

HALF YEAR IN REVIEW

Rugby: With event patrons totalling 35,820 the All Blacks test match against South Africa in September was a sell-out, including temporary seats. ITM Cup Rugby attendances have again declined, averaging less than 3,000 for the round robin games which is a decrease from the prior season average of 4,282. This was attributable in large part to the performance of the Lions, winning just one game all season, compared to their appearance in the final the previous year.

Football: The Football United tour saw 26,106 patrons attend the two (back to back) matches on a sunny afternoon in July. The atmosphere was good and the afternoon format was good for family attendance. Average attendance at the first four Phoenix games was 7,387 which was up on the overall average for the prior season.

Exhibitions: Beervana maintained its popularity and returned for its third year. The Home and Garden Show was held in September and attracted good crowds. A new event held during August was the Foodstuffs Expo – this was a trade show, showcasing new products and equipment attracting many visitors from out of town.

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Other: The Rugby League four nations final was hosted and attended by 22,008 fans.

Cricket: Over a weekend in November, the stadium hosted five domestic T-20 games as part of the Georgie Pie Super Smash tournament. As experienced elsewhere across the country, attendances were not high, but these games are required to be played under lights for television purposes. Currently the Cricket World Cup 2015 is being hosted.

The Stadium has extended its public food offering with the opening of the East Mezzanine Bar and the introduction of mobile food carts. Publicity regarding the food items now on offer has been positive.

During the period, the wet pour beer project was completed and commissioned. Once again, feedback has generally been positive. Wet pour provides for more flexibility in the range of beer that can be offered (subject to the codes' pourage rights), such as the provision of low and mid strength beers.

Rachel Taulelei joined the Board on 1 July 2014 replacing Sir John Anderson. On the staff, the Trust established a new role of Fan Engagement and Digital Manager as this area has become increasingly important to the Trust.

SUMMARY FINANCIALS

* Variance (Actual minus Budget). ✓ Favourable variance to budget ✗ Unfavourable variance to budget

FINANCIAL PERFORMANCE	H1 Budget	H1 Actual	Variance*	FY Budget
(\$000)	31-Dec-14	31-Dec-14	31 Dec 14	30-Jun-15
Total Revenue	7,204	8,012	808 ✓	14,900
Opex before Interest & Depn	4,654	4,681	27 ✗	8,990
Interest & Depn	2,505	2,429	76 ✓	4,790
Net Surplus	45	901	857 ✓	830
FINANCIAL POSITION				
Total Assets	n/a	104,446	n/a	104,100
Bank borrowings	n/a	10,400	n/a	13,000
Total Liabilities	n/a	22,701	n/a	22,700
Equity	n/a	81,745	n/a	81,400
CASH FLOWS				
Operating Cash Flow	n/a	2,047	n/a	(310)
Investment Cash Flow	n/a	(1,572)	n/a	(3,790)
Financing Cash Flow	n/a	1,980	n/a	8,650
Net Cash Flow	n/a	2,455	n/a	4,550
Opening Cash	n/a	111	n/a	1,000
Closing Cash On Hand	n/a	2,566	n/a	5,550

The net surplus for the six months ending 31 December 2014 is \$901k compared to a budget of \$45k. Event revenues were \$503k ahead of budget, offset by event expenditure being \$160k ahead of budget. The Georgie Pie cricket weekend was an event that was additional to budgeted events and the well-attended events such as the All Blacks test, Four Nations final and Football United matches were ahead of budget. Sundry income was \$300,000 ahead of budget due largely to non-event day car parking which has continued to be very well utilised. This positive variance of \$857k is expected to reduce over the next six months due to some events, notably the Sevens being unlikely to achieve budgeted returns in addition to lower than budgeted membership sales.

EVENT DASHBOARD

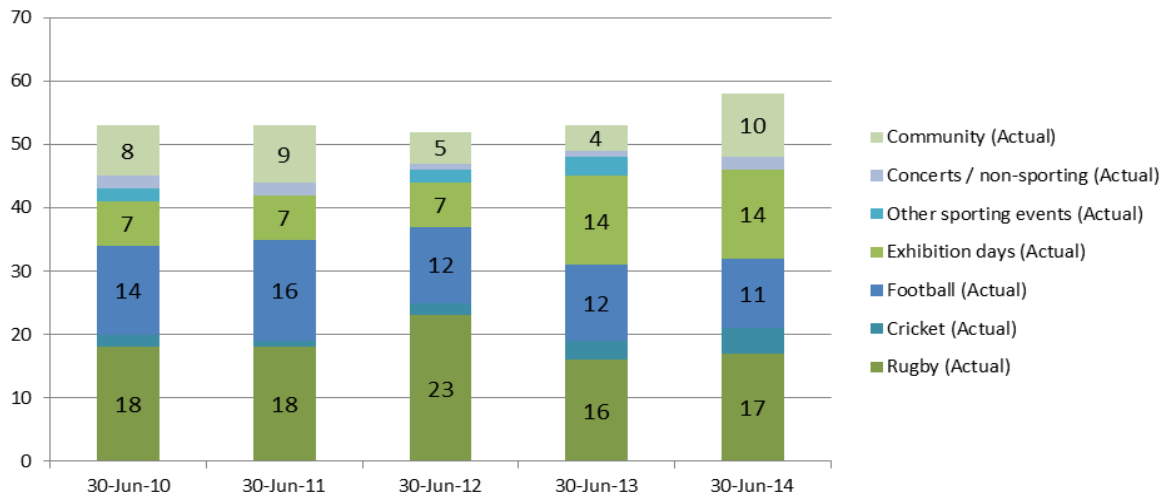
✓ Achieved ✗ Not Achieved. The 3 Year Trend = year on year actual/nominal performance → Steady ↗ Improving ↘ Declining

The table contains a selection of KPIs and measures and is not a complete list.

MEASURE	Actual 31 Dec 13	Actual 31 Dec 14	Target 31 Dec 14	Target 30 Jun 15	Comments (H1 to 31 Dec 14)
Total event days	22	23	23	52	Event highlights were the Football United Tour in July, the All Blacks match in September and the final of the Rugby League Four Nations in November.
Number of events	18	17		n/a	
Attendance	173,495	164,142		n/a	
Rugby event days	8	6 ✓	6	12	All Blacks v South Africa. ITM Cup Rugby: 5 round robin games.
Attendance	87,274	50,470		n/a	
Cricket event days	2	3 ✓	0	6	Georgie Pie Super Smash Domestic T20 competition: 5 games across weekend.
Attendance	1,640	2,596		n/a	
Football event days	5	6 ✗	7	15	Football United Tour. A-League (Phoenix): 5 Regular season games.
Attendance	60,690	63,041		n/a	
Exhibition days	2	7	7	10	Beervana. Foodstuffs Expo (trade). Home & Garden Show.
Attendance	23,347	26,025		n/a	
Other sporting event days	--	1 ✓	1	3	Rugby League: Four Nations Final.
Attendance	--	22,008		n/a	
Concerts / non-sporting event days	1	0 ✓	0	1	
Attendance	648	--		n/a	
Community	--	6 ✓	2	5	The Trust is broadening the usage of the Stadium and introducing new events with a community focus.
Attendance	--	--		n/a	

Future events: The Cricket World Cup jointly hosted with Australia is currently playing at the Stadium and other venues in New Zealand. The FIFA Under 20 World Cup is due to begin in July 2015. The Elton John Concert, to be held in November 2015, was secured during the period. A Warriors match has been confirmed for August 2015.

Events Calendar



ISSUES & OUTLOOK

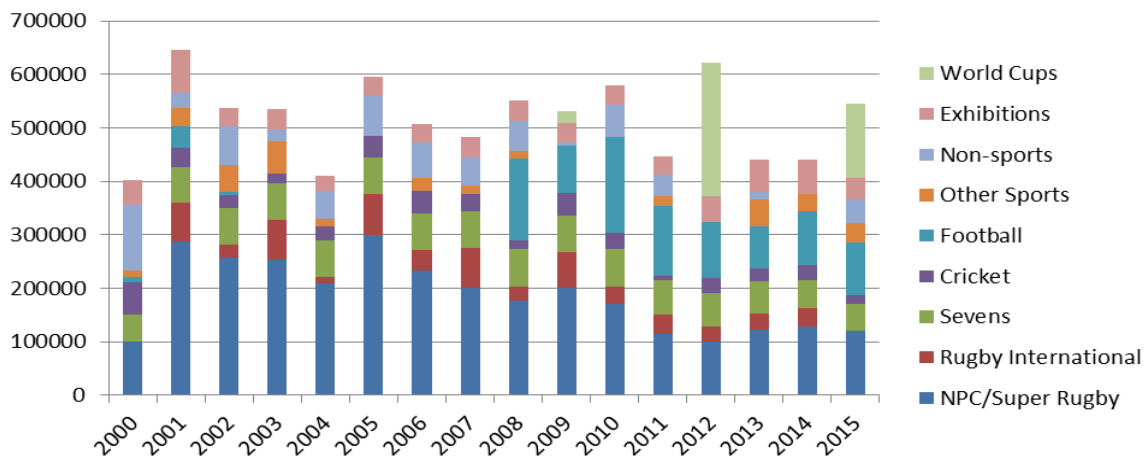
The outlook for events is strong. The Trust is in negotiation for a number of major events over the next two years and expects to host a record number of events over the next 12 months. Attendances are expected to exceed 500,000 for the year to 30 June 2015.

At the time of writing, the Stadium had just hosted the CWC2015 pool match between New Zealand and England (held Fri 20th Feb) and following this sold out event there has been a lot of negative press about the Stadium's food and beverage management. The complaints relate mostly to long queues (over 30 minutes for service). The Chief Executive's response is that this will not happen again. Improving the level of service provided to event patrons is a continuing challenge for the Trust and according to public comment this is an issue that still needs to be remedied.

The renewal of memberships is a continuing challenge for the Trust. Membership sales were 50% of the target of 2,100. The Trust expects that sales will continue throughout the year and on an ongoing basis. The Trust has licensed 28 boxes representing 537 seats compared to a target of 30 boxes and 600 seats and aims to achieve that target this year.

Attendances continue to challenge teams and venues across New Zealand, particularly in the main centres for Super Rugby and ITM Cup. The Trust is working closely with its key hirers to collectively develop strategies to grow attendances including broader membership and season pass strategies.

Attendance Mix



2015 – forecast figures to 30 June.

EFFECTIVENESS INDICATORS

EFFECTIVENESS 30 JUNE	2009	2010	2011	2012	2013	2014
Event days (excl. minor events)	36	51	55	50	49	51
Attendance	528,038	579,095	447,211	621,497	441,553	439,638
Average attendance per event day	14,668	11,355	8,131	12,430	9,011	8,620

The number of event days that the stadium hosts has increased steadily and the stadium continues to be well utilised. The Trust is broadening its usage and introducing many new events which have a greater community focus (e.g. sports days, marathons etc.) which are not included above.

Wellington Regional Stadium Trust
Half yearly report to settlers
For six months ending 31 December 2014

The Trustees are pleased to present this report of operations for the six months ending 31 December 2014.

EVENTS

Once again we have had a busy six month period, with a variety of events. Total event days were 23, and attendance was 164,142.

<i>Event</i>	<i>Month</i>	<i>Attendance</i>
<i>Rugby</i> All Blacks v South Africa ITM Cup Rugby: 5 round robin games	September August to October	35,820 2,930 avg
<i>Football</i> Football United Tour A-League – Phoenix: 5 Regular season games	July October to December	26,106 7,387 avg
<i>Rugby League</i> Four Nations Final	November	22,008
<i>Exhibitions</i> Beervana Foodstuffs Expo (trade) Home & Garden Show	August August September	7,825 3,000 15,200
<i>Cricket</i> Georgie Pie Super Smash – Domestic T20 competition – 5 games across weekend	November	2,596

Event highlights were the Football United Tour in July, the All Blacks match in September and the final of the Rugby League Four Nations in November.

The eagerly anticipated Football United Tour occurred on a sunny afternoon in July. Two matches took place with Sydney FC playing West Ham and the Phoenix playing Newcastle United. It was a great atmosphere and the afternoon kick off was attractive for families.

Following 2013's sell-out All Blacks Test Match against Australia, it was pleasing to see the feat repeated in 2014 with another sell-out, including temporary seats, against South Africa. Operationally the event went very well.

November saw the Stadium play host to the Four Nations Rugby League final. This event had a number of challenges with a late kick-off time of 8.45 pm (for broadcasting reasons) and the two competing teams only being confirmed the week prior. But again, operationally it went very well, the crowd was well behaved, and the event received a lot of positive media feedback.

ITM Cup Rugby attendances have again declined, and averaged just under 3,000 for the round robin games which is a decrease from the prior season average of 4,282. This was attributable in large part to the performance of the Lions, winning just one game all season, compared to their appearance in the final the previous year.

Average attendance at the first four Phoenix games was 7,387 which was up on the overall average for the prior season. It was unfortunate (but unavoidable) that there was such a gap between the successful Football United matches (played in the EPL pre-season) and the start of the A-League season.

Beervana returned for its third year and continues in popularity. The Home and Garden Show was held in September and attracted good crowds. A new event held during August was the Foodstuffs Expo – this was a trade show, showcasing new products and equipment attracting many visitors from out of town.

Over a weekend in November, we hosted five domestic T-20 games as part of the Georgie Pie Super Smash tournament. As experienced elsewhere across the country, attendances were not high, but these games are required to be played under lights for television purposes.

Upcoming events

The Elton John Concert, to be held in November 2015, was secured during the period.

A Warriors match has been confirmed for August 2015. We are also working on securing several other potential events.

We have continued to work with the organisers of the Cricket World Cup and FIFA Under-20 World Cup as they continue planning for the 2015 tournaments.

CUSTOMER SATISFACTION

The Stadium has extended its public food offering with the opening of the East Mezzanine Bar and the introduction of mobile food carts. Publicity regarding the food items now on offer has been positive and indicates that the new offerings have been well received.

During the period, the wet pour beer project has also been completed and commissioned. Beer service across the concourse provides fresh and cold keg beer in cups rather than plastic bottles. Once again, feedback has generally been positive. Wet pour also provides for more flexibility in the range of beer than can be offered (subject to the codes' pourage rights), such as the provision of low and mid strength beers.

The annual foundation Members survey conducted in October 2014 provided a pleasing result with a “Good to Excellent” rating for the overall membership experience at 66%, with an average rating of 7.5 (out of 10) compared to 6.5 in the previous year.

The Trust is in the process of contracting research and survey work to be done on a regular basis in the public areas, to commence after the ICC Cricket World Cup Tournament.

It has been pleasing to see more balanced media coverage of Stadium matters this year, in part due to a more proactive media strategy being adopted.

RENEWAL OF MEMBERSHIP AND CORPORATE BOX LICENSES

We have licensed 28 boxes representing 537 seats compared to a target of 30 boxes and 600 seats.

On the membership side, membership sales achieved were half of the target of 2,100. The launch to the public was later than previously planned and we expect that sales will continue throughout the year and on an ongoing basis.

RELATIONSHIP WITH HIRERS

We are working closely with our key hirers to collectively develop strategies to grow attendances. We are engaging with them in regard to broader membership and season pass strategies.

MAINTAINING AND ENHANCING THE FACILITY

With the two World Cups in the current financial year, no further capital works are planned.

During the period we completed the rollout of wet pour to the western side of the Stadium, which included construction of an additional two coolstores. The Stadium now has wet pour throughout 80% of the concourse allowing a variety of beers and cider to be served.

As mentioned previously, we also purchased two further food carts and two beverage carts continuing this additional style of food and drink delivery that was introduced last year. The carts offer more variety and their locations can be altered in response to seating plans for each event.

Turf

The turf is currently in very good condition going into the exceptionally busy summer and autumn period. We were able to undertake a mini turf renovation process in December and are well placed to cope with the heavy event schedule for the next few months.

FINANCIAL RESULTS

The net surplus for the six months ending 31 December 2014 is \$901,000 compared to a budget of \$45,000. We expect this positive variance to reduce over the next six months due to some events, notably the Sevens being unlikely to achieve budgeted returns in addition to lower than budgeted membership sales.

Event revenues are \$503,000 ahead of budget, offset by event expenditure being \$160,000 ahead of budget. Financial results from the well-attended events such as the All Blacks test, Four Nations final and Football United matches were ahead of budget. The Georgie Pie cricket weekend was an event that was additional to budgeted events.

Sundry income was \$300,000 ahead of budget. This is largely due to non-event day carparking which has continued to be very well utilised.

INSURANCE

We completed the renewal of insurance during this reporting period. We are pleased to have confirmed cover to the levels of the previous year being \$150m for material damage and \$25.6m for Business Interruption. While still a significant expense, the premium has reduced from the previous year.

OTHER MATTERS

Health & Safety

The Board receives regular detailed Health and Safety reports from management. Good progress is being made on continuous improvement to our health and safety practices, including work with the many contractors, hirers and other users of the Stadium.

Staffing

Rachel Taulelei joined the Board on 1 July 2014 replacing Sir John Anderson.

Two of our long-serving management team moved on during the period – Marketing Manager, Steve Thompson and Operations Manager, Mark Nunn. Both of these positions have been filled.

We established a new role of Fan Engagement and Digital Manager as this area has become increasingly important to the Trust.

CONCLUSION

During the last six months we have:

- Provided residents and visitors with a wide range of events to attend
- Continued to enhance the Stadium facility and experience
- Exceeded financial targets for the period

While challenges remain, particularly with respect to membership renewals, we look forward to a very busy six months ahead with the two World Cups as well as Super Rugby, Phoenix, AFL and exhibitions.

John Shewan
Chairman
February 2015

Wellington Regional Stadium Trust Key Performance Indicators

FINANCIAL	Actual			Budget			Reforecast Budget	YTD Variance		
	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Annual</i>		YTD Variance	31-Dec-14	%
	<i>31-Dec-14</i>	<i>30-Jun-15</i>	<i>YTD</i>	<i>31-Dec-14</i>	<i>30-Jun-15</i>	<i>Budget</i>				
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>				
Event revenue	2,455		2,455	1,952	3,518	5,470	6,211	503	26%	
Total income	8,012		8,012	7,204	7,720	14,924	14,890	808	11%	
Net surplus/(deficit)	901		901	45	791	836	1,168	856	1911%	
Net cashflow movement	2,455		2,455	(804)	5,353	4,549	3,985	3,259	405%	
Net bank debt	10,304		10,304	13,303	7,550	7,550	7,224	(2,999)	23%	
Liquidity Ratio (Current Assets to Current Liabilities)	0.75		0.75	0.43	2.14	2.14	0.76			
Bank borrowing to Total Assets	9.96%		9.96%	13.51%	12.49%	12.49%	8.38%			
Stadium Enhancements (Capex)	1,531		1,531	2,516	1,280	3,796	1,891	(985)	(39%)	

Wellington Regional Stadium Trust Key Performance Indicators

EVENTS	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>1st half</i>	<i>2nd half</i>	<i>Total</i>	<i>Reforecast</i>	<i>YTD Variance</i>	
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	<i>Budget</i>		
	<i>31-Dec-14</i>	<i>30-Jun-15</i>	<i>YTD</i>	<i>31-Dec-14</i>	<i>30-Jun-15</i>			<i>31-Dec-14</i>	
Events held during period									
Rugby	6		6	6	6	12	14		
Cricket	3		3	0	6	6	9		
Football	6		6	7	8	15	16		
Other Sport	1		1	1	2	3	2		
Concerts/Other events	0		0		1	1	1		
Exhibition Days	7		7	7	3	10	10		
Total events	23	0	23	21	26	47	52	2	10%
Community events	6		6	2	3	5	8		
Total events (days)	29	0	29	23	29	52	60	6	26%
Total numbers attending	164,142		164,142						

Wellington Regional Stadium Trust
Statement of Financial Performance
For the Six Months Ending 31 December 2014

	Actual YTD	Budget YTD	Variance	Annual Budget	31-Dec-13 Actual 6 months
	\$	\$	\$	\$	
Operating Revenue					
Event Revenues	2,455,349	1,952,332	503,017	5,470,495	2,616,936
License Fees & Sponsorship	2,600,877	2,587,008	13,869	3,471,654	2,728,347
Amortisation	1,437,717	1,437,717	0	3,552,492	1,408,066
Interest income	6,492	16,416	(9,924)	155,307	3,515
Sundry income	1,511,081	1,210,269	300,812	2,273,880	1,158,468
Total Revenue	8,011,516	7,203,742	807,774	14,923,828	7,915,332
Operating Expenses					
Event	1,568,140	1,407,975	(160,165)	2,616,745	1,810,470
Other operating expenses	3,112,915	3,245,992	133,077	6,378,258	3,058,214
	4,681,055	4,653,967	(27,088)	8,995,003	4,868,684
Operating Surplus before Depreciation and Interest	3,330,461	2,549,775	780,686	5,928,825	3,046,648
Depreciation	1,874,272	1,917,058	42,786	3,876,407	1,776,479
Interest	554,777	587,911	33,134	1,216,575	299,505
Net Operating Surplus	901,412	44,806	856,606	835,843	970,664

Wellington Regional Stadium Trust
Statement of Financial Position
As at 31 December 2014

	31-Dec-14 \$	30-Jun-14 \$
Trust Funds		
Accumulated Surplus	81,745,373	80,843,962
Limited Recourse Loans		
Wellington Regional Council	1,020,950	933,702
Wellington City Council	612,571	560,222
Wellington City Council - Accrued Interest	5,820	5,339
Total Trust Funds & Limited Recourse Loans	<u>83,384,714</u>	<u>82,343,225</u>
Non Current Liabilities		
Term Loans	10,400,000	10,890,000
Revenue in Advance	2,332,322	35,374
Total Non Current Liabilities	<u>12,732,322</u>	<u>10,925,374</u>
Current Liabilities		
Payables & Accruals	3,726,506	1,342,114
Revenue in Advance	4,602,932	5,132,614
Total Current Liabilities	<u>8,329,438</u>	<u>6,474,727</u>
Total Funding	<u><u>104,446,474</u></u>	<u><u>99,743,326</u></u>
Represented by:		
Non Current Assets		
Fixed Assets	98,186,565	98,535,172
Total Non Current Assets	<u>98,186,565</u>	<u>98,535,172</u>
Current Assets		
Cash	2,566,114	111,009
Receivables & Prepayments	3,693,795	1,097,145
Total Current Assets	<u>6,259,909</u>	<u>1,208,154</u>
Total Assets	<u><u>104,446,474</u></u>	<u><u>99,743,326</u></u>

Wellington Regional Stadium Trust	6 mths	6 mths
Statement of Cash Flows	31-Dec-14	31-Dec-13
For the six months ended 31 December 2014	\$	\$
Operating activities		
<i>Cash was provided from:</i>		
Event and operating income	2,705,760	2,689,800
License fees and sponsorships	3,546,883	3,488,245
Interest received	6,492	3,515
Goods and services tax (net)	-	345,286
Sundry income	1,609,606	1,166,114
	<u>7,868,742</u>	<u>7,692,960</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(5,475,809)	(5,452,857)
Interest paid	(332,822)	(267,472)
Goods and services tax (net)	(12,636)	-
	<u>(5,821,267)</u>	<u>(5,720,330)</u>
Net cash inflow from operating activities	2,047,475	1,972,630
Investing activities		
<i>Cash was provided from:</i>		
Disposal of fixed assets	6,500	-
<i>Cash was applied to:</i>		
Purchase of fixed assets	(1,578,870)	(3,445,202)
Net cash outflow from investing activities	<u>(1,572,370)</u>	<u>(3,445,202)</u>
Financing activities		
<i>Cash was provided from:</i>		
Drawdown of loans		2,470,000
Third party event funds held	2,470,000	
<i>Cash was applied to:</i>		
Loan repayments	(490,000)	
Net cash inflow from financing activities	<u>1,980,000</u>	<u>2,470,000</u>
Net increase (decrease) in cash held	2,455,105	997,428
Cash at beginning of the period	111,009	136,042
Cash at the end of the period	<u><u>2,566,114</u></u>	<u><u>1,133,470</u></u>
<i>Composition of cash:</i>		
Cash at bank	96,114	1,133,470
Term Deposit	2,470,000	-
	<u><u>2,566,114</u></u>	<u><u>1,133,470</u></u>