

Wellington Regional Stadium Trust (Incorporated)

Annual Report

For the year ended 30 June 2000

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WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**TRUST PARTICULARS****AT 30 JUNE 2000**

SETTLORS:	Wellington City Council Wellington Regional Council
TRUSTEES: (For the year ended 30 June 2000)	The Hon. F H Wilde (Chair) Sir Ronald S Scott (Deputy Chair) W N Birnie P D Collins S E Elliot B E Johnson R H N Love D H Wale
CURRENT TRUSTEES (Appointed 1 July 2000)	P D Collins (Chair) Sir Ronald S Scott (Deputy Chair) Dame Margaret C Bazley M J Egan J M Hunn B E Johnson R H N Love
DATE OF SETTLEMENT:	1 January 1998
AUDITORS:	Audit NZ, Wellington on behalf of the Controller and Auditor General
SOLICITORS:	KPMG Legal
BANKERS:	WestpacTrust ANZ Banking Group (NZ) Limited

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

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WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000	1999
		\$	\$
Operating revenue			
Event Revenues		3,692,474	
Amortisation of Membership, Corporate Box and Sponsorship Funding	3	4,662,560	
Management fees received			65,000
Sundry income		<u>206,518</u>	
		<u>8,561,552</u>	<u>65,000</u>
Investment revenue			
Interest received		115,793	589,519
Tenancy rentals		<u>22,613</u>	
		<u>138,406</u>	<u>589,519</u>
Other revenues			
Donations received			33,000
Grants received		<u>1,000,000</u>	<u>6,000,000</u>
Total Other revenues		<u>1,000,000</u>	<u>6,033,000</u>
TOTAL REVENUE		9,699,958	6,687,519
OPERATING EXPENSES		<u>7,997,313</u>	<u>846,810</u>
NET OPERATING SURPLUS		<u>1,702,645</u>	<u>5,840,709</u>

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



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF MOVEMENTS IN TRUST FUNDS
FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000	1999
		\$	\$
FUNDS AT BEGINNING OF THE PERIOD		5,956,852	116,143
Operating surplus		<u>1,702,645</u>	<u>5,840,709</u>
Total recognised revenue and expenses		<u>1,702,645</u>	<u>5,840,709</u>
Contribution by owner:			
Basin Reserve Trust funds transferred		139,498	
FUNDS AT END OF THE PERIOD		<u>7,798,995</u>	<u>5,956,852</u>

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

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WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2000

	Notes	2000 \$	1999 \$
TRUST FUNDS			
Accumulated surplus		7,798,995	5,956,852
NON-CURRENT LIABILITIES			
Limited-Recourse Loans			
Wellington Regional Council	7	25,000,000	25,000,000
Wellington City Council	7	<u>15,000,000</u>	<u>15,000,000</u>
		<u>40,000,000</u>	<u>40,000,000</u>
Total Trust Funds & Limited-Recourse Loans		<u>47,798,995</u>	<u>45,956,852</u>
Other Non-Current Liabilities			
Membership, Corporate Box & Sponsorship Funding		38,506,053	19,484,680
Borrowings	8	<u>28,835,129</u>	<u>21,900,000</u>
Total other non-current liabilities		<u>67,341,182</u>	<u>41,384,680</u>
CURRENT LIABILITIES			
Revenue in Advance		5,232,376	
Payables and Accruals	10	2,742,706	4,831,264
Borrowings	8	<u>3,779,827</u>	<u>5,402,500</u>
Total current liabilities		<u>11,754,909</u>	<u>10,233,764</u>
TOTAL FUNDING		<u>126,895,086</u>	<u>97,575,296</u>
<i>Represented by:</i>			
NON-CURRENT ASSETS			
Fixed Assets	11	<u>124,128,434</u>	<u>94,101,902</u>
Total non-current assets		<u>124,128,434</u>	<u>94,101,902</u>
CURRENT ASSETS			
Cash and bank balances		1,596,075	902,028
Receivables and prepayments		1,167,116	2,566,087
Other current assets		3,461	5,279
Total current assets		<u>2,766,652</u>	<u>3,473,394</u>
TOTAL ASSETS		<u>126,895,086</u>	<u>97,575,296</u>

On behalf of the trustees:



Trustee

Trustee

Date: 19 September 2000

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



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2000

	2000	1999
	\$	\$
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES		
<i>Cash was provided from:</i>		
Event and operating income	5,640,253	
Net GST received	1,293,765	
Interest received	104,963	683,328
Grants received	1,000,000	6,000,000
Basin Reserve grant	180,000	
Donations and other sundry income	<u>264,298</u>	<u>78,347</u>
	8,483,279	6,761,675
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(4,157,781)	(602,654)
Interest paid	(1,665,624)	(225,355)
Net GST paid		(1,672,313)
	<u>(5,823,405)</u>	<u>(2,500,322)</u>
Net cash inflow from operating activities	16 2,659,874	4,261,353
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
<i>Cash was applied to:</i>		
Stadium development costs	(31,806,290)	(69,060,525)
Net cash outflow from investing activities	<u>(31,806,290)</u>	<u>(69,062,525)</u>
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
<i>Cash was provided from:</i>		
Membership, Corporate Box Fees & Sponsorships	26,504,205	11,509,004
Loans	8,768,758	21,900,000
Wellington Regional Council Loan		<u>25,000,000</u>
	<u>35,272,963</u>	<u>58,409,004</u>
<i>Cash was applied to:</i>		
Repayment of loans	(5,432,500)	
Net cash inflow from financing activities	<u>29,840,463</u>	<u>58,409,004</u>
NET INCREASE/(DECREASE) IN CASH HELD	694,047	(6,392,168)
Cash at beginning of the period	<u>902,028</u>	<u>7,294,196</u>
CASH AT END OF THE YEAR	<u>1,596,075</u>	<u>902,028</u>
<i>Composition of cash:</i>		
Cash at bank	15,643	34,528
Money market investments	<u>1,580,432</u>	<u>867,500</u>
	<u>1,596,075</u>	<u>902,028</u>

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

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These financial statements are for the Wellington Regional Stadium Trust ('the Trust'), a charitable trust established by the Wellington City Council ('WCC') and Wellington Regional Council ('WRC') and registered under the Charitable Trust Acts 1957. On 1 July 1999 the operations of the Basin Reserve were merged with the Wellington Regional Stadium Trust.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. The financial statements have also been prepared in accordance with the requirements of the Charitable Trusts Act 1957.

Measurement base

The financial statements have been prepared on a historical cost basis.

Membership, Corporate Box and Sponsorship Funding

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 term 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.

Donations and Grants

Donations and Grants are recognised as revenue on receipt.

Income tax

The income tax expense charged against the net surplus for the year is the estimated liability in respect of that surplus and is calculated after allowance for permanent differences. The Trust uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing difference are only recognised when there is virtual certainty of realisation.

Because of the uncertainty over the tax status of the Trust (refer to Note 2), the deferred tax liability has not been recognised in the financial statements.

Goods and Services Tax (GST)

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included.

Fixed Assets

Fixed assets are initially stated at cost and depreciated as outlined below. Initial cost includes the purchase consideration, or fair value in the case of a donated asset, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. These costs include, where appropriate, site preparation costs, installation costs and the costs of obtaining initial resource consents. Costs cease to be capitalised when substantially all the activities necessary to bring an asset to the location and condition for its intended use are complete.

Finance Leases

Leases where the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease are stated initially at an amount equal to the present value of the future minimum lease payments, and are depreciated as described below.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Depreciation

Depreciation is calculated on a straight line basis to allocate the cost or revalued amount of an asset, less any residual value, over its useful life. The estimated useful lives of fixed assets are as follows:

Land	Indefinite
Pitch	Indefinite – 15 years
Stadium Buildings	50 years
Replay screen & production equipment	15 years
Fitout	5-50 years
Fittings	5-10 years
Plant & machinery & equipment	3-50 years

Investments

Investments are stated at the lower of cost or net realisable value, where this can be reasonably estimated. Where in the opinion of the trustees there has been a permanent diminution in the value of the investments this has been recognised in the statement of financial performance.

Receivables

Receivables are valued at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

Financial Instruments

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, money market deposits, debtors, creditors and loans. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance.

Comparative figures

From 1 July 1999, the Wellington Regional Stadium Trust assumed responsibility for the operations of the Basin Reserve, and took over the assets and liabilities of the Basin Reserve Trust. The comparative figures for the 30 June 1999 year are for the Wellington Regional Stadium Trust only. Supplementary comparative information on the Basin Reserve Trust is given in Note 5.

Changes in accounting policies

All policies have been applied on a consistent basis during the year. There have been no changes in accounting policies.

2. STATUS OF TRUST

During 1999 the New Zealand Government passed amendments to the Local Government Act and the Income Tax Act which had the effect of bringing some trusts controlled by local bodies within the Local Authority Trading Enterprise ("LATE") definition. The Inland Revenue Department subsequently deemed that the Wellington Regional Stadium Trust was a LATE for tax purposes and withdrew the Trust's tax-exempt status with effect from 1 April 1999.

The Wellington Regional Council and Wellington City Council are currently seeking an amendment to the Wellington Regional Council (Stadium Empowering) Act to confirm the Government's intention that the Trust is not a LATE.

The obligations of the WRC and WCC to fund the Trust are defined under a Funding Deed dated 30 January 1998. Under the terms of this deed, any interest charged on the limited-recourse loans is accrued and added to the loans. It is not repayable until after all other debts are extinguished. If the Trust is a LATE it will be a taxpayer and will be required to pay interest on its limited-recourse loans at a market rate. Because of the uncertainty over the LATE status of the Trust, this interest has not been charged by the WRC and WCC, and accordingly has not been accrued in the financial statements of the Trust.

If the Trust is deemed not to be a LATE, the Trust will then seek reinstatement of the previous tax-exempt status.

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

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3. OPERATING REVENUE

During the year the Trust repurchased 17 corporate boxes that were subject to the underwrite arrangement with Fletcher Construction New Zealand & South Pacific Ltd, and cancelled the 15 year licenses applying to these boxes. The difference between the original capital value of the boxes and the repurchase price has been recognised as revenue and is included in Amortisation revenue in the Statement of Financial Performance.

4. OPERATING EXPENSES

	2000	1999
	\$	\$
Event operating expenses	1,535,169	
Maintenance and facility operation	1,042,286	
Personnel	895,733	369,661
Trustee Fees	48,000	
Audit fees	11,950	5,833
Depreciation	1,617,382	17
Interest on borrowings	2,139,186	225,355
Financing charges related to finance leases	9,581	
Rental expense on operating leases	13,224	
Other operating expenses	<u>684,802</u>	<u>245,944</u>
Total operating expenses	<u>7,997,313</u>	<u>846,810</u>

5. BASIN RESERVE COMPARATIVES

	2000	1999
	\$	\$
Total income	301,134	485,900
Total expenditure	<u>247,268</u>	<u>532,967</u>
Net Surplus/(Deficit)	<u>53,866</u>	<u>47,067</u>

6. TAXATION

	2000	1999
	\$	\$
Accounting net surplus/(loss) before tax	<u>1,702,645</u>	
Tax at 33%	561,873	
Tax effect of permanent differences	(330,000)	
Tax loss benefit not recognised	436,430	
Timing differences not recognised	<u>(668,303)</u>	
Tax payable	<u>0</u>	

There are no comparatives for the 1999 year as the Trust had tax-exempt status at that time.

7. ADVANCES

The development of the stadium is partially funded by the Wellington City Council and the Wellington Regional Council. The funding is by way of unsecured limited-recourse loans. No interest has been charged on these loans.

The Trust is required to pay surplus funds to the Wellington City Council and Wellington Regional Council in reduction of their advances 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.

8. BORROWINGS

	Note	2000 \$	1999 \$
Non Current Borrowings			
ANZ Banking Group (NZ) Ltd – Cash advance		28,000,000	20,000,000
ANZ – Revolving credit			1,900,000
Wellington Rugby Football Union Incorporated		650,000	
New Zealand Cricket Incorporated		82,360	
Lease & hire purchase obligations	9	<u>102,769</u>	
		<u>28,835,129</u>	<u>21,900,000</u>
Borrowings due within 12 months			
Crown loan			3,802,500
TranzRail loan			1,600,000
Replay screen loan		3,704,030	
New Zealand Cricket Incorporated		30,000	
Lease & hire purchase obligations	9	<u>45,797</u>	
		<u>3,779,827</u>	<u>5,402,500</u>

ANZ Banking Group (NZ) Ltd Facilities

The terms of the facilities were renegotiated with ANZ at balance date. 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. \$15 million of the facility is fixed at an interest rate of 7.15% for a three year term, expiring July 2002. Floating interest rates are between 7.35% and 8.0%

Repayments on the Cash Advance facility are as follows :

30 June 2002	\$1.5 million
30 June 2003	\$2 million
30 June 2004	\$3 million
30 June 2005	\$4 million
30 June 2006	\$5 million
30 June 2007	\$6 million and renegotiation of the terms relating to the balance

Wellington Rugby Football Union Incorporated.

Under the terms of the loan agreement between the Trust and the Wellington Rugby Football Union Incorporated, the loan is repayable over a three year period commencing two years from the drawdown date. However the Trust repaid the loan in full in July 2000. Interest was payable at 10.7%.

New Zealand Cricket Incorporated

New Zealand Cricket Incorporated advanced the Basin Reserve Trust \$150,000 for the construction of a new toilet block at the Basin Reserve. This advance was assumed by the Wellington Regional Stadium Trust when it took over the operations of the Basin Reserve Trust. The advance is repayable by the Trust at \$30,000 per annum over a period of five years from 30 June 2000. The loan is interest free and is deemed to be a prepayment of the Gate share which will become payable by New Zealand Cricket for fixtures held at the Stadium or Basin Reserve.

Replay screen loan

Payment for the replay screen was deferred twelve months after the successful completion of the screen commissioning. The premium for deferred payment was 3% of the contract amount. The payment has been guaranteed by the ANZ and is due in September 2000.

9. FINANCE LEASE LIABILITIES	2000	1999
	\$	\$
Total minimum lease payment due:		
Not later than one year	57,832	
Later than one year but not later than two years	57,832	
Later than two years but not later than five years	57,264	
Later than five years	<u>172,928</u>	NIL
Future lease finance charges:		
Current	12,035	
Non Current	<u>12,326</u>	
	<u>24,361</u>	NIL
Net Finance lease liability		
Current	45,797	
Non Current	<u>102,769</u>	
	<u>148,566</u>	NIL

10. PAYABLES AND ACCRUALS	2000	1999
	\$	\$
Trade creditors	2,287,268	4,831,264
Employee entitlements	17,840	
Accrued expenses	<u>437,598</u>	
	<u>2,742,706</u>	<u>4,831,264</u>

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
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11. FIXED ASSETS	2000	1999
	\$	\$
Freehold Land	<u>4,225,000</u>	<u>4,225,000</u>
Pitch		
At cost	1,290,986	
Accumulated depreciation	<u>(35,153)</u>	
	<u>1,255,833</u>	
Stadium Buildings		
At cost	83,045,162	
Accumulated depreciation	<u>(825,637)</u>	
	<u>82,219,525</u>	
Fitout		
At cost	12,990,324	
Accumulated depreciation	<u>(260,328)</u>	
	<u>12,729,996</u>	
Replay Screen & Production Equipment		
At cost	5,159,357	
Accumulated depreciation	<u>(171,979)</u>	
	<u>4,987,378</u>	
Fittings		
At cost	1,199,255	
Accumulated depreciation	<u>1)(89,55</u>	
	<u>1,109,704</u>	
Owned Plant and Machinery and Equipment		
At cost	17,693,531	2,123
Accumulated depreciation	<u>(377,037)</u>	<u>(17)</u>
	<u>17,316,494</u>	<u>2,106</u>
Leased Plant and Machinery and Equipment		
At cost	174,454	
Accumulated depreciation	<u>(35,565)</u>	
	<u>138,889</u>	
Leasehold improvements	<u>145,615</u>	
Construction work in progress		<u>89,874,796</u>
Total net carrying amount	<u>124,128,434</u>	<u>94,101,902</u>



12. FINANCIAL INSTRUMENTS

Credit risk

Financial instruments which potentially expose the Trust to credit risk consist of bank deposits, short term investments and accounts receivable. 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.

Fair value

The fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position

Interest rate risk

Interest rate risk is the risk that interest rates will fluctuate due to changes in the market interest rates. The interest rates on the Trust's borrowings are disclosed in Note 8. The Trust does not consider that there is any significant interest exposure on either of its investments or borrowings.

Currency Risk

The Trust has no exposure to currency risk.

13. RELATED PARTY TRANSACTIONS

Wellington City Council	2000 \$	1999 \$
Services provided to Council	244,847	NIL
Receivable balance outstanding	1,229	NIL
Services provided by Council	164,963	29,267
Payable balance outstanding	9,737	NIL

These transactions took place on normal commercial terms.

Details of the Advance from the Wellington City Council are given in Note 7. The Wellington City Council has also provided an underwrite of unsold Stadium Memberships. The balance of this underwrite at 30 June 2000 was \$2,018,758 (1999: Nil). The remaining unsold memberships were sold subsequent to balance date under a deferred payment arrangement with the final payment due on 30 June 2003.

Wellington Regional Council

Details of the Advance from the Wellington Regional Council are given in Note 7. There were no other related party transactions with the Wellington Regional Council.

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

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Trustees

Sue Elliot and Symmans Saker Elliott and Hickman Ltd have provided marketing and consulting services to the Trust totalling \$44,733 (1999: \$25,785) during the year. The Trust rented office accommodation from 1 July 1999 to 31 October 1999 from F R Partners Ltd in which Bill Birnie is a shareholder and Director. Rental and disbursements for the year were \$10,056 (1999: \$29,597). No other trustees have entered into related party transactions with the Trust.

14. COMMITMENTS

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

	2000	1999
	\$	\$
Operating leases		
Non-cancellable operating lease commitments:		
Within one year	12,121	
One to two years	11,484	
Two to five years	3,893	
Beyond five years	<u>27,498</u>	NIL
Capital Expenditure		
Amounts committed to capital expenditure	416,200	30,000,000

15. CONTINGENCIES

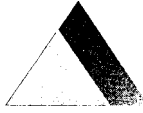
The Trust has no contingent liabilities at 30 June 2000 (1999: Nil)

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
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16. RECONCILIATION OF NET OPERATING SURPLUS TO NET CASHFLOWS FROM OPERATING ACTIVITIES	2000 \$	1999 \$
Net surplus for the year	1,702,645	5,840,709
Impact of changes in working capital items		
(Increase)/decrease in receivables	220,212	(284,082)
Increase/(decrease) in GST receivable	1,178,775	(1,113,469)
(Increase)/decrease in other current assets	1,802	(6,651)
Increase/(decrease) in revenue in advance	5,232,376	
Increase/(decrease) in payables	<u>(2,088,558)</u>	<u>3,334,977</u>
	4,544,607	1,930,775
Non Operating items in above movements:		
Receivables	(813,370)	359,613
GST	130,667	(569,880)
Payables	2,732,716	(3,299,881)
Revenue in advance	(3,798,174)	
Non Cash Items in Operating Surplus		
Depreciation	1,617,382	17
Interest	83,419	
Amortisation	<u>(3,540,018)</u>	_____
Net cash outflow from operating activities	<u>2,659,874</u>	<u>4,261,353</u>





REPORT OF THE AUDIT OFFICE

**TO THE READERS OF THE FINANCIAL STATEMENTS OF
THE WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
FOR THE YEAR ENDED 30 JUNE 2000**

We have audited the financial statements on pages 2 to 15. The financial statements provide information about the past financial performance of the Wellington Regional Stadium Trust (Incorporated) (the Trust) and its financial position as at 30 June 2000. This information is stated in accordance with the accounting policies set out on pages 6 to 8.

Responsibilities of the Trustees

The Trustees are required to prepare financial statements which fairly reflect the financial position of the Trust as at 30 June 2000 and the results of its operations and cash flows for the year ended 30 June 2000.

Auditor's responsibilities

It is the responsibility of the Audit Office to express an independent opinion on the financial statements and the performance information and to report its opinion to you.

- The Controller and Auditor-General has appointed C R Fabling, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements and performance information. It also includes assessing:

- ▲ the significant estimates and judgements made by the Trustees in the preparation of the financial statements *and*
- ▲ whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in Trust.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion:

- ▲ the financial statements of the Trust on pages 2 to 15:
 - comply with generally accepted accounting practice *and*
 - fairly reflect:
 - the financial position as at 30 June 2000 *and*
 - the results of its operations and cash flows for the year ended on that date

Our audit was completed on 19 September 2000 and our unqualified opinion is expressed as at that date.



C R Fabling
Audit New Zealand
On behalf of the Controller and Auditor-General
Wellington, New Zealand