

**Wellington Regional Stadium Trust  
Report to Settlers  
For quarter ending 31 December 2009**

The Trustees are pleased to present this report of operations for the quarter ending 31 December 2009.

**Events**

The highlight of this quarter was the FIFA World Cup qualifying match between the All Whites and Bahrain. A sell out crowd witnessed an historic match, with the All Whites win securing their place in the 2010 Football World Cup.

Three Air New Zealand Cup Rugby matches were played during the quarter, the last one being the semi-final against Southland. Average attendance at the round robin games was 11,363 which was slightly higher than the year before. Attendance at the semi-final was disappointing at 9,120.

Four Phoenix games were held during the quarter. The Phoenix continue to attract a core group of regular supporters, with average attendance of 7,100 for the year to date.

One of our regular exhibition clients returned in October with the annual Home and Garden show, which was attended by 13,000.

Community events that occurred during the quarter were the provision of the venue to the police and the Defence Force for various training exercises.

**Financial Results**

The net surplus for the six months ending 31 December 2009 is \$1.03 million compared to a budget of \$304,000. Event revenues are \$769,000 ahead of budget. This is mainly due to events being held that were not budgeted for including the All Whites game, the Air NZ Cup semi-final, and an extra Phoenix match. The Trust's annual surplus is always very event-dependent, and budgets are prepared based on confirmed events at the time of preparation.

Operating expenses are in line with budget. Depreciation is \$188,000 higher than budget, as changes to the useful lives of some cladding and roofing assets were made after the budget had been prepared.

Capital expenditure is much less than budgeted. As noted in the previous quarterly report, the budget had included the installation of a wet pour beer delivery system, but this will not proceed in the current financial year. The Trust continues to develop its 15 year long term capital expenditure plan to ensure the Stadium remains a world class facility.

The value of turf management services provided at no cost to the Basin Reserve Trust during the quarter was \$66,879.

## **Rugby World Cup 2011**

We continue to meet regularly with the Regional Coordination Group and Rugby New Zealand 2011 on the operational requirements of the tournament. WRST does not have a need to undertake any major capital projects before the tournament. We are going to re-carpet the lounge areas.

The operational matters that need to be resolved relate to back-up power supply and the installation of temporary seating, both of which are progressing satisfactorily.

## **Asset Management Plan**

We have not been successful in resolving the issues of the leaking roof and the deterioration of the cladding.

As a public entity with responsibilities to both Councils and to the ratepayers of the region it was necessary for the Trustees to protect the rights of the Trust under the Building Act 1991. The Trust needed to start proceedings against contractors and other related parties within 10 years of the issuance of the Code of Compliance Certificate. This 10 year period expired on 11 December 2009. Proceedings were issued in the High Court on the 10 December 2009. Our claim for damages is \$4.86 million.

The Trust has made strenuous efforts to achieve a negotiated settlement with the relevant contractors, but has not been able to achieve a satisfactory response from the contractors.

## **Capital Expenditure**

Items purchased during the quarter included a new buggy for the turf staff, access control equipment, and progress payments for the generator and uninterruptible power supply to provide back up for the southern replay screen.

## **Turf**

A substantial renovation has been undertaken in December and January, and we plan to undertake the same level of renovation at the same time next year. Our turf currently meets the standards required for Rugby World Cup 2011 and these renovations will ensure it continues to do so.

## **Risk Management**

The Trust is continuing to work on the update of its Business Continuity Plan. We have also had an independent review of our health and safety plan and are working on implementing the recommendations of this review.

## **Customer Satisfaction**

We reported on a number of surveys undertaken in our last quarterly report. During the current quarter we have continued to monitor food and beverage queues at events, and these have complied with the minimum operating KPI standards.

## **Conclusion**

A variety of events has made for another busy quarter, and the Trust ends the half year in a strong position and ready for the next six months.

Paul Collins  
Chairman  
February 2010



**Wellington Regional Stadium Trust**  
**Statement of Financial Performance**  
**For the Six Months Ending 31 December 2009**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Variance</b>	<b>Annual Budget</b>	<b>(12 months) 30/06/2009 Actuals</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating Revenue</b>					
Event Revenues	2,799,296	2,030,809	768,487	5,027,175	7,427,083
Amortisation	3,937,039	3,905,514	31,525	7,856,934	7,755,929
Interest income	29,350	25,170	4,180	72,500	74,055
Sundry income	716,287	640,824	75,463	1,246,347	1,331,617
<b>Total Revenue</b>	<b>7,481,972</b>	<b>6,602,317</b>	<b>879,655</b>	<b>14,202,956</b>	<b>16,588,684</b>
Operating Expenses	4,066,408	4,087,684	21,276	8,178,004	8,623,959
<b>Operating Surplus before Depreciation and Interest</b>	<b>3,415,564</b>	<b>2,514,633</b>	<b>900,931</b>	<b>6,024,952</b>	<b>7,964,725</b>
Depreciation	1,784,071	1,596,389	(187,682)	3,214,487	3,562,004
Interest	602,999	613,846	10,847	1,233,032	1,927,582
<b>Net Operating Surplus</b>	<b>1,028,494</b>	<b>304,398</b>	<b>724,096</b>	<b>1,577,433</b>	<b>2,475,139</b>

**Wellington Regional Stadium Trust**  
**Statement of Financial Position**  
**As at 31 December 2009**

	31-Dec-09 \$	30-Jun-09 \$
<b>Trust Funds</b>		
Accumulated Surplus	65,562,346	64,533,851
<b>Limited Recourse Loans</b>		
Wellington Regional Council	417,871	382,160
Wellington City Council	250,723	229,297
Wellington City Council - Accrued Interest	2,544	2,334
Total Trust Funds & Limited Recourse Loans	<u>66,233,484</u>	<u>65,147,642</u>
<b>Non Current Liabilities</b>		
Term Loans	17,300,000	18,300,000
Revenue in Advance	14,971,613	15,728,035
Total Non Current Liabilities	<u>32,271,613</u>	<u>34,028,035</u>
<b>Current Liabilities</b>		
Payables & Accruals	1,670,079	2,084,489
Revenue in Advance	4,430,416	2,344,300
Total Current Liabilities	<u>6,100,495</u>	<u>4,428,789</u>
<b>Total Funding</b>	<u>104,605,592</u>	<u>103,604,466</u>
Represented by:		
<b>Non Current Assets</b>		
Fixed Assets	97,784,323	99,442,711
Total Non Current Assets	<u>97,784,323</u>	<u>99,442,711</u>
<b>Current Assets</b>		
Cash	4,574,271	2,926,597
Receivables & Prepayments	2,246,998	1,235,158
Total Current Assets	<u>6,821,269</u>	<u>4,161,755</u>
<b>Total Assets</b>	<u>104,605,592</u>	<u>103,604,466</u>

**Wellington Regional Stadium Trust**  
**Statement of Cash Flows**  
**For the 6 months ended 31 December 2009**

	6 mths 31-Dec-09 \$	12 mths 30-Jun-09 \$
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Event and operating income	4,634,881	8,705,593
Corporate Box fees and sponsorships	3,665,823	4,812,102
Interest received	29,350	74,055
Sundry income	62,206	116,858
	<u>8,392,259</u>	<u>13,708,607</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(4,720,580)	(8,008,118)
Interest paid	(713,818)	(1,420,903)
Goods and services tax (net)	(159,544)	(679,680)
	<u>(5,593,942)</u>	<u>(10,108,701)</u>
<b>Net cash inflow from operating activities</b>	2,798,317	3,599,906
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Disposal of fixed assets	13,000	12,658
<i>Cash was applied to:</i>		
Purchase of fixed assets	(163,644)	(456,269)
<b>Net cash outflow from investing activities</b>	<u>(150,644)</u>	<u>(443,611)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
<i>Cash was applied to:</i>		
Repayment of loans	(1,000,000)	(1,500,000)
<b>Net cash outflow from financing activities</b>	<u>(1,000,000)</u>	<u>(1,500,000)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	1,647,674	1,656,295
Cash at beginning of the period	2,926,597	1,270,302
<b>CASH AT END OF THE PERIOD</b>	<u><u>4,574,271</u></u>	<u><u>2,926,597</u></u>
<i>Composition of cash:</i>		
Cash at bank	75,210	212,010
Money market deposit	4,499,061	1,314,587
Term Deposit - 30 days	62,206	1,400,000
	<u><u>4,574,271</u></u>	<u><u>2,926,597</u></u>