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**ORDINARY MEETING**

**OF**

**ECONOMIC GROWTH AND ARTS COMMITTEE**

**AGENDA**

**Time:** 9.15am  
**Date:** Tuesday, 7 October 2014  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**MEMBERSHIP**

Mayor Wade-Brown

Councillor Ahipene-Mercer  
Councillor Coughlan (Chair)  
Councillor Eagle  
Councillor Lester  
Councillor Marsh (Deputy Chair)  
Councillor Peck  
Councillor Young

**Have your say!**

*You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing [public.participation@wcc.govt.nz](mailto:public.participation@wcc.govt.nz) or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.*

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## **AREA OF FOCUS**

The Economic Growth and Arts Committee will focus on delivering sustainable long-term economic growth, increased employment, promote the city's visitor attractions, deliver high-quality events and support the development of smart businesses in the city. The Committee will also work to build Wellington's unique identity, bolster business confidence, raise the city's international profile, and ensure Wellington continues to be New Zealand's arts and culture capital by supporting a range of opportunities for entertainment and expression. There will be a continuing focus on the ICT and Digital sector.

**Quorum:** 4 members

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## **1 Meeting Conduct**

### **1.1 Apologies**

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

### **1.2 Conflict of Interest Declarations**

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

### **1.3 Confirmation of Minutes**

The Minutes of the meeting held on 2 September 2014 will be put to the Economic Growth and Arts Committee for confirmation.

### **1.4 Public Participation**

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

### **1.5 Items not on the Agenda**

The Chairperson will give notice of items not on the agenda as follows:

***Matters Requiring Urgent Attention as Determined by Resolution of the Economic Growth and Arts Committee.***

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

***Minor Matters relating to the General Business of the Economic Growth and Arts Committee.***

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Economic Growth and Arts Committee for further discussion.



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## 2. General Business

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# REVIEW OF ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR ENDING 30 JUNE 2014

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### Purpose

1. This report provides the committee with a review of the annual reports submitted by Council Controlled Organisations (CCOs) for Council approval in compliance with the requirements of the Local Government Act 2002. Separate reports analysing each entity's performance are attached as appendices to this report.

### Recommendation/s

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Note any issues for the Chair to raise with the entities covered by this report.

### Background

2. It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a council organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:
  - The Council's objectives for the organisation
  - The desired results, as set out in the organisation's Statement of Intent
  - The Council's overall aims and outcomes.
3. The Economic Growth and Arts Committee is tasked with the assessment of the efficiency and effectiveness of the following entities:
  - Basin Reserve Trust (BRT)
  - Positively Wellington Tourism (PWT)
  - Positively Wellington Venues (PWV)
  - Wellington Museums Trust (WMT)
  - Wellington Regional Stadium Trust (WRST) on a summary basis
  - Wellington International Airport (WIAL)
4. Wellington Regional Stadium Trust and Wellington International Airport Limited are not CCOs, but are included in this report because of the materiality of the Council's financial commitment to the entity and/or because of the entity's contribution to Council outcomes.

### Discussion

5. Audited annual reports have been received from the following CCOs for consideration by the committee and are included in the covering reports that are attached as appendices:
  - Basin Reserve Trust
  - Positively Wellington Venues

- Wellington Museums Trust
  - Wellington Regional Stadium Trust
6. Note that the annual report for PWT will be reviewed at the meeting of the Economic Growth and Arts Committee on 18 November 2014.
  7. Note that WIAL has a March 31 year end. Its annual report was presented to the Economic Growth and Arts Committee on 10 June 2014.
  8. The audited annual reports received from CCOs have been reviewed by officers to assess any risks or issues from the perspective of Council's shareholder interest. Any significant issues that were identified have been discussed with the relevant entity.
  9. Representatives of the CCOs covered in this report will attend the meeting to present their Annual Report and answer any questions from the Committee.
  10. If the Committee needs to clarify further the information presented or requires additional assistance with its monitoring role, it can ask officers or the Chair of the Committee to seek responses from the Board Chair.

### **Attachments**

Attachment 1.	CCO Annual Reports Analysis 2013-14	Page 10
Attachment 2.	CCO Annual Reports 2013-14	Page 22

Authors	Richard Hardie, Portfolio Manager Warwick Hayes, CCO Project Manager
Authoriser	Derek Fry, Director City Growth & Partnerships



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## **SUPPORTING INFORMATION**

### **Consultation and Engagement**

Not applicable

### **Treaty of Waitangi considerations**

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit and mana whenua as part of normal operations.

### **Financial implications**

There are no financial implications associated with this report.

### **Policy and legislative implications**

This report is consistent with existing WCC policy.

### **Risks / legal**

No risks have been identified with this report. A Statement of Intent is a legal requirement for CCOs under the Local Government Act 2002.

### **Climate Change impact and considerations**

Not applicable

### **Communications Plan**

Not applicable

BASIN RESERVE TRUST

ANNUAL REVIEW TO 30 JUNE 2014

**EXECUTIVE SUMMARY**

The Basin Reserve Trust had a strong year with a number of successes both on and off the field. The Basin hosted two international test matches with the West Indies touring in December 2013 and India coming to Wellington in February 2014. The latter test included Brendan McCullum's historic triple century. As a result, spectator numbers well exceeded the forecast for the year.

Off field, work began on implementing the Trust's Facilities Management Plan by addressing some of the most urgent deferred maintenance work around the ground. All projects were completed on time and on budget. The Trust continued to be involved in the discussions and subsequent Board of Inquiry hearing around the NZTA's proposal for the Basin Reserve flyover. However, this did incur unbudgeted legal expenses.

In April, the Trust began work with representatives from the Council and Wellington Cricket on the development of a master plan for the Basin Reserve to look at the future of the Basin and the work required to future-proof the ground as the premiere international cricket venue and community space. A steering group has been established that has engaged with key stakeholders, including NZ Cricket, NZ Heritage, the Westpac Stadium and the NZ Cricket Museum. A draft master plan is expected to be ready for consideration in October 2014.

The NZ Cricket Players' Association (NZCPA) voted the Basin Reserve as having the best wicket in the country. Also, the Basin changing rooms & player viewing areas were voted the best in the country for the second year running. While this is a pleasing result, the Trust notes that there is increasing completion from other venues around the country that are improving their facilities, most notably Hagley Oval in Christchurch.

Hawkins' naming rights sponsorship of the Basin Reserve came to an end in April 2014. The Trust continues to investigate options for securing a new naming rights sponsor

During the year, two long serving trustees, Doug Catley and John Morrison, retired from the board. They were replaced by John Greenwood and Cr Paul Eagle.

**SUMMARY FINANCIALS**

FINANCIAL PERFORMANCE	2011/12 Actual	2012/13 Actual	2013/14 Actual	2013/14 Budget	Variance
Total Revenue	600,724	634,559	<b>632,564</b>	671,600	(39,036)
Operating Expenses	444,238	562,205	<b>613,296</b>	551,940	(61,356)
EBITDA	156,486	72,354	<b>19,268</b>	119,660	(100,392)
Net Profit after tax and deprn	(110,822)	(200,744)	<b>(182,844)</b>	(78,340)	(104,504)
<b>FINANCIAL POSITION</b>					
Total Assets	1,250,871	1,047,043	<b>840,562</b>	972,230	
Total Liabilities	102,246	99,162	<b>75,525</b>	80,000	
Equity	1,148,625	947,881	<b>765,037</b>	892,230	
<b>CASH FLOWS</b>					
Total Net Cash Flows	(46,317)	40,498	<b>27,952</b>	92,502	
Opening Cash	88,133	41,816	<b>82,314</b>	82,314	
Closing Cash	41,816	82,314	<b>110,266</b>	192,089	

A review of the financial statements of the Basin Reserve Trust highlights the following points:

- Total revenue was below budget by \$39k (6%) in part because the naming rights sponsorship with Hawkins Infrastructure came to an end in April 2014 and was not renewed. The Trust is working to secure a new naming rights sponsor. In addition, revenue from hiring out the Monstavisision screen was below budget because the company went into receivership part way through the year. Monstavisision has begun operations again and revenue for screen hire is anticipated to return in 2014/15 to previous levels.
- Operating expenses were over budget by \$61k (11%). This was due mainly to \$90k of unbudgeted legal expenses in relation to the Basin Reserve Flyover work with NZTA and bad debts (\$32k) with the company that organises the screen hire on behalf of the trust.

CONTACT OFFICER

RICHARD HARDIE

BASIN RESERVE TRUST

ANNUAL REVIEW TO 30 JUNE 2014

KEY PERFORMANCE INDICATORS					
30 JUNE		2012	2013	2014	2015
<b>Number of Events</b>					
Cricket	Target	16	15	12	10
	Actual	16	✓ 20	✓ 22	✓
Other Sports	Target	4	6	6	10
	Actual	11	✓ 1	✗ 9	✓
Community	Target	2	2	2	2
	Actual	1	✗ 1	✗ 2	✓
<b>Number of Event Days</b>					
Cricket	Target	32	34	32	26
	Actual	29	✗ 32	✗ 41	✓
Other Sports	Target	4	6	6	10
	Actual	11	✓ 1	✗ 6	✓
Community	Target	2	2	2	2
	Actual	1	✗ 1	✗ 2	✓
<b>Numbers Attending Events</b>					
Attendance	Target	36,000	34,800	28,000	29,800
	Actual	24,507	✗ 32,878	✗ 30,664	✓
<b>Practice Facility Usage</b>					
Improve profitability (EBITDA)	Target	Not reported	Not reported	70	70
	Actual			93	✓

KPI COMMENTARY	
<p>The Trust met or exceeded all its events performance measures, with higher than expected cricket matches and attendance numbers as a result of securing test match in December against the West Indies that was not factored into their SOI. 2013/14 also marked the return of winter sports fixtures to the Basin following the upgrade of the drainage work.</p>	
<p>The Trust did not meet all of its financial targets. There were unbudgeted capital projects in relation to the Facilities Management Plan, and the 'Council Percentage of Revenue' ratio was not adjusted following the increase in the Trust's operating grant last year.</p>	

OUTLOOK	
<p>Key activities and issues anticipated in 2014/15 include:</p> <ul style="list-style-type: none"> <li>- Securing a new naming rights sponsor.</li> <li>- Preparing for the Basin Reserve's involvement in Cricket World Cup 2015.</li> <li>- Finalising and implementing the Master Plan for the Basin Reserve, including securing and aligning funding to each of the subprojects.</li> <li>- Undertaking renewal work on the Groundsman's Cottage to enable the ground keeping facilities to be moved out of its current temporary accommodation.</li> </ul>	

CONTACT OFFICER

RICHARD HARDIE

**EXECUTIVE SUMMARY**

Positively Wellington Venues (PWV or Venues) completed its third full year of trading as a CCTO. It continues to deliver on its two key strategic goals of growing the contribution of Show and Grow events in Wellington and improving the profitability and performance of the company's business model.

2013/14 non-financial highlights include:

- The seismic strengthening work on the Shed 6 wharf and the fit-out of Shed 6 was completed on time and on budget. The new venue began operating in August 2013.
- The New Zealand International Arts Festival commenced their tenancy of the office space in the St James Theatre.
- PWV's "Power of the Precinct" strategy was launched to connect events and local retail and restaurant business offerings in the area around the Venues footprint, including Courtney Place, Civic Square and the Waterfront.
- PWV defined a framework for community and funded events. The strategy identifies five key areas for support, including City Growth, Creative Sponsorships, Community Causes, Civic Occasions and Commercial Discounts.
- PWV launched new uniforms for staff across all venues.

Performance, conference and event highlights included:

- 18 sold out productions across 32 performance days including Phantom of the Opera, Wellington International Ukulele Orchestra, Shapeshifter, RNZB's Swan Lake, Joan Baez, Fat Freddy's Drop, Matt Corby, David Strassman, Passenger, Leonard Cohen, 7 Days Live, Jimmy Carr, So3 Mio, Macklemore and Ryan Lewis, Wellington Fashion Week, Billy Connolly, Arctic Monkeys, Jane Goodall, scoring of the Hobbit with the NZSO in the Town Hall, WOW, and the NZ International Arts Festival and Jazz Festival.

Conference highlights included a diverse mix of events, including:

- NZ Nurses Organisation, NZ Association of Optometrists, RANZ College of Ophthalmologists, NZ Rural GPs, and the House of Travel National Sales Conference.

The contracts for Ticketing was put out to tender during the year as part of PWV's review of operations and strategy of making venue services more streamlined and consistent across all sites. The company also reviewed Food and Beverage and Tech Services and will implement the outcome of those reviews in 2014/15.

**SUMMARY FINANCIALS**

**Wellington Venues Project\***

FINANCIAL PERFORMANCE (\$,000)	2011/12 Actual	2012/13 Actual	2013/14 Actual	2013/14 Budget	Variance
Total Revenue	14,811	15,816	<b>15,191</b>	15,314	(123)
Direct Costs	8,618	8,997	<b>8,567</b>	8,967	400
Operating Expenses	6,651	6,753	<b>5,845</b>	6,219	374
EBITDA	(458)	66	<b>779</b>	128	648
Net Profit after tax and deprn	(1,269)	195	<b>561</b>	(126)	687

**Wellington Venues Limited\***

FINANCIAL PERFORMANCE (\$,000)	2011/12 Actual	2012/13 Actual	2013/14 Actual
Total Revenue	5,444.7	5,451.3	<b>5,587.0</b>
Operating Expenses	5,395.4	5,429.1	<b>5,584.3</b>
Subvention Payment	49,403	22.2	<b>2.7</b>
Profit (Loss)	0	0	<b>0</b>

\* Positively Wellington Venues is structured as a combination of Wellington Venues Limited (the venue manager) and Wellington Venues Project (a business unit of Wellington City Council). Venues Limited is the employer of staff who manage events for Venues Project, deriving its income through a management fee paid by Venues Project. All operating revenues and expenses are run through the account of Wellington Venues Project.

A review of the financial statements of the Venues Project highlights the following points:

- Venues Project delivered an EBITDA surplus of \$779k, \$648k better than its budgeted surplus of \$128k.
- Operating revenue of \$15.2m was \$123k (<1%) lower than budget, and \$625k (4%) lower than the previous year's result of \$15.8m. This unfavourable result was largely the result of Conference and Event revenue (C&E) being 14% below budget as a result of long lead times in booking and the time taken to win hirer confidence over Shed 6/TSB as a replacement venue for the Town Hall. However, the C&E result was offset in part by a strong return from Performance and Event (P&E) revenue that was 10% ahead of budget.

CONTACT OFFICER

RICHARD HARDIE

POSITIVELY WELLINGTON VENUES

ANNUAL REVIEW TO 30 JUNE 2014

- Operating expenditure of \$5.8m was \$374k (6%) under budget, due largely to savings made in personnel costs, marketing and travel.
- The gross profit margin, PWV's revenue less direct costs, improved on the previous year from 41% to 43%

KEY PERFORMANCE INDICATORS				
30 JUNE				
Economic Contribution		2014	2015	
Increase economic contribution to Wellington by 5%.*	C&E Tar	\$30.2m	\$28.7m	
	C&E Act	\$26m	✗	
	P&E Tar	\$12.7	\$13.7m	
	P&E Act	\$14m	✓	
Venue utilisation across all venues	Target	60%	56%	
	Actual	48%	✗	
Venue yield across all venues	Target	No target	36%	
	Actual	33%		
Business Contribution				
Improve profitability (EBITDA)	Target	\$128k	\$765	
	Actual	\$779k	✓	
Improve Gross Margin	Target	41%	43%	
	Actual	43%	✓	
Community Responsibility		2014		
Value of community events contribution	Actual	\$1.25m		
Number of community events and hire days	Actual	79 events over 300 days		
Health and Safety				
Zero harm	Target	0		
	Actual	0 ✓		

KPI COMMENTARY
<p>Since the establishment of PWV, the management team has been developing a suite of KPIs that best reflect the company's key strategies. In particular, in 2013/14 measures were agreed for the key indicator of venue utilisation, and new measures added to monitor venue yield (against total potential yield) and Health and Safety.</p> <p>Of note is the change from measuring the 'number of utilised days' to 'venue utilisation' as a KPI that better reflects the percentage of total venue space that is hired throughout the course of a given year. The former 'utilised days' was simply a raw number that did not provide visibility as to how effectively the company is hiring out venue spaces. For example, 50% utilisation now tells the reader that PWV has hired out 50% of the available space.</p> <p>Venue yield is an indication of how profitable PWV is at hiring out available space. Used in conjunction with utilisation, it tells the story of effective pricing. For example, if yield is lower than utilisation it is usually an indication that either pricing is weak or subsidising/discounting is prevalent.</p> <p>The economic contribution KPI is a multiple of PWV's event revenue. Conventions and Event economic contribution was down on target by \$4.2m (14%) in 2013/14 (revenue down by \$519k) as a result of uncertainty over the development of Shed 6 and the closure of the Town Hall. This was offset by a strong result from the Performance and Exhibition part of the business that was \$1.3m ahead of the economic contribution target (revenue up by \$391k).</p> <p>Other secondary indicators that the company tracks include:</p> <ul style="list-style-type: none"> <li>• 385 conventions and events (including 49 conferences) to over 180,000 delegates and guests</li> <li>• 348 performances to over 332,000 audience members</li> <li>• Ancillary revenue (including food and beverage, performance and car parking revenue) grew by 2.1%</li> </ul>

OUTLOOK
<p>Key activities and issues anticipated in 2014/15 include:</p> <ul style="list-style-type: none"> <li>- The PWV 2014/15 Statement of Intent sets out a programme of continued growth in business profitability and venue utilisation in line with the strategic framework summarised on p.5 of the PWV Annual Report.</li> <li>- During 2014/15 PWV will become part of a new CCO, subject to Council approval, called the Wellington Region Economic Development Agency (WREDA). However, this is not expected to materially change the company's strategic objectives or level of service.</li> </ul>

CONTACT OFFICER

RICHARD HARDIE

WELLINGTON MUSEUMS TRUST

ANNUAL REVIEW TO 30 JUNE 2014

**EXECUTIVE SUMMARY**

The Trust delivered a range of exhibitions and events to an audience of 601,743 visitors (comfortably above the target for the year of 562,073). With the exception of Carter Observatory, all facilities exceeded their targeted attendance.

During the year, Capital E began operations from two sites: Capital E Central on Queens Wharf which includes new digital studios MediaLab and on OnTV; and the Capital E National Theatre for Children at the Hanna Playhouse. Creative New Zealand continued its support for Capital E's National Theatre for Children, the biennial National Arts Festival for Children and during the year also provided funding to support the Trust's efforts to make the Hannah Playhouse available for other performing arts users. The Ministry of Education continued to subsidise curriculum aligned education programmes. Corporate sponsors also supported exhibitions at City Gallery and the Trust received a wide range of grant funding to support the re-fit of Capital E's premises.

The Trust's visitor experiences at City Gallery were headed with a dynamic programme of contemporary artists beginning with *Shane Cotton: The Hanging Sky* and ending with *Seung Yul Oh: MOAMOA, A Decade*. Carter Observatory attracted headline events including hosting international astrophotographer of the year Mark Gee and the NZ Writer's Week feature event involving Man Booker prize winner Eleanor Catton. At Museum of Wellington City & Sea the commemorative programme to mark the centenary anniversary of the 1913 Great Strike was a finalist in the 2014 Museum Aotearoa Awards.

After allowing for depreciation of \$603k, the Trust had a successful year, reporting a surplus of \$8k versus a budgeted deficit of \$88k. The Trust's balance sheet was bolstered by \$1.0m cash at 30 June 2014 funded mainly by an operating cash surplus of \$1.2m for the year. This level of cash on hand was led by savings in operating expenditure of \$1.9m (from the same period last year) balanced by a reduction in operating cash revenue which was down by \$535k over the same period. This position also acknowledges the loss at Carter Observatory.

**SUMMARY FINANCIALS**

FINANCIAL PERFORMANCE (S'000)	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	Budget 30-Jun-14	Variance
Total Revenue	9,219	10,972	10,939	11,682	<b>11,340</b>	11,192	148
Op. Exp. before Depreciation	9,112	10,861	10,655	11,298	<b>10,729</b>	10,904	(175)
Depreciation	360	377	379	377	<b>603*</b>	376	227*
Net Surplus	(253)	(266)	(94)	7	<b>8</b>	(88)	96
<b>FINANCIAL POSITION</b>							
Total Assets	5,388	5,810	5,856	5,371	<b>6,035</b>	4,505	1,531
Total Liabilities	1,051	1,739	1,879	1,387	<b>2,043</b>	952	1,092
Equity	4,337	4,071	3,977	3,984	<b>3,992</b>	3,553	439
<b>CASH FLOWS</b>							
Total Net Cash Flows	107	(24)	203	(515)	<b>1,027</b>	(216)	1,243
Opening Cash	254	362	338	540	<b>25</b>	0	25
Closing Cash	362	338	540	25	<b>1,053</b>	(216)	1,269

\*Depreciation for building fittings for the year included a \$230k write-off of assets not in use at the beginning of the year.

At year end, the Trust was in a strong cash position with \$1.0m cash in the bank. This contrasts with the Trusts SOI budget for the year of a net cash loss of 216k and corresponding negative cash position at 30 June 2014. Over the year in review, the Trust's net cash flow was \$1.24m ahead of budget and the closing cash balance of \$1.0m was \$1.24m better than forecast. This result was led by a net \$597k improvement (year on year) in payments to, and receipts from, related parties, plus \$667k savings in payments to suppliers & employees. Receipts from customers were down by \$85k on FYE2013.

The Trust's working capital remains sound with trade & related party receivables (\$759k) exceeding trade and related party payables (596k) by \$163k. This is countered to some extent by non-trade payables of \$440k (up by \$131k) from the previous year. Overall, current assets just exceed current liabilities (current ratio 1.02 to 1) and with the level of cash on hand within the current assets the position is strong.

CONTACT OFFICER

NATASHA PETKOVIC-JEREMIC

WELLINGTON MUSEUMS TRUST

ANNUAL REVIEW TO 30 JUNE 2014

KPI DASHBOARD								
✓ Achieved ✗ Not Achieved. The tables contain a selection of KPIs and not a complete list.								
<b>VISITS</b>								
<b>30 JUNE</b>		2008	2009	2010	2011	2012	2013	<b>2014</b>
Total visits	Target	570,700	502,500	588,500	683,668	612,650	620,000	562,073
	Actual	625,524 ✓	538,950 ✓	629,697 ✓	653,344 ✗	607,613 ✗	649,021 ✓	601,743 ✓
*Cable Car	Target	220,000	220,000	224,400	228,888	228,888	227,000	220,988
	Actual	224,002 ✓	247,422 ✓	253,608 ✓	238,310 ✓	238,345 ✓	235,866 ✓	229,960 ✓
City Gallery	Target	160,000	75,000	180,000	180,000	143,000	143,000	143,000
	Actual	168,648 ✓	66,952 ✗	174,995 ✗	131,700 ✗	115,363 ✗	161,681 ✓	150,289 ✓
Capital E	Target	95,000	113,000	90,000	130,000	93,500	102,000	62,000
	Actual	105,786 ✓	133,371 ✓	95,734 ✓	136,693 ✓	95,009 ✓	100,329 ✗	59,265 ✓
*MOW City & Sea	Target	90,000	90,000	90,000	92,700	92,700	93,800	94,000
	Actual	90,209 ✓	88,885 ✗	99,663 ✓	95,161 ✓	102,894 ✓	98,605 ✓	112,536 ✓
Carter O.	Target	--	--	--	48,000	52,300	50,000	50,000
	Actual	--	--	--	46,124 ✗	50,976 ✗	48,820 ✗	47,318 ✗
*Colonial Cottage	Target	2,700	2,000	2,000	2,040	2,081	2,100	2,075
	Actual	4,273 ✓	2,320 ✓	2,788 ✓	2,535 ✓	2,736 ✓	1,825 ✗	2,375 ✓
Cricket Museum	Target	--	2,500	2,000	2,040	2,081	2,100	n/a
	Actual	2,595	2,156 ✗	2,909 ✓	2,821 ✓	2,290 ✓	1,895 ✗	n/a
<i>*Referred to as Museums Wellington in parts of the Trust's reporting.</i>								
Visitors to the Trust's six facilities totalled 601,743 and comfortably exceeded the SOI target of 562,073 for the year ended 30-Jun-2014. With the exception of Carter Observatory, all sites outperformed their visitation targets. Levels of visitor satisfaction remain high across the institutions and repeat visitation continues at good levels. The business model for Carter Observatory challenges the Trust and strategic consideration is being given to various options for this facility that will optimise its services and its funding needs. Council expects to review this as part of its Long Term Plan 2015-25.								
<b>30 JUNE</b>		2010	2011	2012	2013	<b>2014</b>	2014	
		Actual	Actual	Actual	Actual	Actual	2013 SOI	
Council subsidy per visit (\$)		10.85 ✓	12.00* ✓	13.82* ✗	12.46 ✓	13.30 ✓	14.25	
City Gallery		--	--	16.79	12.43 ✓	13.32 ✓	16.57	
Museums Wellington		--	--	4.93	4.64 ✓	5.48 ✓	6.21	
Capital E		--	--	12.42	13.35 ✗	16.21 ✓	29.83	
Carter Observatory		--	10.21 ✗	5.89 ✗	7.37 ✓	7.21 ✗	7.06	
<i>* excl. Carter Observatory</i>								
For the year to 30 June 2014, Council funding totalled \$8.0m for the year made up of \$6.23m operating grant plus rental grant \$1.77m against visitors totalling just over 600k. Council's subsidy of \$13.30 per visit was comfortably within the Trust's KPI of \$14.25 for the year ended 30 June 2014.								
When actual visitation exceeds SOI targets, this has a favourable influence on this kind of KPI and all sites except Carter Observatory met their visitation KPIs for the year. That said most facilities were subsidised to a higher level (per visitor) in FYE 2014 than in FYE 2013, mainly as a result of lower visitor numbers in 2014 versus 2013.								

CONTACT OFFICER

NATASHA PETKOVIC-JEREMIC

WELLINGTON MUSEUMS TRUST

ANNUAL REVIEW TO 30 JUNE 2014

**KPI DASHBOARD**

30 JUNE	2010	2011	2012	2013	2014	2014
	Actual	Actual	Actual	Actual	Actual	2013 SDI
Average spend per visit (\$)	--	--	2.81* ✓	2.95 ✗	<b>2.66 ✗</b>	2.99
City Gallery	--	--	1.49	0.51 ✗	<b>0.60 ✗</b>	0.94
Museums Wellington	--	--	2.37	2.38 ✓	<b>1.84 ✓</b>	1.55
Capital E	--	--	4.32	5.72 ✗	<b>5.69 ✗</b>	9.40
Carter Observatory	--	--	10.39 ✗	9.65 ✗	<b>8.10 ✗</b>	11.27

On average visitor spending at the Trust's facilities has averaged between \$2.50 and \$3.00 per visit.

Spend per visit is an area of the business that the Trust intends to improve. This will be given some strategic focus in terms of improving the revenue generating opportunities at both the City Gallery and Carter Observatory. The Trust will be proposing some capital expenditure to improve the entrance foyers at both sites that is intended to improve sales revenues at both facilities. Council expects to review these as part of its Long Term Plan 2015-25.

**ISSUES & OUTLOOK**

The Trust's significant strategic priorities are focussed on completing the Phase One of the Museum of Wellington City & Sea redevelopment (adding 450sqm or another 30%) of visitor attraction space by July 2015 in time for the 150 year commemoration of Wellington being New Zealand's Capital city.

Having completed a review of its provision for children and young people the Trust will implement strategies across all institutions to improve engagement with this audience.

The Trust completed a review of the method and frequency of audience data collection to enhance the Trust's understanding of audiences and to improve the reliability of reported performance. This project dove-tailed with its work on developing a method to the Trust's social and economic benefit to Wellington. A pilot project will be undertaken at two sites to better understand the viability of this methodology.

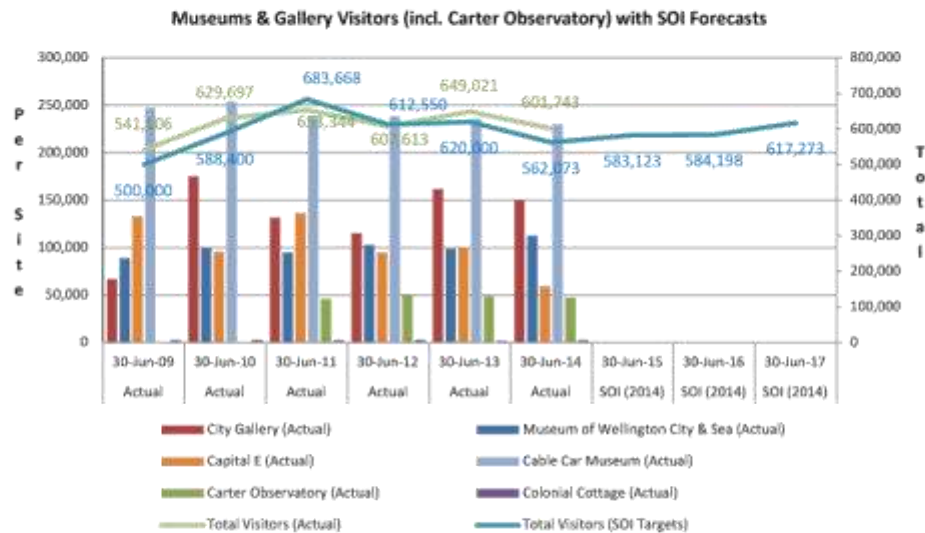
The Trust continues to lead work on refining practical teaching and learning programmes for school students visiting Wellington that connects relevant city sites under the banner of citizenship and national identity.

CONTACT OFFICER

NATASHA PETKOVIC-JEREMIC



**EFFECTIVENESS INDICATORS**

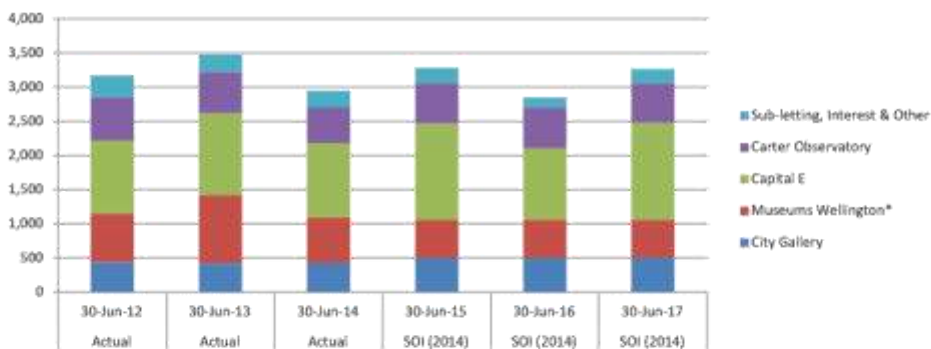


Total visitation at the Trust's facilities is on a declining trend. This was led by decommissioning the Plimmer's Ark Gallery (in 2008).

Visitation to Museum of Wellington City & Sea and Carter Observatory is relatively steady and expected to remain steady in the Trust's SOI.

Visitation to the City Gallery and Capital E are forecast to fall below the 2013 visitation levels and overall the Trust is expecting a continued decline in total visitation across all its facilities compared to 2013.

**Non-Council Revenue with SOI Forecasts (\$000)**



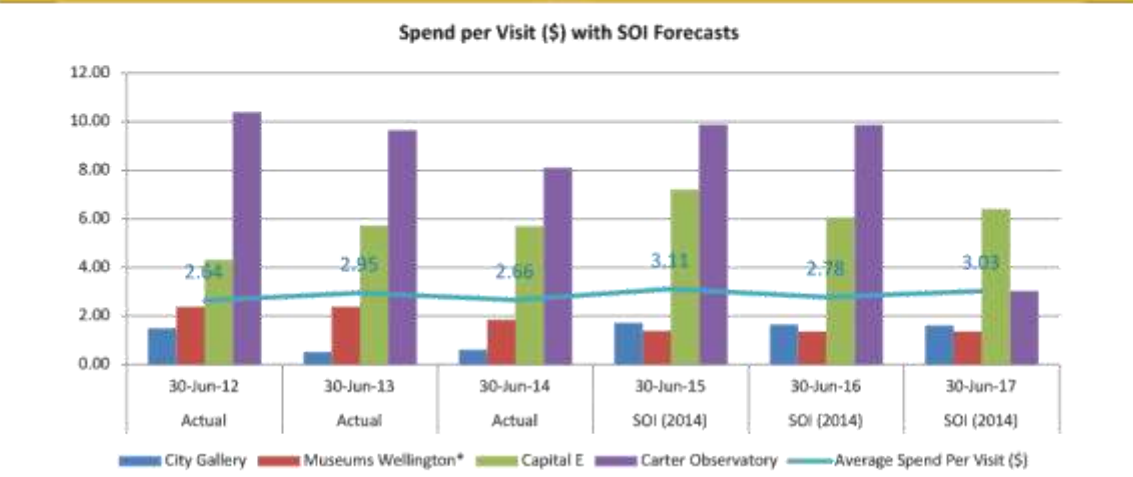
In the year to 30 June 2014, non-Council revenue fell below \$3.0m for the first time since FYE 2010. This outcome was forecast in the Trust's SOI for the period to 30 June 2014 which forecast non-Council income of \$2.79m (actual \$2.95m).

The percentage of non-Council revenue to total revenue generally ranges from 25% to 30%. In the year to 30 June 2014 the contribution of non-Council revenue was 26% of total revenue and at the lower end of the range.

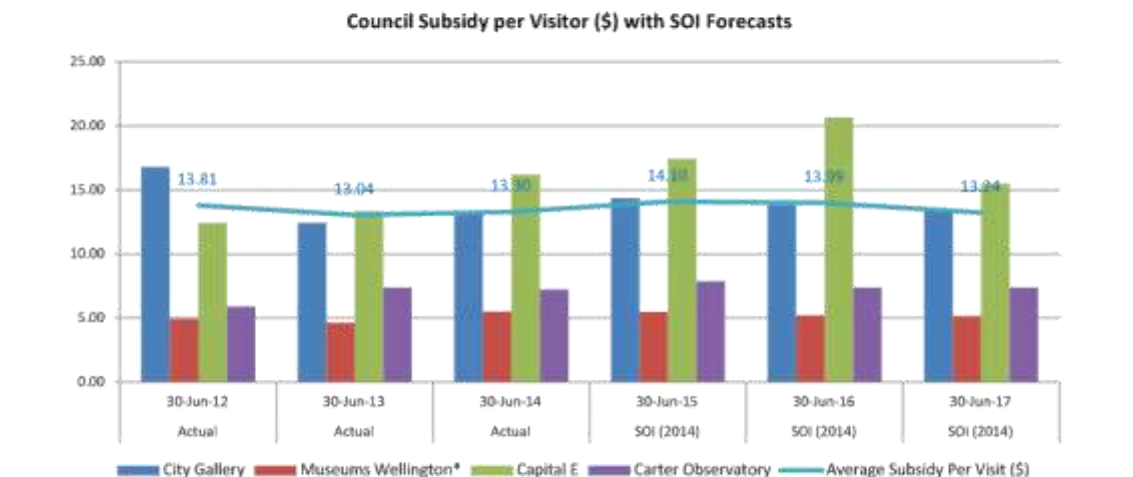
CONTACT OFFICER

NATASHA PETKOVIC-JEREMIC

**EFFECTIVENESS INDICATORS**



\* Museums Wellington includes the Museum of Wellington City & Sea, the Cable Car Museum and the Colonial Cottage Museum.  
Relatively large movements in the average spend per visit by site is moderated by the aggregate visitor numbers across all sites. Also, the two highest spending sites (Capital E average \$5.69/visit and Carter Observatory average \$8.10/visit) have among the lower visitation figures of the Trust's sites. In part, this reflects that Capital E and Carter Observatory are not free admission sites whereas the higher traffic sites like the Cable Car Museum, City Gallery and Museum of Wellington City & Sea allow free admission. The trend overall is relatively stable.



\* Museums Wellington includes the Museum of Wellington City & Sea, the Cable Car Museum and the Colonial Cottage Museum.  
The Council subsidy per visitor is a measure of the Council's operating and rental grants divided by the visitors per site. The average is an aggregation of this formula. In the environment of relatively static operating and rental grants, the principal movement in this measure is driven by visitor numbers.

CONTACT OFFICER

NATASHA PETKOVIC-JEREMIC

**EXECUTIVE SUMMARY**

The Stadium hosted 61 events during the year ended 30 June 2014, well ahead of the 46 planned events for the period. Attendance was 439,638 – almost the same as the previous year. The Trust has developed a diverse range of revenue streams which confirms its genuine multi-purpose venue status. Cumulative attendance at the Stadium since its opening in 2000 surpassed 7.7 million visitors with 1.8 million visiting from outside the Wellington region. A recently completed economic impact and community contribution study has calculated 1.8 million visitors to Wellington have contributed an additional \$889 million spending in the region's economy since opening in 2000.

Net surplus for the year was \$2.4m and exceeded the Trust's target by \$854k. Operating cash flow was \$3.6m versus target of \$2.75m, a positive variance of \$857k. This resulted in lower borrowings during the year. At year end, bank debt was \$10.89m (or \$1.1m below forecast) while the Trust still funded \$6.6m in capital expenditure. The main capital projects included the construction and opening of the East Mezzanine Lounge during the year, installation of wet pour systems in part of the stadium, the addition of the external facing window to the Level 3 members lounge and new food carts for the concourse. These areas have been well received by both the public and by Stadium members. They have allowed the Stadium to increase the variety of food items offered in the venue and to improve the service of beer via the wet pour systems.

The Stadium's memberships & corporate box renewals programme has begun and will continue to be a significant strategic focus for the Trust this year. The Trust reports that its Master Plan for the Stadium is flexible and constantly under review to assess any changes in the balance between service improvements and financial capability so that it continues to invest in the Stadium while remaining financially autonomous.

**SUMMARY FINANCIALS**

FINANCIAL PERFORMANCE (\$000)	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	Budget 30-Jun-14	Variance 30-Jun-14
Total Revenue	17,724	16,733	18,715	16,702	<b>16,333</b>	15,720	613
Opex before Interest & Depn	9,279	9,021	10,650	9,504	<b>9,799</b>	9,460	339
Interest & Depn	4,822	4,242	4,152	4,136	<b>4,292</b>	4,680	(388)
Net Surplus	3,623	3,470	3,913	3,062	<b>2,242</b>	1,580	662
<b>FINANCIAL POSITION</b>							
Total Assets	99,303	96,004	96,598	96,950	<b>99,743</b>	99,970	(227)
Bank borrowings	13,500	11,000	7,500	7,930	<b>10,890</b>	12,000	(1,110)
Total Liabilities	31,146	26,377	21,058	18,348	<b>18,899</b>	20,040	(1,141)
Equity	68,157	71,627	75,540	78,602	<b>80,844</b>	79,930	914
<b>CASH FLOWS</b>							
Operating Cash Flow	4,806	4,092	5,345	3,462	<b>3,617</b>	2,790	827
Investment Cash Flow	(778)	(2,770)	(1,213)	(5,364)	<b>(6,602)</b>	(6,450)	152
Financing Cash Flow	(4,800)	(2,500)	(3,500)	430	<b>2,960</b>	3,800	(840)
Net Cash Flow	(772)	(1,178)	632	(1,472)	<b>(25)</b>	140	165
Opening Cash	2,926	2,154	976	1,608	<b>136</b>	870	(734)
Closing Cash On Hand	2,154	976	1,608	136	<b>111</b>	1,010	(899)

Total revenue for the year to 30 June 2014 was \$16.3m and over budget by \$613k. The Trust's net surplus of \$2.2m exceeded budget by \$662k. This outcome was led by the higher revenue and lower than forecast depreciation and interest (which were contained below budget by \$388k). Other operating expenses were above budget by \$339k which moderated the positive variances somewhat to the overall improvement on budgeted net surplus of \$662k.

Operating cash flow was strong at \$3.6m, exceeding budget by \$827k. Capital expenditure was \$6.6m for the year and close to the Trust's forecast. The Trust's strong operating cash flow meant it did not borrow as much as forecast and this translated to an overall \$869 reduction (below budget) in cash on hand at year end.

As noted, the balance sheet records bank debt at \$10.89m (\$1.1m less than budget) due to stronger than forecast operating cash flows.

**ISSUES & OUTLOOK**

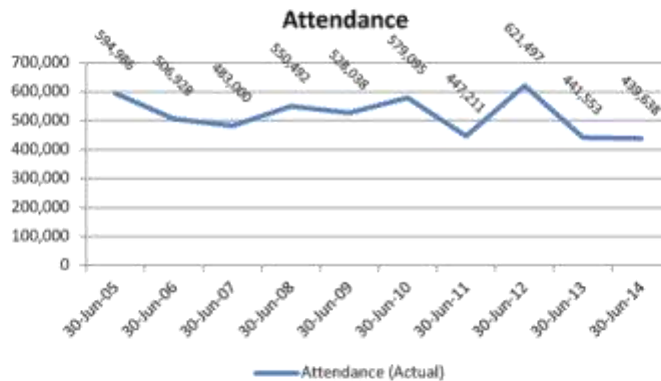
When the Stadium was built 15 years ago (it opened in 2000), it sold 2,600 fixed term memberships and 54 boxes to corporates and individuals which mature (i.e. terminate) at the end of 2014. Membership and corporate box renewals are well underway, and the major redevelopment of the Clubroom on Level 3, has provided a facility with enhanced levels of service to existing members and a major selling point for potential members. The options on offer have varying terms which will create a staggered tail for future expiries and renewals so the cash flow risk is spread in future.

Crowd attendance remains a key focus for the Trust with two diverging trends emerging. On the one hand standalone events such as the Sevens, the All Whites World Cup qualifier and the Bledisloe Cup (among others) have drawn very good crowds. On the other hand crowds at the regular season sporting events for the Stadiums anchor tenants (rugby and football) have been challenging and the shift toward one-off and varied major events is being experienced across New Zealand by other stadiums which exacerbates the challenging proposition for both the venues and the codes in hosting regular season sporting events. The Trust's response (and role) in increasing attendance is to improve the live experience by improving the environment for customers and the level of service. The investment in the Stadium Master Plan reflects this and the recently opened Mezzanine Lounge represents the most significant investment in the fan experience since the Stadium opened. In addition, the Trust is taking a more collaborative and proactive approach with its anchor tenants in developing strategies that attract crowds.

The Trust has developed a number of themes to form the basis of its planning over the next three years. These include: the Stadium to be central in any future regional venues strategy, renewed focus on retaining and attracting domestic and international events, improving the fan experience, maximising existing revenues and exploring new revenue opportunities.

In 2015 the Stadium will host both the ICC Cricket World Cup and the FIFA Under 20 World Cup. This will be one of the Stadium's most active years since opening in 2000 and will leverage the experience of the 2011 Rugby World Cup to the benefit of tournament organisers and fans.

**EFFECTIVENESS INDICATORS**

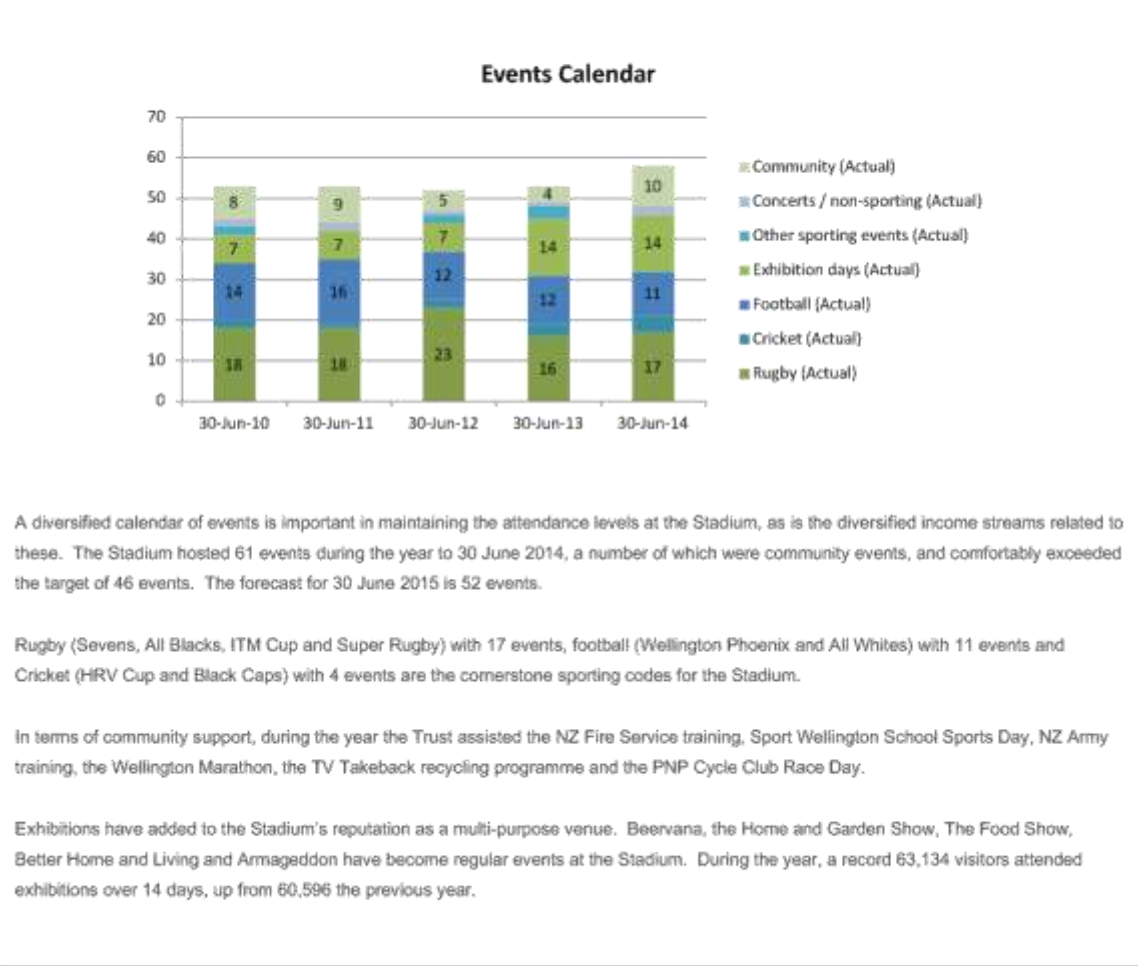


In the years ended 30 June 2011, 2013 and 2014 the attendance figures were closely grouped around 440,000 patrons. The exception was 2012 which recorded the 2011 Rugby World Cup event. Aside from the RWC2011, the attendance figures are (at best) static. This highlights both the importance of major sporting events in increasing the utilisation of the Stadium – not to mention other economic benefits for Wellington – and also the importance of a loyal base of supporters that provide a reliable and ongoing level of patronage. It also highlights the importance of a diversified events calendar (next graph).

CONTACT OFFICER

WARWICK HAYES

**EFFECTIVENESS INDICATORS**



CONTACT OFFICER

WARWICK HAYES

**BASIN RESERVE TRUST (INCORPORATED)**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2014**

**BASIN RESERVE TRUST (INCORPORATED)**

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**BASIN RESERVE TRUST (INCORPORATED)  
TRUST DIRECTORY AS AT 30 JUNE 2014**

<b>SETTLORS</b>	Wellington City Council ("WCC") Cricket Wellington Incorporated ("CW")
<b>TRUSTEES</b>	Sir John Anderson (Chairman) Paul Eagle John Greenwood Don Neely
<b>MANAGER</b>	Cricket Wellington Incorporated
<b>DATE OF SETTLEMENT</b>	24 February 2005
<b>AUDITORS</b>	Audit New Zealand on behalf of the Auditor-General Wellington
<b>SOLICITORS</b>	DLA Phillips Fox Maclister Mazengarb
<b>BANKERS</b>	Westpac Banking Corporation
<b>ADDRESS</b>	Brierley Pavilion, Basin Reserve Rugby Street Wellington
<b>POSTAL ADDRESS</b>	P O Box 578 Wellington



**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
<b>Income</b>				
Grant income	2	355,000	355,000	355,000
Ground hire income		164,500	152,500	104,500
Other income	3	108,444	161,100	171,185
Interest income		4,620	3,000	3,874
<b>Total Income</b>		<b>632,564</b>	<b>671,600</b>	<b>634,559</b>
<b>Expenditure</b>				
Operating expenses	4	613,296	551,940	562,205
Finance Costs		-	-	46
Depreciation	6	202,112	198,000	273,052
<b>Total Expenditure</b>		<b>815,408</b>	<b>749,940</b>	<b>835,303</b>
<b>Net Surplus (Deficit) for the Year</b>		<b>(182,844)</b>	<b>(78,340)</b>	<b>(200,744)</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income (Deficit) for the Year</b>		<b>(182,844)</b>	<b>(78,340)</b>	<b>(200,744)</b>

**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Settlers Funds \$	Accumulated Funds \$	Total Trust Funds \$	Budget Total Trust Funds \$
Balance as at 1 July 2012	100	1,148,525	1,148,625	1,054,000	
Net Surplus (Deficit) for the Year	-	(200,744)	(200,744)	(224,245)	
Total Comprehensive Income	-	(200,744)	(200,744)	(224,245)	
Balance as at 30 June 2013		<b>100</b>	<b>947,781</b>	<b>947,881</b>	<b>829,755</b>
Balance as at 1 July 2013	100	947,781	947,881	970,570	
Net Surplus (Deficit) for the Year	-	(182,844)	(182,844)	(78,340)	
Total Comprehensive Income	-	(182,844)	(182,844)	(78,340)	
Balance as at 30 June 2014		<b>100</b>	<b>764,937</b>	<b>765,037</b>	<b>892,230</b>

The accompanying notes form part of these financial statements.

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**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
<b>Current Liabilities</b>				
Creditors and other payables	7	69,604	70,000	67,255
Current account - Cricket Wellington	9	5,921	10,000	31,907
<b>Total Current Liabilities</b>		<b>75,525</b>	<b>80,000</b>	<b>99,162</b>
<b>Total Liabilities</b>		<b>75,525</b>	<b>80,000</b>	<b>99,162</b>
<b>Trust Funds</b>	5	<b>765,037</b>	<b>892,230</b>	<b>947,881</b>
<b>Total Trust Funds and Liabilities</b>		<b>840,562</b>	<b>972,230</b>	<b>1,047,043</b>
<b>Non Current Assets</b>				
Property Plant & Equipment	6	714,180	685,141	892,605
<b>Total Non Current Assets</b>		<b>714,180</b>	<b>685,141</b>	<b>892,605</b>
<b>Current Assets</b>				
Cash & cash equivalents		110,266	192,089	82,314
Trade receivables		2,070	95,000	67,573
GST receivable		9,136	-	2,767
Prepayments		4,910	-	1,784
<b>Total Current Assets</b>		<b>126,382</b>	<b>287,089</b>	<b>154,438</b>
<b>Total Assets</b>		<b>840,562</b>	<b>972,230</b>	<b>1,047,043</b>

For and on behalf of the Basin Reserve Trust (Incorporated) on 8th August 2014:

\_\_\_\_\_  
TRUSTEE:

\_\_\_\_\_  
TRUSTEE:

The accompanying notes form part of these financial statements.

Page 3 of 22

**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Actual 2014 \$	Budget 2014 \$	Actual 2013 \$
<b>Cash flows from operating activities</b>				
Cash was provided from:				
Grants from related party - Wellington City Council		355,000	355,000	355,000
Revenue from operations		300,447	241,600	219,698
Revenue from related parties		38,000	55,000	70,750
Interest received		4,620	3,000	3,874
GST		-	28,500	10,787
Cash was disbursed to:				
Payments to suppliers		(554,743)	(534,598)	(511,268)
Payments to related party - Cricket Wellington		(83,500)	(56,000)	(55,000)
GST		(6,369)	-	-
<b>Net cash flows from operating activities</b>	10	<u>53,455</u>	<u>92,502</u>	<u>93,841</u>
<b>Cash flows from investing activities</b>				
Cash was disbursed to:				
Purchase of property plant & equipment		(25,503)	-	(49,004)
<b>Net cash flows from investing activities</b>		<u>(25,503)</u>	<u>-</u>	<u>(49,004)</u>
<b>Cash flows from financing activities</b>				
Cash was disbursed to:				
Unsecured Loan Repayments		-	-	(4,339)
<b>Net cash flows from financing activities</b>		<u>-</u>	<u>-</u>	<u>(4,339)</u>
<b>Net increase (decrease) in cash held</b>		27,952	92,502	40,498
<b>Cash at the beginning of year</b>		82,314	99,587	41,816
<b>Cash at the end of year</b>		<u>110,266</u>	<u>192,089</u>	<u>82,314</u>
Comprising:				
Cash and cash equivalents		110,266	192,089	82,314
<b>Cash at the end of year</b>		<u>110,266</u>	<u>192,089</u>	<u>82,314</u>

All cash balances are available to the Trust without restriction

The accompanying notes form part of these financial statements.

**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014**

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.

The accompanying notes form part of these financial statements.

Page 5 of 22

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Summary of Significant Accounting Policies**

**Reporting Entity**

These financial statements are for the Basin Reserve Trust ("the Trust"), a charitable trust established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and registered under the Charitable Trusts Act 1957 and also registered with the Charities Commission. The trust has designated itself as a public benefit entity.

The Trust is a Council Controlled Organisation (CCO) as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust operates under the Basin Reserve Trust Deed dated 24 February 2005. The parties to the Deed are WCC, CW and the Trustees.

The WCC holds the Basin Reserve as a reserve and upon trust to be used for the purposes of a cricket and recreation ground by the citizens of Wellington pursuant to a Deed of Trust dated 17 October 1884. The purpose of the Basin Reserve Trust is the management and operation of the Basin Reserve.

**Basis of Preparation**

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

The financial statements have also been prepared in accordance with the requirements of the Charitable Trusts Act 1957.

The information is presented in New Zealand dollars.

The Trust is reliant on the WCC for a significant portion of its income, being \$355,000 in both this financial year and in the previous financial year. The terms under which this funding is provided are contained in a Management Deed dated 16 March 2005. This Deed provides that normal funding from the WCC, to a maximum of \$355,000 p.a., will continue in future years subject to the approval by the WCC in its annual planning process. Following enquiry, the WCC have advised that funding for the Trust is provided for in the 2014/15 Annual Plan and in the Long Term Community Plan up to and including 2017, at this funding level of \$355,000.

**Statement of Compliance with International Financial Reporting Standard**

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Summary of Significant Accounting Policies (continued)**

**Changes in Accounting Policies**

There have been no changes in accounting policies during the financial year.

The following amendments and revision to standards have been early adopted:

- NZIFRS 7 Financial Instruments: Disclosures - The effect of early adopting these amendments is the following information is no longer disclosed:
- the carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated; and
  - the maximum exposure to credit risk by class of financial instrument if the maximum credit risk exposure is best represented by their carrying amount.

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Trust are:

NZIFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phases 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39 except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2016. The Trust has not yet assessed the effect of the new standard and expects that it will not be early adopted.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under the Accounting Standards Framework, the Trust will be eligible to apply the simple format reporting disclosure regime (Tier 3 reporting entity) of the public sector Public Benefit Entity Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. Therefore the Trust will transition to the new standards in preparing its 30 June 2015 financial statements. The Trust has not assessed the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Summary of Significant Accounting Policies (continued)**

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

***Revenue recognition***

All revenue is measured at the fair value of consideration received.

***Grants Revenue***

Grants received from the WCC are a primary source of funding to the Trust and are restricted for the purposes of the Trust meeting its obligations as specified in the trust deed. The Trust also receives other assistance for specific purposes, and these grants or donations, usually contain restrictions on their use.

Grants and Donations are recognised as revenue when they become receivable, unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such an obligation the grant or donation, are initially recorded as income received in advance and are recognised as revenue when the conditions of the grant or donation are satisfied.

***Taxation***

The Trust is registered with the Charities Commission and is thus exempt from income tax under the Income Tax Act 2007. The Trust is not exempt from the need to comply with indirect tax obligations such as Goods and Services, Fringe Benefit and Entertainment and accordingly complies with those obligations that are applicable.

***Goods and services tax (GST)***

All revenue and expense transactions are recorded exclusive of GST. Assets and liabilities are similarly stated exclusive of GST, with the exception of receivables and payables, which are stated with GST included.

***Trade and other payables***

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

***Cash and cash equivalents***

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

***Trade and other receivables***

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Summary of Significant Accounting Policies (continued)**

A provision for impairment of receivables is established when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

***Property, plant, and equipment***

The Trust has the following broad categories of property, plant and equipment:

- Leasehold improvements
- Drainage works
- Furniture & fittings
- Plant
- Capital work in progress

All property, plant and equipment is initially recorded at cost. The assets are carried at cost less depreciation.

Depreciation is provided for on a straight line basis on all tangible property, plant and equipment other than capital work in progress, at depreciation rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives.

Major depreciation periods are:

Leasehold improvements	2.20 - 66.70% SL
Drainage works	5.50 - 7.20% SL
Furniture & fittings	12.00 - 48.00% SL
Plant	16.20 - 21.00% SL

***Budget figures***

The budget figures are those approved by the Trustees and published in the annual plan. They have been prepared using the same accounting policies as are employed in preparing these financial statements.

***Impairment***

If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item is recognised as an expense in the statement of comprehensive income.

The carrying amount of an item of property, plant and equipment that has previously been written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down.

The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred. The reversal of a write down of an item is recognised in the statement of comprehensive income.



**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Summary of Significant Accounting Policies (continued)**

*Critical accounting estimates and assumptions*

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Property, plant and equipment useful lives and residual values*

At each balance date the Trust reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Trust to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Trust, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive income, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by:

- physical inspection of assets; and
- asset replacement programs.

The Trust has not made significant changes to past assumptions concerning useful lives and residual values. The Carrying amounts of property, plant and equipment are disclosed in note 6.

*Leasehold improvement assets*

All leasehold improvements relate to improvements made to land and buildings owned by WCC. The Trust does not have a formal lease agreement in place with WCC, so it is assumed that the Trust will occupy the premises indefinitely.

*Critical judgements in applying the Trust's accounting policies*

The Trustees must exercise their judgement when recognising grant and donation income to determine if conditions of the grant or donation contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each grant or donation contract.

**Note 2: Grant Income**

	<b>Actual 2014 \$</b>	<b>Budget 2014 \$</b>	<b>Actual 2013 \$</b>
Grant income - WCC	355,000	355,000	355,000
	355,000	355,000	355,000

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 2: Grant Income (continued)**

The Grant income received from the WCC was an operational grant that was used to pay occupancy costs and make repairs and maintain the Basin Reserve.

<b>Note 3: Other Income</b>	<b>Actual 2014 \$</b>	<b>Budget 2014 \$</b>	<b>Actual 2013 \$</b>
Concession income	22,279	30,000	26,715
Signage	80,000	96,000	97,437
Screen hireage	-	35,000	40,459
Miscellaneous income	6,165	100	6,574
<b>Total Other Income</b>	<b>108,444</b>	<b>161,100</b>	<b>171,185</b>

<b>Note 4: Operating Expenses</b>	<b>Actual 2014 \$</b>	<b>Budget 2014 \$</b>	<b>Actual 2013 \$</b>
Building expenses	49,580	62,800	81,523
Ground expenses	108,172	163,000	156,636
Occupancy expenses	113,651	127,700	134,269
Event running expenses	73,601	55,000	69,738
Audit fee	12,340	11,500	12,020
Administration expenses	211,783	115,690	99,546
Bad debts	31,763	-	-
Other expenses	12,406	16,250	8,473
<b>Total Operating Expenses</b>	<b>613,296</b>	<b>551,940</b>	<b>562,205</b>

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**Note 5: Trust Funds**

	Actual 2014 \$	Actual 2013 \$
<b>Settlement on Trust</b>		
Balance at start of year	100	100
<b>Balance at end of year</b>	<u>100</u>	<u>100</u>
<b>Accumulated Funds</b>		
Balance at start of year	947,781	1,148,525
Total comprehensive income (deficit) for the year	(182,844)	(200,744)
<b>Balance at end of Year</b>	<u>764,937</u>	<u>947,781</u>
	<u>765,037</u>	<u>947,881</u>

**Note 6: Property, Plant & Equipment**

Certain assets, totalling \$155,716 that related to the Basin Reserve, were transferred from the Wellington Regional Stadium Trust to the Trust. These assets were transferred for nil consideration, but were taken up in the accounts of the Trust at the book values in the accounts of the Wellington Regional Stadium Trust as at 1 July 2004. The value of the donated assets was recognised in the statement of comprehensive income for the year ending 30 June 2005.

Ownership of the Basin Reserve buildings remains with the WCC.

Ownership of the assets required to maintain the Basin Reserve playing surfaces remains with the Wellington Regional Stadium Trust.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**Note 7: Creditors and Other Payables**

	<b>Actual 2014 \$</b>	<b>Actual 2013 \$</b>
Trade Payables	16,642	23,287
Accrued Expenses	52,962	43,968
	<u>69,604</u>	<u>67,255</u>

**Note 8: Trustee Disclosures**

The Trustees of the Trust are:

Sir John Anderson (Chairman)	- appointed by WCC	
Douglas Catley	- appointed by CW	Resigned 24 February 2014
Paul Eagle	- appointed by WCC	Appointed 23 October 2013
John Greenwood	- appointed by CW	Appointed 24 February 2014
John Morrison	- appointed by WCC	Resigned 23 October 2013
Don Neely	- appointed by CW	

In the year to 30 June 2014, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2013 Nil).

**Note 9: Related Parties**

The settlors of the Trust are WCC and CW and therefore they are deemed to be related parties of the Trust. Because both the Trust and the Wellington Regional Stadium Trust ("the Stadium Trust") are members of the Wellington City Council Group, there is deemed to be common outside control or significant influence. Consequently, the Stadium Trust is also a related party of the Trust. During the year the following material transactions took place with these related parties.

- 1 WCC made a grant of \$355,000 (2013 \$355,000) to the Trust as a contribution towards the costs of operating the Trust.
- 2 The Trust paid WCC the sum of \$34,729 (2013 \$37,617) for water rates at the Basin Reserve.
- 3 The Trust paid WCC the sum of \$26,790 (2013 \$26,041) for rates at the Basin Reserve.
- 4 The Trust paid WCC the sum of \$207 (2013 \$324) for building warrant of fitness administration fees.
- 5 The Trust paid WCC the sum of \$10,000 (2013 \$10,000) as a contribution for the Karori Park operation.
- 6 An amount of \$0 (2013 \$8,284) was paid to WCC for supplying and planting four large Pohutakawas at the ground.
- 7 The Trust paid WCC the sum of \$0 (2013 \$1,579) as a capital contribution for work performed on the R A Vance stand.
- 8 An amount of \$14,127 (2013 \$14,316) was owed to WCC by the Trust at balance date. This amount is included as a trade payable at balance date.

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**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 9: Related Parties (continued)**

- 9 CW paid the Basin Reserve Trust \$38,000 (2013 \$42,000) as a hireage fee for the domestic cricket season.
- 10 The Trust incurred expenditure of \$56,000 (2013 \$55,000) charged by CW for the provision of management and secretarial services.
- 11 An amount of \$5,921 (2013 \$31,907) was owed to CW by the Trust at balance date. This amount is represented by the CW current account.
- 12 The Stadium Trust provided turf maintenance services to the Trust at a cost of \$19,909 (2013 \$44,436). This transaction was also completed on normal commercial terms.
- 13 An amount of \$24,076 (2013 \$12,500) was owed to the Stadium Trust at balance date. This amount is included as a trade payable at balance date.
- 14 An amount of \$0 (2013 \$97) was paid to Don Neely to re-imburse him for travel costs for attending Trustee meetings.
- 15 An amount of \$177 (2013 \$0) was paid to Don Neely to re-imburse him for telephone charges and photographs for the 1992 World Cup Reunion held at the Indian Test Match.
- 16 Catley Investments Limited, of which Doug Catley is a Director and Shareholder paid \$0 (2013 \$6,000) to become a Gold Member of the Basin Reserve.
- 17 Penelope Catley, a daughter of Doug Catley, paid \$5,217 (2013 \$0) to become a Gold Member of the Basin Reserve.
- 18 An amount of \$0 (2013 \$625) was paid to Doug Catley to re-imburse him for expenses incurred on behalf of the Trust in their dealings with NZTA.

No related party debts have been written off or forgiven during the year (2013 Nil).

**Note 10: Reconciliation of Reported Surplus with Cash Flows from Operating Activities**

	<b>Actual 2014 \$</b>	<b>Actual 2013 \$</b>
Net surplus (deficit) for the year	(182,844)	(200,744)
Adjustments:		
Add non-cash items:		
Depreciation	202,112	273,052
Movement in working capital:		
Decrease/(increase) in receivables & sundry debtors, prepayments, income tax refund due & GST receivable	56,009	(2,849)
(Decrease)/increase in accounts payable & accruals & customer deposits, income received in advance & GST payable	(21,822)	24,382
	<u>34,187</u>	<u>21,533</u>
Net Cash Flows from Operating Activities	<u>53,455</u>	<u>93,841</u>

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 11: Financial Instruments**

The Trust's financial instruments include financial assets (cash and cash equivalents, trade receivables, and financial liabilities (payables that arise directly from operations and borrowings). The main purpose of the Trust's financial instruments is to raise finance for the Trust's operations.

As part of its normal operations, the Trust is exposed to credit risk, interest rate risk and liquidity risk. The Trust's exposure to these risks and the action that the Trust has taken to minimise the impact of these risks is outlined below:

**Fair Value**

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. The fair values and carrying amounts of all financial instruments are detailed below by class:

<i>Financial Assets</i>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Loans and receivables</b>		
Cash and cash equivalents	110,266	82,314
Trade receivables	2,070	67,573
<b>Financial Liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Creditors and other payables	69,604	67,255
Current account - Cricket Wellington	5,921	31,907

**Credit Risk**

Credit risk is the risk that a third party will default on its obligations to the Trust, therefore causing a loss. The Trust is not exposed to any material concentrations of credit risk. Cash and cash equivalents includes money in bank accounts with an institution, which has a long term credit rating with Standard and Poors of AA-. Receivables balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is not significant. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 11: Financial Instruments (continued)**

The Trust's maximum exposure to credit risk at balance date is:

<i>Financial Assets</i>	2014 \$	2013 \$
Cash and cash equivalents	110,266	82,314
Trade receivables	2,070	67,573
	112,336	149,887

The status of trade receivables at the reporting date is as follows:

	2014		2013	
	Gross Receivable \$	Impairment \$	Gross Receivable \$	Impairment \$
<b>Trade receivables</b>				
Not past due	2,070	-	9,545	-
Past due 0-3 months	-	-	-	-
Past due 3-6 months	-	-	14,259	-
Past due more than 6 months	-	-	43,769	-
<b>Total trade receivables</b>	2,070	-	67,573	-

**Liquidity Risk**

Liquidity risk is the risk arising from unmatched cash flows and maturities.

On a cash flow basis, the Trust maintains sufficient funds to cover all obligations as they fall due.

The following table sets out the contractual cash flows for all financial liabilities that are settled on a gross cash flow basis. Contractual cash flows for financial liabilities comprise the notional amount and interest payment.

**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**Note 11: Financial Instruments (continued)**

	Balance Sheet	Total Contractual Cashflows	2014		
			0-12 months	1-2 years	2-5 years
	\$	\$	\$	\$	\$
Creditors and other payables	69,604	69,604	69,604	-	-
Current account - Cricket Wellington	5,921	5,921	5,921	-	-
<b>Total financial liabilities settled on a gross basis</b>	<b>75,525</b>	<b>75,525</b>	<b>75,525</b>	<b>-</b>	<b>-</b>

	Balance Sheet	Total Contractual Cashflows	2013		
			0-12 months	1-2 years	2-5 years
	\$	\$	\$	\$	\$
Creditors and other payables	67,255	67,255	67,255	-	-
Current account - Cricket Wellington	31,907	31,907	31,907	-	-
<b>Total financial liabilities settled on a gross basis</b>	<b>99,162</b>	<b>99,162</b>	<b>99,162</b>	<b>-</b>	<b>-</b>

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments will fluctuate due to changes in market interest rates. The Trust is exposed to interest rate risk from its interest-earning financial assets. The Trust is risk averse and seeks to minimise exposure arising from its treasury activities. It does not undertake unnecessary investment or borrowing activity, nor is it speculative in the activity it undertakes, with the overall intention being to avoid placing the capital value of individual investment and borrowing facilities at risk.

The effective interest rates and contractual re-pricing or maturity periods (whichever is earlier) of financial instruments are as follows:



**BASIN RESERVE TRUST (INCORPORATED)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**Note 11: Financial Instruments (continued)**

			2014		
	Balance Sheet	Total Contractual Cashflows	0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	110,266	110,266	110,266	-	-
<b>Total variable rate instruments</b>	<b>110,266</b>	<b>110,266</b>	<b>110,266</b>	<b>-</b>	<b>-</b>

Interest rate for monies on call deposit 2.55%

			2013		
	Balance Sheet	Total Contractual Cashflows	0-12 months	1-2 years	2-5 years
Variable rate instruments	\$	\$	\$	\$	\$
Cash and cash equivalents	82,314	82,314	82,314	-	-
<b>Total variable rate instruments</b>	<b>82,314</b>	<b>82,314</b>	<b>82,314</b>	<b>-</b>	<b>-</b>

Interest rate for monies on call deposit 2.55%

**Equity Management**

The Trust's equity includes accumulated funds and retained earnings.

The Local Government Act 2002 requires the Trust to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

**Note 12: Contingent Liabilities & Contingent Assets**

There were no Contingent Liabilities or Assets as at 30 June 2014 (2013 Nil).

**BASIN RESERVE TRUST (INCORPORATED)  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 13: Commitments**

There were no operating or capital Commitments as at 30 June 2014 (2013 Nil).

**Note 14: Concession Agreement**

During the financial year ended 30 June 2009 the Trust entered into a contractual arrangement with Scarlet Limited. Under the terms of this arrangement the Trust granted to Scarlet Limited an exclusive right to provide all food and beverage facilities at the Basin Reserve until 31 March 2016. Scarlet also have a right of renewal under this arrangement for one further term of three years. In consideration for granting this concession the Trust receives 4.5% of all gross revenues generated from Scarlet Limited under this contractual arrangement.

**Note 15: Variance Against Budget**

The major variances in revenue were that the Naming Rights Sponsorship was terminated in April 2014 and not renewed for another three years as was anticipated and also the Company that organised the Screen hireage on behalf of the Trust was placed in Receivership during this financial year.

The major variances in expenditure were in Ground, Administration and Other expenses. Ground expenses were lower than budgeted for due to an over accrual in Turf management costs in the previous financial year. Administration expenses were higher than budgeted for due to the cost of Consultants who were engaged to advise the Trust regarding its arrangements with NZTA over the Basin Bridge Proposal. Other expenses were higher than budgeted for due to a Bad Debt being with the Company that organises the screen hireage on behalf of the Trust.

Trade receivables were lower than budgeted for due to the reduction in Other revenue amounts at the end of this financial year.

**Note 16: Events After Balance Date**

There are no events after balance date that effect the financial statements or the notes to the financial statements (2013 Nil).

**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF SERVICE PERFORMANCE**

- The Trust's Statement of Intent for the year ended 30 June 2014 was adopted in May 2013
- The main objectives of the Trust are as follows:
  1. To contribute to the Wellington City Council's vision of Creative Wellington - Innovative Capital, by continuing to attract national and international sporting events to Wellington.
  2. To manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket, for the benefit of the inhabitants of Wellington.
  3. To establish a long term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities.
  4. To preserve and enhance the significant and recognised heritage value of the Basin Reserve.
  5. To comply with all legislative and regulatory provisions relating to its operation and performance, including statutory and general Council objectives for Council controlled organisations.

**PERFORMANCE MEASURES**

12 months to 30 June 2014

	<u>Target</u>	<u>Actual</u>
Administrative		
Achieve targets within allocated budgets	Achieved	Not Achieved
Comply with financial, technical and regulatory standards	Achieved	Achieved
Asset management plan carried out	Achieved	Achieved
Operating - Number of Events		
Cricket	12	22
Other Sports	6	9
Community	2	2
Operating - Number of Event Days		
Cricket	32	41
Other Sports	6	6
Community	2	2
Numbers attending events	28,000	30,664
Practice facility usage	70	93
Hirer satisfaction with venue and events	Achieved	Achieved
Playing surface to be maintained to an international standard	Achieved	Achieved
Council subsidy per visitor	< \$6.00	\$12.00

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**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF SERVICE PERFORMANCE**

**PERFORMANCE MEASURES**

12 months to 30 June 2014

<u>Financial</u>	<u>Target</u>	<u>Actual</u>
Results within Budget	Achieved	Not Achieved
Capital expenditure - within Budget	Achieved	Not Achieved
Council % of Revenue ratio	< 35%	56%
Event Income	\$100,000	\$164,500
Non-Event Income as a % of Total Income	75%	74%
Business Plan developed	Achieved	Achieved

In terms of Hirer satisfaction with the venue and events, the achievement of this measure is based on the satisfaction of New Zealand Cricket and Cricket Wellington, as they are the Trust's most significant hirers, and is not based on a survey conducted on all hirers of the Basin Reserve.

With regard to Capital expenditure, when the Budget was set it wasn't envisaged that there would be any Capital expenditure requirements during the year, however as it turns out there were.

**BASIN RESERVE TRUST (INCORPORATED)  
STATEMENT OF COMPLIANCE AND RESPONSIBILITY  
FOR THE YEAR ENDED 30 JUNE 2014**

**VARIANCES TO TARGET**

The number of cricket events and event days were higher than the budget due to the opening up of the ground this season to more unscheduled games.

**COMPLIANCE**

The Board and management of the Basin Reserve Trust ("the Trust") confirm that all statutory requirements of the Local Government Act 2002 regarding financial and operational management have been complied with.

**RESPONSIBILITY**

The Board and management of the Trust accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the financial reporting and performance information of the Trust.

In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2014 fairly reflect the financial position, results of operations and service performance achievements of the Trust.

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**Sir John Anderson**  
Chairman  
Date: 8th August 2014

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**Peter Clinton**  
Chief Executive  
Cricket Wellington Inc.  
Date: 8th August 2014

WELLINGTON VENUES LIMITED

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POSITIVELY  
WELLINGTON  
VENUES 

**2013/2014**

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**ANNUAL REPORT**

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2013/14 Annual Report



## From the Chair

As Chairman of the Board of Positively Wellington Venues (PWV) I am very pleased to be delivering our 2013/14 Annual Report.

The decision to establish Positively Wellington Venues (PWV) as a Council Controlled Trading Organisation (CCTO) back in 2011 was ambitious - and not without business risk.

Venue management is challenging in even the most buoyant economic circumstances. PWV was established when New Zealand's path to recovery from the GFC was far from certain.

Coupled with nervousness about seismic risk, transforming the business into one of the Country's leading venue management companies has been a challenging journey.

A large part of the challenge has been reinventing and reinvigorating the business while still delivering the business.

The venues business is deadline driven and the logistical demands involved in operating six very different venues and converting them from one use to another are significant. There are

numerous overnight pack-ins and pack-outs, technical set-ups, cleaning, maintenance and catering services and ticketing builds to be managed to exacting timeframes with multiple partners and suppliers.

As the current lingo goes – venues is a business with “many moving parts” and the hard work of the sales and marketing teams in the business is only matched by the hard work that the facilities and operations teams deliver both back and front of house.

The leadership team at PWV have done a superb job of shaping and taking a team of committed individuals from a silo-based to a hub-and-spoke delivery model. This operating model underpins the delivery of what the team refers to as “The Power of the Precinct”.







It has been enormously rewarding to see hirers, patrons and delegates commenting so positively on the many advantages that our venue precinct offers. These are advantages that place Wellington in a unique and strong position as an Australasian city that is geared up to deliver outstanding show and grow business events.

From the World of WearableArt Show to the New Zealand Festival and international touring acts, from 1000+ delegate conferences to large scale trade shows and exhibitions, our portfolio of venues and the compact and creative precinct within which they operate sets Wellington apart from the rest.

Of course, it's a highly competitive market and there are new infrastructure and ideas coming on stream both here in New Zealand and across the Tasman all of the time. Wellington cannot, on any count, afford to stand still.

We have therefore been very fortunate to have the ongoing commitment of the Wellington City Council to improving our venue offering.

As PWV has proven its worth and delivered improved returns to the City, WCC has met the demands of investing in our venues.

In addition to the \$6.9 million dollar investment in the seismic strengthening and refurbishment of Shed 6, WCC have invested well over \$1.5 million in other improvements in the venues in the past year – and we are pleased to confirm that there are new WCC investments to come.

WCC's investment is in addition to funding other significant improvements via the various commercial partnerships that PWV has developed and via contribution from entities like the Performing Arts Foundation of Wellington. This is the kind of upside that can be realised when a commercially driven and community minded organisation sets out to leverage the assets it's got.

WCC's recent announcements about the development of a hotel convention centre in partnership with Hilton will be another superb asset in the City's events offering and an integral part of "the precinct". We are enthusiastic about and committed to supporting its success.

We're also very enthusiastic to see another of the City's eight big projects come to life – the development of a multipurpose arts, entertainment and business events centre on the waterfront.



2013/14 Annual Report



This is a “must have” development if we are to compete for arena shows and the large scale conferences and business events that require a flexible and integrated “under one roof” meeting and exhibition space.

It is vital that work on this project gets underway as soon as possible if we are to add this kind of facility to the city within a ten year period.

In submitting this Annual Report for 2013/14 we know that PWV will be part of another transformational step in the city’s development in coming months.

The establishment of the Wellington Regional Economic Development Agency (WREDA) is based on PWV being merged with Positively Wellington Tourism, the City’s major events team and Grow Wellington (including its subsidiary Creative HQ).

This initiative will enable Wellington to pursue an ambitious growth agenda and expand on the role we play as a capital city in advancing New Zealand’s future.

This move is something that is essential, not only to drive economic growth, but to ensure that we can support and grow our creative assets and improve community and civic good.

I have been very proud to Chair a Board of experienced business leaders who have contributed their extensive business experience and unshakeable commitment to the betterment of Wellington to the governance of PWV.

In just three years PWV has gone from a pre-merger business that required a substantial operating subsidy from WCC to delivering EBITDA of \$779,000 in the 2013/14 FY.

We have delivered this while also contributing close to \$1.25m in support to events like the World of WearableArt Show and the NZ Festival that are an essential part of Wellington’s economy and identity and to other creative, community and civic occasions that make Wellington a great place to live, work, play, visit, study and invest.





In handing PWV over to a new Board we are confident that PWV is well positioned to build on the merge, build and grow strategy that we have overseen over the past three years.

The leadership team have already made some huge gains in working their national and international networks to ensure that Wellington is placed proudly and firmly on the grow and show business circuit and we can only see this going and growing from strength to strength as part of a larger and more powerful development vehicle.

As a venue management company there are many synergies that can be developed with the other parts of WREDA and there are also some unique and highly specialised areas of the

business that will require dedicated management support and smart strategic oversight.

I am sure that I speak for the outgoing Board when I say that we will offer the new Board our every support through this transition period and that we will all be willing to share the passion, expertise and experience that we have brought to PWV at any time in the future.

It has been a privilege to contribute to the success of PWV and the growth and vibrancy of Wellington.

*Chris Parkin*

*Chair*





**PWV Strategic Framework**

<b>WCC VISION...</b>	Wellington City Council's Towards 2040 Smart Capital vision is underpinned by four city goals based on Wellington's competitive advantages – a highly skilled and innovative population, strong eco-city performance, our position as New Zealand's capital connected culturally and socially to the world; and a compact city form	
<b>PWV VISION...</b>	We will rock this town by delivering a stunningly good year round calendar of grow and show business events...	
<b>PWV MISSION...</b>	... driving the profitable and sustainable growth of the PWV business While contributing to the cultural, community and business vibrancy of Wellington and the vitality of the New Zealand economy	
<b>OUR GOALS...</b>	To grow the contribution of show and grow business events to Wellington... ... by promoting Wellington's reputation as the coolest place to host events in Australasia	To improve the profitability and performance of PWV's business model... ... by creating outstanding event experiences that set PWV's offering apart from the rest
<b>OUR GROWTH STRATEGIES...</b>	<ol style="list-style-type: none"> <li>1. championing the development of Wellington's events infrastructure and being a leader in the industry in order to grow our share of the show and grow business markets</li> <li>2. leveraging Wellington's points of difference – a compact and cosmopolitan capital city, an abundance of creative talent, the history and character of our venues and the unique opportunities that these things enable</li> <li>3. building highly competitive show and grow business brands that enable us to connect with and grow our target markets</li> <li>4. creating intelligent, creative and compelling sales and marketing campaigns with our local, national and international partners</li> </ol>	<ol style="list-style-type: none"> <li>5. delivering a diverse portfolio of venues with a range of flexible set-ups, quality facilities and professional venue services</li> <li>6. growing ancillary revenue by delivering first class food and beverage services that are reflective of Wellington's best and creating enticing value-add offerings</li> <li>7. developing strong and committed business relationships with a mix of commercial, funded and community hirers</li> <li>8. negotiating smart and enduring commercial partnerships with leading venue and event suppliers that make a positive contribution to our performance</li> </ol>
<b>BUILDING A STRONG FOUNDATION...</b>	<p>Get the venue basics right:</p> <ol style="list-style-type: none"> <li>9. providing fit for purpose venues and first rate technical support, sustaining a lean cost base, and optimising venue utilisation</li> <li>10. attracting, retaining and developing great people with the i.e. factor and rewarding great teamwork</li> <li>11. driving for continuous improvements in operational health and safety and the quality of our business systems and reducing our impact on the environment</li> </ol>	
<b>LIVING OUR VALUES...</b>	<p>At PWV we are a team that believes in being:</p> <ul style="list-style-type: none"> <li>• safe and sound</li> <li>• genuine and respectful</li> <li>• nimble and lively</li> <li>• can-do and imaginative</li> </ul> <p>We are positively passionate about Wellington and we are full of the kind of "i.e." (infectious enthusiasm) that it takes to create unforgettable experiences</p>	



## From the CEO

Delivering on our vision and mission - with passion and commitment



As the Chairman has noted in his overview, venue management is a business with many moving parts. Even at five times the scale, it is unlikely that the management challenges that

we encounter on almost a 24/7 basis would be much more complicated.

One of our core drivers has been to create a business model that is scalable and flexible and able to respond to different levels of demand in order to deliver on our vision of *“rocking this town by delivering a stunningly good year round calendar of show and grow business events”* and to achieve our mission of *“driving the profitable and sustainable growth of the PWV business while contributing to the cultural, community and business vibrancy of Wellington and the vitality of the New Zealand economy”*.

Partnering for success - the whole is greater than the sum of the parts

While sales and marketing are an essential part of the business, successful venue management is all about applying best practice in logistics management – and we could not do that on our own.

Delivering the venues to our hirers so that they are (as we say) “good to go” for a wide range of specialised uses and supplying all of the support services required to operate an event – from ticketing and security to food and beverage services, and from venue cleaning to technical and production services like staging and rigging and sound and lighting – means that our constant challenge is to make sure that we operate a well-oiled machine that delivers to the expectations and requirements of many different hirers.

### KPI Snapshot

PWV contributed over \$39m to the Wellington economy during the year

79 community or funded events over 300 days, subsidised or funded by PWV totalling \$1.25m+

348 performances attracting 320,000 patrons to Wellington City and PWV venues

385 conventions and events delivered including 49 conferences with over 180,000 delegates and guests

ISO NZ 9001 (Quality) and NZ 14001 (Environment) certifications achieved across all venues

88 events delivered at the new conference facilities at Shed 6 since its opening in August 2013

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PWV employs 73 permanent staff (including 19 part-timers) and 250 casual employees who are dedicated to delivering the “good to go” factor.

On top of our own employees, PWV has significant partnerships with a range of external and “business critical” suppliers – bringing at least another 50 FTEs to our delivery model.

Further to the specialist expertise that these partners bring through the provision of technical, food and beverage, ticketing and security services for our venues, our partners also make substantial capital commitments to ensuring that our support services are delivered to a high and competitive standard.

Over the years our preferred technical provider, Multi-Media Systems, have invested many millions of dollars both in physical infrastructure in our venues and in the provision of first rate technical services. Multi-Media, in turn, work with a number of specialist technical suppliers, including Grouse Lighting and MJF Lighting, to deliver their offering.

Our current ticketing agent Ticketek brings a highly reliable ticketing and venue access platform; and distribution and settlement systems that support the sale of tickets across our venues.

Catering partner Restaurant Associates (part of global catering giant Compass Group) are our preferred provider of food and beverage services, working alongside other Wellington based caterers that we partner with.

These partners include Ruth Pretty Catering, Sarah Searancke Catering, Nosh, Capitol and Simply Food.

Not only do these businesses support our business and our clients’ businesses, but their tentacles reach far into the wider regional and national economy as they source the products and services required to do what they do.





And, it doesn't stop there. One only has to look around our annual trade show "Show Me Wellington" to understand the diverse range of businesses that underpin Wellington's events industry – from hotels and exhibition companies; florists and themers; ferries and coach companies; museums; restaurants; and other city attractions.

Having now completed our third full year of trading as a CCTO we know that the level of commercial success that we have been able to achieve would not be possible without all of our business partners.

As we look towards the future with our partners we are optimistic about introducing new investment and innovation that will continue to set Wellington apart from other destinations as a place to host events.

#### **Achieving commercial and community good - and proud of it**

PWV was established with a commercial purpose but our mission is also very clear that our real *raison d'être* is to contribute to the cultural, community and business vibrancy of Wellington and by definition the nation.

In the 2013/14 financial year, PWV provided over \$1.25m to support the cultural, community and business vibrancy of the city. We manage these investments under five categories.





**City growth** - sponsorship or support for events that are aligned with the City's economic growth agenda and that reach a national or international audience.

Events in this category include the World of WearableArt Show; NZ Festival; The Hobbit scoring; Gold Awards; and VISA Wellington on a Plate events

**Creative sponsorships** – sponsorships, grants or discounts that support hirers from the performing arts. This category includes the administration of venue rental subsidies via the Performing Arts Foundation of Wellington, as well as discounts that we provide from time to time to support particular events.

In this category we have supported the NZSO and Orchestra Wellington; the NZ School of Music and Chamber Music New Zealand; Wellington Musical Theatre; Footnote Dance Company; Royal New Zealand Ballet; Fly My Pretties; as well as a fundraiser for the Wellington International Ukulele Orchestra

**Community causes** – support for not for profits; community fundraisers; educational groups; cultural days; and community sports events that are part of the diversity and vibrancy of the City.

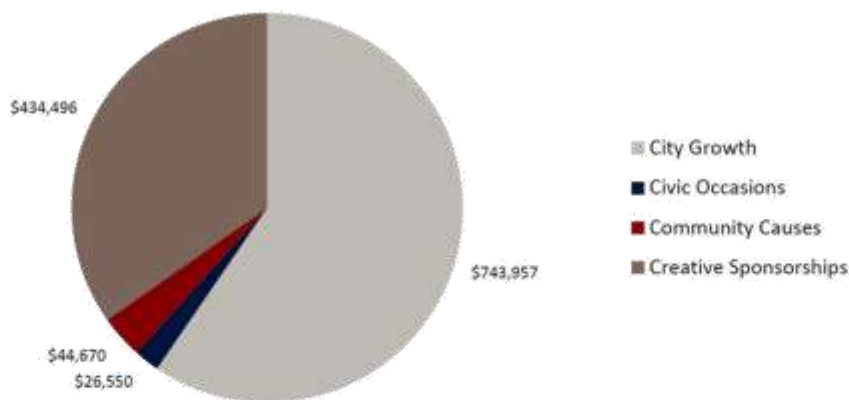
Events include Artsplash; Wellington Blood Service; Downtown Community Bookfair; Diwali; Chinese New Year; Tu Tangata Festival; and Round the Bays

**Civic occasions** – civic occasions events supported by the Mayor's Office or WCC, graduation ceremonies and memorial services.

Events in this category include WCC Citizenship ceremonies; the Nelson Mandela memorial service; WCC Safety in the City Awards; and Victoria and Massey University graduations

**Commercial discounts** – sitting outside the envelope are commercial discounts offered to repeat or high value clients or prospects with long term business potential. In addition to discounts, we orchestrate value-add offers with our business partners to secure new business. We also provide a special rate at TSB Bank Arena to support sports events (basketball and netball).

**Community & Funded Events**







**Financial performance - a significant turnaround**

As is explained on page 18 of this report, WCC was advised to structure PWV as "Wellington Venues Ltd" and "Wellington Venues Project".

Together these entities form Positively Wellington Venues - the business we prepare an annual Statement of Intent and budget for and against which we report to the Board on a monthly basis and to Council on a quarterly basis.

Audit New Zealand audit the financial statements and statement of service performance of Wellington Venues Ltd only. Those accounts along with the auditor's report are included in pages 25 to 39.

In highlighting our annual performance in this section of the report, I refer to the "combined" or "group" PWV results.

The 2013/14 financial year presented a number of challenges and I am very proud of the way in which the team rose to meet them.

The closure of the Wellington Town Hall and seismic activity at the start of the FY had a definite impact on conference business and we can see that in the result for our conventions and events (C&E) line of business which came in under budget and down on the two previous years of trading.

This is something that we have flagged consistently (and some would say persistently) throughout the year.

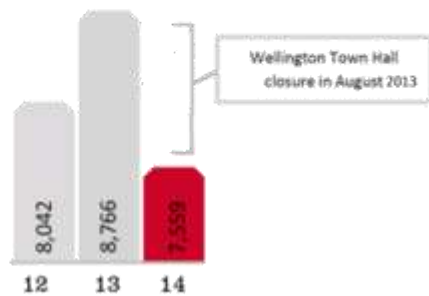


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**Conventions & Events Revenue**

2012, 13 & 14 FYs



Shed 6 came on stream at the end of August and just in time for the Brancott Estate World of WearableArt Awards Show, and once it was open for C&E bookings we started to close the budget gap for C&E.

The lead-time for C&E bookings is substantially longer than the lead-time for performances and exhibitions (P&E), and the outlook for 2014/15 and 2015/16 for C&E is strong.

We are fortunate that our business is based on a mix of C&E and P&E and that we achieved strong growth in P&E in the FY.

**Performance & Exhibitions Revenue**

2012, 13 & 14 FYs

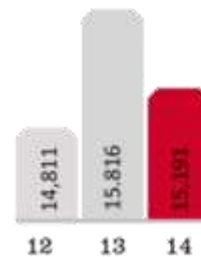


When the two main lines of business are combined, the PWV business fell short of its revenue budget by less than 1%.

I think that in a business of our size and with the vagaries of the market, this is a very good result that reflects a substantial amount of hard work from the team.

**Total PWV Revenue (\$000)**

2012, 13 & 14 FYs



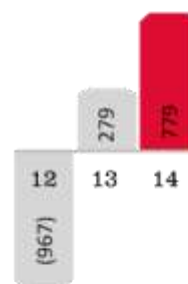
For reasons that are explained elsewhere (Town Hall closure, time involved in confirming Shed 6, seismic activity), our 2013/14 revenue was down on 2012/14 by just over \$600k.

While top line revenue growth is important, we have been vigilant about cost management to ensure improvements in both gross profit percentage and EBITDA.

On both of these measures we have delivered a significant uplift in performance against previous years and the 2013/14 budget.

**EBITDA (\$000)**

2012, 13 & 14 FYs



At an EBITDA level we have taken the business from a loss of \$967k to a profit of \$779k as part of our three year merge, build and grow strategy. But that is only part of the story.



**Economic contribution - from strength to strength**

One of the main reasons that local and central governments invest in events infrastructure is because of the economic return on the assets employed.

Achieving a competitive commercial return on those assets is a stretch that few have achieved, but generating an economic return remains core to the rationale for investing in public venues.

In the 2013/14 FY, PWV's business generated direct economic value to the city of circa \$40 million.

This measure is based solely on multipliers on the income that PWV earns and it does not include the wider economic impact of events that are based in our venues including indirect and induced impacts.

As we become part of WREDA we will be in a better position to fully reflect the true and total impact – and to target growth accordingly.

**Statement of Service Performance - simplified and more meaningful KPIs**

Our performance against our agreed KPIs is reported on pages 38-39 of this report.

Over the past three years we have committed to simplifying our KPI framework and developing a set of more meaningful performance indicators.

This work was completed during the FY and was approved by the Board.

We have introduced the new reporting framework in the current period. This means that we are not reporting against every measure in the old suite of KPIs that were established in the 2013/14 SOI. We have established a new framework that will provide a benchmark against which we can assess our ongoing performance, and have reported against these measures instead.

On almost all measures we have achieved or exceeded our KPIs.



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As outlined earlier, our revenue shortfall in C&E was largely offset by P&E (culminating in a partial achievement of that KPI) and venue utilisation was impacted by the closure of the Wellington Town Hall.

Our health and safety KPIs were achieved and our customer satisfaction ratings remained high.

As noted earlier, our profitability and gross margin measures were achieved with gross margin improvement (43% vs. 41%), and exceeded in the case of EBITDA at \$779k vs budget of \$128k.

We do not have a quantitative measure of staff engagement. We will be undertaking a benchmark survey in the new FY.

**Strategy on a page - a compelling story**

We have distilled our core business strategy to a one page summary. A copy of this can be found on page 5.

Implementing strategy is a continuous process and in our 2014/15 SOI and budget we have outlined some ambitious near and long term plans.

As a quick wrap on 2013/14... how are we going?

We have two overarching goals. Our first is growing the contribution of show and grow business events to Wellington by promoting Wellington's reputation as the coolest place to host events in Australasia.

Our second is improving the profitability and performance of PWV's business model by creating outstanding event experiences that set PWV's offering apart from the rest.

I am satisfied that we are delivering on both of these goals and that we have established a strong platform for growth.

We said that we would be champions for the development of Wellington City's events infrastructure and we have been unrelenting in that space.

Shed 6 was one such achievement, we are in full support of the new hotel convention centre and we will be enthusiastic advocates for a new multipurpose entertainment and convention centre.





We said that we would leverage Wellington's points of difference as a compact and cosmopolitan city, and we have articulated and promoted that under our "Power of the Precinct brand" (and it's working).

Our strategy refers to creating highly competitive "grow" and "show" business brands that connect with and grow our target markets.

"LIVE in Wellington" magazine is coming up to its ninth issue and is regarded as an essential marketing tool by the promoters and producers we work with to bring acts to the City.

"Show me Wellington" goes from strength to strength as Wellington's showcase to the business events market and we are attracting new and better qualified decision-makers and buyers to this event.

We have made some important breakthroughs in the area of creating intelligent, creative and compelling sales and marketing campaigns with our local, national and international partners. I am particularly proud of the ground that we have made to ensure that Wellington is on both Tourism New Zealand's and the Ministry of Business, Innovation and Employment's business events radars.

We were also pleased to see the modifications that were made to the WellingtonNZ.com portal providing a higher profile "meet" tag and more direct access to information about hosting business events in Wellington.

Our strategy says that we will deliver a diverse portfolio of venues with a range of flexible set-ups, quality facilities and professional venue services.

It's very easy to single out Shed 6 and the way in which it was designed to integrate with TSB Bank Arena as a success story. That's because it is a genuine success for PWV and Wellington, we are definitely winning and growing business that we could not have accommodated and serviced before.

But let's not forget the success of some of our older venues in rising to the challenge. The St James Theatre was managed to more than meet the expectations of Webstock earlier this year. It was a team effort – client, venues, suppliers ... and it rocked.



Growing ancillary revenue via our food and beverage services is another part of our strategy and we are on that journey and proud of our achievements.

There is so much more to come and we are committed to delivering a signature Wellington food and beverage offering.

We said that we would develop strong and committed business relationships with a mix of commercial, funded and community hirers.

In the Show and Performance area we have strengthened our working relationship with key promoters such as Frontier Touring, the Byron Bay Blues Festival and UK-based Lunchbox Productions.

Locally, promoters such as Stetson Group and producers such as Wellington Musical Theatre continue to provide product that is appealing to a wide range of audiences.

This year for the first time, we were able to programme some touring product around the

same time as the NZ Festival and this proved to be a great success for those audiences who are not dedicated Festival followers.

Finally in terms of commercial outcomes we said that we would negotiate smart and enduring commercial partnerships with leading venue and event suppliers that make a positive contribution to our performance.

During the past financial year we negotiated an agreement with Venue Merchandising Services (VMS). VMS are part of the Australian-based Mushroom Group. We will be working with the team at VMS to grow this area of the business as we bring a better range of show merchandise to the market.

Our strategy for growth is based in building a strong operating foundation – getting the venue basics right by providing fit for purpose venues and first rate technical support, sustaining a lean cost base and optimising venue utilisation.





We remain committed to ongoing improvement in those areas and we have enjoyed partnering with WCC's property team to ensure that there are well-scheduled and well-funded venue maintenance and upgrade programmes in place.

Attracting, retaining and developing great people with the i.e. factor (that's infectious enthusiasm) is something that we are highly focussed on.

Three years on it is pleasing to see how the various teams across our business work with a level of pride and commitment across all of our venues.

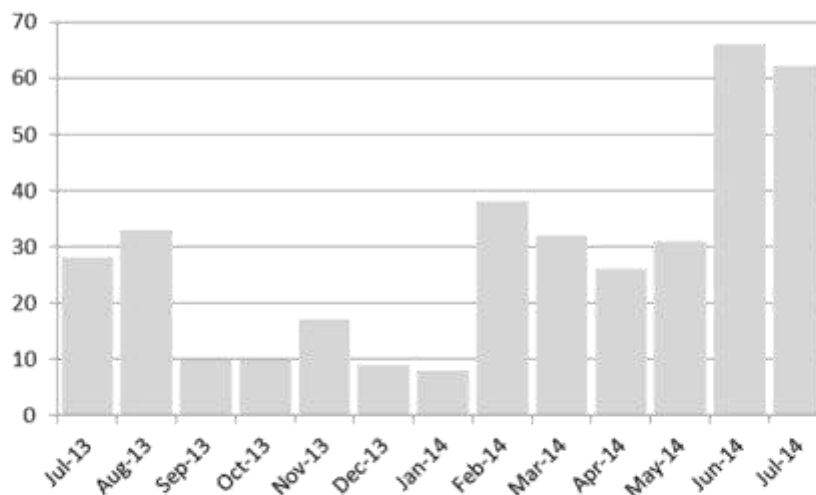
We will be making a greater investment in developing our culture in the year ahead and putting more emphasis on the professional development of our rising stars.

At the base of our operating foundations is the drive for continuous improvements in health and safety, the quality of our business systems and reducing our impact on the environment. Our ISO certification is a mark of that commitment.

We have put considerable energy into improving our health and safety programmes and processes and it is pleasing to see the changes in our health and safety culture emerging - as illustrated by the significant increase in near miss reporting (see below) and the achievement of our zero serious harm and zero lost time injury KPIs.

With changes to New Zealand's health and safety legislation on the horizon we know that we will need to raise the bar even higher and we have a substantial programme of work underway to do just that.

**Hazard/Near Miss Reporting**



A primary focus this year has been on changing our team's hazard awareness to support growth in reporting. The following graph shows how awareness has grown through an increase in near miss reporting, resulting in an expected decrease in harm incidents.

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Underpinning all of our deliverables are our values and we will continue to place safe and sound ahead of the rest.

We ask our people to be genuine and respectful in their dealings with others and nimble and lively in their approach to any task.

Being can-do and imaginative is a vital part of making the difference between a good and a great event and over the past year our teams and our business partners have continued to rise to that challenge.

I would like to thank all of the people who work with or for PWV for the commitment that they have made to the business in the past 12 months. I would especially like to thank our Board of Directors so ably and aspirationally chaired by Chris Parkin. Our Board continue to challenge us across all aspects of the business, guide us when we need support and inspire us to be the best that we can be.

**Glenys Coughlan**  
CEO







## PWV Financials

The way in which WCC structured Positively Wellington Venues is a combination of Wellington Venues Limited (the venue manager) and Wellington Venues Project (a business unit of Wellington City Council).

As the venue manager, Wellington Venues Limited is the employer of the staff who manage events at the Michael Fowler Centre, the Wellington Town Hall, TSB Bank Arena, St James Theatre, Opera House, Academy Galleries and Shed 6. This is done on behalf of the Wellington Venues Project. The income and expenditure arising from events in our venues is to the account of Wellington Venues Project.

The audited financial statements on pages 28-39 of this annual report only apply to Wellington Venues Limited as the financial outcome for Wellington Venues Project is contained within the results of Wellington City Council.

Positively Wellington Venues prepares an annual Statement of Intent which includes a

budget and our performance against that budget is explained below.

Positively Wellington Venues traded on a full year business delivering a trading profit of \$561k against the budgeted loss of \$126k as noted in our approved Statement of Intent.

Due to the great effort of the team and even with the Wellington Town Hall out for seismic strengthening, revenue came in at \$123k (or less than 1%) under budget. The budgeted gross margin was set at a similar level to the 2012/13 margin of 41% with the final 2013/14 gross margin being ahead of target by 2% with a result of 43% for the year.

Major savings were achieved by cost management in three main areas. Savings of \$400k in direct costs; \$98k in marketing & travel; and \$472k in other operating costs. These helped cover any above budget expenditure resulting from an increase in personnel costs.

	2013/14 Actual ('\$000)	2013/14 Budget ('\$000)
<b>Income</b>	<b>15,191</b>	<b>15,314</b>
Direct costs	8,567	8,967
Personnel costs	3,104	2,915
Marketing & travel	528	626
Other operating costs	2,213	2,678
<b>Total expenditure</b>	<b>14,412</b>	<b>15,186</b>
<b>EBITDA</b>	<b>779</b>	<b>128</b>
Depreciation	215	244
Tax Expense	3	10
<b>NET TRADING PROFIT/(LOSS)</b>	<b>561</b>	<b>(126)</b>



## Governance Report

The Directors of Wellington Venues Limited are appointed by Wellington City Council as sole shareholder and they are responsible for setting the strategic direction of the company. They also approve the annual Statement of Intent and the Annual Report.

A transition Board was established at 10 January 2011 upon the incorporation of the company and all directors' appointments concluded on 31 December

2011. Director's appointment terms thereafter have been staggered to ensure continuity of knowledge, skills and experience.

The Board welcomed Simon Woolf as the newest Director in November 2013.

The Board meets 12 times per year and has established an Audit & Risk Sub-committee which reviews relevant matters prior to consideration by the full Board.

	Appointed	Expiry of Term	Meetings Attended	Meetings Eligible to Attend
Christopher Parkin (Chair)	10 January 2011	31 December 2014	10	12
Cr. Ngaine Best	10 January 2011	31 October 2013	3	4
Mike Egan	1 January 2012	31 December 2014	9	12
Cr. Paul Eagle	1 July 2011	31 December 2013	5	6
Daniel Bridges	1 January 2013	31 December 2015	12	12
Linda Rieper	10 January 2011	31 December 2014	11	12
Samantha Sharif	1 January 2012	31 December 2014	10	12
Lorraine Witten	1 January 2012	31 December 2014	9	12
Simon Woolf	14 November 2013	31 December 2016	7	8

# THE YEAR IN REVIEW HIGHLIGHTS FROM 2013/14



**JUL 2013** **Phantom of the Opera** (Wellington Musical Theatre)  
9 SELL OUT SHOWS **SOLD OUT**

**The Wellington International Ukulele Orchestra** **SOLD OUT**

**LIVE in Wellington**  
Winter edition featuring Swan Lake on the cover

**Shapeshifter** **SOLD OUT**

**RNZB's Swan Lake**  
6 SELL OUT SHOWS **SOLD OUT**

**Multi-day conferences**  
PWV hosts four national multi-day conferences for 350+ pax

**Earthquakes**  
PWV's venues stand up well to the shakes



**AUG 2013** **New uniforms**  
PWV launches new front of house uniforms featuring a funky fabric design based on PWV venue sketches by award-winning artist Sarah Maxey

**Show Me Wellington**  
Over 680 buyers and key stakeholders and 85 exhibitors attend PWV's in-house conference and events expo

**Shed 6 opening**  
Rt Hon John Key & PWV Chair Chris Parkin officially open Shed 6

**Champions Charity Luncheon**  
The Champions Charity Luncheon is held in Shed 6 the day after its official opening - the first of 88 conferences and events to be held in Shed 6 over the coming year

**An Evening with Joan Baez** **SOLD OUT**

**Warner Music Hobbit scoring**  
Scoring with NZSO commences in Wellington Town Hall



**SEP 2013** **Successful relocation**  
PWV bands together with other Wellington businesses to successfully accommodate a number of relocated events displaced by the earthquakes



**SEP  
2013**

**NZ Nurses Organisation AGM & Conference**  
Over 200 people attend the AGM & conference, resulting in a rebooking in 2014

**Fat Freddy's Drop** **SOLD OUT**

**Brancott Estate World Of WearableArt Awards**  
This iconic Wellington event is once again held in TSB Bank Arena

**OCT  
2013**

**Power of the Precinct**  
Aligning with Tourism New Zealand's investment into business events, PWV launches the Power of the Precinct. The precinct promise is that delegates can pack more and different things into a good (conference) day in Wellington than any other destination in Australasia

**NZ Association of Optometrists Conference**  
First multi-day conference to be hosted in Shed 6

**Matt Corby** **SOLD OUT**

**LIVE in Wellington**  
Spring edition featuring Leonard Cohen on the cover

**NOV  
2013**

**Shed 6 Open Home**  
Attracting over 200 hirers and industry stakeholders

**RANZCO Conference**  
PWV celebrates the confirmation of the Royal Australian and New Zealand College of Ophthalmologists multi-day conference for 60Spax in November 2015 – an event that would never have been able to be accommodated in Wellington prior to the new Shed 6/TSB Bank Arena offering

**Multi-Day conferences**  
PWV hosts four multi-day conferences for over 350pax

**Gastroenterologist Conference**  
TSB Bank Arena & Shed 6 deliver the perfect under-one-roof venue for the conference

**David Strassman** **SOLD OUT**

**Passenger** **SOLD OUT**





**DEC  
2013**

**Leonard Cohen** **SOLD OUT**  
2 SELL OUT SHOWS

**7 Days Live** **SOLD OUT**

**JAN  
2014**

**Jimmy Carr** **SOLD OUT**

**Live in Wellington**  
Summer edition featuring Strike/NZ Festival on the cover

**FEB  
2014**

**Asia-Pacific Incentives and Meetings Expo (AIME)**  
PWV heads to Australia to attend this important industry tradeshow

**NZ Festival**  
NZ Festival takes over Wellington and PWV creates the Festival Hub at the St James Theatre - 55 performances, over 24 days with almost 60,000 patrons attending



**MAR  
2014**

**SOL3 MIO** **SOLD OUT**  
Prompting a second TSB Bank Arena show on their return leg, and a return in September 2014 to record their DVD special

**Macklemore & Ryan Lewis** **SOLD OUT**

**Retractable seating**  
New seating units are installed in Shed 6 with thanks to the Performing Arts Foundation of Wellington (PAF) who supported this project through a grant

**New Zealand Rural GPs Conference**  
250 delegates make full use of the new seating unit the day after installation



**Caffeination**  
PWV supports the inaugural New Zealand festival of coffee "Caffeination" in Shed 6 - over 8,500 coffee lovers enjoyed the two day event



**APR  
2014**

**Wellington Fashion Week** **SOLD OUT**  
Shed 6 hosted Wellington Fashion Week for the first time with 3,713 attendees. The venue worked so well, the event is booked in for 2015

**LIVE in Wellington**

Autumn edition featuring Annie on the cover

**MAY  
2014**

**Billy Connolly** **SOLD OUT**  
**The House of Travel National Sales Conference**  
TSB Bank Arena and Shed 6 sees 650 delegates love not only what Wellington has to offer but the successful service delivery by PWV partners Multi-Media and Restaurant Associates

**HANDMADE 2014**

PWV supports the annual festival, showcasing over 80 inspirational and creative classes

**Arctic Monkeys** **SOLD OUT**

The 4th highest selling concert in TSB Bank Arena since 2008

**Annie**

21 performances and 18,000 attendees. Local talent perform alongside international crew

**JUNE  
2014**

**Industry partner update & site famils**  
PWV hosts an industry partner update and mini site famils to formally launch the Power of the Precinct strategy

**Shed 6 Progressive Dinner**

PWV hosts eight Australian conference and meeting organisers on a progressive dinner in Shed 6

**FIFA World Cup**

PWV's retractable seating unit is used to turn Shed 6 into the CBD's largest public lounge for the kick-off of the 2014 FIFA World Cup

**Jane Goodall** **SOLD OUT**

**Wellington Jazz Festival**

Featuring major international headliners and top local musicians

**Opera House dressing rooms**

Refurbished with the support of PAF





## Wellington Venues Limited Financial Statements

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## Auditor's Report

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

### Independent Auditor's Report

**To the readers of  
Wellington Venues Limited's  
financial statements and statement of service performance  
for the year ended 30 June 2014**

The Auditor-General is the auditor of Wellington Venues Limited (the company). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company on her behalf.

We have audited:

- the financial statements of the company on pages 28 to 37, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive financial performance and statement of changes in equity for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company on pages 38 and 39.

### Opinion

#### Financial statements and statement of service performance

In our opinion:

- the financial statements of the company on pages 28 to 37:
  - comply with generally accepted accounting practice in New Zealand;
  - give a true and fair view of the company's:
    - financial position as at 30 June 2014;
    - financial performance for the year ended on that date; and
- the statement of service performance of the company on pages 38 and 39:
  - complies with generally accepted accounting practice in New Zealand; and
  - gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2014.





### **Other legal requirements**

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on 25 September 2014. 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 Board of Directors and our responsibilities, and 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 and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service performance. 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 and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and statement of service performance 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 company'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 Board of Directors;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and statement of service performance.

In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Board of Directors**

The Board of Directors is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company's financial position and financial performance; and
- give a true and fair view of its service performance.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Bede Kearney  
Auditor-General  
On behalf of the Auditor-General  
Wellington, New Zealand



**Statement of Comprehensive Financial Performance**

for the year ended 30 June 2014

	Notes	2014 (\$)	2013 (\$)
<b>Income</b>			
Total Income	2	5,587,000	5,451,338
<b>TOTAL REVENUE FROM OPERATING ACTIVITIES</b>		<b>5,587,000</b>	<b>5,451,338</b>
<b>Expenditure</b>			
Personal costs		5,408,251	5,253,986
Directors' fees		116,740	135,000
Other expenses		59,337	40,157
<b>TOTAL OPERATING EXPENDITURE</b>		<b>5,584,328</b>	<b>5,429,143</b>
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; SUBVENTION</b>		<b>2,672</b>	<b>22,195</b>
Subvention Payment		2,672	22,195
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		<b>-</b>	<b>-</b>
Income tax expense	7	-	-
<b>NET PROFIT/(LOSS) AFTER TAX</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS)</b>		<b>-</b>	<b>-</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.

2013/14 Annual Report



**Statement of Changes in Equity**

for the year ended 30 June 2014

Notes	2014 (\$)	2013 (\$)
Balance brought forward	100	100
Net profit/(loss) for the period	-	-
Other comprehensive income	-	-
<b>BALANCE AS AT 30 JUNE 2014</b>	<b>100</b>	<b>100</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.




Statement of Financial Position

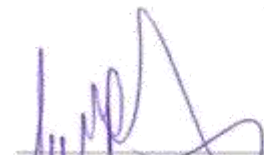
as at 30 June 2014

	Notes	2014 (\$)	2013 (\$)
<b>Current Assets</b>			
Cash or cash equivalents	3	164,988	-
Trade and other receivables	4	391,782	562,078
<b>TOTAL ASSETS</b>		<b>556,770</b>	<b>562,078</b>
<b>Current Liabilities</b>			
Overdraft	3	-	8,004
Trade and other payables	5	295,528	248,324
Employee entitlements	6	261,142	305,650
<b>TOTAL LIABILITIES</b>		<b>556,670</b>	<b>561,978</b>
<b>Equity</b>			
Share capital		100	100
Retained loss		-	-
<b>TOTAL EQUITY</b>		<b>100</b>	<b>100</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>556,770</b>	<b>562,078</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.

*The Board of Directors authorised these financial statements for issue on 19 September 2014*

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## Notes to the Financial Statements

### **1. Statement of Accounting Policies**

#### ***Reporting Entity***

The financial statements are those of Wellington Venues Limited ("the Company"). The Company was incorporated on 10 January 2011 and is registered under the Companies Act 1993. The financial statements are prepared in accordance with the Financial Reporting Act 1993 and the Companies Act 1993. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 111 Wakefield St, Wellington.

The primary objective of the Company is to provide venue management services.

The financial statements of the Company are for the year ended 30 June 2014.

#### ***Basis of Preparation***

#### **Statement of Compliance**

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other relevant applicable Financial Reporting Standards as appropriate for public benefit entities.

The Company is a qualifying entity within the Framework for Differential Reporting. The Company qualifies on the basis that it is not publicly accountable and is not a large entity. The Company has taken advantage of all differential reporting concessions available to it.

#### **Measurement Base**

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

#### **Functional and Presentation Currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional and presentation currency of the Company is New Zealand dollars.

#### **Comparative Information**

The comparatives shown in these financial statements are for the 12 months ended 30 June 2013.

#### **Standards Issued**

There is one standard amendment or interpretation issued but not yet effective that hasn't been early-adopted, and that is relevant to the Company. NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments*. The standard does not materially impact the Company's financial statements.

#### **Changes in Accounting Policies**

There have been no changes in accounting policies during the period.



### **Significant Accounting Policies**

The particular accounting policies, which materially affect the recognition, measurement and disclosure of items in these financial statements are set out below.

#### **Revenue**

Management fee income is recognised in the accounting period in which the services are rendered.

#### **Cash and cash equivalents**

Cash and cash equivalents includes deposits held at call with banks.

#### **Trade and other receivables**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for doubtful debts. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

#### **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Personnel Costs**

Short-term employee entitlements are those that the Company expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

#### **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Balance Sheet.

Commitments and contingencies are disclosed exclusive of GST.

#### **Taxation**

The income tax expense recognised for the year is calculated using the taxes payable method and is determined using tax rules. Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period.

#### **Equity and Share Capital**

Ordinary shares are classified as equity.

2013/14 Annual Report



## 2. Revenue and Other Income

	2014 (\$)	2013 (\$)
Management fee income	5,585,486	5,451,338
Interest on deposits	1,514	-
<b>MANAGEMENT FEES TOTAL</b>	<b>5,587,000</b>	<b>5,451,338</b>

Management fees are earned for managing venues owned by Wellington City Council. Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs.

## 3. Cash and Cash Equivalents

The Company operates one non-interest bearing bank account.

	Interest Rate	Maturity	2014 (\$)	2013 (\$)
Cash at bank and in hand	1.45%	Current	164,988	-
Overdraft			-	(8,004)
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>			<b>164,988</b>	<b>(8,004)</b>

## 4. Trade and Other Receivables

	Notes	2014 (\$)	2013 (\$)
Trade receivables		-	-
Related parties	8	386,032	556,886
Prepayments		5,250	5,192
Less provision for doubtful debts		500	-
Less provision for doubtful less		-	-
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>		<b>391,782</b>	<b>562,078</b>





**5. Trade and Other Payables**

Notes	2014 (\$)	2013 (\$)
Trade payables	215,794	100,971
GST payables	46,612	71,252
Accruals – related parties	33,122	76,101
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>295,528</b>	<b>248,324</b>

**5a. Audit Fee**

The Company's auditors are Audit New Zealand.

Amount paid or payable to Audit New Zealand	2014 (\$)	2013 (\$)
Audit fee	17,000	16,770
Other services	-	-
<b>TOTAL PAYABLE TO AUDIT NEW ZEALAND</b>	<b>17,000</b>	<b>16,770</b>

**6. Employee Entitlements**

	2014 (\$)	2013 (\$)
Salaries payable	67,443	100,510
Accrued annual leave	193,699	205,140
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>261,142</b>	<b>305,650</b>

No accrual has been made for sick pay, as an analysis of payments made for sick pay has identified that the potential cost is not material.

2013/14 Annual Report



The number of employees whose remuneration and benefits exceeded \$100,000 is shown below:

	2014	2013
\$300,000 to \$309,999	1	1
\$140,000 to \$149,999	2	2
\$130,000 to \$139,999	1	1
\$100,000 to \$109,999	1	1

#### 7. Income Tax

	2014 (\$)	2013 (\$)
<b>Tax expense</b>		
Current year	-	-
Prior period adjustment	-	-
<b>Reconciliation of effective tax rate</b>		
Profit for the period before tax	-	-
Prima facie income tax at the domestic tax rate 28%	-	-
Change in unrecognised temporary differences	36,773	25,349
Effect of group loss offset	(36,773)	25,349
<b>INCOME TAX</b>	-	-

There are no imputation credits at year end.

#### 8. Related party information

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The Company's sole shareholder is Wellington City Council (WCC) which is therefore a related party by virtue of this ownership.

The St James Theatre Charitable Trust and St James Theatre Limited are also related parties as they are considered entities controlled by WCC.



The Company had the following material transactions with related parties during the year. A payment of \$31,510 was payable to WCC for payroll expenses paid on behalf of Wellington Venues Ltd.

The Company charges WCC a management fee for venue management which is equivalent in value to the aggregate of the Company's personnel costs, directors' fees, audit fee and directors' liability insurance. The charge for the year ended 30 June 2014 was \$5,585,486 (2013: \$5,451,338). At balance date, fees of \$386,032 (2013: \$556,886) were due to the Company.

A subvention payment of \$2,672 (2013: \$22,195) was paid to WCC during the year to offset Wellington Venues Limited's taxable income from 2013.

No provision has been required, nor any expense incurred, for impairment of receivables from related parties (2013: nil).

**Key management personnel compensation**

Salaries and other short-term employee benefits

Termination benefits

Directors' Fees

**TOTAL COMPENSATION**

	2014 (\$)	2013 (\$)
Salaries and other short-term employee benefits	992,039	1,019,309
Termination benefits	-	-
Directors' Fees	116,740	135,000
<b>TOTAL COMPENSATION</b>	<b>1,108,779</b>	<b>1,154,309</b>

Key management personnel includes the Board of Directors, Chief Executive and the 6 other members of the Company's leadership team.

**Directors' Fees**

Christopher Parkin (Chair)

Cr. Simon Woolf

Daniel Bridges

Mike Egan

Linda Rieper

Samantha Sharif

Lorraine Witten

Cr. Paul Eagle (retired 31 December 2013)

Cr. Ngaire Best (retired 12 October 2013)

Sam Knowles (retired 31 December 2012)

**TOTAL EMPLOYEE ENTITLEMENTS**

	2014 (\$)	2013 (\$)
Christopher Parkin (Chair)	30,000	30,000
Cr. Simon Woolf	-	-
Daniel Bridges	15,000	7,500
Mike Egan	15,000	15,000
Linda Rieper	15,000	15,000
Samantha Sharif	15,000	15,000
Lorraine Witten	15,000	15,000
Cr. Paul Eagle (retired 31 December 2013)	7,500	15,000
Cr. Ngaire Best (retired 12 October 2013)	4,240	15,000
Sam Knowles (retired 31 December 2012)	-	7,500
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>116,740</b>	<b>135,000</b>

2013/14 Annual Report



**9. Commitments**

The Company has no commitments at 30 June 2014 (2013: nil).

**10. Contingent Liabilities and Assets**

There are no contingent liabilities or contingent assets at 30 June 2014 (2013: nil).

**11. Events Occurring After Balance Date**

There were no significant events after the balance date.



## Statement of Service Performance

### 2013/14 KPIs

In considering the new framework the Board identified that a number of measures in the 2013/14 SOI were either not directly relevant to the key aspects of the business, while others were not measurable and therefore could not be reported on. Therefore the Board resolved to report against the 2014/15 performance measures on the basis that this better reflects the business of WV.

TARGET	MEASURE	GOAL	RESULT
<b>ECONOMIC CONTRIBUTION</b>			
Grow contribution to Wellington	Contribution of PWV's show and grow business events to Wellington economy	Increase economic contribution of show and grow business events to Wellington by 5% in 2013/14	<b>Partially Achieved</b> C&E \$26m economic footprint down 14% on prior year – not achieved due to loss of Wellington Town Hall; P&E \$14m economic footprint up 10% on prior year – achieved
Optimising venue utilisation and revenue	Venue utilisation across all venues	Achieve pan venue utilisation (days hired) of 60% or more	<b>Not Achieved</b> Venue utilisation of 48% due to loss of Wellington Town Hall (refer CEO Report p.6-17)
	Venue yield across all venues	Improvement in venue yield by maximising total actual revenue to potential total venue revenue	<b>New Measure</b> Yield of 33% which includes community hires
	Growth in annual value of tickets sold	Growth in annual value of tickets sold	<b>Achieved</b> The value of tickets sold increased by 1% year on year excluding the impact of the loss of Wellington Town Hall
<b>COMMUNITY RESPONSIBILITY</b>			
Community hire days	Open for community and funded events	Manage the mix of commercial, funded and community hires to achieve the commercial outcomes that WCC expect of PWV while also accommodation the needs of funded and community hires	<b>Achieved</b> 79 events over 300 days hired and a total of \$1.25m of funded and community hires (Excludes \$291k of WCC funded events)
	Value of community subsidised or sponsored events		
<b>CUSTOMER SATISFACTION</b>			
Net Promoter Score	Confidential results from customers based on Survey Monkey	Net Promoter Score > %60	<b>New Measure</b> Net Promoter Score since the measure has been introduced in March is over 70%

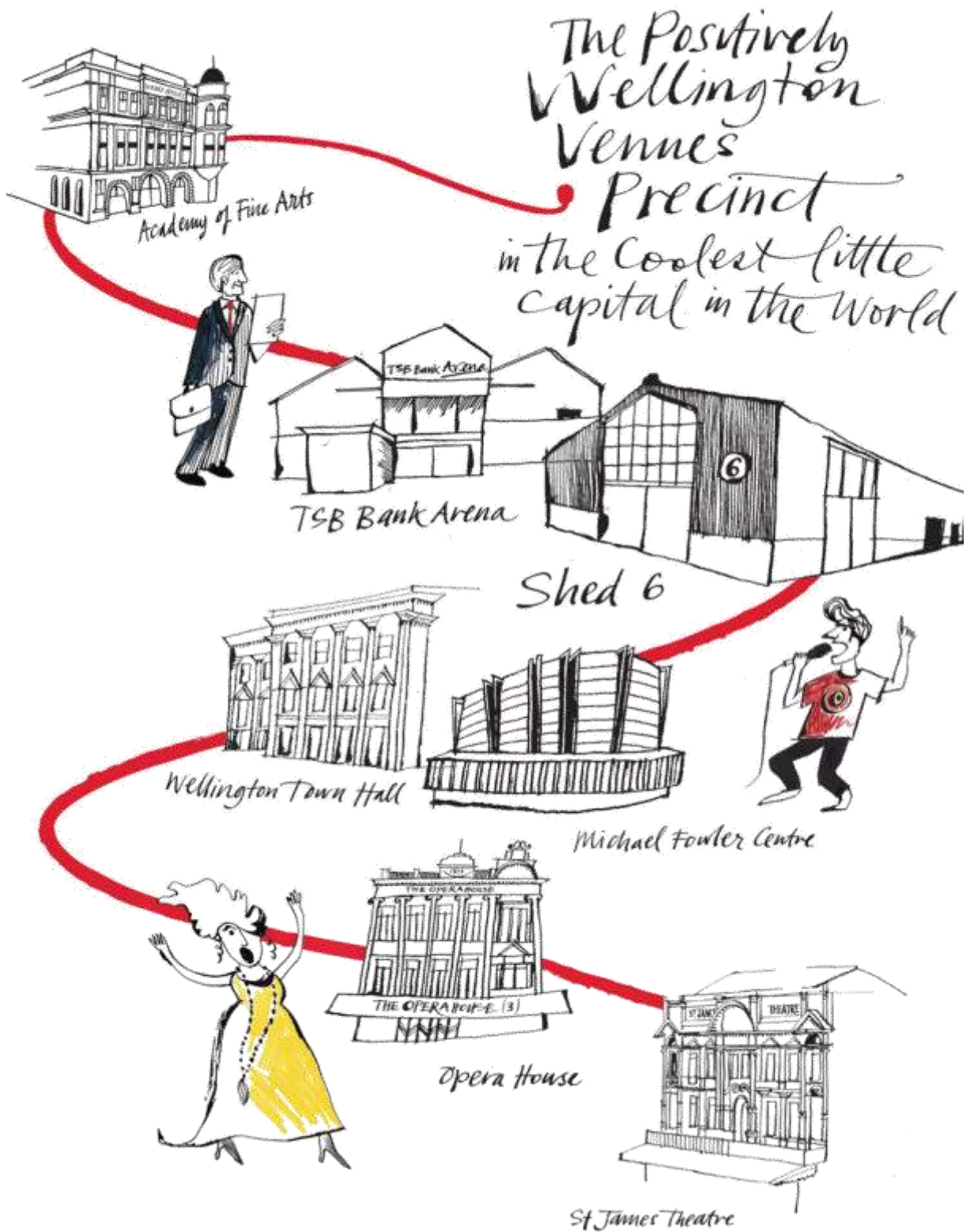
2013/14 Annual Report



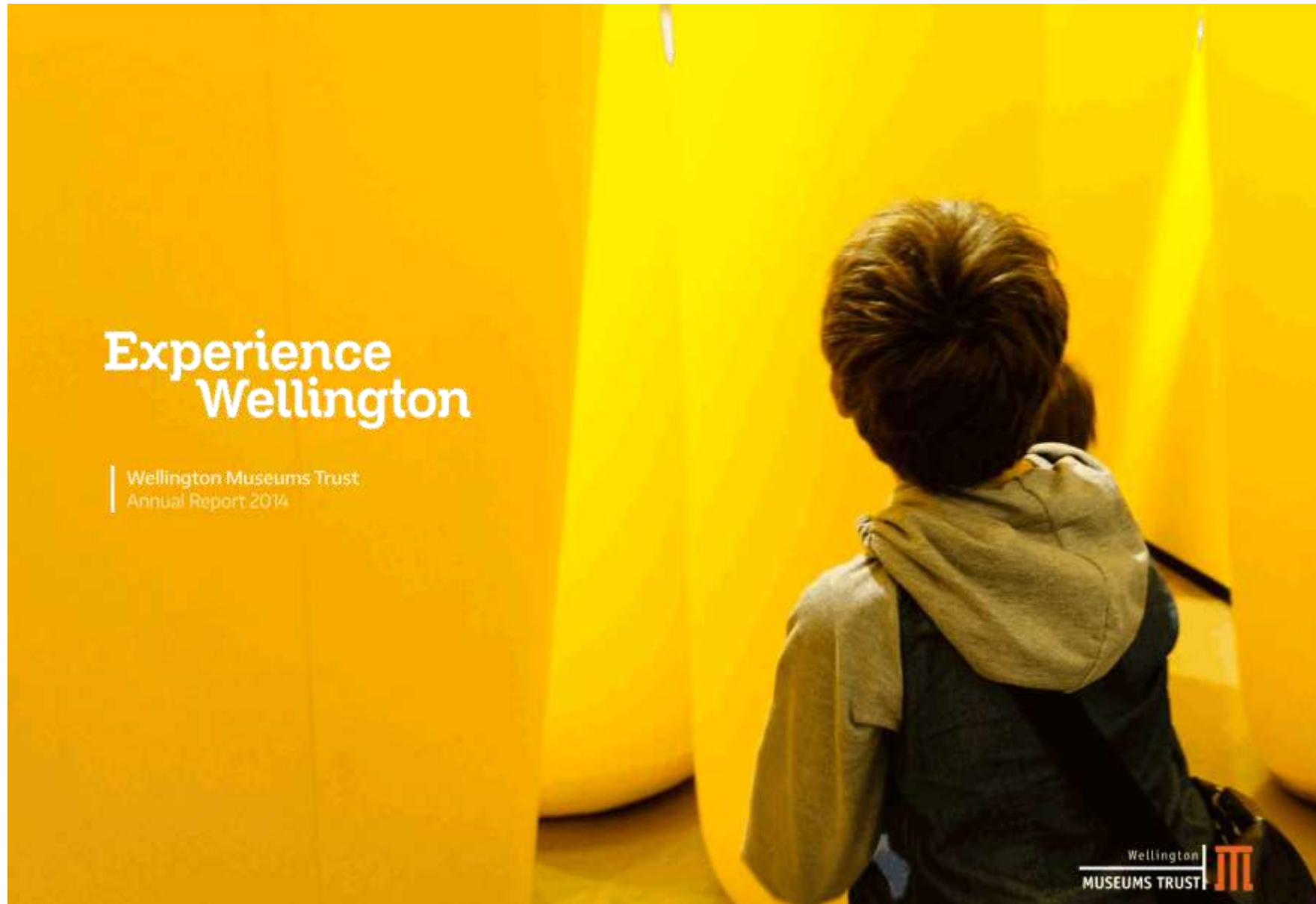
Statement of Service Performance cont.

2013/14 KPIs

TARGET	MEASURE	GOAL	RESULT
<b>GOOD EMPLOYER</b>			
Health & Safety	Zero serious harm at our venues*	Exercising our duty of care to create and maintain a culture and management systems to ensure no harm to anybody while working in our venues	<b>New Measure - Achieved</b> Zero serious harm* and zero lost time injuries*
	Zero lost time injuries*		
Staff engagement	2% improvement in annual staff engagement – baseline to be measured in Aug-Sep 2014	Improvement in staff engagement survey "say, stay and strive"	<b>Not Measured</b> Baseline survey to be undertaken in September 2014
<b>PROFIT CONTRIBUTION</b>			
Improve PwV profitability	Budget EBITDA \$100k	Deliver a EBITDA of circa \$100k in 2013/14	<b>Achieved (Exceeded)</b> EBITDA result is \$779k
<b>PRODUCTIVITY</b>			
Gross margin	Full year gross margin	Improve on the prior year's Group profit margin	<b>New Measure – Achieved</b> Gross margin result is 43% up from 41% FY13



Item 2.1 Attachment 2





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<sup>^</sup> This is an interactive PDF. Click on a title to visit a section or use the icons in the top right corner to navigate.

*Pictured on cover: Seung Yul Oh: MQAMOA, A Decade at City Gallery Wellington 31 May 2014 – 24 August 2014. Photography by Mark Tantrum.*

*Pictured Opposite: Children take part in the Big RevEal, opening the new Capital E Central.*

**Item 2.1 Attachment 2**



**| Introduction, Trust Institutions and Vision**

The Wellington Museums Trust (Trust) operates six institutions on behalf of the Wellington City Council (Council): Capital E, Carter Observatory, City Gallery Wellington, Colonial Cottage Museum, Museum of Wellington City & Sea (including the Plimmer's Ark display in the Old Bank Arcade) and the Wellington Cable Car Museum. We also have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support including financial management to the New Zealand Cricket Museum. These onsite, online and outreach experiences encompass art, heritage, culture, social history, science, theatre and digital technology.

We are also responsible for the management and care of the city's heritage collections in storage or on display at the Museum of Wellington City & Sea, Cable Car Museum, Colonial Cottage Museum and Carter Observatory.

The Trust was established by Council in 1995 and is dependent on Council for long-term financial sustainability and to operate as a going concern. It is a Council Controlled Organisation and this Annual Report is presented in accordance with Section 67 of the Local Government Act 2002.

**| Trust Institutions**



**Museums Wellington**



**Colonial Cottage Museum**



**Cable Car Museum**



**CARTER OBSERVATORY**  
DEPARTMENT OF SCIENCE & TECHNOLOGY





### | Purpose

Our business opens the doors to remarkable experiences that set Wellington apart.

### | Vision

Excellent experiences that Wellingtonians proudly share with the world.

*Pictured: Museum staff, students and members of the Labour History Project take to the streets of Wellington to recreate the 1913 strike.*



We comfortably exceeded the visitor target for 2013-14 with over 600,000 visitors enjoying the visitor experiences at our institutions. The Trust broke-even after funding depreciation, as it had promised it would.

Our commitment to fully fund depreciation has enabled us to progress developments such as the Museum of Wellington City & Sea, and thus contribute to Council's growth strategy for Wellington.

The challenge is to do this without expectation of regular increases in our core funding given that our capacity to cover fixed cost increases through trading revenue is limited and given that we seek to optimise access through free entry to the majority of our institutions. This places pressure on the organisation to absorb fixed cost increases (e.g. personnel, insurance and energy) year-on-year so that there is less direct funding available for visitor experience outputs and, over time, reduced ability to break-even. It may also stifle our potential, reducing our capacity to be innovative. A mechanism to deal with this issue such as a three-year funding review cycle would ensure that the impact of cost increases is reviewed regularly and can be mitigated.

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We have close working relationships with the Mayor and with Wellington City Councillors and officers and we thank all of them for their on-going support. This support includes the Council's decision to increase the Trust's operating grant by \$150,000 and the Carter Observatory's operating grant by \$12,000 per annum from 2014-15. These increases help to address cost increases in 2014-15 but they do not mean we can project a viable financial position for the following years.

## Our Team

I thank my fellow Trustees for their contributions during the year. They bring diverse skills and passion for the work of the Trust to a united Board. We have worked hard and enjoyed our work.

We welcomed newly appointed Trustees Jill Wilson and Rachel Farrant to the Board in July 2013 and with the end of Council's triennium we said farewell to Councillor Ray Ahipene-Mercer who completed a three-year term and welcomed Councillor Nicola Young. I would like to record the Board's thanks to Ray for his service and friendship. Jackie Lloyd was re-appointed as a Trustee for a further three years.

The Trustees thank the Chief Executive, Pat Stuart, and all her staff for the tremendous effort, loyalty and capability which they bring to their work. Often this is above and beyond the call of duty. The skills, imaginations and passions of its staff are, by far, the Trust's greatest asset. The Board acknowledges and respects the contributions made by staff.

We also pay tribute to, and thank, all the volunteers who freely give their time to the Trust's institutions, and to our Friends organisations for their support.

Again this year there were many programming highlights with each institution contributing to Wellington's vibrant arts and cultural landscape.

*Pictured opposite: Families gathered for the Big Rev'Eal enjoy some entertainment.*



## Our Supporters

We were advised in October that the Lottery WW1 Commemorations, Environment & Heritage Committee had approved a grant of \$930,000 for Phase One of the Museum of Wellington City & Sea development. In addition to the generosity of the grant the fact that our application had been successful was positive affirmation of the project and for the project team. Our ability to uplift the Lottery grant is dependent on raising the rest of the funds needed for this phase of the development.

Creative New Zealand continues to support Capital E's National Theatre for Children, the biennial National Arts Festival for Children and this year also provided funding to support our efforts to make the Hannah Playhouse available to other performing arts users. The Ministry of Education subsidises our curriculum aligned education programmes; the funding has been under review so we were delighted to be advised that the funding will continue.

Ernst & Young continued its support for City Gallery by sponsoring *Shane Cotton: A Hanging Sky* and *Gregory Crewdson: In a Lonely Place*.

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ANZ sponsored *Seung Yul Oh: MOAMOA, A Decade* and *Grant Stevens: What We Had Was Real*. Tuatara Brewing Limited is City Gallery's Event Partner providing its beer for openings and the Tuatara Open Late programme. We also gratefully acknowledge the City Gallery Wellington Foundation's fresh approach which has resulted in more money being made available to City Gallery to assist it to bring cutting edge contemporary art to Wellington.

A wide range of grant-giving organisations mobilised to support the re-fit of Capital E's interim premises on Queens Wharf, including the Wellington Community Trust and The Lion Foundation. The Capital E Arts Festival was a recipient of a Wellington Regional Amenities Fund grant of \$100,000. This award will enable us to broaden the reach of the Festival and to involve children in creative activity leading up to the Festival, which we expect to stage in March 2015.

Many in the community assist the Trust in different ways and we are grateful for that assistance. A full list of our supporters is on page 50.

## Looking Forward

2014-15 will be a very big year for the Trust. We will continue to offer engaging and entertaining exhibitions, children's theatre, public programmes and other offerings which build on our knowledge of our audiences and use our expertise. Having completed a thorough review of our provision for children and young people we will implement strategies across all institutions which will improve our engagement with that audience. We will also stick to our plan to break-even and to fully fund depreciation while we engage Council in a dialogue about our financial viability.



Quentin Hay  
Chair





Visitation in 2013-14 was 601,743 compared to a target of 562,073. This is 39,670 better than target but less than the total achieved in 2012-13 reflecting the changed operating circumstances of Capital E. This level of visitation produced a Council subsidy per visit of \$13.30; an excellent result when compared with the target of \$14.25.

Visitor satisfaction levels remained high across all institutions and the annual Wellington City Council Residents Satisfaction Survey confirmed that our visitor experiences continue to be amongst the best known attractions in Wellington as well as popular destinations for Wellington residents.

In recognition of the different ways that visitors access our experiences, this year we monitored virtual visitation for the first time and counted website visitation and participation in social media. Total virtual visitation through websites was 186,819 compared to a target of 204,000 and the average of the quarterly snap-shot of Facebook friends and Twitter followers was 23,337 compared to a target of 13,975.

Full details of visitation and other achievements by institution is available in the Statement of Service Performance on page 27.

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## Financial Performance

### The Trust (excluding Carter Observatory)

The Trust excluding Carter Observatory achieved a \$15,834 surplus after fully funding depreciation.

Total revenue was \$10.436 million of which \$5.891 million was provided by Council exclusive of the \$1.769 million rental subsidy. Non-Council revenue, made up of trading revenues, cultural grants and sponsorship and donations, was \$2.776 million.

Expenditure was \$10.420 million, a decrease of 2.6% (\$0.277 million) on last year's expenditure due mainly to 2013-14 being a year in which the biennial Capital E National Arts Festival was not staged.

### Carter Observatory

We continue to manage Carter Observatory under a Licence Agreement with Council. This year Carter's financial result was a \$7,924 deficit inclusive of \$53,808 cash underwrite from Council. Better than budget retail and venue hire performance together with achieving operating savings mitigated lower than budgeted admissions.

Total revenue was \$904,143 of which \$341,164 was provided by Council. Expenditure was \$912,068.

Future operating options for Carter Observatory were investigated to support long-term financial viability. An independent consultant was commissioned to provide analysis of these and other options to feed into the final decision. The preferred option will be used to develop a business model for discussion with Council through its 2014-15 Long-term Plan review.

### Overall

The Trust's consolidated result inclusive of Carter Observatory and after the recovery of Carter Observatory's cash deficit from Council is a surplus of \$7,910.

*Pictured opposite: Capital E's new MediaLab studio - children enjoy the Game On programme.*

## I Visitor Experience

### Capital E

Securing suitable accommodation for the varied and specialised requirements of Capital E presented a significant challenge and the interim solution was to locate Capital E in two main sites. Capital E Central is now at 4 Queens Wharf providing digital studios and a programming space, and the Capital E National Theatre for Children is based at the Hannah Playhouse.

Operational savings and a fundraising campaign were central to these achievements. Both were required to complete the fit-out of 4 Queens Wharf. Creative New Zealand has provided a grant to subsidise the use of the Hannah Playhouse by other performing arts organisations and assist with a feasibility study to consider its future.

These new interim locations offer opportunities to develop programmes to meet the increasing demand from young audiences for experiences which are not just for them, but are also with, by and between them.

The rebuild of Capital E's digital studios at Capital E Central was an opportunity to improve the facilities and in the case of MediaLab, to update the brand to reflect new practices in this creative field. The studios were finished and began offering workshops in March with excitement about the new facilities spreading quickly. It was heartening for staff to be open again and to see children coming through the doors at our new premises and enjoying themselves.

The second phase of the Capital E Central fit-out to provide an adaptable programming space for children to express their creativity was completed by year-end and the completion of our redeveloped website provides the virtual platform where two way engagement can take place, complementing and enhancing our onsite activity.

Capital E exceeded its revised visitor target achieving 59,265 compared to a target of 52,000. Programming highlights included the presentation of National Theatre for Children's production *Sky Dancer* in association with the New Zealand Symphony Orchestra to more than 2,000 patrons at concerts in Auckland and Christchurch and *IVY, Saviour of the Dinosaurs* in Perth.

The Great Scavenger Hunt was held in January 2014 along Wellington's waterfront and attracted its biggest audience yet with families following clues and participating in waterfront activity between Waitangi Park and the Kumutoto precinct. Our new waterfront location was used to great advantage creating a vibrant focal point for this signature event which involved a wide range of businesses and visitor experiences including other Trust institutions.

*Dr Who – 50 Years of Adventures in Time & Space* exhibition opened in association with three performances of the *Doctor Who Symphonic Spectacular* at the TSB Arena, one of the opening events for the 2014 New Zealand Festival. The exhibition was well received and by the time it closed in April over 10,000 fans had visited.

*Pictured opposite: The Great Scavenger Hunt with Capital E along Wellington waterfront.*

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**Item 2.1 Attachment 2**



## Visitor Experience

### City Gallery Wellington

City Gallery exceeded its visitor target achieving 150,289 visits and started the year with an extraordinarily strong combination of artistic heavyweights in the form of the New Zealand painting hero *Shane Cotton: The Hanging Sky* paired with international photography superstar American *Gregory Crewdson: In a Lonely Place*. We partnered with the Centre for Contemporary Photography in Melbourne and the Institute of Modern Art in Brisbane to present the first solo exhibition of Crewdson's work in New Zealand. The exhibitions were rewarded with strong audiences and both were attractive propositions for students.

*South of No North* was an exhibition from the Museum of Contemporary Art in Sydney and introduced another major American artist to New Zealand audiences, photographer William Eggleston. It was an exhibition notable for the seldom seen contextualising of senior New Zealand photographer Lawrence Aberhart

alongside other artists, Eggleston and Australian painter Noel McKenna.

Turner Prize winning artist Simon Starling's exhibition *Simon Starling: In Speculum* was City Gallery's major offering for the New Zealand Festival. Starling's presence during the installation and beginning part of the exhibition meant he was able to give lectures to full houses in both Wellington and Auckland. The Gallery also partnered with Massey University to have postgraduate students undertake master class sessions with Starling.

Guest curators presented Māori and Pacific island artist's projects in the Deane Gallery stimulating fresh interest in this facet of our programme and providing emergent and experienced curators opportunities to work in this field.

City Gallery continued its interest in expanding its approach to visitor learning by introducing regular programming of Family Days and launching Tūtara Open Late providing extended opening hours on the first Thursday of the month. Special activities are programmed for these days that allow the Gallery to reach out to different and broader audiences. City

Gallery was also awarded a Silver access award by Be. Accessible, a national access auditor.

With an eye on the future, concept development to improve the entrance, foyer and retail area of City Gallery was completed.



*Pictured: Shane Cotton: The Hanging Sky at City Gallery, 15 June – 6 October 2013. Photography by Kate Whitely.*

*Pictured opposite: Shigeoyuki Kihara: Culture For Sale at City Gallery 7 February – 30 March 2014. Photography by Justine Hall.*

Item 2.1 Attachment 2



## | Visitor Experience

### Museum of Wellington City & Sea

The Museum of Wellington City & Sea exceeded its visitor target with 112,536 visitors enjoying one of the top museum experiences in the world. Building on the accolade achieved in 2013 when it was named in the top 50 Museums in the world by the *Times* of London, it was ranked second of ten by Qantas' inflight magazine *Australian Way* selected by Dr Frank Howarth, Director of Sydney's Australian Museum.

A large part of our resource is geared towards the development of the Museum and completing Phase One by July 2015. Phase One will add 450m<sup>2</sup> (30%) of space to the visitor experience by converting the top floor of the Bond Store to new exhibition space. Fundraising for the project was boosted by achieving resource consent and a grant from the Lottery WWI Commemorations, Environment & Heritage Committee.

The visitor experience has been kept fresh through Test Studio which presents exhibition ideas for visitor feedback including *Te Upoko o te Ika a Māui* which opened in July 2013 and features Sheyne Tuffery's mural completed with the assistance of visitors. Visitor feedback has been gathered and will help shape the development's new exhibitions.

The new Tall Screen film *Welcome to Wellington* proved popular and in keeping with our commitment to make our collection accessible, the second new film *After Hours* was launched in late June featuring an after-hours behind the scenes glimpse of our collection.

We presented events and public programmes in collaboration with other organisations ranging from our participation in the Lux Festival through to very popular lunchtime talks which covered topics as diverse as *Te Matau a Māui Why do we Voyage* and the People's History Series.

In keeping with our commitment to broaden our audience base we ran a Facebook campaign to mark Heritage Month *Thirty days hath September, thirty things we remember*, which featured favourite stories of the Wellington region and in February we launched *Third Thursday* as a regular late night targeted

programme to attract new audiences. June's Third Thursday launched *Matariki* and featured Chamber Music New Zealand and Toi Māori Aotearoa presenting *Te Ao Marama* involving music and storytelling throughout the Museum.

The commemorative programme to mark the centenary anniversary of the 1913 Great Strike was a finalist in the 2014 Museum Aotearoa Awards.

Two accessibility initiatives to enhance the experience for hearing impaired visitors were completed in July. The first was the addition of New Zealand sign language interpretation for the very popular *Millennium Ago Peppers Ghost* show and the second, the inclusion of subtitles in *Wahine Requiem* by Gaylene Preston which is a feature of our Wahine exhibition.

*Pictured opposite: The Museum of Wellington City & sea joined forces with Chamber Music New Zealand for two sell-out performances of Te Ao Marama as part of the Museum's Matariki celebrations. Photography by Pauline Lévièque.*

**Item 2.1 Attachment 2**







## Visitor Experience

### Carter Observatory

Carter Observatory continues to cement its position as an authoritative space science voice with specialist and popular programming on site and online. As the lead space science partner for Wellington's Matariki celebration Carter presents innovative programming to engage audiences in this important and increasingly popular mid-winter festival.

Carter attracted a number of headline events during the year including hosting International Astrophotographer of the Year Mark Gee who ran two astrophotography workshops. Carter also launched its own photography competition on the theme of Light & Dark which was well supported by the local photography community. The competition was judged by Mark Gee and The Dominion Post, which supported the competition through online media, and included a people's choice competition.

International astronomer Dr Pamela Gay gave a fascinating talk about Dark Skies and the effects of light pollution on nature, us

and the skies. Carter also hosted the New Zealand Writer's Week feature event involving Man Booker prize winner Eleanor Catton, celebrated UK astrophysicist and author Marcus Chown and Robert Sullivan author of *Star Waka*.

A new planetarium show for children and families, *Tūtū*, which explains how the seasons happen and the connection to our universe through fun characters was launched in February and for the April school holidays we worked with Capital E to present a robot workshop.

For the adult audience we were also able to showcase the versatility of the Carter building as a great venue with our inaugural *Murder Mystery Night*.

This year 47,318 visitors came to Carter.

*Pictured: Michelle Burling-Claridge the Capital E's under 14's winner of the Light & Dark Photo Competition.*

*Pictured opposite: Following a refurbishment at the end of last year, the Colonial Cottage reopened in January of this year, with a timeline charting key events in the lives of the Wallis family. Photography by Callum Devlin.*



## | Visitor Experience

### Cable Car Museum

Welcoming 229,960 visitors this year, the Cable Car Museum continues to demonstrate its popularity particularly with cruise ship visitors. Visitation to the Museum in the first half of the year was marred by poor weather and access problems caused by the construction of the new Kelburn Cable Car Terminus. In spite of this, the museum exceeded its visitor target and was awarded a Silver access award by Be Accessible, a national access auditor.

### Colonial Cottage Museum

The reinterpretation of the Colonial Cottage Museum and the installation of the Wallis family timeline in the Visitor's Centre were completed. The reinterpretation involved a review of the items on display in the Cottage. Although the building was closed for a period of time to complete this work and the strengthening of the chimney, the Cottage achieved 2,375 visitors exceeding its visitor target by 300.

### New Zealand Cricket Museum

The New Zealand Cricket Museum has celebrated one of its most successful years to date. New programmes online and through social media have seen the Museum gain a broad local and global following, while revamped exhibits and marketing ensured record visitation during the India v. New Zealand Test Match in February 2014.

Principal stakeholder New Zealand Cricket has renewed the Museum's funding which is also actively fundraising and seeking sponsors for its activities. A mobile museum is planned to optimise the exposure provided by the Cricket World Cup which will be hosted by New Zealand and Australia in 2015.

All of these activities are designed to celebrate the players and moments that have made cricket our summer game and reinforce the Museum's new vision that *Cricket Lives Here*. Alongside its volunteers, the Museum has received valued support from many sources including ANZ, Cricket Wellington, friends, fans, and followers.

## I Heritage Collections

Our Collections policy and management processes are geared towards improving the collections which includes both acquisition and disposal of items. We focus on collecting and retaining items relevant to the settlement of Wellington, the history of Wellington including its social, cultural and economic development, and New Zealand's astronomical history as it relates directly to the Carter Observatory.

During the year we began an audit of the Collection store, completed the review of library holdings and moved the Carter Observatory collections and archive to the Collection store. The collections were further refined with a major transfer to Wellington City Archives including 2,700 items from the William Waters office of the Union Steam Ship Company (USSCo).

Following earthquakes (in July and August 2013) all display mounts were checked and only one item was found to have moved. There was no damage to the Collection store or its contents owing to the systems installed during the 2011-12 refurbishment.

Another focus has been the identification and preparation of objects for inclusion in new

exhibitions when Phase One of the Museum of Wellington City & Sea development opens in July 2015. A significant development for the Trust is that we now have a formal agreement with the Museum of New Zealand Te Papa Tongarewa which has facilitated our access to its Wellington collections. This will enhance the richness of our story telling in our museums.

New items coming into the collection include items connected to Richard Seddon. We have also uncovered items of immense historical value to Wellington including a 16mm *Wahine* film – showing the launch of the *Wahine* from Govan, Scotland in 1966 for the USSCo of New Zealand Limited by Fairfields Limited of Glasgow. There seems to be no other record of this film internationally and therefore it appears to be a unique document of the launch. The second is a Pigeon Post Letter sent in 1913 from the *Terawhiti* regarding the possible salvage of the *Indrabarah* wrecked off the coast of Foxton.

### Plimmer's Ark

The recovered Plimmer's Ark timbers remain in dry storage. Progress was made in determining the process for the further conservation of the stern timbers and discussions were progressed regarding the disposal of remaining timbers.

The conservation of the Plimmer's Ark timbers in situ in the Old Bank Arcade continues and a lighting upgrade has vastly improved the display.



*Pictured: Tall Screen: Production company Storybox film the new Tall Screen film, After Hours at the Museum's Collection Store.*

Item 2.1 Attachment 2



| Education

The delivery of education programmes is a core function supported by contract funding from the Ministry of Education through its Learning Experiences Outside the Classroom programme. This year we welcomed 40,129 students.

Capital E	21,874
Cable Car Museum	1,688
Carter Observatory	4,892
City Gallery	4,322
Colonial Cottage Museum	862
Museum of Wellington City & Sea	6,491

*Pictured: School groups at City Gallery Wellington  
Photography by Mark Tantrum.*

## I Revenue Generation

Non-Council revenue comes from three main sources: **trading income** which includes admissions, retail, venue hire and subleases; **cultural grants** from Creative New Zealand & the Ministry of Education; and **fundraising**, which includes grants from community trusts, donations and personal giving, and cash and in-kind sponsorships. This year total non-Council revenue was \$2.821 million or 27% of total revenue.



*Pictured: Tuatara Open Late at City Gallery Wellington, a monthly celebration with art, music, books, film, beer, food and wine.*

Overall non-Council revenue was \$33,000 less than budget due to a combination of factors:

- Retail at the Cable Car Museum and admissions at Carter Observatory suffered in the first half of the year due in part to the disruption to public access caused by the construction of the new Kelburn Cable Car Terminus.
- Unresolved HVAC problems and leaks at Carter Observatory caused significant disruption to our operation contributing to loss of admissions and venue hire revenue.
- The closure of Capital E for a significant proportion of the year meant that admissions were less than budget.

These factors were mitigated by operational savings and other revenue areas that outperformed, including venue hire.

Fundraising is an increasingly important function to support both capital and operational activities. This year entry donations increased at the Museum of Wellington City & Sea due in part to a change in approach and positioning of the donation point. Research is ongoing into the best approach to onsite and online donations and other forms of personal giving across the Trust.

Projects such as the fit-out of the programming space at Capital E attracted \$90,000 in donations through grant-giving trusts. This highlights the attractiveness to sponsors and donors of projects or distinct activities. The Museum of Wellington City & Sea development fundraising campaign started with a round of events to attract advocates and donors. City Gallery has ongoing sponsorship partnerships with ANZ and Ernst & Young which have renewed their annual sponsorships and City Gallery is seeking a third corporate sponsor to support its programme.

In addition to cash sponsors, in-kind sponsorships are important to our operation and contribute a significant benefit each year. This year the Museum of Wellington City & Sea has secured in-kind sponsorship with MediaWorks valued at \$50,000 and City Gallery has in-kind sponsorship with Tuatara Brewing Limited and Seresin Estate. Capital E relies on in-kind sponsorship for a range of products and services particularly for the biennial National Arts Festival for Children which in 2013 achieved in-kind sponsorship to the value of \$221,025.

## I Strategic Priorities

Our strategic priorities significantly influence the operation of the Trust. In addition to the rehousing of Capital E at 4 Queens Wharf and Hannah Playhouse; significant progress in Phase One of Museum of Wellington City & Sea's development; and concept development for City Gallery's foyer and retail this year, we also coordinated a number of continuous improvement strategies across the Trust:

- To ensure that we are meeting the expectations of children and young people we undertook a major review of our provision for this audience which has provided insights into the way that children, young people and their caregivers use and think about our provision. We are now developing a three-year implementation plan starting with a first stage of ensuring that children and young people feel welcomed, included and important at each of our institutions.
- In line with improving access to our institutions two access audits were completed at the Cable Car Museum and City Gallery Wellington and training provided for customer-facing staff. Both institutions were

awarded a Silver accessibility rating by Be. Accessible. This is part of a three-year rolling programme of accessibility audits. We also produced New Zealand Sign Language introductions about our institutions for use online and at the entrance to our visitor experiences.

- We completed a review of the method and frequency of audience data collection with the objective of improving data collection to enhance our understanding of audiences and to improve the reliability of reported performance. This project dove-tailed with our work on developing a method to calculate our social and economic value to Wellington. With the assistance of Council expertise a pilot project will be undertaken at two of our institutions to test the methodology.
- We completed a review of our purpose, vision and values and we have realigned our planning cycle to match Council's revised annual and long-term planning processes.
- We have continued to lead a group of Wellington's nationally-significant institutions in refining practical teaching and learning programmes for school students visiting the Capital that connect relevant city sites under the banner of citizenship and national identity.



*Pictured: A challenge on Capital E's Great Scavenger Hunt - Playing the banana piano at City Gallery Wellington.*



## Buildings

Council officers responded quickly and decisively to storm and earthquake related issues at a number of Trust properties and commitments have been made to address outstanding building maintenance that will significantly improve visiting and working conditions. We have also had positive discussions regarding our development plans for the Museum of Wellington City & Sea as an opportunity to undertake maintenance, earthquake strengthening and to upgrade plant. Plans are also in place to undertake roofing and cladding replacement at City Gallery and roof replacement at the Bond Store.

City Council will also replace the HVAC system in the Bond Store linking it to the installation of a new system for the Attic (Phase One of the Museum of Wellington City & Sea Development).

City Gallery's energy use and the performance of the HVAC system was reviewed by Council confirming its energy inefficiency. The result is a plan to make changes to the system through an Environment Performance Contract.

Council undertook building maintenance and completed an upgrade of the Carter Observatory HVAC system and as part of its earthquake resilience programme strengthened the chimney at the Colonial Cottage Museum.

The 2013 July and August earthquakes had minimal impact on our buildings. However the impact on our operations included a number of out-of-town schools and venue hire cancellations. The temporary closure to the Mercer Street entrance of Civic Square (the portico entrance) affected visitation at City Gallery. We also noticed less activity during the July school holidays, traditionally a busy period for our visitor experiences. The Bond Store was the only Trust building that experienced minor structural damage; which includes ceilings beneath the heritage stairwell. Temporary safety measures have been put in place until a permanent solution is found.

Capital E's move to new accommodation meant that its normally busy programme was significantly restricted and regular delivery of activities was not possible until after Christmas.



### | Staff Contributions

Our staff continue to achieve high standards of professionalism and often exceed expectations. Our success as an organisation and the contribution we make to Wellington's standing as the cultural capital of New Zealand is through their commitment to providing excellent visitor experiences.

There were occasions this year when our resilience was tested and there were many examples of dedication and leadership in dealing with unforeseen challenges while ensuring that our visitor experiences were delivered to the standard that our audiences have come to expect.

*Pictured: Claire Hopkins, City Gallery Educator at work.*

*Pictured opposite: Te Upoko a te Ika a Māui.*

### | The Year Ahead

2014-15 started with the celebration of Capital E Central opening and already Wellington's children are beginning to acquaint themselves with this new version of a dedicated space for them. We will end the year by opening Phase One of the Museum of Wellington City & Sea development in July 2015 to mark the 150th anniversary of Wellington being made Capital city of New Zealand.

The Trust will mark the 100 year anniversary of New Zealand's involvement in WWI through activities designed to provoke discussion and to help us reflect on the impact this event has had on New Zealand. *An Awfully Big Adventure*, presented by the Capital E National Theatre for Children will undertake a national tour during 2014-15 concluding with a season in Wellington in March 2015.

2015 will also mark the 20th birthday of the Wellington Museums Trust and we will find time to celebrate this with our staff and visitors.

**Pat Stuart**  
Chief Executive





## INDEPENDENT AUDITOR'S REPORT

To the readers of Wellington Museum Trust Incorporated's Financial Statements and Statement of Service Performance for the year ended 30 June 2014

The Auditor-General is the auditor of Wellington Museums Trust Incorporated ("the Trust"). The Auditor-General has appointed me, Graeme Edwards, using the staff and resources of KPMG, to carry out the audit of the financial statements and statement of service performance of the Trust on her behalf.

We have audited:

- the financial statements of the Trust on pages 32 to 48 that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity 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; and
- the statement of service performance of the Trust on pages 28 to 30.

### Opinion

Financial statements and statement of service performance in our opinion,

- the financial statements of the Trust on pages 32 to 48:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the Trust's
    - financial position as at 30 June 2014; and
    - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the Trust on pages 28 to 30:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the Trust's service performance achievements measured against the performance targets adopted for the year ended 30 June 2014.

Our audit was completed on 13 August 2014. 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 Board of Trustees and our responsibilities, and 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 and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service performance. 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 and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and statement of service performance 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 Board of Trustees;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

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

### Responsibilities of the Trustees

The Board of Trustees are responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Trust's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements.

The Board of Trustees are also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Board of Trustees are also responsible for the publication of the financial statements and statement of service

performance, whether in printed or electronic form.

The Board of Trustees' responsibilities arise from the Local Government Act 2002.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

### Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit we have carried out an assignment in the area of financial system review, which is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the Trust.

Graeme Edwards  
KPMG  
On behalf of the Auditor-General  
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of The Trust for the year ended 30 June 2014 included on the Trust's website. The Trustees are responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of the Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements and the statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and the statement of service performance named above. It does not provide an opinion on any other information that may have been hyperlinked to or from the financial statements and the statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited financial statements, statement of service performance, and the related audit report dated 13 August 2014 to confirm the information included in the audited financial statements and statement of service performance presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial and non-financial information may differ from legislation in other jurisdictions.

**Item 2.1 Attachment 2**





**Statement of Service Performance**  
*For the year ended 30 June 2014*

**Key Performance Indicators**

Outputs		Status at 30 June 2013	Measures 2013-14	Status at 30 June 2014
Physical Visitation		<b>Achieved</b>	Total visits of 562,073 are achieved	<b>Achieved</b> Total 601,743 visits
	City Gallery Wellington	161,681	143,000	150,289
	Museum of Wellington City & Sea	98,605	94,000	112,536
	Capital E	100,329 <sup>1</sup>	52,000	59,265
	Cable Car Museum	235,866	220,998	229,960
	Carter Observatory	48,820	50,000	47,318
Colonial Cottage Museum	1,825	2,075	2,375	
Virtual Visitation		<b>This was not measured in 2012-13.</b>	Total unique visits of 204,000 to institutional web/mobile sites are achieved	<b>Not Achieved</b> Total 186,819 unique visits
	City Gallery Wellington	-	96,000	71,067
	Museum of Wellington City & Sea	-	30,000	38,933
	Capital E	-	40,000	32,291
	Carter Observatory	-	38,000	44,528
Social Media Profile		<b>This was not measured in 2012-13.</b>	Snapshot target of 13,975 Facebook friends and Twitter followers	<b>Achieved</b> Snapshot of 23,337 Facebook friends and Twitter followers
	City Gallery Wellington	-	10,000	16,130
	Museum of Wellington City & Sea	-	825	2,357
	Carter Observatory	-	3,150	4,850

<sup>1</sup> Capital E visitation was boosted by the 2013 Capital E National Arts Festival.



Item 2.1 Attachment 2

Outputs		Status at 30 June 2013		Measures 2013-14		Status at 30 June 2014	
Quality of Visit <sup>2</sup>			Achieved	An average of 90% of visitors rate the quality of their experience as good or very good		Achieved	An average of 92% of visitors rated the quality of their experience as good or very good
	City Gallery Wellington		86%	90%			85%
	Museum of Wellington City & Sea		98%	90%			99%
	Capital E		95%	90%			93%
	Cable Car Museum		92%	90%			92%
	Carter Observatory		95%	90%			88%
	Colonial Cottage Museum		98%	90%			92%
Repeat Visitation			Achieved	An average of 26% repeat visitation is achieved		Achieved	An average of 37% repeat visitation
	City Gallery Wellington		84%	25%			64%
	Museum of Wellington City & Sea		38%	25%			26%
	Capital E		63%	40%			32%
	Cable Car Museum		29%	25%			32%
	Carter Observatory		24%	17%			31%
Residents' Awareness (Annual Survey) <sup>3</sup>	City Gallery Wellington	90%	Achieved	90%	86%	Not Achieved	
	Museum of Wellington City & Sea	96%	Achieved	92%	92%	Achieved	
	Capital E	90%	Achieved	87%	79%	Not Achieved <sup>4</sup>	
	Cable Car Museum	93%	Achieved	92%	92%	Achieved	
	Carter Observatory	94%	Achieved	90%	90%	Achieved	
	Colonial Cottage Museum	52%	Not Achieved	57%	56%	Not Achieved	

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<sup>2</sup> Quality is measured in terms of: the relevance of experience; information acquired; friendliness of staff; length of visit; and overall enjoyment.

<sup>3</sup> Annual Council Survey of residents' (ratepayers') awareness.

<sup>4</sup> Capital E's awareness was affected by its closure for the majority of 2013-14.



Outputs		Status at 30 June 2013	Measures 2013-14	Status at 30 June 2014
<b>% of items aligned with Collections Policy</b>		Achieved <sup>5</sup>	85% of items are aligned with the Collections Policy	Not Achieved
		Achieved	\$2,786,000 of non-Council revenue is achieved	Achieved <b>\$2,948,574 of non-Council revenue</b>
<b>Non-Council Revenue</b>	City Gallery Wellington	\$420,929	\$374,000	\$426,141
	Museums Wellington	\$1,000,400	\$590,000	\$670,623
	Capital E	\$1,197,922 <sup>6</sup>	\$994,000	\$1,086,742
	Carter Observatory	\$610,301	\$612,000	\$516,689
		Achieved	The average Council subsidy per visit is \$14.25	Achieved \$13.30 was the average Council subsidy per visit
<b>Efficiency (Council subsidy per visit)</b>	City Gallery Wellington	\$12.43	\$16.57	\$13.32
	Museums Wellington	\$4.64	\$6.21	\$5.48
	Capital E	\$13.35	\$29.83	\$16.21
	Carter Observatory	\$7.37	\$7.06	\$7.21
		Not Achieved	The average spend per visit is \$2.99	Not Achieved \$2.66 was the average spend per visit
<b>Spend per Visit</b>	City Gallery Wellington	\$0.51	\$0.94	\$0.60
	Museums Wellington	\$2.38	\$1.55	\$1.84
	Capital E	\$5.72	\$9.40	\$5.69
	Carter Observatory	\$9.65	\$11.27	\$8.10

<sup>5</sup> The 2013 -14 target was 75% of items being aligned with the Collections Policy.

<sup>6</sup> Non-Council revenue was affected by the closure of the Capital E building and the curtailment of revenue generating programmes. This also affects the average spend per visit achieved by Capital E.

Item 2.1 Attachment 2





**Statement of Financial Position**  
*As at 30 June 2014*

Assets	Note	2014	2013
Property, plant and equipment	8	1,631,857	2,025,682
Collection and artefacts	9	2,335,816	2,335,095
Intangible assets	10	50,525	7,192
<b>Total non-current assets</b>		<b>4,018,198</b>	<b>4,367,969</b>
Inventories		103,129	120,253
Trade and other receivables	11	861,299	857,797
Intangible assets <b>Should read cash &amp; liquid investments</b>	12	1,052,740	25,381
<b>Total current assets</b>		<b>2,017,168</b>	<b>1,003,431</b>
<b>Total assets</b>		<b>6,035,366</b>	<b>5,371,400</b>
<b>Equity</b>			
Reserves	13	2,175,017	2,165,080
Retained earnings	13	1,816,891	1,818,918
<b>Total equity</b>		<b>3,991,908</b>	<b>3,983,998</b>
<b>Liabilities</b>			
Employee benefits	14	68,444	82,423
<b>Total non-current liabilities</b>		<b>68,444</b>	<b>82,423</b>
Trade and other payables	15	1,633,091	891,772
Employee benefits	14	341,923	413,207
<b>Total current liabilities</b>		<b>1,975,014</b>	<b>1,304,979</b>
<b>Total liabilities</b>		<b>2,043,458</b>	<b>1,387,402</b>
<b>Total equity and liabilities</b>		<b>6,035,366</b>	<b>5,371,400</b>

*\* In New Zealand Dollars*

Trustee  
13 August 2014

Trustee  
13 August 2014

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### Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014	2013
Revenue	4	10,955,032	11,268,412
Other operating income	4	308,100	336,083
<b>Total operating income</b>		<b>11,263,132</b>	<b>11,604,495</b>
Personnel expenses	6	(4,740,898)	(4,660,583)
Depreciation and amortisation expenses	8, 10	(603,170)	(377,285)
Other operating expenses	5	(5,988,364)	(6,637,173)
<b>Total operating expenses</b>		<b>(11,332,432)</b>	<b>(11,675,041)</b>
Operating deficit before finance income		(69,300)	(70,546)
Finance income	7	77,469	77,861
Finance expenses	7	(259)	-
Net finance income	7	77,210	77,861
Surplus/(Deficit) for the period		7,910	7,315
<b>Total comprehensive income for the period</b>		<b>7,910</b>	<b>7,315</b>

### Statement of Changes in Equity

For the year ended 30 June 2014

	Note	2014	2013
Balance at 1 July 2013	13	3,983,998	3,976,683
Surplus/ (Deficit) for the period		7,910	7,315
<b>Total comprehensive income for the period</b>		<b>7,910</b>	<b>7,315</b>
Balance at 1 June 2014	13	3,991,908	3,983,998

\* in New Zealand Dollars





**Statement of Cash Flows**  
For the year ended 30 June 2014

Cash Flows from Operating Activities	Note	2014	2013
<b>Cash was provided from:</b>			
Receipts from customers		3,184,854	3,269,824
Receipts from related parties		8,001,448	8,451,467
Interest received	7	77,469	77,861
		<b>11,263,781</b>	<b>11,799,152</b>
<b>Cash was applied to:</b>			
Payments to suppliers and employees		(8,588,798)	(9,256,185)
Payments to related parties		(1,484,406)	(2,531,158)
Interest paid	7	(259)	-
Net GST received/(paid)		90,442	(123,621)
		<b>(9,983,021)</b>	<b>(11,910,964)</b>
<b>Net Cash Inflow from Operating Activities:</b>	<b>19</b>	<b>253,400</b>	<b>(403,276)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Operating cash flow 1,280,760</b>			
<b>Cash was applied to:</b>			
Purchase of property, plant and equipment & intangibles		(253,400)	(403,276)
<b>Net Cash Outflow from Investing Activities</b>		<b>3,991,908</b>	<b>3,983,998</b>
<b>Cash Flows from Financing Activities</b>			
<b>Investment cash flow (253,400)</b>			
<b>Cash was applied to:</b>			
Term loan & hire purchase repayments		-	-
<b>Net Cash Outflow from Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>1,027,360</b>	<b>(515,088)</b>
Cash and cash equivalents at the beginning of the period		25,381	540,469
<b>Cash and cash equivalents at the end of the period</b>	<b>12</b>	<b>1,052,741</b>	<b>25,381</b>

\* In New Zealand Dollars

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## I Notes to the financial statements

### Significant accounting policies

#### 1) Reporting entity

The Wellington Museums Trust Incorporated (the Trust) is registered as a Charitable entity under the Charities Act 2005 and domiciled in New Zealand. It is a Council Controlled Organisation (CCO) in terms of the Local Government Act 2002.

The financial statements of the Trust include the activities of the following business units - the Wellington Museums Trust, the Museum of Wellington City & Sea, City Gallery Wellington, Capital E, the Colonial Cottage Museum, the Wellington Cable Car Museum and the Carter Observatory.

The principal activity of the Trust is to manage the Trust institutions and to operate them for the benefit of the residents of Wellington and the public generally.

The financial statements of the Trust are for the year ended 30 June 2014. The financial statements were authorised for issue by the Trustees on 13 August 2014.

#### 2) Basis of preparation

##### a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards,

and its interpretations (NZ IFRS). The Trust is a public benefit entity, as defined under NZ IAS 1.

From 1 April 2014, the new Financial Reporting Act 2013 ("FRA 2013") has come into force replacing the Financial Reporting Act 1993. This is effective for entities reporting under the Charities Act 2005 with reporting periods beginning on or after 1 April 2015. This will be effective for The Trust's 30 June 2015 year end. It is expected that the change in legislation will have no material impact on The Trust's obligation to prepare general purpose financial statements.

In addition to the change in legislation the External Reporting Board of New Zealand ("XRB") has released a new accounting standards framework which establishes the financial standards to be applied to entities with statutory financial reporting obligations. The Trust is currently reporting under NZIFRS Differential Reporting framework. Under the new XRB framework Management expects The Trust will be reporting under the Tier 2 PBE standards (Public Benefit Entity Simple Format Reporting - Accrual (Public Sector)). Management expects that this will not materially impact the preparation and disclosures included in the financial statements. This will be applicable for The Trust's 30 June 2015 year end.

The Trust qualifies for differential reporting exemptions as it has no public accountability and the Trust is small in terms of the size criteria specified in Framework for Differential

Reporting. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted, except for NZ IAS 7, *Cash flow Statements*.

##### b) Basis of measurement

The financial statements are prepared on the historical cost basis.

##### c) Presentation currency

These financial statements are presented in New Zealand dollars (\$).

#### 3) Significant accounting policies

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

##### a) Property, plant and equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses.

##### (i) Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Trust and the cost of the item can be measured reliably. All other costs are recognised in surplus/ (deficit) as an expense as incurred.

## I Notes to the financial statements

*Continued*

### (ii) Depreciation

Depreciation is charged to surplus/ (deficit) using the straight line method. Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. The estimated useful lives of major classes of assets and resulting rates are as follows:

• Computer equipment	33% SL
• Office and equipment	25% SL
• Motor vehicles	20% SL
• Building Fittings	5%–25% SL
• Collections & artefacts	Not depreciated

The residual value of assets is reassessed annually.

### b) Collections and artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of the collections were acquired on 29 February 1996 from the Wellington Maritime Museum Trust. Collections are carried at cost as assessed at the time of that transfer. All subsequent acquisitions for the collections are recorded at cost if purchased and at fair value if gifted.

Because the useful life of the collections is indeterminate they are not depreciated. They are periodically reviewed for impairment. The Trustees obtained a valuation to support the carrying value at 30 June 2014. The Trustees reconfirmed that the carrying value at 30 June 2014 is appropriate and that no impairment event has occurred.

### c) Intangible assets

Computer software

Software applications that are acquired by the Trust are stated at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in surplus/ (deficit) on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

• Computer software	33% SL
---------------------	--------

### d) Trade and other receivables

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

### e) Inventories

Inventories (merchandise) are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

### f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

### g) Impairment

The carrying amounts of the Trust's assets other than inventories are reviewed at each

balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in surplus/(deficit).

Estimated recoverable amount of other assets, e.g. property, plant and equipment and intangible asset, is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### h) Employee benefits

Long service leave

The Trust's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the Statement of Financial Position date.

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## I Notes to the financial statements

*Continued*

### j) Provisions

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

### j) Trade and other payables

Trade and other payables are stated at cost.

### k) Revenue

#### (i) Funding

The Trust's activities are supported by grants, sponsorship and admissions. Grants received that are subject to conditions are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

#### (ii) Services provided

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. Income is recognised as the service is provided (e.g. exhibition run). Where exhibitions are not scheduled to run until the following fiscal year, revenue is deferred and amortised to income throughout the period of the exhibition.

#### (iii) Donations

Cash donations from the community are

recognised in the Statement of Comprehensive Income at the point at which they are received into the Trust's bank account.

#### (iv) Sale of merchandise

Revenue from the sale of merchandise, is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the merchandise, or where there is continuing management involvement with the merchandise.

### l) Expenses

#### (i) Operating lease payments

Payments made under operating leases are recognised in surplus/ (deficit) on a straight-line basis over the term of the lease. Lease incentives received are recognised in surplus/ (deficit) over the lease term as an integral part of the total lease expense.

#### (ii) Finance income and expenses

Finance income comprises interest income. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in surplus/ (deficit) using the effective interest method.

### m) Availability of future funding

The Trust is reliant on the Wellington City

Council (Council) for a large part of its income and operates under a Funding Deed with the Council. The Funding Deed was for a period of three years and is extended annually for a further year subsequent to the initial 3 year term. Funding from the Council has been approved for the year ending 30 June 2015.

The Council has agreed to fund \$430,494.96 (plus GST) being the current proportion of rental subsidy previously allocated to the Capital E building rental, for use by the Trust for Capital E interim accommodation.

If the Trust were unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the fact that assets may need to be realised other than at the amounts stated in the balance sheet. In addition, the Trust may have to provide for further liabilities that might arise, and to reclassify property, plant and equipment as current assets.

### n) Income tax

The Trust is registered as a Charitable Trust and is exempt from income tax. The Trust is not exempt from indirect tax legislation such as Goods and Services Tax, Fringe Benefit Tax, PAYE or ACC and accordingly it is required to comply with these regulations.

### o) Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.



<b>4) Revenue and other operating income</b>	<b>Note</b>	<b>2014</b>	<b>2013</b>
Wellington City Council operational grant		6,232,468	6,450,800
Wellington City Council rental grant		1,768,980	1,768,980
Ministry of Education contracts for service		359,540	338,436
Creative New Zealand grants		451,000	405,000
Other grants, sponsorship & donations	21	476,334	219,923
Admissions income & sales		1,399,625	1,892,194
Facility hire		267,085	193,079
<b>Total revenue</b>		<b>10,955,032</b>	<b>11,268,412</b>
Sub-lease income		111,608	141,148
Other income		196,492	194,935
<b>Total other operating income</b>		<b>308,100</b>	<b>336,083</b>
		<b>11,263,132</b>	<b>11,604,495</b>
<b>5) Other operating expenses</b>			
Exhibitions & programmes		2,155,627	2,265,962
Rent paid		1,629,904	1,813,943
Marketing & promotions		610,288	605,819
Occupancy costs (excluding rent)		640,792	858,353
Other administration expenses		274,061	278,990
Communication costs		118,187	254,382
Trustee fees & expenses		80,644	105,286
Technology costs		295,382	248,752
Professional fees		151,314	168,988
Auditors' remuneration audit fee		32,165	30,000
- other services		-	6,698
		<b>5,988,364</b>	<b>6,637,173</b>

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6) Personnel expenses

	Note	2014	2013
Wages and salaries		4,754,877	4,679,528
Increase/(decrease) in liability for long-service leave		(13,979)	(18,945)
		4,740,898	4,660,583

7) Net finance costs

Interest income on bank deposits		77,469	77,861
Finance income		77,469	77,861
Interest expense on bank loan		(259)	-
Finance expenses		(259)	-
Net finance income		77,210	77,861

8) Property, Plant and Equipment

	Computer equipment	Office & equipment	Motor vehicles	Building fittings	Total
<b>Balance at 30 June 2014</b>					
Cost	157,842	1,348,717	85,012	2,601,889	4,193,460
Accumulated depreciation	125,562	960,872	65,896	1,409,273	2,561,603
Carrying value	32,280	387,845	19,116	1,192,616	1,631,857
Current year depreciation	13,722	132,351	4,614	434,220	584,907
<b>Balance at 30 June 2013</b>					
Cost	125,854	1,135,979	61,282	2,909,276	4,232,391
Accumulated depreciation	111,840	828,522	61,282	1,205,065	2,206,709
Carrying value	14,014	307,457	-	1,704,211	2,025,682
Current year depreciation	19,757	133,027	9,198	203,899	365,881

\* The current years depreciation for Building fittings includes \$230,014 write off of Assets included as not in use at 30 June 2013.



**9) Collection and Artefacts**

	2014	2013
Opening balance	2,335,095	2,335,201
Additions	721	-
Disposals	-	106
Closing balance	2,335,816	2,335,095

**Restriction over Title to Assets**

As stated in the Transfer of Assets Agreement, the Trustees of the Wellington Museums Trust are unable to part with possession of Unclassified Assets without the consent of the Wellington City Council. Unclassified Assets are defined as those items within the Collection and Artefacts that were obtained by the Wellington Harbour Board or the Wellington Maritime Museum Trust between 26 April 1972 and 2 February 1996.

**10) Intangible asset**

	Computer software
<b>Balance at 30 June 2014</b>	
Cost	171,640
Accumulated amortisation	121,115
Carrying value	50,525
Current year amortisation	18,263
<b>Balance at 30 June 2013</b>	
Cost	110,044
Accumulated amortisation	102,852
Carrying value	7,192
Current year amortisation	11,404

11) Trade and other receivables

	2014	2013
Accounts receivable	102,324	605,368
Receivables from related parties	656,553	18,857
Prepayments	2,550	58,580
Sundry receivables	75,552	60,230
GST receivable	24,320	114,762
	<b>861,299</b>	<b>857,797</b>

12) Cash and cash equivalents

	2014	2013
Bank balances	73,513	24,964
Call deposits	979,227	417
	<b>1,052,740</b>	<b>25,381</b>





Should be note 13.

**12) Equity and reserves**

Reconciliation of movement in equity and reserves

	Capital Reserve	Colonial Cottage Museum Collection Reserve	Museum of Wgtn City & Sea Collection Reserve	Retained earnings	Total equity
Balance at 1 July 2013	2,122,962	23,895	18,223	1,818,918	3,983,998
Surplus / (Deficit) for the period	-	-	-	7,910	7,910
Transferred to Museum of Wgtn City & Sea Collection Reserve	-	-	9,937	(9,937)	-
<b>Balance at 30 June 2014</b>	<b>2,122,962</b>	<b>23,895</b>	<b>28,160</b>	<b>1,861,891</b>	<b>3,991,908</b>
Balance at 1 July 2012	2,122,962	23,895	18,045	1,811,781	3,976,683
Surplus / (Deficit) for the period	-	-	-	7,315	7,315
Transferred to Museum of Wgtn City & Sea Collection Reserve	-	-	178	(178)	-
<b>Balance at 30 June 2013</b>	<b>2,122,962</b>	<b>23,895</b>	<b>18,223</b>	<b>1,818,918</b>	<b>3,983,998</b>

**Capital Reserve**

The Capital Reserve was established on 29 February 1996 on the transfer from the Wellington Maritime Museums Trust of their collection and artifacts, cash and other sundry office equipment of the Wellington Maritime Museum.

**Colonial Cottage Museum Collection Reserve**

During the year ended 30 June 2003 The Colonial Cottage Friends Society wound up the society and donated the remaining funds

(\$11,948) to the Wellington Museums Trust for the purpose of establishing a collection fund for the Colonial Cottage Museum. The Trust agreed to transfer this and a similar amount to the fund.

**Museum of Wellington City & Sea Collection Reserve**

During the year ended 30 June 2005 the Trustees decided to place all donations received from the Pōneke History Club membership into a collection reserve for future museum acquisitions. A total of \$9,937 was received by

way of donations from members during the year ended 30 June 2014 (2013: \$178).

stated in the Transfer of Assets Agreement, the Trustees of the Wellington Museums Trust are unable to part with possession of Unclassified Assets without the consent of the Wellington City Council. Unclassified Assets are defined as those items within the Collection and Artefacts that were obtained by the Wellington Harbour Board or the Wellington Maritime Museum Trust between 26 April 1972 and 2 February 1996.

14) Employee benefits

Current	2014	2013
Payroll accruals	172,481	244,388
Liability for holiday pay	169,442	168,819
	341,923	413,207
<b>Non-current</b>		
Liability for long-service leave	68,444	82,423
	68,444	82,423
	410,367	495,630

15) Trade and other payables

	2014	2013
Trade payables	338,953	216,993
Payables to related parties	257,355	29,570
Revenue in advance	568,788	312,388
ACC premiums	28,221	24,134
GST Payable	-	-
Non-trade payables and accrued expenses	439,774	308,687
	1,633,091	891,772



**16) Operating leases**

**Leases as lessee**

Non-cancellable operating lease rentals are payable as follows:

	2014	2013
Less than one year	1,718,608	1,477,116
Between one and five years	4,299,370	3,205,608
More than five years	2,851,362	3,685,378
	<b>8,869,340</b>	<b>8,368,102</b>

On 8 June 1999, the Trust signed a 12 year lease agreement with a further 12 year right of renewal with the Council for the rental of the Bond Store premises. The right of renewal until June 2023 has now been confirmed. The current and non-current lease commitments under this agreement are for \$701,825 (2013: \$701,825) and \$6,316,425(2013: \$7,018,250) respectively. Under the Funding Deed between the Trust and the Council, the Trust is reimbursed for these costs.

On 4 August 2005, the Trust signed a 3 year lease agreement with three 3 year right of renewals with the Council for the rental of the City Gallery and Capital E premises in Civic

Square. The second right of renewal was taken up on 4 August 2011. The current and non-current commitments under this agreement are for \$53,055 (2013: \$1,067,155) and \$nil (2013: \$88,930) respectively. Under the Funding Deed between the Trust and the Council, the Trust is reimbursed for these costs.

During the financial year to 30 June 2014 the Trust terminated the lease to the Capital E premises no rental was paid by the Trust on the Capital E lease for the financial year. By agreement the Council funded the Capital E rental for the full 12 months of the financial year.

Two of the leased properties have been sublet by the Trust. The lease and sublease expired on 7

June 2011 in the case of the Bond Store, and was terminated on 31 May 2014 this building is not now sub-leased. The City Gallery building lease expires on 4 August 2014. Sublease payments of \$76,525 are expected to be received during the year ending 30 June 2014 on the City Gallery sub-lease.

During the year ended 30 June 2014, \$1,419,183 was recognised as an expense in the Surplus/ (deficit) in respect of operating leases (2013: \$1,926,250). \$111,608 was recognised as income in the Surplus/(deficit) in respect of sub-leases (2013: \$147,148).

**17) Capital commitments**

As at 30 June 2014, there are no capital commitments (2013: \$nil), which have not been accounted for.

**18) Contingencies**

There are no material contingent liabilities at balance date (2013: \$nil).

**19) Reconciliation of Operating Surplus to Net Cash Flows from Operating Activities**

	2014	2013
Operating Surplus / (Deficit) for the Year	7,910	7,315
<b>Adjustments:</b>		
<b>Add Non-Cash Items:</b>		
Depreciation and amortisation expense	603,170	377,285
<b>Movements in Working Capital:</b>		
Decrease/(Increase) in Other Current Assets	13,623	(13,213)
(Decrease)/Increase in Trade Creditors	349,745	(229,947)
(Decrease)/Increase in Accruals and Provisions	306,312	(253,252)
<b>Net Cash Inflow from Operating Activities</b>	<b>1,280,760</b>	<b>(111,812)</b>



**20) Related Parties**

(i) Identity of related parties

The Trust is not related to the Council by shareholding. The Trust was established by, and is reliant upon, the Council for a large part of its income which indicates sufficient reliance on the Council, by the Trust, for a related party relationship to exist. Additionally, the Council consolidates the financial results of the Trust for its own reporting purposes.

The Trust operates under a Funding Deed with the Council which requires the Trust to deliver museum services in accordance with the provisions of the Trust Deed, the Funding Deed and the Statement of intent, agreed with Council on an annual basis.

The Funding Deed was for a period of three years and is extended annually for a further year subsequent to the initial 3 year term. The rental grant is paid back to the Council as rent on properties owned by the Council and occupied by the Museum of Wellington City & Sea and the City Gallery Wellington.

In the case of Capital E which no longer occupies a Council owned building the rental grant is used to meet Capital E's accommodation costs.

(ii) Related party transactions

During the year, the Trust entered into related party transactions of the following nature:

	Transaction value year ended		Balance outstanding as at 30 June	
	2014	2013	2014	2013
<b>Receipts</b>				
Wellington City Council - operational grant	6,232,468	6,450,800	-	-
Wellington City Council - rental grant	1,768,980	1,768,980	339,055	-
Wellington City Council - miscellaneous	391,158	103,633	317,499	18,857
<b>Payments</b>				
Wellington City Council - rental	1,338,485	1,733,106	256,543	-
Wellington City Council - miscellaneous	145,921	229,973	812	29,570

(iii) Remuneration of key management personnel

Total remuneration is included in "personnel" expenses (see note 6).

	2014	2013
Trustees	77,000	105,286
Executive officers	552,568	531,534
	<b>629,568</b>	<b>636,820</b>

**21) Other grants, sponsorship and donations**

The following other grants, sponsorships and donations were received during the year.

	2014	2013		2014	2013
<b>Capital E</b>			<b>Capital E continued</b>		
Wellington Waterfront	2,000	6,000	ANZ Staff Foundation	3,000	-
Booker Spalding Ltd	750	6,500	NZ Players Theatre Trust	1,000	-
Wellington City Council	68,500	9,000	Taki Rua Productions	200	-
Sargood Bequest	-	5,000	Sundry	3,020	-
The Lion Foundation	25,000	10,000	<b>City Gallery Wellington</b>		
The Otago Community Trust	5,000	-	Wellington City Council	-	500
The Community Trust of Canterbury	15,600	4,000	Ivan Anthony Gallery	400	1,500
The Community Trust of Southland	5,000	-	The Gus Fisher Gallery	500	-
Trust House Charitable Trust	1,500	1,000	The City Gallery Wellington Foundation	30,000	60,000
The Southern Trust	-	10,000	ANZ through The City Gallery Foundation	50,000	-
Four Winds Foundation	12,000	13,000	Ernst & Young through The City Gallery Foundation	50,000	-
TSB Charitable Trust	7,808	10,000	Athfield Architects	-	20,000
Mana Community Grants Foundation	-	2,000	Hamish McKay Gallery	-	1,500
TG MacCarthy Charitable Trust	-	5,000	Sundry	-	4,991
Joe Aspell charitable Trust	-	6,000	<b>Museum of Wellington City &amp; Sea</b>		
Pelorus Charitable Trust	3,000	-	Wellington City Council	100,000	-
The Community Trust	2,149	-	Wellington Waterfront Ltd	2,000	-
Asia 2000 Foundation of NZ	5,000	-	New Zealand Lotteries Grant Board	-	17,432
KPMG	5,000	5,000	Sundry	5,407	-
Goethe Institute	-	1,500	<b>Carter Observatory</b>		
ASB Community Trust	-	20,000	Wellington City Council	12,500	-
Infinity Foundation	20,000	-	<b>Trust Office</b>		
Pub Charity	10,000	-	TG McCarthy Trust	10,000	-
The Community Trust of Wellington	20,000	-	<b>Total other grants, sponsorship &amp; donations</b>	<b>476,334</b>	<b>219,923</b>

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**22) Carter Observatory**

The Trust governs, manages and controls the Carter Observatory for the Council under a Memorandum of Understanding (MOU) as if it were a Trust institution under the Trust Deed but subject to and with the benefit of the MOU. Under this agreement the Council has agreed to reimburse the Trust for any deficit incurred through the operations of the Carter Observatory. Therefore, the Trust has recognised the operations of Carter Observatory in the financial statements.

**23) Subsequent event**

There have been no significant events after balance date, that have affected the accuracy of these financial statements.

*Pictured: Milky Way Above Carter Observatory, 2013. Photography by Mark Gee.*

## I Governance report

The Wellington Museums Trust is governed by a Trust Deed between the Council and the Trust, first executed on 18 October 1995 and updated on 15 August 2007.

### Governance

Wellington Museums Trust Trustees are appointed by Council and are standard-bearers for the Trust's vision. They are responsible for setting the strategic direction for the Trust and approving the Statement of Intent and the Strategic Plan. The Board monitors organisational performance, the organisation's ongoing viability and the maintenance of its competitiveness. It delegates the day-to-day operation of the Trust to the Chief Executive, who reports to the Board.

The Board meets no fewer than nine times per year and operates two committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee and the People, Planning and Performance (PPP) Committee. In addition, the Board will convene ad hoc working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

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### Board committees

**Audit and Risk (A&R) Committee** assists the Board in carrying out its duties in regard to financial reporting, risk management and legislative compliance.

**People Planning and Performance (PPP) Committee** provides guidance and support to the Chief Executive in a Human Resources context.

### Board membership and meeting attendance during 2013-14

Members	Appointed	Term expires	Meetings eligible to attend	Meetings attended
Ray Ahipene-Mercer	01.11.10	31.10.13	4	4
Rachel Farrant	01.07.13	30.06.16	9	8
Quentin Hay (Chair from 01.01.11)	01.01.07	31.12.15	9	9
Jackie Lloyd	01.07.11	30.06.17	9	9
Jill Wilson	01.07.13	30.06.16	9	9
Nicola Young	01.11.13	31.10.16	5	5





## | Our Supporters

The Wellington Museums Trust institutions enjoy support from a wide range of individuals and organisations through sponsorships, donations, grants, in-kind support, and partnerships for our exhibitions and public programmes.

### SPONSORS

**ANZ**  
City Gallery Wellington

**ANZ Staff Foundation**  
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City Gallery Wellington

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City Gallery Wellington

**Auckland Art Gallery Toi o Tamaki**  
City Gallery Wellington

**Audio Visual Services (AVS)**  
City Gallery Wellington

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**Canterbury Community Trust**  
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City Gallery Wellington

**Circa Theatre**  
Capital E

**CIRCUIT Artist Film and Video Aotearoa NZ**  
City Gallery Wellington

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City Gallery Wellington

**Community Trust of Southland**  
Capital E

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Canter Observatory

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Capital E, City Gallery Wellington

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Museum of Wellington City & Sea

**Mark Tantrum Photography Ltd.**  
City Gallery Wellington

**Massey University**  
City Gallery Wellington

**Mediaworks**  
Museums Wellington

**Ministry of Education Te Tahuku o te Matauranga**  
Capital E

**MJF Lighting**  
Capital E

**Monsoon Poon**  
City Gallery Wellington

**New Zealand Lottery Grants Board**  
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**New Zealand Symphony Orchestra**  
Capital E

**Nikau Café**  
City Gallery Wellington

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Capital E

**Pelorus Trust**  
Capital E

**Playmarket**  
Capital E

**Pub Charity**  
Capital E

**Seresin Estate Limited**  
City Gallery Wellington

**Six Barrell Soda**  
City Gallery Wellington

**The Big Picture**  
Museums Wellington

**The Dominion Post**  
Capital E

**The Interislander**  
Capital E

**The Lion Foundation**  
Capital E

**The Sargood Bequest**  
Capital E

**The Southern Trust**  
Capital E

**The Todd Foundation**  
Museums Wellington

**Thomas George McCarthy Trust**  
Capital E, City Gallery Wellington, Museums Wellington

**Trust House, Masterton**  
Capital E

**TSB Community Trust**  
Capital E

**Tuatara Brewing Limited**  
City Gallery Wellington

**Wa'omanū Pasifika - Programmes in Pacific Studies and Samoan Studies**  
City Gallery Wellington

**Wellington City Council Events**  
Capital E

**Wellington City Council Treaty Relations Team**  
City Gallery Wellington

**Wellington Community Trust**  
Capital E

**Wellington Waterfront Ltd.**  
Museum of Wellington City & Sea



**PARTNERS**

**Adam Art Gallery Te Pataka Toi**  
City Gallery Wellington

**Alexander Turnbull Library**  
Museum of Wellington City & Sea

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Museum of Wellington City & Sea

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Museum of Wellington City & Sea

**Arts Access Aotearoa**  
Capital E, City Gallery Wellington, Museums Wellington

**Artsight**  
City Gallery Wellington

**Asian Events Trust**  
Capital E

**BBC Worldwide**  
Capital E

**Bin 44**  
Capital E

**BOOSTED**  
City Gallery Wellington

**Brenda Taylor**  
Museum of Wellington City & Sea

**Capital E**  
City Gallery Wellington, Museums Wellington

**Carter Observatory**  
City Gallery Wellington

**Chamber Music New Zealand**  
Museum of Wellington City & Sea

**Chicago Sports Café**  
Capital E, Museum of Wellington City & Sea

**Chris Bourke**  
Museum of Wellington City & Sea

**Chris Fox**  
Carter Observatory, Museum of Wellington City & Sea

**Chris Monigatti, Wellington Astronomical Society**  
Carter Observatory

**CIRCUIT Artist Film and Video Aotearoa NZ**  
City Gallery Wellington

**CityLink**  
City Gallery Wellington

**Daizy Design Face Painting**  
Capital E

**Deaf Aotearoa New Zealand, Tangata Turi**  
City Gallery Wellington, Museums Wellington

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**Dive Wellington**  
Capital E

**Dr Bronwyn Dalley**  
Carter Observatory

**Dunedin Public Art Gallery**  
City Gallery Wellington

**Dusty & Lulu**  
Capital E

**East by West Ferries**  
Museum of Wellington City & Sea

**Elisabeth Pointon**  
Museum of Wellington City & Sea

**Elizabeth Plumnidge**  
Museums Wellington

**Fflur Morgan**  
Museums Wellington

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City Gallery Wellington

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**Fulbright New Zealand**  
City Gallery Wellington

**Gecko Press**  
Capital E, City Gallery Wellington

**Grant Stevenson**  
Museum of Wellington City & Sea

**Gus Fisher Gallery, Auckland**  
City Gallery Wellington

**Harbourmasters Office**  
Museum of Wellington City & Sea

**Harry Ricketts**  
Museum of Wellington City & Sea

**Hue & Cry Press**  
City Gallery Wellington

**Institute of Modern Art (IMA), Brisbane**  
City Gallery Wellington

**Institute of Professional Engineers of NZ Foundation**  
Carter Observatory

**International Institute of Modern Letters**  
City Gallery Wellington

**Inverloch Art School**  
Museum of Wellington City & Sea

**Jared Davidson**  
Museum of Wellington City & Sea

**Jim Mason**  
Museum of Wellington City & Sea

**Joan McCracken**  
Museum of Wellington City & Sea

**John Maynard**  
Museum of Wellington City & Sea

**Kaffee Eis**  
Capital E

**Kay McCormick**  
Museum of Wellington City & Sea

**Kerata Royal**  
Museum of Wellington City & Sea

**Labour History Project**  
Museum of Wellington City & Sea

**Len Lye Foundation**  
City Gallery Wellington

**Luana Carroll**  
Museums Wellington

**LUX - Artist's Moving Image**  
City Gallery Wellington, Museum of Wellington City & Sea

**Marie Russell**  
Museum of Wellington City & Sea

**Maritime Archaeological Association of New Zealand**  
Museum of Wellington City & Sea

**Maritime Friends of the Museum of Wellington City & Sea**  
Museum of Wellington City & Sea

**Mark Coote Photography**  
Capital E

**Mark Gee**  
Carter Observatory

**Massey University**  
City Gallery Wellington, Museums Wellington

**Massey University, Pasifika Art Residency - College of Creative Arts; Va'aomanu Pasifika**  
City Gallery Wellington

**Maximarketing Services Ltd.**  
Capital E

**Michele Fontana**  
Museum of Wellington City & Sea

**Ministry of Education Te Tahuku o te Matauranga**  
Capital E, Museums Wellington

**Monash University Art Museum, Melbourne**  
City Gallery Wellington

**Morrie Love**  
Carter Observatory, Museum of Wellington City & Sea

**Mr Richard Bentley**  
Carter Observatory



**PARTNERS**

*Continued*

**Museum of New Zealand Te Papa Tongarewa**  
City Gallery Wellington, Museums Wellington

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Carter Observatory

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City Gallery Wellington

**New Zealand Festival's Writers Week**  
City Gallery Wellington

**New Zealand Film Archive**  
City Gallery Wellington, Museum of Wellington City & Sea

**New Zealand Society of Authors**  
City Gallery Wellington

**NZ International Arts Festival**  
City Gallery Wellington

**NZ International Film Festival**  
City Gallery Wellington

**Omnigraphics**  
Capital E

**OMV New Zealand Limited**  
Carter Observatory

**Outward Bound**  
Capital E

**Pelorus Trust**  
Carter Observatory

**Peter and Ruth Graham**  
Carter Observatory

**Poneke History Club members**  
Museum of Wellington City & Sea

**Port Nicholson Block Settlement Trust**  
Carter Observatory, Museum of Wellington City & Sea

**Rail and Maritime Transport Union**  
Museum of Wellington City & Sea

**Rekindle – Whole House Reuse Project**  
City Gallery Wellington

**Rosemary Wildblood**  
Museum of Wellington City & Sea

**Royal Society of New Zealand**  
Carter Observatory

**Service Printers**  
Capital E

**Shirley Hick**  
Museum of Wellington City & Sea

**SexPack Films**  
City Gallery Wellington

**Songs snatchers**  
Museum of Wellington City & Sea

**Stephen A'Court Photography**  
Capital E

**Steve Watters**  
Museum of Wellington City & Sea

**String Bean Puppets**  
Museums Wellington

**Tall Poppy Films**  
Colonial Cottage Museum

**Taranaki Whānui ki Te Upoko o te Ika a Māui**  
Carter Observatory, Museum of Wellington City & Sea

**Te Kōkiri New Zealand School of Music**  
City Gallery Wellington

**The Dowse Art Museum**  
City Gallery Wellington

**The Historic Places Trust**  
Colonial Cottage Museum, Museum of Wellington City & Sea

**The Hits**  
Capital E

**The Jordan family**  
Colonial Cottage Museum

**The New Zealand Founders Association**  
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**Unity Books (Wellington) Limited**  
City Gallery Wellington

**University of Auckland, School of Architecture**  
City Gallery Wellington

**Va'aomanū Pasifika – Programmes in Pacific Studies and Samoan Studies**  
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**Victoria University of Wellington, Museum & Heritage Studies**  
Museum of Wellington City & Sea

**Victoria University of Wellington, School of Architecture**  
City Gallery Wellington, Museum of Wellington City & Sea

**Victoria University of Wellington, School of Art History**  
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**Video NZ Ltd**  
Museums Wellington

**Voice Arts Trust**  
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**Walk Wellington**  
Museum of Wellington City & Sea

**Wellgaog**  
Museum of Wellington City & Sea

**Wellington Astronomical Society**  
Carter Observatory

**Wellington Cable Car**  
Cable Car Museum, Museum of Wellington City & Sea

**Wellington Central Library**  
Museum of Wellington City & Sea

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Capital E

**Wellington City Council**  
City Gallery Wellington, Museums Wellington

**Wellington City Council Treaty Relations Team**  
City Gallery Wellington

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Museums Wellington

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Museums Wellington

**Wellington LUX**  
Museum of Wellington City & Sea

**Wellington SPCA**  
Capital E

**Wellington Tenth Trust**  
Museum of Wellington City & Sea

**Wellington Zoo**  
Capital E

**Whitechapel Gallery, London**  
City Gallery Wellington

**Whitireia New Zealand, Faculty of Arts**  
City Gallery Wellington

**Winn-Manson Merton Trust**  
City Gallery Wellington

**Writers Walk Committee**  
Museum of Wellington City & Sea

**Zeitgeist Films**  
City Gallery Wellington

**New Zealand Symphony Orchestra**  
Capital E

**Toi Whakaari**  
Capital E

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## Exhibitions / Tours / Events / Publications

### EXHIBITIONS

#### City Gallery Wellington

Shane Cotton: *The Hanging Sky*  
Gregory Crewdson: *In a Lonely Place*  
Artists' Film International  
How to Fall: Ruth Thomas-Edmond, Melissa Irving,  
Heather Hayward, Marnie Slater  
Sheyne Tuffery: *Ghost in the Machine*  
Catherine Street  
Linda Tegg  
Hirofumi Suda  
POKAZUKHA, *the Retreat, g. bridle*  
Janet Lilo: *Hit Me With Your Best Shot (The remix)*  
New Revised Edition: Nick Austin, Andrew Barber,  
Nicola Farquhar, John Ward-Knox  
Fiona Amundsen: *Operation Magic*  
Sound Full: *Sound in Contemporary Australian  
and New Zealand Art*  
Kusum Normoyle  
Erica Van Zor: *The Light on the Dock*  
Huhana Smith: *Rae ki te Rae/Face to Face*  
Georgie Hill: *Feint*  
South of No North: Laurence Aberhart, William  
Eggleston, Noel McKenna  
Shigeyuki Kihara: *Culture For Sale*  
Jake Walker: *The Town Belt*  
John Miller: *Tour Scrums*  
Creative Suite: Nicholas Mangan, Agatha Gothe-  
Snape, Joshua Petherick and Greatest Hits  
Simon Starling: *In Speculum*  
Jason Maling: *The Physician*

Viviane Sassen: *Lexicon*  
McLeavey Sat Here  
Martin Basher: *Blackberry Schnapps*  
Churchward Samoa  
Seung Yul Oh: *MOAMOA, A Decade*  
Chris Marker: *Owls at Noon (prelude)*  
Grant Stevens: *What We Had Was Real*

### EXHIBITION TOURS

#### City Gallery Wellington

Art Work: Peter Campbell, Toured to Gus Fisher  
Gallery, Auckland; and Sarjeant Gallery, Whanganui  
Glen Hayward: *I don't want you to worry about  
me: I have met some Beautiful People*, Toured to  
Christchurch Art Gallery  
Georgie Hill: *Feint*, Toured to Gus Fisher Gallery,  
Auckland

### PRODUCTIONS

#### Capital E National Theatre for Children

Ivy - *Saviour of the Dinosaurs*  
SEASONS  
Sky Dancer  
Mr McGee & the Biting Flea

### THEATRE TOURS

#### Capital E National Theatre for Children

Ivy - *Saviour of the Dinosaurs*: Toured to Auckland  
SEASONS: Toured to Invercargill, Dunedin, Timaru  
and Nelson  
Sky Dancer: Toured to Auckland and Christchurch  
Mr McGee & the Biting Flea: Toured to Whangarei,  
Auckland, Hamilton, Tauranga, Rotorua, Napier  
and New Plymouth

### EVENTS AND PUBLIC PROGRAMMES

The Great Scavenger Hunt was coordinated  
by Capital E and all Wellington Museums Trust  
institutions participated on the day.

Capital E worked in partnership with Carter  
Observatory and the Museum of Wellington  
City & Sea to facilitate a number of school  
holiday programmes throughout the year.

All Wellington Museums Trust institutions  
participated in *Wellington Open Day*.

Capital City Connections was collaboration  
between all Wellington Museums Trust institutions.

Capital E, Museum of Wellington City & Sea, and  
Carter Observatory participated in the Starship  
Hospital Foundation *Great Easter Egg Hunt*.

### Capital E

*High School Horror & Music Video Factory* –  
Digital Workshops held at Wellington High School  
*Solar System Models* – Creative Science Workshops  
held at Carter Observatory  
*Matanki Family Day* – held at Carter Observatory  
*Mr Balloonhead and Birds of Aotearoa* – Craft for  
theatre held at Hannah Playhouse  
*Light and Dark* – Photography Workshop held at  
Carter Observatory  
*Sin Nian: Chinese New Year* – held at TSB Arena  
*Doctor Who – 50 years of Adventures in Space  
and Time* – held at Capital E Central  
*Festival of Education Open Day* – held at Capital  
E Central  
*Pinball Designer* – school holiday workshop held  
at Capital E Central  
*Boatbuilding* – school holiday workshop held at  
Capital E Central



*Creative Brains Workshop* – school holiday workshop held at Capital E Central

*Fun Botics* – school holiday workshop held at Carter Observatory

*Mysteries of Matiu/Somes Island* – school holiday workshop in conjunction with Museum of Wellington City & Sea

*Zoos News* – collaboration with Wellington Zoo

*Wellington Improvisation Troupe*

*Muka Print Expo*

*The Buzz* – collaboration with Parliament

### City Gallery Wellington

Talks by artists and curators accompanied all exhibitions.

*Artsight* ran a number of adult and children's workshops across school holidays, weeknights and weekends.

Gallery Babes Exhibition Tours were held once a month

Bilingual exhibition tours of *Shane Cotton: The Hanging Sky*

*True Stories Told Live* te Reo Mori Edition

Film Screening - Gregory Crewdson: *Brief Encounters*

*Fulbright reflections: America through a New Zealand lens*, Laurence Aberhart, Peter Peryer, Briar March

*Patrick D. Flores, Southeast Asia: Art History, Art Today*

*The Art of the Fall: Maia Johnston and Emma Willis*

NZTrio: Art - Heartbeats

*The Constructed Photograph: Artist's Talk Process*. Yvonne Todd, James K Lowe, Kate J Woods and Roberta Thornley

Screening: *New Materials*

*That Awful Daylight: The Gothic and Gregory Crewdson*. Lecture by Anna Jackson, Tim Jones and Charles Ferrall

*Max Gate* by Damien Wilkins – publication launch event

*Shane Cotton: twenty-five years of contemporary Maori art: 1988-2013*, Jonathan Mane-Wheoki

Open Late with New Revised Edition and Operation Magic: Fiona Amundsen

Massey University 2013 Peter Turner Memorial Lecture, *Anterior Futures: Photography and Dissemination*, Geoffrey Batchen

*Snow White's Coffin*: Kate Camp

Family Fun Day

*Painted Anyway*: Christina Barton and Abby Cunnane talk about two painting exhibitions

*One Human in Height* by Rachel O'Neill – publication launch

*Wound Sound*. Live performances/engineering by postgraduate students from the Sonic Arts programme at Te Kōhiri New Zealand School of Music

*The Menton Report*: Justin Paton

Gordon H. Brown Lecture: *Does Māori art history matter*, Deidre Brown, Nigarino Ellis

Talk & Site Visit to Horowhenua: Huhana Smith

*Strange Baroque Ecologies Symposium*

Boosted at City Gallery

Playing with Abstraction workshop: Rob McLeod

Play the Banana Piano

International Guest Lecture: Simon Starling

*Culture for Sale* forum, Shigeyuki Kihara and Dr Mandy Treagus

*Culture for Sale*, A series of live performances

Festival Art Bites

*Clinical Practice*: Jason Maling introduces *The Physician Project*

*Whole House Reuse: Design Stage Exposition* by Juliet Arnott

2014 Janet Frame Memorial Lecture: Gavin Bishop  
Springbok Stories with John Miller

The Artist Studio Revisited. Associate Professor Roger Blackley (VUW) with Curator-collector-writer Jim Barr  
Patu Screening at the New Zealand Film Archive

*McLeavey Sit Here: A Conversation*, Jill Trevelyan, John Reynolds, Howard Greive and Curator Robert Leonard

*The Transit of Venus*, Astronomy Talk & Star Walk with, John Field at Carter Observatory

Open Late: Artist's Films Double Feature: Duncan Campbell's *Make it New John* (2009) and Hito Steyerl's *In Free Fall* (2010)

*Simon Starling: In Speculum*. Artist response: Maddie Leach

*The Man in the Hat* (2009): Special Screening with introduction from Director Luit Bieringa

*Tuatara Open Late* – Late night opening evenings on the first Thursday of every month from June 2014

Weekend Exhibition Tours: every Saturday and Sunday

*Martin Basher: Revisited*, Aaron Lister (City Gallery) and Sarah Farrar (Te Papa)

Footnote NZ Dance: *Watch This Space / Maatakitakihia Mai Tenei Waahi*

### Museums Wellington

#### *Museum of Wellington City and Sea*

*Tell Us Your Story*

*Love Letter to Wellington*

*Third Thursday*: Monthly late night openings – Love Songs Live; Poetry in Motion; Crocodile Tales & Singing Our Stories; Wellington Heads; Te Ao Marama

*The Bloody Benders*

*The Way We Fall*

*Kete*

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*Behind the Scenes*  
*String Bean Puppets and The Mermaids Song*  
*Labour History Project*  
*World Poetry Day: Poetry in Motion*  
*Wahine Theatre Pieces throughout the Museum*  
*Wahine Day Musical Event: On April 10 1968*  
*Debating Workshop*  
*We Come in Peace*  
*Curiosity Roadtrip*  
*Devised theatre pieces throughout the Museum*  
*This Matariki*  
*Matariki and Puanga from Matairangi*  
*Sheyne Tuffery: Artist in Residence*  
*Matariki Family Day*  
*Matariki Concert: Cantoris Choir*  
*LVE*  
*Ready, Steady, DRAW*  
*Drawing Room*  
*Song Snatchers*  
*30 days hath September, 30 things we remember*  
*Peoples History*  
*In the Pink*  
*Crocodiles in the Museum*  
*Museum in a Pizza Box*  
*1913 Parade*  
*The Explorers Club: Antarctica*  
*The Great Wellington Debate*  
*Curiosity Roadshow*

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**Cable Car Museum**  
Spring Festival at the Cable Car Museum

**Carter Observatory**  
*Light and Dark Photography Competition*  
*Madame Blavatsky and the Astral Light*  
*A Magical Musical Afternoon*  
*Writers Under the Stars*  
*Apollo 13 movie fundraiser Night*  
*Its life jim but not as we know it*  
*Night Sky Photography*  
*Night Sky Photography Image Processing*  
*Living on Mars*  
*Historical Astronomy Trails*  
*Historical Astronomy and Two Small Pieces of Glass launch*  
*Sacred Geometry*  
*The History of the North Island Observatories*  
*Photography workshop*  
*Protecting the Night Sky*  
*Light and Dark Gallery Trails*  
*Telescopes on the Lawn*  
*Comet ISON: Comet of the Century*  
*Planetarium Shows: Tilt, Fly me to the Moon;*  
*Life in Space; Dynamic Earth*

**Colonial Cottage Museum**  
*Music at Home Series*  
*The Useful Garden*  
*Paint a pot and grow a sunflower*

## PUBLICATIONS

*Glen Hayward: I don't want you to worry about me: I have met some Beautiful People;* was published by City Gallery Wellington in partnership with Christchurch Art Gallery to accompany the Glen Hayward exhibition. Author: Aaron Lister.

*New Revised Edition: Nick Austin, Andrew Barber, Nicola Farquhar, John Ward Knox* was published by City Gallery Wellington to accompany the exhibition *New Revised Edition*. Authors: Abby Cunnane, Anthony Byrt, Gwynneth Porter, Megan Dunn and John Ward Knox. Designed by Aaron Beehre of Ilam Press.

*Simon Starling: In Speculum* was published by IMA Brisbane, MUMA Melbourne and City Gallery Wellington to accompany the Simon Starling exhibition. Authors: Robert Leonard, Justin Gemers, Richard Gillespie

*Georgie Hill: Faint* was published by City Gallery Wellington to accompany the Georgie Hill exhibition. Authors: Aaron Lister, Anna Smail, Linda Tyler.

Exhibition brochures were produced for the following exhibitions:

*How to Fall*

*PONAZUKU-IA*

*the Retreat*

*g. bridle*

*Erica Van Zon: The Light on the Dock*

*Jake Walker: The Town Belt*

*Sheyne Tuffery: Ghost in the Machine*

*Janet Lila: Hit Me With Your Best Shot (The remix)*

*Huhana Smith: Rae ki te Rae/Face to Face*

*John Miller: Tour Scrums*

*Creative Suite*



## | Directory

### Wellington Museums Trust

Pat Stuart, *Chief Executive*

Trust Office: Level 1, The Bond Store  
Queens Wharf, PO Box 893, Wellington  
Phone: 471 0919 Fax: 471 0920  
Email: [trust@wmt.org.nz](mailto:trust@wmt.org.nz)  
[www.wmt.org.nz](http://www.wmt.org.nz)

### Capital E

Stuart Grant, *Director*

4 Queens Wharf  
PO Box 893, Wellington  
Phone: 913 3720 Fax: 913 3735  
Email: [capitale@wmt.org.nz](mailto:capitale@wmt.org.nz)  
[www.capitale.org.nz](http://www.capitale.org.nz)

### City Gallery Wellington

Elizabeth Caldwell, *Director*

Civic Square  
101 Wakefield Street  
PO Box 2199, Wellington  
Phone: 801 3021 Fax: 801 3950  
Email: [citygallery@wmt.org.nz](mailto:citygallery@wmt.org.nz)  
[www.city-gallery.org.nz](http://www.city-gallery.org.nz)

### New Zealand Cricket Museum

Jamie Bell, *Director*

The Old Grandstand, Basin Reserve  
PO Box 578, Wellington  
Phone: 385 6602 Fax: 384 3498  
Email: [cricket@wmt.org.nz](mailto:cricket@wmt.org.nz)  
[www.nzcricket.co.nz](http://www.nzcricket.co.nz)

### Museums Wellington

Brett Mason, *Director*

#### Museum of Wellington City & Sea

Queens Wharf  
PO Box 893, Wellington  
Phone: 472 8904 Fax: 496 1949  
Email: [museumswellington@wmt.org.nz](mailto:museumswellington@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

#### Carter Observatory

Botanic Gardens  
PO Box 893, Wellington  
Phone: 910 3140  
Email: [info@carterobservatory.org](mailto:info@carterobservatory.org)  
[www.carterobservatory.org](http://www.carterobservatory.org)

#### Cable Car Museum

1 Upland Road  
PO Box 893, Wellington  
Phone: 475 3578 Fax: 475 3594  
Email: [cablecar@wmt.org.nz](mailto:cablecar@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

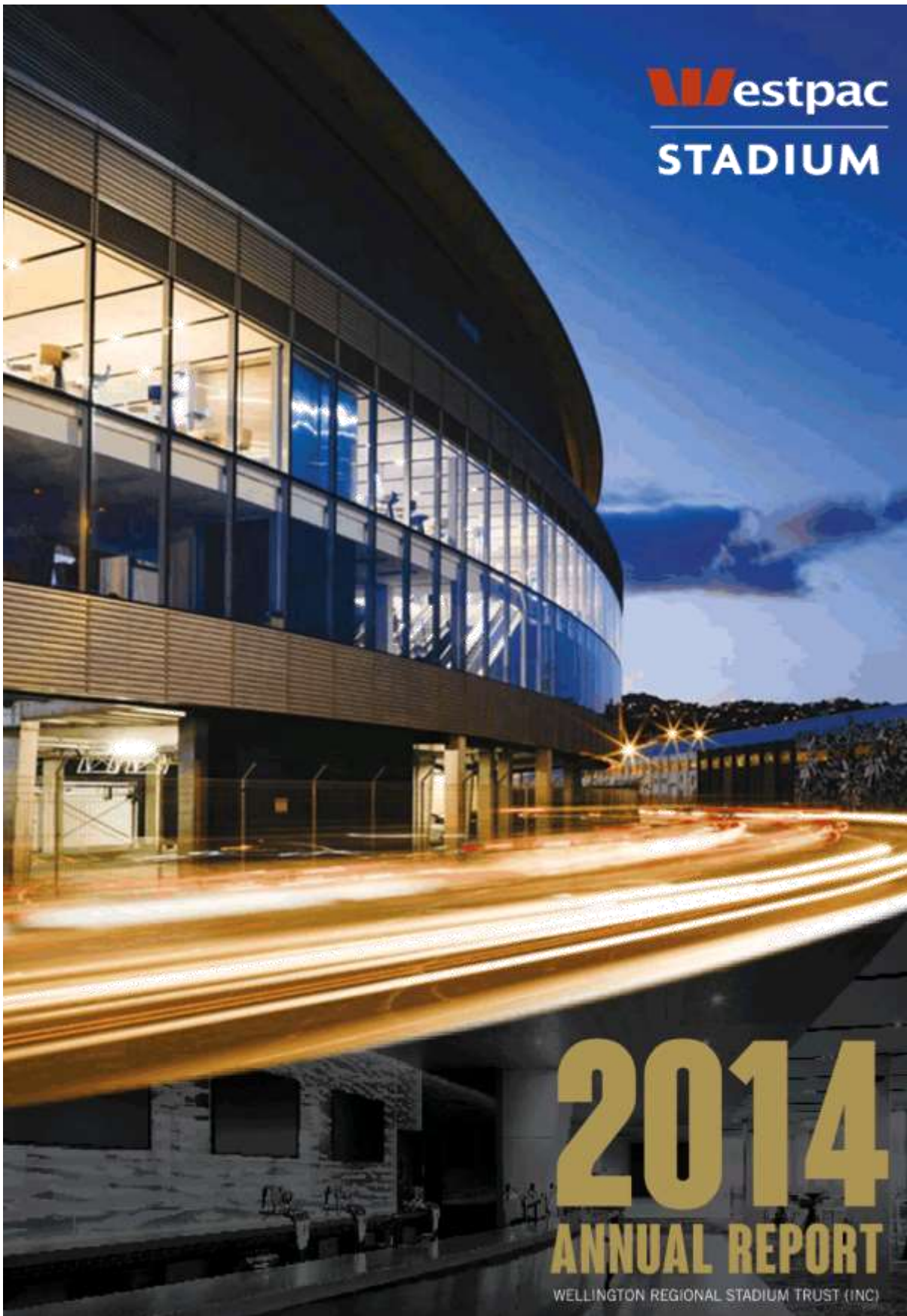
#### Colonial Cottage Museum

68 Nairn Street  
PO Box 893, Wellington  
Phone: 384 9122 Fax: 384 9202  
Email: [colonialcottage@wmt.org.nz](mailto:colonialcottage@wmt.org.nz)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

#### Plimmer's Ark Galleries

Old Bank Arcade (timbers in situ)  
[www.museumswellington.org.nz](http://www.museumswellington.org.nz)

**Item 2.1 Attachment 2**









Westpac Stadium Annual Report 2014

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**Westpac**  
**STADIUM**

**MEZZANINE LOUNGE OPENING**  
APRIL 2014

Westpac Stadium Annual Report 2014

## **SPONSOR'S MESSAGE**

2014 has been another excellent year for Westpac Stadium.

It hosted a record-equalling 51 events, attracted some of the biggest crowds in several years and opened the first stages of an exciting new redevelopment to the public.

Westpac is proud of its sponsorship, which continues to deliver large economic, cultural and community benefits for Wellington and New Zealand.

Highlights of the past year include the Bledisloe Cup rugby test, the One Day International between the Black Caps and India, which drew the largest cricket crowd in several years, and nearly 34,000 people attending the All Whites World Cup qualifier with Mexico.

About 15,000 of the fans attending the Mexico clash were from outside the Wellington region, generating an estimated \$7 million for local businesses. This typifies the benefits Westpac Stadium has for the local economy.

Alongside its economic contribution, Westpac Stadium continued to support the community, more than doubling the number of community events it hosted, including Sport Wellington School Sports Day, the Wellington Marathon and Fire Service and Army training days.

The Stadium also registered record attendance for a range of exhibitions including The Food Show, The Home and Garden Show and Beervana.

Looking ahead there is plenty to be excited about with a varied line up of sporting, community and lifestyle events planned for 2015. Westpac Stadium will also continue with its multi-year redevelopment, which this year featured the opening of a new Mezzanine Lounge to the public.

I'd like to acknowledge and congratulate the Westpac Stadium Board, management and staff for delivering another year of outstanding sport, culture and community events.

Westpac has a strong history in Wellington and has sponsored the Stadium since it opened. We look forward to that relationship continuing and many more world class events at Westpac Stadium in the future.

David McLean

Acting Chief Executive  
Westpac New Zealand Limited

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## **CHAIRMAN & CHIEF EXECUTIVE'S REPORT**

Fifteen years ago Westpac Stadium opened its doors for the first time. Backed by Greater Wellington Regional Council, Wellington City Council and the Community Trust of Wellington as well as the support of 2,600 Wellingtonians who took out memberships and 60 companies and individuals who committed to corporate boxes, in addition to our principal sponsor, Westpac, we collectively took a leap of faith on building a modern, multi-purpose stadium that would inject new life into the city and region.

Every five years we have conducted an economic impact and community contribution study of the benefits that the Stadium has brought to the region. Our recently completed 15-year study shows that almost 7.8 million visits have been made by people attending events at the Stadium. Of these visits, around 1.8 million have been from people outside the Wellington region spending an additional \$889 million in the region's economy, more than two and half times original estimates. The return on the original investment has been exceptional.

**Our fifteenth year has been a very active one in which we achieved the following:**

- 51 major event days which is the equal highest since the Stadium opened
- A net surplus of \$2.24m
- The opening of the new Mezzanine Lounge
- Over 400,000 fans attended events at the Stadium for the 15th year in a row
- The launch of our new public food offering
- Commencement of the renewal of memberships and corporate boxes as well as new customer acquisition campaigns.

The upcoming year will be one of the most active since the Stadium opened in 2000. We will host both the ICC Cricket World Cup and the FIFA U20 World Cup which will be an exciting time for the region.

Our experience with Rugby World Cup 2011, in areas of logistics, match day operations, cost management and working with tournament organisers will assist the Cricket and Football World Cups meet their goals for their respective tournaments. We have developed strong working relationships with the Local Organising Committees for both events, and meet regularly.

Crowds remain a key focus. We are seeing two diverging attendance trends emerging. On one hand we have experienced exceptional crowds at standalone major events such as the Sevens, the All Whites World Cup Qualifier, the Bledisloe Cup, the AFL, the NRL and BlackCaps cricket games. On the other hand we recognise the effect of flat crowds on both the Stadium, and our anchor tenants, rugby and football. This market shift towards one-off and varied major events is being experienced across New Zealand and other stadiums, making regular season sporting events an increasingly challenging proposition for both venues and the codes.

The Trust's role in increasing attendance is to improve the live experience by improving the environment for customers and the level of service. Our investment in the Stadium master plan reflects that, in particular the current focus on those aspects that are designed to improve the fan experience. The recently opened Mezzanine Lounge represents the most significant investment in the fan experience since the Stadium opened. In addition, the Trust is taking a more collaborative and proactive approach with its anchor tenants in developing strategies that attract crowds.

Membership and corporate box renewals are well underway, and the major redevelopment of the Clubroom on Level 3, which was completed last year, has provided a facility with enhanced levels of service to existing members and a major selling point for potential members.

The Trust has identified what we believe are going to be the key issues and opportunities over the next few years and how we can position ourselves optimally. The Trust has developed a number of strategic themes that will form the basis of our planning for the next three years. These themes are as follows:

- For Westpac Stadium to be central to a future regional venues strategy
- Renewed focus on retaining and attracting domestic & international events
- Strengthening the stadium's marketing and branding
- Improving the fan experience
- Strengthening relationships with our hirers
- Maximising existing revenue streams and exploring new revenue opportunities
- Ensuring Westpac Stadium remains a world class facility

During the year, we bade farewell to three Trustees with 23 years of collective experience between them; Sir John Anderson, Chris Laidlaw and John Morrison. We are very grateful for the support and expertise each offered over the years. In their place we welcomed in Cr. Simon Marsh, Cr. Nigel Wilson and Rachel Taulelei.



## EVENTS

WELLINGTON LIONS 2013		
vs North Harbour	WIN	35-27
vs Manawatu	WIN	42-15
vs Bay of Plenty	WIN	33-16
vs Canterbury	WIN	25-19
vs Auckland	WIN	38-16
vs Counties Manakau (SF)	WIN	41-10
vs Canterbury (Final)	LOSS	13-29

HURRICANES 2014		
vs Highlanders (2013)	LOSS	44-49
vs Brumbies	LOSS	21-29
vs Cheetahs	WIN	60-27
vs Blues	WIN	39-20
vs Reds	WIN	35-21
vs Highlanders	LOSS	16-18
vs Chiefs	WIN	45-8
vs Crusaders	WIN	16-9



WELLINGTON VS CANTERBURY  
21 September 2013



HURRICANES VS HIGHLANDERS  
16 May 2014

Another full calendar year saw 61 events, which included 10 community event days held at the Stadium. The 51 major events were equaled in number only in 2011/12 since the Stadium opened. 439,638 fans streamed through the gates, our 15th successive year of crowds of over 400,000. This figure was on par with the previous financial year. Cumulative attendance at the Stadium surpassed 7.7 million.

### RUGBY

#### ALL BLACKS VS AUSTRALIA, 24 AUGUST 2013

A sell-out crowd of 35,583 saw the All Blacks beat Australia 27-16 in Round 3 of the inaugural Rugby Championship. This was the largest test crowd in five years.

The event took place just eight days after the earthquake on 16 August, and while a subsequent structural engineering assessment gave the Stadium the green light to host the Test, there was still a substantial amount of minor repairs and cleaning to ensure readiness for the match. We are very grateful to our staff and key contractors who pulled out all the stops to make this happen.

#### ITM CUP

The Wellington Lions had a very successful season, losing just one game in the regular season on their way to hosting Canterbury in a home final, the first in Wellington since 2008. A good crowd of 14,969 saw the Lions fall at the final hurdle. There was an average attendance of 4,281 for the regular season down from 5,018 the previous year.

#### SUPER RUGBY

In a very even Super Rugby competition, the Hurricanes overcame a slow start to the season to be in a position to compete for a finals berth. Unfortunately this was not to be in 2014. However the foundations are laid for a promising future. The Hurricanes played eight games at the Stadium in the reporting period (one in 2013 and seven in 2014). Average crowds for the 2014 season were 10,884, on par with the previous season's average of 10,938. Pleasingly crowds increased as the season progressed, culminating in an attendance of 15,502 for the Crusaders match; the highest Super Rugby crowd at the Stadium in two years.

We welcome Chris Boyd as new coach of the Hurricanes for the 2015 season, and we bid farewell to Mark Hammett, and wish him well in his future, in particular his new role as coach of the Cardiff Blues.

Westpac Stadium Annual Report 2014

## EVENTS

### WELLINGTON SEVENS

New Zealand recaptured the Wellington Sevens crown, defeating South Africa 21-0 in the final. 52,533 fans attended the Stadium over the two days of the event.

The introduction of the Sale and Supply of Alcohol Act in December as well as the policing of the Act provided a number of well documented challenges this year for the Sevens. These changes have occurred at a time where there is also a wider societal shift in attitudes regarding excess consumption of alcohol.

However, much of the media coverage gave the impression that standards for this year's event have slipped compared to previous years, which from a Stadium perspective is simply not the case.

This year saw a 14% decline in beer consumption per patron year-on-year - and a 50% decline since 2008.

Wellington Free Ambulance's stadium team treated 21 intoxicated patients this year from a crowd of nearly 60,000 - half the number treated in 2013. While we ultimately wish to see this number as zero, there has been a significant downward trend over the past six years in alcohol consumed at the Stadium.

However there is always room for improvement and the Stadium will work closely with police and tournament organisers to achieve the appropriate balance.

### CRICKET

Westpac Stadium hosted two BlackCaps matches during the year. New Zealand defeated West Indies by 4 wickets in a Twenty20 international in front of 11,298 fans on 15 January. The BlackCaps returned two weeks later to defeat India by 87 runs in a One Day International in front of 13,811 fans, the largest ODI crowd at the Stadium in six years.

The Stadium also hosted two HRV Cup Twenty20 matches featuring the Wellington Firebirds.

### FOOTBALL

#### WELLINGTON PHOENIX

The Wellington Phoenix had a tough season finishing ninth on the Hyundai A-League table. Average crowds for 2012/13 were 6,694, up slightly from 6,512 the previous year. New coach Ernie Merrick ushered in an exciting brand of football and the Phoenix look forward to next season with some optimism. Although crowds are below what the Stadium and the Phoenix wish to see, it was encouraging to see consistency in crowd numbers.

#### ALL WHITES

Westpac Stadium hosted the 2014 FIFA World Cup Intercontinental Playoff where the All Whites took on Mexico on Wednesday 20 November 2013. 33,626 fans attended the match, including 15,000 from outside the region, generating an estimated \$7 million for the local economy.

This was arguably the highest profile event ever held at the Stadium with upwards of 400 media in attendance including large crews from Mexico and the USA.

Although the All Whites lost the first leg 5-1, the return leg proved highly entertaining with the home side going down 4-2.

#### WELLINGTON PHOENIX 2013/14

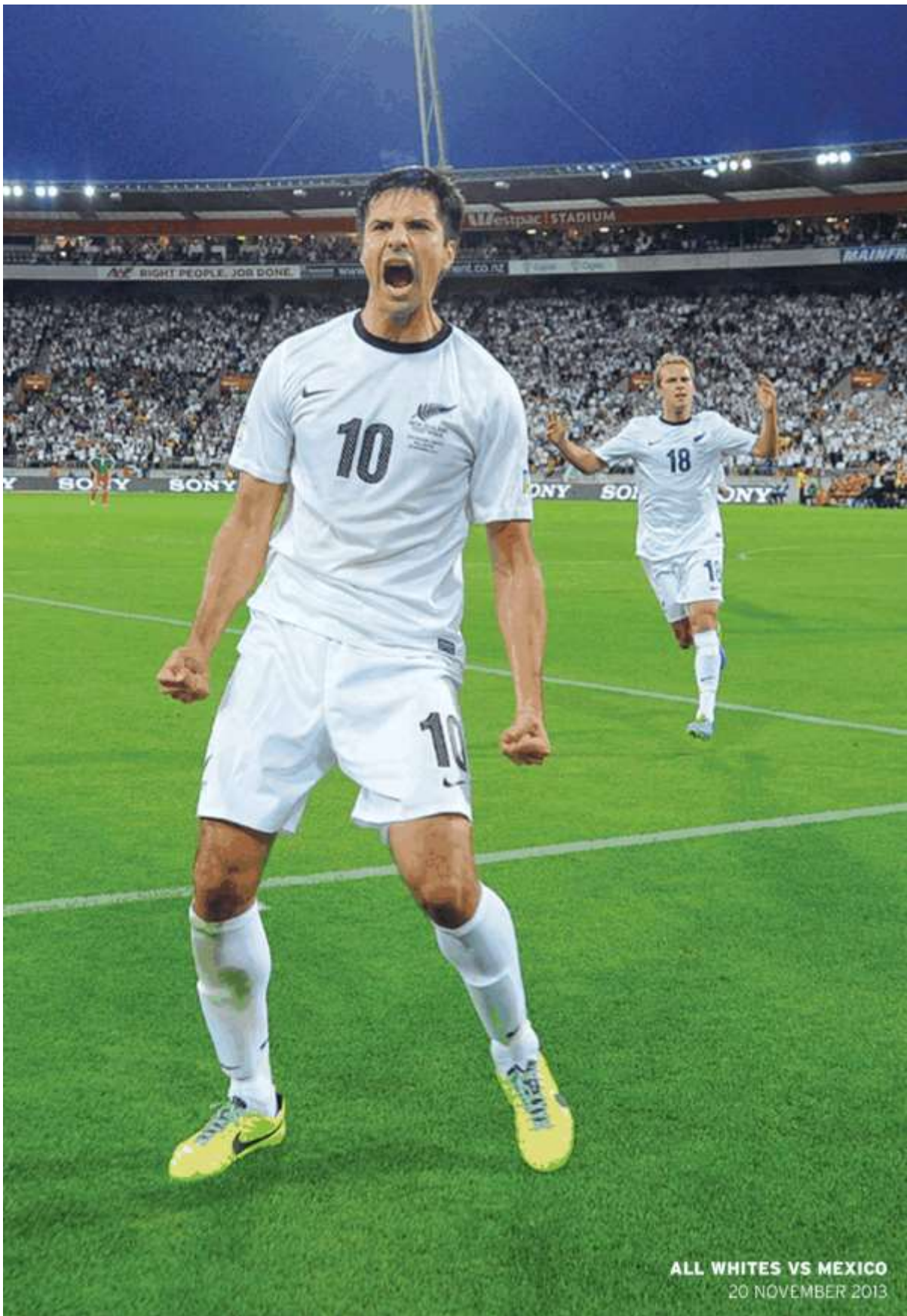
vs Brisbane Roar	LOSS	1-2
vs Western Sydney	DRAW	0-0
vs Brisbane Roar	LOSS	1-2
vs Sydney FC	WIN	1-0
vs Central Coast Mariners	DRAW	1-1
vs Melbourne Victory	WIN	5-0
vs Melbourne Heart	LOSS	0-5
vs Perth Glory	DRAW	1-1
vs Adelaide United	LOSS	0-1
vs Melbourne Victory	LOSS	1-4



PHOENIX FC VS BRISBANE ROAR  
14 December 2013



BLACKCAPS VS WEST INDIES  
15 January 2014





Westpac Stadium Annual Report 2014

## EVENTS

### AFL

Westpac Stadium hosted its second AFL Premiership game this year when St Kilda hosted Brisbane Lions on Anzac Day. In an exciting game the Lions pipped the Saints 82-79.

The crowd of 13,285 fell well short of the 22,183 fans that turned out for the inaugural game in 2013. Two long holiday weekends in a row most likely had an impact on attendance.

The AFL is exploring the possibility of a day game in 2015 which should go a long way towards restoring crowds.

### RUGBY LEAGUE

The NZ Warriors are always a major draw card in the capital and 2014 proved no exception. A good crowd of 18,653 saw the Warriors secure their first ever victory in Wellington posting a 54-17 win over Wests Tigers.

The Trust is keen to secure a Warriors match as an annual fixture and believe there is capacity for more rugby league in Wellington.

In 2014 it was announced that Westpac Stadium would host the final of the Rugby League Four Nations tournament. This will take place in November 2014. This is a huge coup for the city and will hopefully see another big crowd with large visitor numbers from outside the region.

### EXHIBITIONS

Exhibitions add to Westpac Stadium's reputation as New Zealand's premier multi-purpose venue. Beervana, the Home and Garden Show, The Food Show, Better Home and Living and Armageddon have become regular events at the Stadium. A record of 63,134 visitors attended exhibitions over 14 days this year, up from 60,596 the previous year.

### COMMUNITY EVENTS

As the manager of a regional community asset, the Trust tries to incorporate as many community events as possible each year. We were delighted to assist with NZ Fire Service training, Sport Wellington School Sports Day, NZ Army training, the Wellington Marathon, the TV Takeback recycling programme and the PNP Cycle Club Race Day.



ST KILDA VS BRISBANE LIONS  
25 April 2014



WARRIORS VS WESTS TIGERS  
29 March 2014



ARMAGEDDON EXPO  
31 May-2 June 2014

EVENTS HELD DURING THE YEAR		
DATE	EVENT	ATTENDANCE
6 July 2013	Super Rugby: Hurricanes vs Highlanders	8,409
9-10 August 2013	Exhibition: <b>Beervana</b>	8,347
24 August 2013	Rugby Test: <b>All Blacks vs Australia</b>	35,583
28 August 2013	ITM Cup: <b>Wellington vs North Harbour</b>	2,296
1 September 2013	ITM Cup: <b>Wellington vs Manawatu</b>	4,751
6 September 2013	<b>Paint Party</b>	648
12 September 2013	ITM Cup: <b>Wellington vs Bay of Plenty</b>	2,441
21 September 2013	ITM Cup: <b>Wellington vs Canterbury</b>	4,557
27-29 September 2013	Exhibition: <b>Home &amp; Garden Show</b>	15,000
5 October 2013	ITM Cup: <b>Wellington vs Auckland</b>	7,363
13 October 2013	A League: <b>Phoenix FC vs Brisbane Roar</b>	8,039
18 October 2013	ITM Cup: <b>Wellington vs Counties Manakau Semi Final</b>	6,903
26 October 2013	ITM Cup: <b>Wellington vs Canterbury Final</b>	14,969
20 November 2013	Football: <b>All Whites vs Mexico</b>	33,626
22 November 2013	Cricket: <b>HRV Cup T20 Wellington vs Central Districts</b>	782
23 November 2013	Cricket: <b>HRV Cup T20 Wellington vs Auckland</b>	855
1 December 2013	A League: <b>Phoenix FC vs Western Sydney Wanderers</b>	6,767
14 December 2013	A League: <b>Phoenix FC vs Brisbane Roar</b>	6,127
22 December 2013	A League: <b>Phoenix FC vs Sydney FC</b>	6,132
12 January 2014	A League: <b>Phoenix FC vs Central Coast Mariners</b>	6,651
15 January 2014	Cricket T20: <b>New Zealand vs West Indies</b>	11,298
18 January 2014	A League: <b>Phoenix FC vs Melbourne Victory</b>	6,036
26 January 2014	AFL: <b>NZ Hawks vs AIS-AFL Academy</b>	609
31 January 2014	Cricket ODI: <b>NZ vs India</b>	13,811
7-8 February 2014	<b>Sevens Tournament</b>	52,533
16 February 2014	A League: <b>Phoenix FC vs Melbourne Heart</b>	9,431
7 March 2014	Super Rugby: <b>Hurricanes vs Brumbies</b>	8,066
9 March 2014	A League: <b>Phoenix FC vs Perth Glory</b>	6,312
15 March 2014	Super Rugby: <b>Hurricanes vs Cheetahs</b>	7,666
29 March 2014	NRL: <b>Warriors vs Wests Tigers</b>	18,653
30 March 2014	A League: <b>Phoenix FC vs Adelaide</b>	6,252
12 April 2014	A League: <b>Phoenix FC vs Melbourne Victory</b>	5,197
18 April 2014	Super Rugby: <b>Hurricanes vs Blues</b>	11,232
25 April 2014	AFL: <b>St Kilda vs Brisbane Lions</b>	13,285
26 April 2014	Super Rugby: <b>Hurricanes vs Reds</b>	10,369
2-5 May 2014	Exhibition: <b>Better Home &amp; Living</b>	11,304
9-11 May 2014	Exhibition: <b>The Food Show</b>	12,105
16 May 2014	Super Rugby: <b>Hurricanes vs Highlanders</b>	13,019
24 May 2014	Super Rugby: <b>Hurricanes vs Chiefs</b>	10,334
31 May-2 June 2014	Exhibition: <b>Armageddon</b>	16,378
28 June 2014	Super Rugby: <b>Hurricanes vs Crusaders</b>	15,502
	<b>TOTAL ATTENDANCE</b>	<b>439,638</b>



## FINANCIAL PERFORMANCE



Our net surplus for the year was \$2.24 million which is a decrease from the 2013 surplus of \$3.06m but ahead of our budgeted surplus for the year of \$1.58m.

Annual attendance was very similar to the previous financial year, but the mix of events and associated revenue streams will always vary from year to year. Together with our hirers we continually seek to grow attendance across all events. With the large range of events hosted here, we do have a diverse range of revenue streams which helps to counter changes in attendance.

Insurance remains a significant expense for the Trust, being our single largest expense after personnel costs.

While the Stadium did not suffer structural damage following the two earthquakes in 2013, the quantum of minor repairs across the site did add up. However we were pleased that the building operated as designed, and in particular that we were able to host the Bledisloe Cup match eight days after the August earthquake.

Significant investment of time and resources has been put into the membership and box renewal process and this will continue with the new terms being much shorter than the original 15 years.

The major capital expenditure items during the year have been the construction of the East Mezzanine Lounge, installation of wet pour systems in part of the stadium, the addition of the external facing window to the Level 3 members lounge, and new food carts for the concourse. We are pleased with the operation of all these areas.

### MASTER PLAN PROGRESS

Like other stadiums, we face the ongoing challenge to maintain and enhance our facility in order to meet public expectations. There has been substantial local and national government investment in stadiums across Australia in recent years in an effort to compete with the at-home experience. Other New Zealand venues saw significant investment in the lead into Rugby World Cup 2011. The improvements planned in the Stadium's master plan are designed to ensure that the facility remains both competitive and is world class.

A significant component of the master plan, the new Mezzanine Lounge, opened in April 2014. It provides a world class public facility with fantastic views of the harbour. This is the first major investment in the public experience since the Stadium has been built and will be unrivalled in New Zealand. The new lounge features a significantly enhanced food and beverage offering. The Mezzanine Lounge will also be an important new asset for the region for use as a function space on non-events days.

The Trust's master plan is flexible. Projects are constantly reviewed to assess (a) whether priorities have changed and (b) the Trust's financial position and its ability to continue to invest while remaining financially autonomous. This approach however does create its own challenges for the Stadium in being able to meet the market expectations while also being financially prudent.

**BASIN RESERVE**

The Trust provides the ground management services to the Basin Reserve Trust. The Basin Reserve is once again rated very highly by players and officials.

**The ground hosted:**

Cricket match days	47
Other events	5
Cricket practice days	57

During the year, Trust staff also provided resources and turf management assistance at the Karori Park cricket ground.

**TURF MANAGEMENT**

Our turf team continues to do an exceptional job in delivering world class surfaces for our hirers. We received very high praise from the FIFA match commissioner for the All Whites World Cup Qualifier against Mexico.

The team is exploring options for the eventual full replacement of the turf which is expected to take place in 2016.

**DELOITTE CLUB MEMBERSHIPS AND CORPORATE BOXES**

The original memberships and corporate box programme comes to an end at the end of 2014.

We commenced our renewal programme during the year and have just recently launched a public campaign for new memberships for the first time in 15 years.

We take this opportunity to thank those members and boxholders for the commitment and loyalty over the past fifteen years. Without their initial support the Stadium would not have been possible. This support has enabled Wellington to attract numerous major events which have significantly benefited the city and region.

**KEY SPONSORS**

We are very grateful to the team at Westpac for the long term support and sponsorship they provide. The partnership is one of the longest in New Zealand sport.

As with Westpac, Deloitte have been a sponsor with the Stadium since it opened in 2000 and we thank them for their support.

**CATERING**

This year we significantly revamped our public food offering. Stadium caterer Spotless launched a whole new range of food items including Chicken Fillet Burgers, Nasi Goreng, Beef and Yorkshire Pudding, Pulled Pork Rolls, Steak Sandwiches, Pasta and Meatballs and Vegetarian Burritos. Feedback on the new menu has been very positive.

Over the year we also commenced the rollout of a wet pour beer system. This was completed along the Eastern Concourse during the year and work has commenced on the Western Concourse. This will enable breweries to offer a greater range of beverages than in the past and provides a better product experience for our fans.



**ALL BLACKS VS AUSTRALIA**  
24 August 2013



**WELLINGTON LIONS**  
28 August 2013



**WELLINGTON FIREBIRDS V CENTRAL DISTRICTS**  
22 November 2013

## ACKNOWLEDGEMENTS



MEZZANINE LOUNGE OPENING  
April 2014



SEVENS TOURNAMENT  
7-8 February 2014



MEZZANINE LOUNGE OPENING  
April 2014

There was substantial change to the Board of Trustees over the year following the retirement of three long standing Trustees.

Sir John Anderson (first appointed July 2006), Chris Laidlaw (first appointed November 2004) and John Morrison (first appointed November 2007) all stepped down during the year. With 23 years of collective experience on the Board between them, we are very grateful for the support and expertise each offered over the years.

We welcomed Paul Eagle on the board as Wellington City Council's representative. Paul stepped aside later in the year to be replaced by Councillor Simon Marsh. We welcomed Councillor Nigel Willson as the Greater Wellington Regional Council representative.

We also welcome Rachel Taulelei as a new Trustee. As founder and CEO of Yellow Brick Road, Rachel brings rich expertise in the areas of catering and service which will be invaluable as we constantly strive to improve in these areas. In 2015 we will also welcome Therese Walsh onto the Board. Therese is one of New Zealand's leading sports administrators and will join us when her commitments as Head of New Zealand for ICC Cricket World Cup 2015 come to an end.

The Trust strives to provide a diverse and balanced calendar of events and to achieve this we rely on the assistance of both our key stakeholders, the Wellington City Council and Greater Wellington Regional Council. We are very appreciative of the support provided by the Councils in helping us to make a contribution to the lives of the citizens in the region.

With a small team of staff, we are very reliant on our stable and committed group of suppliers and contractors who are often asked to provide services at short notice with tight time frames. We thank them for their professionalism and contributions.

**We would not have an operating Stadium if it were not for the events that our clients bring to the venue. We are most appreciative and thank:**

- Wellington Rugby Football Union
- New Zealand Rugby League
- New Zealand Rugby Union
- New Zealand Warriors and the NRL
- Wellington Phoenix Football Club
- Jade Promotions
- New Zealand Football
- North Port Events
- Cricket Wellington
- Beervana
- New Zealand Cricket
- Armageddon
- St Kilda Football Club and the AFL

We thank our small dedicated team led by our senior management team of Linda Rieper, Katherine Andersen, Brian Stirton and Mark Nunn.

Most importantly, we thank all of you who attended events during the last year, and we look forward to providing you with memorable experiences in the years ahead.

**John Shewan**  
Chairman

**Shane Harmon**  
Chief Executive

Westpac Stadium Annual Report 2014

**FINANCIAL  
STATEMENTS**



Item 2.1 Attachment 2

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**STATEMENT OF COMPREHENSIVE INCOME** FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	2014 \$000	2013 \$000
<b>Revenues</b>			
Event Revenues		5,806	6,097
License Fees and Sponsorship Revenues		5,329	5,685
Amortisation of Membership, Corporate Box and Sponsorship Funding		2,846	2,788
Interest income		10	24
Sundry income	1	2,342	2,108
<b>TOTAL REVENUE</b>		<b>16,333</b>	<b>16,702</b>
<b>Less Operating Expenses</b>			
	2	<b>9,799</b>	<b>9,504</b>
<b>Operating Surplus before Depreciation &amp; Finance costs</b>		<b>6,534</b>	<b>7,198</b>
Less:			
Depreciation	7	3,588	3,566
Finance costs	3	704	570
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,242</b>	<b>3,062</b>

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



Westpac Stadium Annual Report 2014

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

	NOTES	2014 \$000	2013 \$000
<b>TRUST FUNDS</b>			
Accumulated Surplus		80,844	78,602
<b>NON-CURRENT LIABILITIES</b>			
<b>Limited Recourse Loans</b>			
Greater Wellington Regional Council	4	934	781
Wellington City Council	4	560	468
Wellington City Council - Accrued Interest	4	6	5
<b>Total Limited Recourse Loans</b>		<b>1,500</b>	<b>1,254</b>
<b>Other Non-Current Liabilities</b>			
Revenue in Advance		35	1,427
Borrowings	5	10,890	7,930
<b>Total Other Non-Current Liabilities</b>		<b>10,925</b>	<b>9,357</b>
<b>CURRENT LIABILITIES</b>			
Revenue in Advance		5,132	6,302
Payables	6	1,342	1,435
<b>Total Current Liabilities</b>		<b>6,474</b>	<b>7,737</b>
<b>TOTAL FUNDING</b>		<b>99,743</b>	<b>96,950</b>
Represented by:			
<b>NON-CURRENT ASSETS</b>			
Property Plant & Equipment	7	98,535	95,654
<b>Total Non-Current Assets</b>		<b>98,535</b>	<b>95,654</b>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents		111	136
Receivables & Prepayments	8	1,097	1,160
<b>Total Current Assets</b>		<b>1,208</b>	<b>1,296</b>
<b>TOTAL ASSETS</b>		<b>99,743</b>	<b>96,950</b>

On behalf of the Trustees:



**TRUSTEE**

25 August 2014



**TRUSTEE**

25 August 2014

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

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**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014**

	NOTES	2014 \$000	2013 \$000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Cash was provided from:			
Event and operating income		5,781	6,203
License fees and sponsorships		5,681	5,456
Interest received		10	24
Goods and services tax (net*)		32	-
Sundry income		2,278	2,106
		<b>13,782</b>	<b>13,789</b>
Cash was applied to:			
Payments to suppliers and employees		(9,599)	(9,765)
Interest paid		(566)	(498)
Goods and services tax (net*)		-	(64)
		<b>(10,165)</b>	<b>(10,327)</b>
<b>Net cash inflow from operating activities</b>	14	<b>3,617</b>	<b>3,462</b>
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>			
Cash was provided from:			
Disposal of property, plant & equipment		2	3
Cash was applied to:			
Purchase of property, plant & equipment		(6,604)	(5,367)
<b>Net cash (outflow) from investing activities</b>		<b>(6,602)</b>	<b>(5,364)</b>
<b>CASH FLOWS (USED IN) FINANCING ACTIVITIES</b>			
Cash was provided from:			
Loan drawdown		2,960	430
<b>Net cash inflow from financing activities</b>		<b>2,960</b>	<b>430</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(25)</b>	<b>(1,472)</b>
Cash at beginning of the period		136	1,608
<b>CASH AT END OF THE PERIOD</b>		<b>111</b>	<b>136</b>
Composition of cash:			
Cash at bank		111	136
		<b>111</b>	<b>136</b>

\* 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.

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

Westpac Stadium Annual Report 2014

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

**1. SUNDRY INCOME**

	2014 \$000	2013 \$000
Carpark income	1,442	1,252
Tenancy income	394	388
Other sundry income	506	468
<b>TOTAL SUNDRY INCOME</b>	<b>2,342</b>	<b>2,108</b>

**2. OPERATING EXPENSES**

	2014 \$000	2013 \$000
Event operating expenses	4,038	4,263
Maintenance and facility operation	2,814	2,598
Personnel	1,993	1,903
Trustee Fees	163	154
Loss on disposal of assets	63	145
Bad debt expense	15	-
Audit Fee – annual audit	32	29
Rental expense on operating leases	19	19
Other operating expenses	662	393
<b>TOTAL OPERATING EXPENSES</b>	<b>9,799</b>	<b>9,504</b>

**3. FINANCE COSTS**

NOTE	2014 \$000	2013 \$000
Interest on Bank Loan	565	482
Interest on Limited Recourse Loans	4 245	205
Interest rate swaps – fair value adjustment	(117)	(128)
Other financing charges	11	11
<b>TOTAL FINANCE COSTS</b>	<b>704</b>	<b>570</b>

**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 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 the Greater 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**

	2014 \$000	2013 \$000
<b>Non-Current Borrowings</b>		
Westpac New Zealand Ltd	10,890	7,930

The Westpac borrowing is secured by Composite General Security Agreement and a registered first and exclusive Mortgage over the Stadium property.

The following interest rate swaps have been entered into, effectively fixing interest rates at:

	Interest Rate	Expires
\$2.5 million	5.40%	October 2015
\$2.5 million	6.53%	October 2016
\$2.5 million	6.08%	November 2017

The remainder of the loan is on floating rates that range between 5.03% and 5.30% at balance date.

At balance date the loan limit is \$14 million, and therefore \$3.1 million remains available for drawdown if required. Repayment terms relating to the balance of the loan at 30 June 2016 will be renegotiated at or before that date.

**6. PAYABLES**

	2014 \$000	2013 \$000
Trade payables	340	864
Accrued expenses	750	283
Employee entitlements	219	138
Fair value of interest rate swaps	33	150
	<b>1,342</b>	<b>1,435</b>

## 7. PROPERTY PLANT & EQUIPMENT

	<b>COST</b>	<b>ACCUMULATED DEPRECIATION</b>	<b>CARRYING VALUE</b>	<b>DEPRECIATION CHARGE</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>2014</b>				
Land	4,225	-	4,225	-
Pitch	1,186	(125)	1,061	13
Stadium Buildings	86,248	(21,448)	64,800	1,670
Fitout	16,474	(6,746)	9,728	654
Replay Screen & Production equipment	3,849	(2,201)	1,648	302
Fittings	1,591	(1,198)	393	72
Plant, machinery & equipment	26,483	(10,465)	16,018	877
Work in progress	662	-	662	-
	<b>140,718</b>	<b>(42,183)</b>	<b>98,535</b>	<b>3,588</b>
<b>2013</b>				
Land	4,225	-	4,225	-
Pitch	1,202	(115)	1,087	13
Stadium Buildings	83,861	(19,802)	64,059	1,647
Fitout	15,070	(6,092)	8,978	595
Replay Screen & Production equipment	3,801	(1,914)	1,887	299
Fittings	1,342	(1,129)	213	62
Plant, machinery & equipment	22,662	(9,605)	13,057	950
Work in progress	2,148	-	2,148	-
	<b>134,311</b>	<b>(38,657)</b>	<b>95,654</b>	<b>3,566</b>

There is no evidence of impairment in Property Plant and Equipment at balance date. For details of the security held by Westpac over the stadium land and buildings refer to Note 5.

## 8. RECEIVABLES

	<b>2014 \$000</b>	<b>2013 \$000</b>
Trade receivables	673	752
Prepayments	424	408
	<b>1,097</b>	<b>1,160</b>

## 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 settlers of the Trust, the governing body and key management personnel.

### SETTLORS OF THE TRUST

#### Wellington City Council

During the period Wellington City Council's representative on the Board of Trustees has been:

Councillor John Morrison	until October 2013
Councillor Paul Eagle	November 2013 to May 2014
Councillor Simon Marsh	June 2014 onwards

The following transactions took place on normal commercial terms:

	<b>2014 \$000</b>	<b>2013 \$000</b>
Services provided to Council	2	297
Receivables balance outstanding	-	72
Services provided by Council	279	276
Payable balance outstanding	20	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. During the year the Trust provided turf management services to the Basin Reserve Trust, at no charge, to the value of \$210,989 (2013: \$232,987). Services provided and charged for were \$37,895 (2013: \$16,133) and the receivables balance outstanding was nil (2013: \$nil). Sir John Anderson, John Morrison and Paul Eagle were also trustees 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 value of services provided by Wellington Venues to the Trust was nil (2013: \$nil). There were no other transactions with Wellington Venues in the current or prior years.

#### **Greater Wellington Regional Council**

Councillor Christopher Laidlaw was the Greater Wellington Regional Council's representative on the Board of Trustees until October 2013, when he was replaced by Councillor Nigel Wilson.

Details of the Advance from the Greater Wellington Regional Council are given in Note 4. Services provided by the Council during the year were \$12,500 (2013: \$nil). There were no other transactions with the Council during the year.

#### **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.

Elizabeth Dawson is a director of Hurricanes GP, New Zealand Cricket and St Kilda Football Club. These entities are all hirers of the Stadium. She and her partner are directors of a company that leases a corporate box at the Stadium. Sue Elliott is a director of Communications Chambers who were a supplier to the Trust in 2013. Mark McGuinness is a shareholder in Welnix LP who hold the A-League license for Wellington Phoenix FC, and a director of Hurricanes GP. Steven Fyfe is on the Board of Cricket Wellington who are a tenant of the Trust. He is also the Chair of Cigna Life who are a customer of the Trust. Sir John Anderson was the Chairman of PGG Wrightson who are a supplier to the Trust.

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:

	2014 \$000	2013 \$000
Revenues	1,000	2,619
Receivables balance outstanding	6	11
Purchases	428	2,183
Payable balance outstanding	4	168

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:

	2014 \$000	2013 \$000
<b>Operating leases</b>		
Non cancellable operating lease commitments		
Within one year	19	19
Between one and five years	54	59
More than five years	68	81
	141	159
<b>Capital expenditure</b>		
Amounts committed to capital expenditure	-	4,378

## **12. CONTINGENCIES**

The Trust has no contingent liabilities at 30 June 2014 (2013: 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

	2014 \$000	2013 \$000
Net surplus for the year (total comprehensive income)	2,242	3,062
<b>Impact of changes in working capital items</b>		
(Increase)/Decrease in receivables and prepayments	63	(284)
(Decrease)/Increase in revenue in advance	(1,170)	31
(Decrease) in payables and provisions	(93)	(619)
	<b>(1,200)</b>	<b>(872)</b>
<b>Non operating items in above movements</b>		
Revenue in advance	1,385	218
Payables	123	51
<b>Non cash items in operating surplus</b>		
Depreciation	3,588	3,566
Amortisation	(2,748)	(2,788)
Other	192	225
Movement in non current revenue in advance	35	-
<b>Net cash inflow from operating activities</b>	<b>3,617</b>	<b>3,462</b>

#### 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 2014. The financial statements were authorised for issue by the Trustees on 25 August 2014.

##### 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 original memberships and corporate box licenses was 15 years and this term expires on 31 December 2014. 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 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.

**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.



Westpac Stadium Annual Report 2014

## **INDEPENDENT AUDITOR'S REPORT**

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

### **To the readers of the Wellington Regional Stadium Trust's financial statements for the year ended 30 June 2014**

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 15 to 23, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income and the 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 15 to 23:
  - 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 2014; and
    - financial performance and cash flows for the year ended on that date.

Our audit was completed on 25 August 2014. 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, in our judgement, are likely to influence readers' 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 preparation of the Trust's 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. Also we did not evaluate the security and controls over the electronic publication 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; and
- 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 it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

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 External Reporting Board.

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



**J R Smaill**  
**Audit New Zealand**

On behalf of the Auditor General, Wellington, New Zealand



**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)**

TRUST PARTICULARS AT 30 JUNE 2014

**SETTLORS**

Wellington City Council  
Greater Wellington Regional Council

**TRUSTEES**

J B Shewan  
Sir John A Anderson (retired 30 June 2014)  
E A Dawson  
S E Elliott  
S M Fyfe  
S Marsh  
M D McGuinness  
N Wilson

**DATE OF SETTLEMENT**

1 January 1998

**AUDITORS**

Audit New Zealand, Wellington on behalf  
of the Controller and Auditor-General

**SOLICITORS**

Maude & Miller

**BANKERS**

Westpac New Zealand Ltd

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## UPDATE ON MAJOR PROJECTS

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### Purpose

1. The Committee will receive an update on the major projects work underway, in particular an update on Innovation Projects and the Events calendar for 2014/15.

### Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

### Discussion

2. In addition to the Tech Precinct work considered recently by the Committee, there are a number of Innovation Projects currently underway. The Innovation team will provide an update to the Committee on this work.
3. There is a busy and varied events calendar planned for 2014/15, with the Council involved in the funding and/or delivery of over 90 events. The Manager, City Events will provide an update to the Committee on this work.

### Attachments

Nil

Author	Derek Fry, Director City Growth & Partnerships
Authoriser	Derek Fry, Director City Growth & Partnerships