

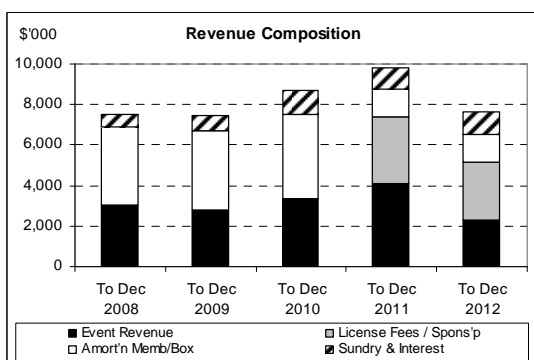
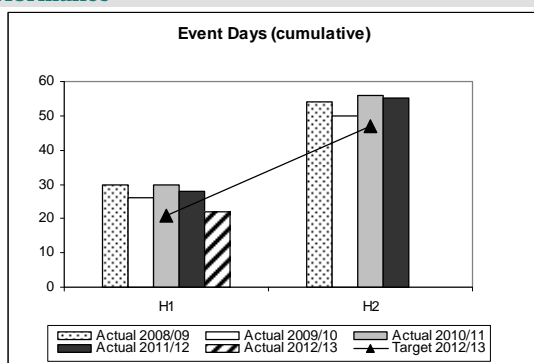
## Quarterly Review – Wellington Regional Stadium Trust

Wellington Regional Stadium Trust has presented its report for the half ended 31 December 2012 for review. A summary of key findings is presented below and the full report is attached.

### Highlights / Summary:

- Total attendance was 160,591 for the half and the Stadium welcomed its 7 millionth patron.
- ITM Cup rugby attendances improved relative to last year (when they were impacted by RWC timing). They averaged 5,018, compared to 3,816 last year and 5,854 the year before.
- Average attendances for the Phoenix regular games were 7,234 (slightly up on last year's 6,610). However, these figures were helped by the 11,575 who came to the first game of the season.
- The Trust continues to work on its new membership proposal from 2015 and expects to be selling the new packages by the end of 2013.
- Chief Executive David Gray has announced he will retire in June and the recruitment process for his replacement is underway.

### Performance



Note: License Fees/Spons'p combined with Amort'n Memb/Box until H1 2012

### Macro Key Performance Indicators

Measure	Annual Target	YTD Target	YTD Actual
Number of events	47	21	22
Other event-related days	168	67	79
Number of attendees	n/a	n/a	160,591
Event revenue \$000	4,690	1,544	2,275
Total revenue \$000	15,130	6,861	7,651
Net Surplus/Deficit \$000	2,320	493	1,035
Bank borrowing to total assets	9.7%	9.3%	8.3%

- Number of events above includes community events; however, there were no community events held in the first half. The Trust is forecasting 5 community events for the year.
- The Stadium now anticipates hosting 54 events in 2012/13. Events confirmed for the second half include the AFL St Kilda / Sydney Swans match and the NRL Warriors / Bulldogs match.
- The Stadium continues to monitor food and beverage queues at events, which have generally complied with the minimum KPI standards.

Contact officer:

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### Activities during the quarter

- The Master Plan work got underway with the upgrade of the changing rooms and the administrative offices. The upgrade to the Deloitte Clubroom member lounge will commence in March and design work for the Mezzanine bars is being finalised.
- The Stadium hosted the All Blacks versus Argentina match in the expanded Rugby Championship competition. The tower lights went out during the match due to an external fault, but the Stadium's emergency systems operated as expected. The Trust and the hirer were satisfied with how the situation was handled.
- The members' survey was undertaken in September. There were more responses than the prior year and the overall membership experience rating increased to 7.3 from 6.7 (7.1 in 2010). This matches the best overall rating last achieved in 2005.
- The corporate box survey was undertaken in December. There were less responses than the prior year (18 boxes). The rating increased to 8.6 from 7.4 (7.5 in 2010).

### Financial Commentary

- The Trust recorded a YTD surplus of \$1.0m, well above the budgeted surplus of \$0.5m. It is on track to deliver an above budget full year result. The Trust now anticipates full year income of \$15.7m (against an initial budget of \$15.1m) and a surplus of \$2.6m (initially \$2.3m) for 2012/13.
- Event revenues were \$731k above budget, reflecting timing differences on when events were held compared to budget and some unbudgeted events (ITM Cup semi-final and two HRV Cup Twenty/20 matches). This was partially offset by event expenses being \$524k above budget.
- The Trust provided \$114k worth of turf management services to Basin Reserve YTD and insurance was renewed with full cover at previous years' levels.
- The external debt balance is at \$8.285m, up \$785k since June.

### Statement of Financial Performance

For the half ended 31 December 2012

\$000	YTD Actual	YTD Budget	FY Budget	Reforecast FY Budget
Income	7,651	6,861	15,130	15,706
Expenditure	6,615	6,368	12,810	13,106
Net op. surplus	1,035	493	2,320	2,600

NB: FY Budgets are in line with those approved in the Business Plan. The Trust now anticipates a slightly higher reforecast result as discussed above.

### Statement of Financial Position

As at 31 December 2012

\$000	YTD Actual	FY Budget	FY 2011/12 Actual
Current assets	4,005	1,330	2,484
Non-current assets	95,417	96,860	94,114
Current liabilities	10,604	4,880	8,325
Non-current liabilities	11,096	13,680	11,684
Equity	77,722	79,630	76,589
Current ratio	0.4 : 1	0.3 : 1	0.3 : 1
Equity ratio	78%	81%	79%

NB: To maintain consistency with previous reports, equity includes limited recourse loans to the regional and city Councils.

### Statement of Cash Flows

For the half ended 31 December 2012

\$000	YTD Actual	FY Budget	FY 2011/12 Actual
Operating	1,493	3,060	5,345
Investing	(2,964)	(6,040)	(1,213)
Financing	785	2,000	(3,500)
Net	(686)	(980)	632
Closing balance	921	880	1,608

NB: Cash flow statement is prepared on a six monthly basis.

## Profile – Wellington Regional Stadium Trust

Wellington Regional Stadium Trust (WRST) is a charitable trust, established on 19 November 1997 with Wellington City Council and Greater Wellington Regional Council as joint settlors.



The Trust is responsible for the ownership, operation and maintenance of the Stadium as a multi-purpose sporting and cultural venue. The operation is to be administered on a prudent commercial basis, so that it is a successful, financially autonomous community asset.

### Entity Data

Established	19 November 1997	
Board	John Shewan (Chair)	<i>Term expires:</i> June 2015
	Liz Dawson	June 2014
	Cr John Morrison (WCC)	Oct 2013
	Mark McGuinness	June 2014
	Sir John Anderson	June 2014
	Sue Elliott	June 2014
	Cr Chris Laidlaw (GWRC)	Oct 2013
	Chris Moller	Feb 2013
CEO	David Gray	
Balance date	30 June	
Number of FTE staff	18	
Website	<a href="http://www.westpacstadium.co.nz">www.westpacstadium.co.nz</a>	
Type of entity	Charitable Trust	
LGA designation	Trust (not a Council Controlled Organisation)	
By reason of		
Council interest	\$15.39 million ( <i>nominal value</i> ); \$1.25 million ( <i>book value</i> )	
Type of interest	Limited recourse interest-free loan	

**Wellington Regional Stadium Trust**  
**Half yearly report to settlers**  
**For six months ending 31 December 2012**

The Trustees are pleased to present this report of operations for the six months ending 31 December 2012.

**EVENTS**

Once again we have had a busy six month period, with a variety of events. Total event days were 22, and attendance was 160,591. During the last game of the year, the seven millionth patron came through the gate. These cumulative attendance figures continue to track well ahead of the original projections for the Stadium.

<i>Event</i>	<i>Month</i>	<i>Attendance</i>
<i>Rugby</i> Super Rugby – final game of 2013 season	July	23,539
All Blacks v Argentina	September	29,932
ITM Cup Rugby: 5 round robin games and a semi final	August to October	5,238 (avg)
<i>Football</i> A-League: Phoenix 7 Regular season games	October to December	7,234 (avg)
<i>Exhibitions</i> Beervana	August	6,243
Home & Garden Show	September	15,000
<i>Cricket</i> HRV Cup – 2 games	November	1,900(avg)

The final Super Rugby home game of the 2013 season attracted the highest crowd of the season.

This year the Stadium hosted the All Blacks against Argentina in the expanded Rugby Championship competition. Attendance was slightly higher than the previous year's test match. At this event, the tower lights went out just on the start of half time due to a fault external to the Stadium. All of our emergency systems operated as expected and both ourselves and the hirer were satisfied with how the situation was handled.

ITM Cup Rugby attendances improved from the previous year when they were affected by their proximity to Rugby World Cup. The Wellington Lions also hosted a semi-final against Auckland but attendance remained low for that game at 6,339.

Average attendance at the Phoenix games was actually ahead of the same period last year, helped by the 11,575 who came to the first game of the season. Since then match results have not gone the Phoenix's way, but a core group of faithful supporters continue to attend.

Beervana returned for its second year and continues to grow in popularity. The Home and Garden Show returned to its preferred time of September and attracted good crowds.

We also hosted two HRV Cup domestic T-20 games that were played on Friday nights under lights.

During the period the following events were confirmed for the next six months:

- AFL match between St Kilda and Sydney Swans on 25 April
- NRL match between Warriors and Bulldogs on 11 May.

These are both exciting additions to the event calendar which cement the truly multi-purpose nature of the Westpac Stadium and both have the potential to become recurring events bringing visitors to the city.

We have continued to work with the organisers of the Cricket World Cup and FIFA Under-20 World Cup as they work through the process of allocating games to venues. Both of these Tournaments take place in 2015.

During the period the Trust spent a substantial amount of time working with an Australian concert promoter to bring a major international artist to the Stadium for a one-off New Zealand show. This was ultimately unsuccessful when the artist decided not to proceed with the entire Australasian concert tour.

## **CUSTOMER SATISFACTION**

During the six month period we completed our annual members and corporate box surveys.

The members' survey was conducted in September 2012 following the All Blacks test match. There has been an increase in the number of responses received this year with 249 responses received representing at least 655 memberships (25% of all memberships) compared to 436 (16.8%) in the previous year.

Overall, there has been a significant increase in ratings for the venue and the Stadium Trust service levels over the previous year, with the Overall Membership Experience rating of Good to Excellent increasing from 6.7 to 7.3. This matches the best overall rating last achieved in 2005 of 7.3. The percentage of members who rate the Stadium overall as "Good" has increased by 10% from last year.

The overall catering experience has declined slightly since last year with 54% of members responding with good or excellent, compared to 56% last year. However, 10% of members believe the catering experience to be excellent, up from 6% last year.

The corporate box survey was completed in December. The overall rating of the corporate box experience was 8.6, a significant improvement from 7.4 in the previous year. Responses

were received from 18 boxes (25 in the previous year). Again the relatively small response probably indicates that there is a reasonable level of satisfaction with our box service.

We also continue to monitor food and beverage queues at most events, and these generally comply with the minimum operating KPI standards.

## **RENEWAL OF MEMBERSHIP AND CORPORATE BOX LICENSES**

During the period the Trust completed its research on the new membership offering and is now using the information to design a new membership proposal from 2015. Once finalised and approved by the Trustees, work will start on preparing the marketing plan and we expect to be selling the new memberships by the end of 2013.

## **MAINTAINING AND ENHANCING THE FACILITY**

### **Stadium Master Plan**

The first project of the Master Plan got underway and was largely completed during the six month period with the expansion and upgrade of the changing rooms, which was done at the same time as the expansion of the administration offices.

The upgrade of the Deloitte Clubroom member lounge will commence in March 2013. We are continuing to work with the architects on the final design of the East and West Mezzanine bars which are proposed on the public concourse and is expected to be commenced early in the next financial year.

### **Capital Expenditure**

Installation of new turnstiles was completed during the period and these have been in use since October providing a smoother entrance process for patrons with enhanced functionality.

The Trust has also purchased a new set of player's shelters and AFL match day equipment. The new set have an improved design making their manoeuvrability easier. As always, it remains the choice of the hirer as to whether the players use the shelters.

### **Turf**

The turf is currently in very good condition going into the exceptionally busy summer period. We expect that it will cope well with the heavy event schedule and we must have good strong turf going into winter.

Our own recently purchased transporter wheels for the portable wicket movement were used for the first time for the November HRV Cup games.

## **FINANCIAL RESULTS**

The net surplus for the six months ending 31 December 2012 is \$1.0 million compared to a budget of \$0.5m.

Event revenues are \$0.7m ahead of budget, offset by event expenditure being \$0.5m ahead of budget. This is due to some timing differences on when events are held compared to the budget, as well as some unbudgeted events such as the ITM Cup semi-final and the two HRV Cup Twenty/20 matches.

The value of turf management services provided at no cost to the Basin Reserve Trust during the six months was \$114,346.

## **INSURANCE**

We completed the renewal of insurance during this period. We are pleased to be able to again arrange full cover to the levels of previous years. Premiums remain high following the Canterbury earthquakes.

## **OTHER MATTERS**

### **Risk Management**

The Trustees are reviewing the earthquake resilience of the Stadium to satisfy themselves as to the safety of the patrons.

### **Health & Safety**

Our Health and Safety Committee meets monthly.

During the period we engaged with our health and safety consultant to ensure our policies and practice continue to meet the required standards.

### **Staffing**

John Shewan was appointed to the Trust Board effective 1 July 2012 and took over the role of Chair from Paul Collins.

Chief Executive David Gray will retire at 30 June 2013, and the recruitment process for his replacement is underway.

## **CONCLUSION**

Once again it has been a very busy period, and the Trust has continued to deliver a wide range of events, with the added complication of some large construction projects occurring at the same time.

We look forward to another busy six months ahead.

John Shewan  
Chairman  
February 2013

## Wellington Regional Stadium Trust Key Performance Indicators

	Actual		Budget				YTD Variance 31-Dec-12 \$000	YTD Variance 31-Dec-12 %		
	1st half 31-Dec-12 \$000	2nd half 30-Jun-13 \$000	Total YTD \$000	1st half 31-Dec-12 \$000	2nd half 30-Jun-13 \$000	YTD Budget 31-Dec-12 \$000			Annual Budget \$000	Reforecast Budget \$000
Event revenue	2,275	2,275	2,275	1,544	3,156	1,544	4,700	5,219	731	47%
Total income	7,651	7,651	7,651	6,861	8,353	6,861	15,214	15,706	790	12%
Net surplus/(deficit)	1,035	1,035	1,035	493	1,825	493	2,318	2,600	542	110%
Net cashflow movement	(686)	(686)	(686)	(985)	50	(985)	(935)	(741)	299	(30%)
Loan increase (decrease)	785	785	785	1,500	500	1,500	2,000	1,585	(808)	(10%)
Net bank debt	7,364	7,364	7,364	8,172	8,623	8,172	8,623	8,218	(808)	(10%)
Liquidity Ratio (Current Assets to Current Liabilities)	0.38	0.38	0.38	0.27	0.27	0.27	0.27	0.27		
Bank borrowing to Total Assets	8.33%	8.33%	8.33%	9.27%	9.68%	9.27%	9.68%	9.31%		
Stadium Enhancements (Capex)	3,140	3,140	3,140	3,232	2,813	3,232	6,045	5,763	92	3%

	Actual		Budget				YTD Variance 31-Dec-12			
	1st half 31-Dec-12	2nd half 30-Jun-13	Total YTD	1st half 31-Dec-12	2nd half 30-Jun-13	YTD Budget		Reforecast Budget		
Events held during period	8	2	8	7	8	7	15	16		
Rugby	2	1	3	1	1	0	3	3		
Cricket	7	7	14	6	6	6	12	12		
Football	0	0	0	0	1	0	1	3		
Other Sport	0	0	0	0	2	0	2	1		
Concerts/Other events	5	5	10	6	5	6	11	14		
Exhibition Days	22	0	22	19	23	19	42	49		
Total events	22	0	22	19	23	19	42	49		
Other event-related days	0	0	0	2	3	2	5	5		
Community events	32	47	79	33	45	33	78	73		
Set up/bookings for quarter/semi/final	47	47	94	34	56	34	90	90		
Turf renovation	101	0	101	88	127	88	215	217		
Total event-related days	101	0	101	88	127	88	215	217		
Total numbers attending	160,591	160,591	160,591	160,591	160,591	160,591	160,591	160,591		
									13	15%

**Wellington Regional Stadium Trust**  
**Statement of Financial Performance**  
**For the Six Months Ending 31 December 2012**

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Variance</b>	<b>Annual Budget</b>	<b>(12 months) 30/06/2012 Actuals</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating Revenue</b>					
Event Revenues	2,275,165	1,544,435	730,730	4,700,290	7,657,292
License Fees & Sponsorship	2,871,145	2,863,613	7,532	5,700,571	6,207,433
Amortisation	1,388,296	1,379,498	8,798	2,758,996	2,771,414
Interest income	10,860	13,223	(2,363)	45,912	40,729
Sundry income	1,105,210	1,060,225	44,985	2,008,489	2,037,501
<b>Total Revenue</b>	<b>7,650,676</b>	<b>6,860,994</b>	<b>789,682</b>	<b>15,214,258</b>	<b>18,714,369</b>
<b>Operating Expenses</b>					
Event	1,958,082	1,434,170	(523,912)	3,009,573	5,085,494
Other operating expenses	2,557,848	2,806,373	248,525	5,542,103	5,564,167
	4,515,930	4,240,543	(275,387)	8,551,676	10,649,661
<b>Operating Surplus before Depreciation and Interest</b>	<b>3,134,746</b>	<b>2,620,451</b>	<b>514,295</b>	<b>6,662,582</b>	<b>8,064,708</b>
Depreciation	1,752,409	1,708,043	(44,366)	3,471,043	3,427,018
Interest	347,066	419,562	72,496	873,249	724,717
<b>Net Operating Surplus</b>	<b>1,035,271</b>	<b>492,846</b>	<b>542,425</b>	<b>2,318,290</b>	<b>3,912,973</b>



**Wellington Regional Stadium Trust**  
**Statement of Financial Position**  
**As at 31 December 2012**

	31-Dec-12 \$	30-Jun-12 \$
<b>Trust Funds</b>		
Accumulated Surplus	76,575,280	75,540,009
<b>Limited Recourse Loans</b>		
Wellington Regional Council	714,199	653,165
Wellington City Council	428,520	391,900
Wellington City Council - Accrued Interest	4,180	3,835
Total Trust Funds & Limited Recourse Loans	<u>77,722,179</u>	<u>76,588,909</u>
<b>Non Current Liabilities</b>		
Term Loans	8,285,000	7,500,000
Revenue in Advance	2,810,949	4,183,592
Total Non Current Liabilities	<u>11,095,949</u>	<u>11,683,592</u>
<b>Current Liabilities</b>		
Payables & Accruals	2,192,321	2,054,467
Revenue in Advance	8,411,242	6,271,093
Total Current Liabilities	<u>10,603,563</u>	<u>8,325,560</u>
<b>Total Funding</b>	<u>99,421,691</u>	<u>96,598,061</u>
Represented by:		
<b>Non Current Assets</b>		
Fixed Assets	95,416,801	94,114,452
Total Non Current Assets	<u>95,416,801</u>	<u>94,114,452</u>
<b>Current Assets</b>		
Cash	921,420	1,607,855
Receivables & Prepayments	3,083,470	875,754
Total Current Assets	<u>4,004,890</u>	<u>2,483,609</u>
<b>Total Assets</b>	<u>99,421,691</u>	<u>96,598,061</u>

**Wellington Regional Stadium Trust**  
**Statement of Cash Flows**  
**For the 6 months ended 31 December 2012**

	6 mths 31-Dec-12 \$	12 mths 30-Jun-12 \$
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Event and operating income	2,278,400	7,482,861
Corporate Box fees and sponsorships	3,437,747	6,477,336
Interest received	10,860	40,729
Goods and services tax (net)	240,342	44,693
Sundry income	1,116,726	2,023,964
	<u>7,084,075</u>	<u>16,069,583</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(5,339,964)	(10,027,197)
Interest paid	(251,318)	(697,659)
	<u>(5,591,281)</u>	<u>(10,724,856)</u>
<b>Net cash inflow from operating activities</b>	1,492,793	5,344,728
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Disposal of fixed assets	3,500	
<i>Cash was applied to:</i>		
Purchase of fixed assets	(2,967,729)	(1,213,218)
<b>Net cash outflow from investing activities</b>	<u>(2,964,229)</u>	<u>(1,213,218)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Drawdown of loans	785,000	-
<i>Cash was applied to:</i>		
Repayment of loans	-	(3,500,000)
<b>Net cash outflow from financing activities</b>	<u>785,000</u>	<u>(3,500,000)</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	(686,435)	631,509
Cash at beginning of the period	1,607,855	976,346
<b>CASH AT END OF THE PERIOD</b>	<u><u>921,420</u></u>	<u><u>1,607,855</u></u>
<i>Composition of cash:</i>		
Cash at bank	921,420	1,607,855
	<u><u>921,420</u></u>	<u><u>1,607,855</u></u>