analysis was undertaken in the areas of:

- Key contractors
- Event management
- Asset Management
- Health and Safety
- Business Disruption
- Statutory Compliance.

No major risks were identified that were not already subject to a risk management plan or strong management controls. Some moderate risks were identified and all have been actioned and now rectified.

All key areas are reviewed at fortnightly management meetings.

Major Transactions

As noted earlier in the SOI, 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.

Communication and Access To Information

The Trust enjoys a positive and open relationship with both of its settlors, and both settlors have representation on the board of Trustees. The Trustees confirm they intend to continue operate on a no surprises basis with communication of any significant event likely to impact on either party made as soon as possible.

Governance

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 two Standing Committees that focus on specific areas of the Board's responsibilities. These Committees are the Finance & Risk Committee and the Audit 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. The Catering Performance Committee and the Members Committee meet half yearly.

The policy of the Board has been that the Chairman conducts an interview with each Board member prior to the expiry of their term. Each new Board member undertakes an extensive induction program to familiarise the new appointee with the Stadium, its operation and Board issues. Given the experience of the current Board it has been deemed that a Board development program is not necessary.

At the first meeting of the new financial year, the Chairman of the Audit Committee will conduct a review of the Chairman's performance.

Other Compliance Matters

Appendix 3 lists a number of other items that are required to be included in the Statement of Intent

CONCLUSION

The intent of the Trustees is to continue to operate the Stadium so that it provides a full and balanced event calendar for the public of the Wellington region, in a well-maintained facility, and the Trust achieves a level of profitability that provides for continuing capital expenditure and meets its debt reduction obligations.

While there are challenges ahead, the Trust is confident that it is well placed to meet these and to continue to provide a facility that is well used and enjoyed by many.

For the Trustees
Paul Collins
Chairman

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LIST OF APPENDICES

- 1 Current Trustees of Wellington Regional Stadium Trust
- 2 Five Year Strategic Plan
- 3 Other Items to be included in SOI
- 4 Statement of Significant Accounting Policies

**APPENDIX 1:
CURRENT TRUSTEES OF WELLINGTON REGIONAL STADIUM TRUST**

Current Trustees

Name	Appointed until
Paul Collins (Chair)	30 June 2009
Michael Egan	30 June 2009
Sir John Anderson	30 June 2009
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
Liz Dawson	30 June 2011
Sue Elliot	30 June 2011

APPENDIX 2: FIVE YEAR STRATEGIC PLAN JULY 2009 – JUNE 2014

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. • Events are profitable to users to encourage bookings.
<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 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.
<p>5. To deliver an outstanding Rugby World Cup experience for those matches hosted at this venue.</p>	<ul style="list-style-type: none"> • Requirements of Rugby NZ 2011 are met for Rugby World Cup 2011 games and all stakeholders are satisfied with venue experience

6. To maintain and enhance the facility	<ul style="list-style-type: none"> • Facility continues to meet standards of world's best practice • 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. • Continuing enhancements to meet to provide patrons with a stadium experience that meets their expectations
7. To maintain playing surfaces at Westpac Stadium and the Basin Reserve to international standard.	<ul style="list-style-type: none"> • Best possible playing surface achieved at Westpac Stadium recognising its multi-use status. • Playing surface at both venues meets sporting code requirements
8. To manage the environmental impact of Stadium operations	<ul style="list-style-type: none"> • The environmental impacts of Stadium operations are minimised.
9. To develop and grow the Function Centre business.	<ul style="list-style-type: none"> • Function centre becomes one of the leading venues in Wellington for private functions.
10. To grow non event revenues.	<ul style="list-style-type: none"> • Create independent revenue streams to reduce dependence on events.
11. To be a good employer and provide personal development opportunities to employees.	<ul style="list-style-type: none"> • Satisfied staff achieving their full potential and enjoying their work.
12. To be recognised as a good neighbour by Thorndon and Highland Park residents.	<ul style="list-style-type: none"> • Positive support for our activities and no complaints from residents about management of noise, lights and parking.
13. Meet realistic requests to host Community events. Continue to support and encourage existing events.	<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.
14. To meet the Trust's public accountability requirements.	<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. • High standard of service provided to corporate boxes and members • 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”. 	<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.
<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>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>Rugby World Cup 2011</p> <ul style="list-style-type: none"> • Provide a facility and operation that meets requirements of Rugby World Cup organisers 	<ul style="list-style-type: none"> • Complete identified enhancements prior to RWC 2011 • Successful operation of venue for Rugby World Cup matches
<p>Maintenance and enhancements</p> <ul style="list-style-type: none"> • Regular planned preventative and reactive maintenance to ensure Stadium is maintained to a standard that meets world's best practice • Continuous enhancement of the facility to ensure the Stadium is at cutting edge of world best practice 	<ul style="list-style-type: none"> • Annual internal review of Asset management plan • External review of asset management plan at least every five years • Independent specialist appraisal of any significant issues identified, and rectification as soon as practicable • Develop a 10 year Stadium enhancement plan so that the Stadium continues to meet World's Best Practice.
<p>Turf management</p> <ul style="list-style-type: none"> • Maintain quality of playing surface and wickets to international standards 	<ul style="list-style-type: none"> • Turf management plan developed for Stadium that provides a surface suitable for multi-use nature of venue • Playing surface meets requirements of sporting codes • Playing surface and wicket enhances quality of cricket for international and domestic games. • For Basin Reserve, long term ground maintenance programme developed with Wellington City Council, Cricket Wellington and New Zealand Cricket and Basin Reserve Trust.
<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>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 sponsor's 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>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. • Be a pro-active participant in Community Liaison Group. 	<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. • Neighbours understand what is happening and are consulted on all relevant matters.
<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. • Stadium contractors provide support for selected community events

<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.
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**APPENDIX 3:
OTHER ITEMS TO BE INCLUDED IN THE STATEMENT OF INTENT**

Ratios

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

30 June 2010	64%
30 June 2011	67%
30 June 2012	70%

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

30 June 2010	280%
30 June 2011	299%
30 June 2012	334%

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.

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.

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 settlor's 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.

APPENDIX 4: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

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

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

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

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

Statement of Compliance and Basis of Preparation

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

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 will be applied in relation to:

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

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

Revenue

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

License Fees and Sponsorship Revenues

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

Amortisation of Membership, Corporate Box and Sponsorship Funding

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

Interest

Interest income is accrued using the effective interest rate method.

Rental income

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

Expenses

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

Interest

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

Taxation

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

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

Financial Instruments

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

Non Derivative Financial Instruments

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

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

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

Financial Assets

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

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

Financial Liabilities

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

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

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

Derivative Financial Instruments

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

Employee Entitlements

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of

pay. These benefits are principally annual leave earned but not yet taken at balance date, and variable remuneration payments.

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

Other Liabilities & Provisions

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

Leases

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

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

Property, Plant and Equipment

Recognition

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

Measurement

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

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

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is

less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Income Statement.

Disposal

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

Depreciation

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

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.