

**Wellington Regional Stadium Trust
(Incorporated)**

Annual Financial Statements

For the year ended 30 June 2011

Wellington Regional Stadium Trust (Incorporated)
Trust Particulars
At 30 June 2011

SETTLORS	Wellington City Council Greater Wellington Regional Council
TRUSTEES	P D Collins (Chair) Sir John A Anderson D W Bale (retires 30 June 2011) E A Dawson C R Laidlaw M D McGuinness (from 1 July 2011) C J D Moller J F M Morrison S E Elliott
DATE OF SETTLEMENT	1 January 1998
AUDITORS	Audit New Zealand, Wellington on behalf of the Controller and Auditor-General
SOLICITORS	Maude & Miller
BANKERS	ANZ National Bank Limited Westpac Banking Corporation

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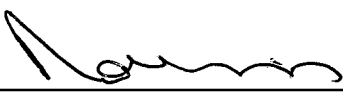
Wellington Regional Stadium Trust (Incorporated)
Statement of Comprehensive Income
For the Year Ended 30 June 2011

	Notes	2011 \$000	2010 \$000
Revenues			
Event Revenues		6,650	8,141
License Fees and Sponsorship Revenues		5,275	4,684
Amortisation of Membership, Corporate Box and Sponsorship Funding		2,765	3,381
Interest income		83	78
Sundry income	1	<u>1,960</u>	<u>1,440</u>
Total Revenue		<u>16,733</u>	<u>17,724</u>
Less Operating Expenses	2	<u>9,021</u>	<u>9,279</u>
Operating Surplus before Depreciation & Finance costs			
		7,712	8,445
Less:			
Depreciation	7	3,196	3,541
Finance costs	3	1,046	1,281
Total comprehensive income		<u><u>3,470</u></u>	<u><u>3,623</u></u>

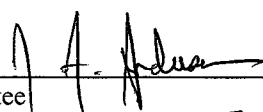
Wellington Regional Stadium Trust (Incorporated)
Statement of Financial Position
As at 30 June 2011

	Notes	2011 \$000	2010 \$000
TRUST FUNDS			
Accumulated Surplus		<u>71,627</u>	<u>68,157</u>
NON-CURRENT LIABILITIES			
Limited Recourse Loans			
Greater Wellington Regional Council	4	546	457
Wellington City Council	4	328	274
Wellington City Council - Accrued Interest	4	<u>3</u>	<u>3</u>
Total Limited Recourse Loans		<u>877</u>	<u>734</u>
Other Non Current Liabilities			
Membership, Corporate Box & Sponsorship Funding		6,919	9,658
Revenue in Advance			100
Borrowings	5	<u>11,000</u>	<u>13,500</u>
Total Other Non Current Liabilities		<u>17,919</u>	<u>23,258</u>
CURRENT LIABILITIES			
Revenue in Advance		6,172	5,885
Payables	6	<u>1,409</u>	<u>1,269</u>
Total Current Liabilities		<u>7,581</u>	<u>7,154</u>
TOTAL FUNDING		<u>98,004</u>	<u>99,303</u>
<i>Represented by:</i>			
NON-CURRENT ASSETS			
Property Plant & Equipment	7	<u>96,392</u>	<u>96,581</u>
Total Non-Current Assets		<u>96,392</u>	<u>96,581</u>
Current Assets			
Cash and Cash Equivalents		976	2,154
Receivables & Prepayments	8	<u>636</u>	<u>568</u>
Total Current Assets		<u>1,612</u>	<u>2,722</u>
TOTAL ASSETS		<u>98,004</u>	<u>99,303</u>

On behalf of the Trustees:



 Trustee



 Trustee

Date: 30 August 2011

Wellington Regional Stadium Trust (Incorporated)
Statement of Cash Flows
For the Year Ended 30 June 2011

	Notes	2011 \$000	2010 \$000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Event and operating income		6,397	9,047
License fees and sponsorships		5,496	5,367
Interest received		83	78
Good and services tax (net*)		19	
Sundry income		1,949	1,426
		<u>13,944</u>	<u>15,918</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(8,894)	(9,710)
Interest paid		(958)	(1,292)
Good and services tax (net*)			(110)
		<u>(9,852)</u>	<u>(11,112)</u>
Net cash inflow from operating activities	14	4,092	4,806
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Disposal of property, plant & equipment		1	15
<i>Cash was applied to:</i>			
Purchase of property, plant & equipment		(2,771)	(793)
Net cash outflow from investing activities		<u>(2,770)</u>	<u>(778)</u>
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
<i>Cash was applied to:</i>			
Repayment of loans		(2,500)	(4,800)
		<u>(2,500)</u>	<u>(4,800)</u>
Net cash outflow from financing activities		(2,500)	(4,800)
NET (DECREASE)/INCREASE IN CASH HELD		(1,178)	(772)
Cash at beginning of the period		2,154	2,926
CASH AT END OF THE PERIOD		<u><u>976</u></u>	<u><u>2,154</u></u>
<i>Composition of cash:</i>			
Cash at bank		976	33
Money market investments			1,121
Short term deposits			1,000
		<u>976</u>	<u>2,154</u>

*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. A portion of the comparative balance of this item has been reclassified to Events and Operating Income, and Payments to Suppliers and Employees to be consistent with the treatment of GST (net) in the current year.

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Wellington Regional Stadium Trust (Incorporated)
Notes to the financial statements
For the year ended 30 June 2011

1. SUNDRY INCOME

	2011	2010
	\$000	\$000
Carpark income	1,044	938
Tenancy income	320	318
Other sundry income	596	184
Total sundry income	<u>1,960</u>	<u>1,440</u>

2. OPERATING EXPENSES

	2011	2010
	\$000	\$000
Event operating expenses	4,197	4,282
Maintenance and facility operation	2,208	2,265
Personnel	1,722	1,572
Trustee Fees	153	135
Loss on disposal of assets	89	100
Audit Fee - annual audit	29	29
Rental expense on operating leases	14	24
Impairment of receivables	62	
Other operating expenses	547	872
Total operating expenses	<u>9,021</u>	<u>9,279</u>

3. FINANCE COSTS

	2011	2010
	\$000	\$000
Interest on ANZ Loan	911	1,103
Interest on Limited Recourse Loans	143	120
Interest rate swaps - fair value adjustment	(19)	44
Other financing charges	11	14
Total finance costs	<u>1,046</u>	<u>1,281</u>

4. LIMITED-RECOURSE LOANS

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

The Wellington City Council loan also includes an amount for accrued interest (face value \$394,893) which arose under a membership underwrite agreement. The interest component

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is not payable until both of the original Council limited-recourse loans have been repaid. The underwrite was fully repaid in a previous financial year and no further interest will accrue.

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

Under previous NZ GAAP loans at nil interest rates were recognised at the original loan principal amounts, less any loan repayments made. NZ IAS 39 requires loans to be initially recognised at fair value and subsequently measured at amortised cost. In accordance with NZ IAS 39 the limited recourse loans have been valued at the net present value of expected future repayments, using a discount rate at of 18%. The effect of this has been a reduction in the loan carrying value. An interest charge is then recorded each year, and this is disclosed in note 3.

5. BORROWINGS

	2011	2010
	\$000	\$000
Non Current Borrowings		
ANZ National Bank Ltd	11,000	13,500

ANZ National Bank Ltd Facilities

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

	<i>Interest Rate</i>	<i>Expires</i>
\$2.5 million	8.85%	October 2011
\$2.5 million	7.10%	October 2012
\$2.5 million	5.745%	August 2013
\$2.5 million	7.57%	October 2014

The remainder of the loan is on a floating rate of 4.38% at balance date.

At balance date the loan limit is \$14 million, and therefore \$3 million remains available for drawdown if required. Repayment terms relating to the balance of the loan at 30 June 2014 will be renegotiated at or before that date.

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6. PAYABLES

	2011	2010
	\$000	\$000
Trade payables	374	214
Accrued expenses	408	419
Employee entitlements	279	269
Fair value of interest rate swaps	348	367
	<u>1,409</u>	<u>1,269</u>

7. PROPERTY PLANT & EQUIPMENT

	Cost	Accumulated depreciation	Carrying Value	Depreciation charge
	\$000	\$000	\$000	\$000
2011				
Land	4,225	-	4,225	-
Pitch	1,202	(89)	1,113	13
Stadium Buildings	83,432	(16,596)	66,836	1,600
Fitout	14,014	(5,032)	8,982	446
Replay Screen & Production equipment	3,580	(1,325)	2,255	272
Fittings	1,235	(1,035)	200	55
Plant, machinery & equipment	20,759	(8,192)	12,567	810
Work in progress	214	-	214	
	<u>128,661</u>	<u>(32,269)</u>	<u>96,392</u>	<u>3,196</u>
2010				
Land	4,225	-	4,225	-
Pitch	1,202	(75)	1,127	13
Stadium Buildings	82,890	(15,956)	66,934	1,878
Fitout	13,971	(5,049)	8,922	427
Replay Screen & Production equipment	3,653	(1,352)	2,301	251
Fittings	1,452	(1,282)	170	109
Plant, machinery & equipment	20,297	(7,427)	12,870	863
Work in progress	32		32	
	<u>127,722</u>	<u>(31,141)</u>	<u>96,581</u>	<u>3,541</u>

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

Security

The ANZ National Bank has a first mortgage security over the stadium land and buildings and a floating first debenture charge over the assets of the Trust (see Note 5).

8. RECEIVABLES

	2011	2010
	\$000	\$000
Trade receivables	504	388
Provision for impairment	(62)	
Prepayments	194	180
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	636	568

9. FINANCIAL INSTRUMENTS RISK

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Trust uses interest rate swaps to manage the interest rate risk on its borrowings. The interest rates on the Trust's borrowings are disclosed in Note 5. The interest rate swaps are recorded at fair value and classified as held for trading.

Credit risk

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

Currency Risk

The Trust has no exposure to currency risk.

10. RELATED PARTY TRANSACTIONS

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

Settlors of the Trust

Wellington City Council

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

 
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The following transactions took place on normal commercial terms.

	2011 \$000	2010 \$000
Services provided to Council	163	352
Receivables balance outstanding	-	-
Services provided by Council	211	213
Payable balance outstanding	7	8

Details of the Advance from the Wellington City Council are given in Note 4.

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. The Trust provides turf management services to the Basin Reserve Trust, at no charge, to the value of \$233,001 (2010: \$242,259). Services provided and charged for were \$50,321 (2010: \$45,100) and the receivables balance outstanding was \$57,869 (2010: \$17,437). John Morrison is also a trustee of the Basin Reserve Trust.

The Chief Operating Officer of the Trust, Linda Rieper, is a director of Wellington Venues Ltd which is a Council Controlled Trading Organisation of the Wellington City Council. The Trust received directors fees of \$6,250 for this appointment (2010: nil), and the receivables balance outstanding was \$958 (2010: nil)

Greater Wellington Regional Council

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

Details of the Advance from the Greater Wellington Regional Council are given in Note 4. There were no other related party transactions with the Greater Wellington Regional Council.

Other related parties

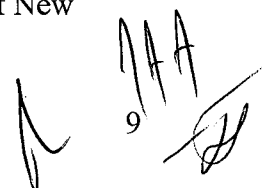
Certain trustees also hold governance positions in other entities' that the Trust transacts with. The Trust has written policies regarding conflicts of interests, and it is both policy and practice for Trustees with a conflict of interest to abstain from voting in the rare instances that conflicts arise.

Sir John Anderson is the Chairman of Television New Zealand who provided replay screen services and equipment to the Trust until 31 December 2010. Television New Zealand were appointed following an open tender process. Sir John Anderson was not a trustee at the time of appointment, and took no part in the subsequent renewal of the contract. Sir John Anderson is also the Chairman of PGG Wrightson who are a supplier to the Trust.

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

Elizabeth Dawson is a director of Hurricanes Ltd. She and her partner are directors of a company that leases a corporate box at the Stadium.

Christopher Moller is a director of Westpac New Zealand who are the Trust's naming rights sponsor and provide transactional banking services for the Trust. He was not a director of Westpac at the time the naming rights agreement was renewed. He is also the Chair of New

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Zealand Cricket who hire the stadium for events; a director of Sky City Entertainment Group Ltd who have a corporate box at the Stadium; and a director of Meridian who are the Trust's power supplier.

Paul Collins and Christopher Moller are both directors of Rugby NZ 2011 Ltd. The Trust has entered into a contract with Rugby NZ 2011 for the hire of the venue for Rugby World Cup matches in 2011.

Use of the Stadium by Wellington Rugby Football Union, Wellington Rugby, the Hurricanes and New Zealand Cricket are governed by long term agreements that were entered into prior to the opening of the Stadium.

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

The aggregate of transactions with this group is:


	2010 \$000	2010 \$000
Revenues	2,632	2,082
Receivables balance outstanding	10	-
Purchases	2,528	1,965
Payable balance outstanding	4	4

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

11. COMMITMENTS


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

	2011 \$000	2010 \$000
Operating leases		
Non cancellable operating lease commitments		
Within one year	17	18
Between one and five years	59	49
More than five years	103	112
	<u>179</u>	<u>179</u>
Capital expenditure		
Amounts committed to capital expenditure	<u>108</u>	<u>63</u>



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12. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2011 (2010: Nil)

13. EVENTS AFTER BALANCE DATE

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

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

	2011 \$000	2010 \$000
Net surplus for the year (total comprehensive income)	3,470	3,623
Impact of changes in working capital items		
(Increase)/decrease in receivables and prepayments	(67)	667
Increase in revenue in advance	286	230
Increase/(decrease) in payables and provisions	140	(816)
	<u>359</u>	<u>81</u>
Non operating items in above movements		
Revenue in advance	(227)	-
Payables	(195)	119
Non cash items in operating surplus		
Depreciation	3,196	3,540
Amortisation	(2,788)	(2,921)
Other	277	264
Movement in non current revenue in advance	-	100
Net cash inflow from operating activities	<u>4,092</u>	<u>4,806</u>

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15. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity and Period

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

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

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

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

The financial statements of the Trust are for the year ended 30 June 2011. The financial statements were authorised for issue by the Trustees on 30 August 2011.

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 have been applied in relation to:

NZ IAS 1	Presentation of Financial Statements
NZ IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
NZ IAS 16	Property Plant & Equipment
NZ IAS 17	Leases
NZ IAS 24	Related Party Transactions
NZ IFRS 7	Financial Instruments: Disclosures

No Statement of Changes in Trust Funds has been prepared as there have been no transactions between the Trust and its settlors in their capacity as settlors during the current or previous period; nor have there been any adjustments to the opening balance of Accumulated Surplus for the current or previous period.

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

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 and 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

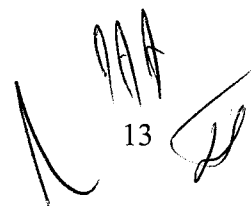
Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to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

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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 Statement of Comprehensive Income 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 Income. Fair value is determined based on quoted market prices.

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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 Income in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income 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 Statement of Comprehensive Income.

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 Income 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	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

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.

Changes in Accounting Policies

There have been no changes in accounting policies.

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Independent Auditor's Report**To the readers of
Wellington Regional Stadium Trust's
financial statements
for the year ended 30 June 2011**

The Auditor-General is the auditor of the Wellington Regional Stadium Trust (the Trust). The Auditor-General has appointed me, J.R. Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on her behalf.

We have audited the financial statements of the Trust on pages 2 to 16 that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income 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.

Opinion

In our opinion the financial statements of the Trust on pages 2 to 16:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the Trust's:
 - financial position as at 30 June 2011; and
 - financial performance and cash flows for the year ended on that date.

Our audit was completed on 30 August 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments we consider internal control relevant to the Trust's preparation of the financial statements that give a true and fair view of the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the Trust's financial position, financial performance and cash flows.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Trustee's responsibilities arise from clause 15 of the Trust Deed of the Trust.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and clause 15.3 of the Trust Deed of the Trust.

Independence

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

Other than the audit, we have no relationship with or interests in the Trust.

A handwritten signature in black ink, appearing to read 'Jo Smaill', with a stylized flourish at the end.

Jo Smaill
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand