Absolutely Positively **Wellington** City Council
Me Heke Ki Pōneke

REPORTS FROM COUNCIL CONTROLLED ORGANISATIONS FOR THE QUARTER ENDING 31 MARCH 2015

Purpose

1. To provide reports from Basin Reserve Trust and the Wellington Museums Trust for the quarter ended 31 March 2015.
2. The annual report from Wellington International Airport Limited for 2014/15 is also to be considered.

Summary

3. This report includes the quarterly updates from the above Council Controlled Organisations (CCOs) and affiliated entities for the quarter ended 31 March 2015, and the Annual Report for Wellington International Airport Ltd for the year ended 31 March 2015.

Recommendations

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

4. 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; and
   - the Council's overall aims and outcomes.
5. The organisations included in this report are:
   - Basin Reserve Trust (BRT)
   - Wellington Museums Trust (WMT)
6. WRST submits written reports half-yearly. WRST is not a CCO but is included in this reporting framework because of the materiality of the Council's financial commitment to the entity and because of the entity's contribution to Council outcomes.
7. The annual report from Wellington International Airport Limited (WIAL) is also included.
8. The 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

9. If the Committee needs to clarify 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. Basin Reserve Trust Q3 2014/15 Summary and Report
Attachment 2. Wellington Museums Trust Q3 Summary and Report
Attachment 3. Wellington International Airport Ltd 2015 Annual Review

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SUPPORTING INFORMATION

Consultation and Engagement

The organisations in this report consult with the Council on a wide range of matters as part of our "no surprises" relationship.

Treaty of Waitangi considerations

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

Financial implications

The CCOs work within the context of the Council's overall Long Term Plan and Annual Plan framework.

Policy and legislative implications

This report complies with the legislative requirements of the Local Government Act (2002) and is consistent with existing Council policy.

Risks / legal

Not applicable.

Climate Change impact and considerations

The CCOs work with the Council and other organisations in considering the environmental sustainability of their operations, including with the Council's Our Living City programme.

Communications Plan

Not applicable.

QUARTER PERFORMANCE

- Work continued on the Basin Reserve Masterplan in preparation for formally presenting the plan to the Council's Economic Growth and Arts committee in April.
- In February and March, the Basin hosted 18 training sessions for teams as part of CWC2015. The Trust has received overwhelmingly positive feedback with respect to the quality of the facilities and ground, and the operational management of the training sessions.
- The Trust facilitated a meeting in February between the Chief Executive of NZC and Council executive management, to discuss the ongoing use of the Basin Reserve for international cricket matches. In response to the Trust's Masterplan, David White, NZC CEO, has committed to providing a schedule of premiere test matches to the Basin.

YEAR TO DATE PERFORMANCE

Events
- 1 x 5-day test match (Sri Lanka January 3-7)
- 2 x 4-day first class cricket matches
- 4 x 1-day Firebirds cricket matches
- 1 x T20 club match

Training
- 38 uses of the venue as a practice facility (28 by international teams and 12 by domestic teams)

Repairs and Maintenance
- The Trust continued to deliver its planned maintenance programme, including the advancement of plans to address deferred maintenance issues on the Vance Stand and to upgrade the ground keeping facilities.

SUMMARY FINANCIALS

($,000's)

FINANCIAL PERFORMANCE	Q3 Actual	Q3 Budget	Variance	YTD Actual	YTD Budget	Variance	FYE
Total Revenue	347	303	44	638	514	124	548
Operating Expenses	252	175	(77)	622	435	(187)	568
Net Surplus	95	128	(33)	16	79	(63)	20
FINANCIAL POSITION							
Total Assets				946	927	19	843
Total Liabilities				165	40	125	55
Equity				781	887	(106)	788
CASH FLOWS							
Total Net Cash Flows				48	124	(76)	70
Opening Cash				110	80	30	80
Closing Cash				158	204	(46)	150

- The Trust had an operating profit for the quarter of $95k after allowing for depreciation of $22k, $33k behind of budget.
- Income and Expenditure for the year vary from budget in part as a result Turf Management costs, the arrangements for which were put in place after the Statement of Intent had been agreed.
- Income of $347k was $44k ahead of budget partly as a result of ground hire revenue for Cricket World Cup 2015. However, this is offset by lower than expected revenue from Domestic Cricket as a result of fewer games due to CWC2015
- After normalising for Turf Management revenue, expenses were $77k over budget, partly due to event management costs for the January Test match being higher than expected and to consultants costs associated with the development of the Masterplan

CONTACT OFFICER RICHARD HARDIE

KPI DASHBOARD

MEASURE		Q3 31 Mar 15	YTD 31 Mar 15	3 Year Trend	Comments
Cricket Events	*Target*	*8*	*10*	Steady →	The 2014-15 SOI was agreed before the summer programme was confirmed by NZC, hence the lower than budgeted figures for event days, and spectators. Also, only one test match was scheduled in the summer, and held in January (Q3).
	Actual	7 ✗	8 ✗		
Other Sports Events	*Target*	*0*	*4*	Steady →	Most 'other sports' events take place outside the cricket season, in Q1 and Q4.
	Actual	0 ✓	6 ✓		
Community Events	*Target*	*0*	*0*	Steady →	
	Actual	1 ✓	1 ✓		
Cricket Event Days	*Target*	*21*	*27*	Steady →	This figure relates to the late release of NZ Cricket summer cricket schedule noted above.
	Actual	17 ✗	21 ✗		
Other Sports Events Days	*Target*	*0*	*4*	Steady →	
	Actual	0 ✓	6 ✓		
Community Event Days	*Target*	*0*	*0*	Steady →	
	Actual	1 ✓	1 ✓		
Practice Facility Usage Days	*Target*	*40*	*70*	NA	This was a new measure in 2013/14 so no trend data is available.
	Actual	38 ✗	71 ✓		
Numbers attending events	*Target*	*18,200*	*22,800*	Steady →	
	Actual	18,706 ✓	19,506 ✗		

ISSUES & OUTLOOK

- Funding for the Master Plan for the Basin Reserve is included in the Council's draft 10-year plan to be agreed in Q4
- The Basin will be utilised for ANZAC Centenary events in April 2015 to support events at Pukeahu national war memorial park.
- Work on the upgrade of the Ground Keeping Facilities will begin in April 2015. This project has been funded through the mid-term capex review.
- A concert by Robbie Williams has been confirmed for 31 October.
- The Trust is in discussions with the Wellington Rugby Union and Old Boys University Rugby around the future of senior rugby matches being hosted at the Basin. The Trust is also working with soccer and rugby to host more junior sports over the winter.
- The Trust is working with the Wellington Phoenix on using the Basin as a training ground.

CONTACT OFFICER RICHARD HARDIE

BASIN RESERVE TRUST

2014-15

Prepared for Wellington City Council

For the 3rd Quarter 2014-15

Signed ____

Date ____

Basin Reserve Trust
WCC Monitoring Subcommittee **For the quarter to 31 March 2015**

1. OVERVIEW

The three month period under review generally heralds the busiest period of operation for the Basin Reserve, as this is the period of heaviest cricket activity.

The Trust has been active as follows:

Trust Meetings
The Trust met on 3 March, as part of its regular cycle of meetings.

The Trust facilitated a meeting on 20 February between the Chief Executive of NZC and Council executive management, to discuss the ongoing use of the Basin Reserve for international cricket matches.

The Trust also informally presented its proposed "Master Plan" to the Council on 23 February, developing further some of the earlier-reported key objectives.

Master Plan
There were regular meetings held to develop and confirm the Trust's "Master Plan" for the Basin Reserve. This Plan supports the Trust's submission for investment funding in the Council's next LTP 2015-25.

Cricket Programme
The Basin Reserve hosted a very popular test match between NZ and Sri Lanka, in early January (3-7 January). The timing was not ideal from an 'events' perspective, however somewhat surprisingly and pleasingly there was very strong support from the Wellington market through this period.

The Basin also hosted 8 half-day practice sessions for the NZ and Sri Lankan teams, in regards to the test match and also the ODI in late January (played at Westpac Stadium).

The Basin also hosted four one-day games for the Wellington Firebirds, ahead of the ground being passed over for the exclusive use of Cricket World Cup organisers.

Cricket World Cup 2015
The Basin Reserve was utilized as an exclusive training venue for teams visiting Wellington for CWC2015 matches. A total of 18 separate (half-day) training sessions were scheduled for international teams.

Feedback received from these teams was universally positive as regards the quality of the facilities, the assistance of the groundstaff, and the operational management of the trainings themselves.

Other Events
While heavily immersed in CWC throughout this period the Trust was also involved in preliminary discussions and arrangements as regards:

- ANZAC Centenary Events, April 2015;
- AFL visit, April 2015; and
- Potential concert event, October 2015.

2. OPERATIONS

2.1 Performance Analysis

Events

- 1 x 5-day international test match
- 2 x 4 day domestic first-class matches
- 4 x 1-day domestic matches
- 1 x T20 club cricket final
- 38 uses of the venue as a practice facility (28 x international teams & 12 x domestic team)
- 1 x CWC Volunteer Recognition function (in association with Wellington City Council)

2.2 Performance Measures

The actuals against budget are attached.

3. FINANCIAL REPORT

Financial accounts are attached.

Basin Reserve Trust Financial Results 2014/15

($,000's)	Actual Q3 2014/15	Budget Q3 2014/15	Variance Q3 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q3
Statement Of Comprehensive Income								
Income								
Grant Income	229	177	52	488	355	133	355	177
Ground Hire Income	109	91	18	129	119	10	122	79
Other Income	8	34	(26)	17	37	(20)	68	37
Interest Income	1	1	-	4	3	1	3	1
Total Income	**347**	**303**	**44**	**638**	**514**	**124**	**548**	**294**
Building Expenses	9	21	12	32	61	29	81	15
Ground Expenses	107	45	(62)	277	111	(166)	141	15
Occupancy Expenses	39	31	(8)	98	95	(3)	120	28
Event Running Expenses	46	29	(17)	65	37	(28)	40	34
Administration Expenses	21	21	-	72	63	(9)	98	41
Other Expenses	8	8	-	13	8	(5)	8	8
Finance Costs	-	-	-	-	-	-	-	-
Depreciation	22	20	(2)	65	60	(5)	80	102
Total Expenditure	**252**	**175**	**(77)**	**622**	**435**	**(187)**	**568**	**243**
Total Comprehensive Income (Deficit) for the Period	**95**	**128**	**(33)**	**16**	**79**	**(63)**	**(20)**	**51**

Basin Reserve Trust Financial Results 2014/15

($,000's)	Actual Q3 2014/15	Budget Q3 2014/15	Variance Q3 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q3
Statement of Financial Position								
Total Non Current Liabilities				-	-	-	-	-
Total Current Liaibilities				165	40	125	55	80
Total Trust Funds				781	887	(106)	788	892
Total Trust Funds and Liabilities				**946**	**927**	**19**	**843**	**972**
Assets								
Non Current Assets				665	688	(23)	668	714
Current Assets				281	239	42	175	258
Total Assets				**946**	**927**	**19**	**843**	**972**
Statement of Cash Flows								
Net Cash Flows from Operating Activities				64	174	(110)	120	177
Net Cash Flows from Investing Activities				(16)	(50)	34	(50)	(24)
Net Cash Flows from Financing Activities				-	-	-	-	-
Net Increase (Decrease) in Cash Held				**48**	**124**	**(76)**	**70**	**153**
Cash at the Beginning of Year				110	80	30	80	82
Cash at the End of Period				**158**	**204**	**(46)**	**150**	**235**

Basin Reserve Trust Performance Targets 2014/15

	Actual Q3 2014/15	Budget Q3 2014/15	Variance Q3 2014/15	Actual YTD 2014/15	Budget YTD 2014/15	Variance YTD 2014/15	2014/15 Budget Full Year	2013/14 Actual Prev Q3
Administrative								
Achieve targets within allocated budgets		Annual			Annual		Annual	Annual
Comply with financial, technical and regulatory standards	Achieved	Quarterly		Achieved	Quarterly		Quarterly	Achieved
Asset management plan carried out	Achieved	Quarterly		Achieved	Quarterly		Quarterly	Achieved
Operating - Number of Events								
Cricket	7	8	-1	8	10	-2	11	16
Other Sports	0	0	0	6	4	2	10	0
Community	1	0	1	1	0	1	2	1
Operating - Number of Event Days								
Cricket	17	21	-4	21	27	-6	27	23
Other Sports	0	0	0	6	4	2	10	0
Community	1	0	1	1	0	1	1	1
Numbers attending events	18,706	18,200	506	19,506	22,800	-3,294	27,300	22,214
Practice facility usage	38	40	-2	71	70	1	70	41
Hirer satisfaction with venue and events	Achieved	Quarterly		Achieved	Quarterly		Quarterly	
Playing surface to be maintained to an international standard		Annual			Annual		Annual	
Council subsidy per visitor								
Financial								
Results within budget	Not Achieved	Achieved		Not Achieved	Achieved		Achieved	Not Achieved
Capital expenditure - within budget	Achieved	Achieved		Achieved	Achieved		Achieved	Not Achieved
Council % of revenue ratio	66%	58%		76%	69%		65%	60%
Event income	$109,000	$91,000		$129,000	$119,000		$121,500	$79,000
Non-event income as a % of total income	68%	70%		79%	77%		78%	73%
Business plan developed		Annual			Annual		Annual	

QUARTER IN REVIEW

Museum of Wellington City & Sea Phase One (the Attic) building works are underway. The building works will be completed in June in time to mark the 150th anniversary of Wellington as Capital city and the Attic exhibitions will open in September.

The *Yvonne Todd: Creamy Psychology* exhibition at City Gallery Wellington closed on 15 March with total attendance for the exhibition of 42,767 and 316 copies of the Yvonne Todd book sold in the Gallery shop. The exhibition was well attended by high school students – a demographic that is often hard to reach.

The Museum of Wellington City & Sea launched a public fundraising campaign for the Development with the *What Year Are You?* campaign which will run until all 150 years (since Wellington became Capital City) have been sold.

The upgrade/replacement of the Planetarium projectors at Carter Observatory was completed and will significantly improve the visitor experience.

QUARTER IN REVIEW (cont.)

The Great Anniversary Weekend Scavenger Hunt attracted 1,800 visitors to the waterfront to experience activity presented by Capital E with all Trust institutions, and selected other institutions and precinct businesses.

The Capital E National Arts Festival boosted visitation figures for Capital E, while the exhibitions and public programmes at City Gallery continue to attract good visitor numbers. The Capital E 2015 National Arts Festival ran in March across 14 days, showcasing 11 New Zealand and international productions, four world premieres, one mini Film Festival, and 196 performances.

In a first for the Capital E 2015 National Arts Festival the schools programme included work made by children: Young & Cinematic featured 3 short films made by local school children with assistance from Capital E's Digital Team and industry professionals. The Festival was a good platform to showcase the children's work alongside the work of adults, bridging that gap.

Capital E launched a 2015 Schools programmes in OnTV and MediaLab including a new format, Across the Trenches, which is proving to be the most popular of the script offerings in the OnTV Studio this year.

SUMMARY FINANCIALS (incl. Carter Observatory)

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

FINANCIAL PERFORMANCE ($000)	Q3 Budget 31 Mar 15	Q3 Actual 31 Mar 15	Variance* 31 Mar 15	YTD Budget 31 Mar 15	YTD Actual 31 Mar 15	Variance* 31 Mar 15	FY Budget 30 Jun 15
Total Revenue	2,877	2,875	2 ✗	8,631	8,508	123 ✗	11,506
Opex before Depreciation	2,801	2,907	106 ✗	8,403	8,282	121 ✓	11,207
Depreciation	95	109	14 ✗	285	317	32 ✗	381
Net Surplus (Loss)	(21)	(141)	120 ✗	(63)	(93)	30 ✗	(82)
FINANCIAL POSITION							
Total Assets	6,212	9,452	3,240 ✓				4,642
Total Liabilities	2,721	5,553	2,832 ✗				1,171
Equity	3,491	3,899	408 ✓				3,471
CASH FLOWS							
Total Net Cash Flows	1,613	3,422	1,809 ✓	1,564	3,194	1,630 ✓	(24)
Opening Cash	42	825					92
Closing Cash	1,654	4,247					67

Revenue for the quarter was close to target although YTD is tracking $123k behind budget. In Q3 and despite virtually achieving the revenue target for the quarter, the Trust recorded a net loss of $141k, or a $120k negative variance to the budgeted loss of $21k. The YTD result shows a negative variance to budget of $30k. The Trust advises that these are timing variances only and that it remains on track to achieve budget inclusive of an $82K deficit attributable to Carter Observatory. The larger variances (unders and overs) are discussed further below.

At 31 March Carter Observatory recorded an operating profit of $22k. Revenue from venue hire and retail is better than budget but the Trust is forecasting up to a $100k shortfall against the full year admissions revenue target. This plus programming for the Matariki festival including the purchase of at least two new planetarium shows, is expected to contribute to result in an overall deficit for the year close to the budgeted deficit of $82k. *Note: Separate financials for Carter Observatory are not supplied with this report.*

At 31 Mar 2015 the Trust held cash on hand of $4.2m – a positive variance of $2.6m above the projected cash balance of $1.6m at 31 Mar 2015. The large cash balance is related to funding the Attic Project at the Museum of Wellington City & Sea and is timing related with an increase in payables ($3.0m above budget) relating to Phase One of the development.

CONTACT OFFICER NATASHA PETKOVIC-JEREMIC

The following table outlines the larger YTD variances between actual versus budget.

OPERATING REVENUE ($000)	YTD Budget 31 Mar 15	YTD Actual 31 Mar 15	*Variance** 31 Mar 15	*% Variance* 31 Mar 15
Trading income	1,179	1,082	*(97)*	*-8.2%*
Other grants, sponsorships & donations	411	143	*(268)*	*-65.2%*
Cultural Grants	642	887	*245*	*38.2%*
OPERATING EXPENSES ($000)	**YTD Budget 31 Mar 15**	**YTD Actual 31 Mar 15**	***Variance** 31 Mar 15***	***% Variance* 31 Mar 15**
Exhibitions & programmes	1,533	1,309	*(224)*	*-14.6%*
Occupancy costs (excl. rent)	996	789	*(207)*	*-20.8%*
Personnel costs	3,672	3,850	*178*	*4.8%*
Professional fees	30	256	*226*	*753.3%*

** Variance (Actual minus Budget).*

Strong retail and venue hire is helping to off-set lower than forecast admissions revenue resulting in trading income being below YTD budget by $97k. This follows a good Q3 performance ($54k above budget).

The table shows that the Trust has exceeded its budget for cultural grants revenue by $245k due to timing and unbudgeted funding received from Creative New Zealand to support the Trust's operation of Hannah Playhouse while other grants, sponsorships and donations are $268k behind the Trust's YTD budget. This is a timing variation and the Trust confirms that it is on track to achieve its sponsorship and donations target at year-end.

Timing variances due mainly to the 2015 Capital E National Arts Festival account for a $224k YTD underspend (or 14.6%) on exhibitions and programming. Professional fees includes a range of project related costs many of which are externally funded (including WRAF and CNZ funding) and account for this expenditure line being over budget by $226k.

YTD personnel costs are $178k over budget and will exceed budget at year end, but this sum will be covered by savings elsewhere in the budget.

ISSUES & OUTLOOK

Nothing to report.

EFFECTIVENESS INDICATORS

The Trust operates the following facilities; City Gallery Wellington, Capital E, Carter Observatory, Museum of Wellington City & Sea, Cable Car Museum, Colonial Cottage Museum and the New Zealand Cricket Museum (jointly with the New Zealand Cricket Museum Trust).

EFFECTIVENESS | 30 JUNE	2009	2010	2011	2012	2013	2014
Total Visitors	538,950*	629,697	653,344	607,613	649,021	601,743
Operating & Rental Grant / Visitor	$11.64	$10.85	$11.83	$13.06	$12.66	$13.30
Non-Council Revenue / Visitor	$3.78	$3.79	$4.96	$5.22	$5.36	$4.90
Average Spend / Visitor	$1.79	$2.11	$2.41	$2.36	$2.92	$2.66

**reduced visitation due to refurbishment and upgrades at City Gallery.*

CONTACT OFFICER NATASHA PETKOVIC-JEREMIC

KPI 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		Q3 31 Mar 15	YTD 31 Mar 15	3 Year Trend	Comments
Council grant/visit	Actual	$8.92 ✔	n/a	↘	Ahead of target due to visitor numbers exceeding forecast. The 3yr trend is negative due to increasing Council grant and relatively static overall visitor numbers.
	Target	*$14.10*	*n/a*		
Full cost subsidy*/visit	Actual	$10.33 ✔	$12.67 ✔	n/a	This measure is owned by Council and includes property costs which the Trust does not control plus grant funding.
	Target	*$12.64*	*$15.18*		
Average spend/visit	Actual	$2.44 ✘	n/a	→	Below target for the quarter due to visitors exceeding target by 46,514 in Q3.
	Target	*$3.11*	*n/a*		
Total visits	Actual	221,623 ✔	542,648 ✔	→	Strong visitation performances to all facilities except Carter Observatory have contributed to an overall strong aggregate performance in visitor numbers.
	Target	*175,109*	*452,670*		
Cable Car	Actual	85,844 ✔	191,713 ✔	→	The quarterly targets do not accurately reflect the phasing of visitation and Q3 is traditionally a strong quarter. In 2013/14 Q3 actual was 77,139 based on the same target.
	Target	*59,987*	*170,486*		
City Gallery	Actual	40,930 ✔	130,298 ✔	↗	*Tuatara Open Lates* are proving a popular monthly event. A strong offering of public programmes has also contributed to visitation figures.
	Target	*35,000*	*105,000*		
Capital E	Actual	52,395 ✔	85,803 ✔	↘	The Capital E National Arts Festival took place during Q3 and had strong attendance in addition to strong attendance at other programmes during the quarter.
	Target	*41,000*	*67,000*		
MoW City & Sea	Actual	33,727 ✔	104,154 ✔	↗	Third Thursdays and other public programmes have attracted strong interest, contributing to the Museum's excellent visitation figures.
	Target	*24,840*	*69,840*		
Carter	Actual	8,272 ✘	29,205 ✘	→	Visitation is expected to pick up in Q4 due to Matariki programming but visitation is trending down on the same period last year.
	Target	*13,750*	*38,750*		
	Annual measures to 30 Jun 15 The Trust reports quarterly.				
Repeat visitation (Avg)	Actual	37%			City Gallery performs very well on this measure with repeat visitation of 75% versus target of 40%. Other institutions are either near or above targets.
	Target	*30%*			
Quality of visit (Avg)	Actual	89%			Cable Car Museum has general been around 84% while others have been close to or just above the 90% average.
	Target	*90%*			
Staff turnover**	Actual	9%			This is not a KPI but is an internal measure that the Trust reports and it relates to permanent staff.
	Target	*20%*			

**Council operating grant plus property related cost (including rental grant paid for Capital E). This is a new measure required by Council and includes property costs which the Trust does not control.*

*** Not a KPI. This is an internal measure.*

CONTACT OFFICER NATASHA PETKOVIC-JEREMIC

Wellington MUSEUMS TRUST

Excellent Experiences that Wellingtonians proudly share with the world

Wellington Museums Trust
2014-15
Report as at 31 March 2015 (Quarter 3)

Financial Position

The Trust's result to 31 March 2015 (including Carter Observatory) shows a deficit of $93,135 compared to a budgeted YTD deficit of $252,758.

KPIs

The Capital E National Arts Festival boosted visitation figures for Capital E, while the exhibitions and public programmes at City Gallery continue to attract good visitor numbers including online engagement via social media sites such as Facebook and Instagram. The Museum of Wellington City & Sea saw uplift in their social media profile as a result of their recent public fundraising campaign.

Highlights

- *The Great Anniversary Weekend Scavenger Hunt* attracted 1,800 visitors to the waterfront to experience activity presented by **Capital E** in partnership with all our Trust institutions, and selected other institutions and precinct businesses.
- **Capital E** launched their 2015 Schools programmes in OnTV and MediaLab including a new format, *Across the Trenches,* which is already proving to be the most popular of the script offerings in the OnTV Studio this year.
- Nearly 1,000 people attended **City Gallery Wellington's** February *Tuatara Open Late* with a performance by Lawrence Arabia.
- The *Yvonne Todd: Creamy Psychology* exhibition at **City Gallery Wellington** closed on 15 March with total attendance for the exhibition of 42,767 and 316 copies of the Yvonne Todd book sold in our shop.
- The Yvonne Todd exhibition at **City Gallery Wellington** was well attended by high school students – a demographic that is often hard to reach.
- **City Gallery Wellington** participated in the inaugural *CubaDupa Festival* held the weekend of 28-29 March, staging a Candice Breitz exhibition-inspired 'flash mob' of the Poi E/Thriller dance featured in the Taika Waititi film *Boy*.
- A major upgrade/replacement of the Planetarium at **Carter Observatory** was successfully completed and will significantly improve the visitor experience.
- The **Museum of Wellington City & Sea** launched their public fundraising campaign for the Development project with their *What Year Are You?* campaign which will run until all 150 years (since Wellington became Capital City) have been sold.
- More than 100 people attended the **Museum of Wellington City & Sea's** latest *Third Thursday* event featuring The Mingus Ensemble.
- The **Capital E 2015 National Arts Festival** ran in March across 14 days, showcasing 11 NZ and international productions, four world premieres, one mini Film Festival, and 196 performances.
- In a first for the **Capital E 2015 National Arts Festival** the schools programme included work made by children: *Young & Cinematic* featured 3 short films made by local school children with assistance from Capital E's Digital Team and industry professionals. The Festival was a good platform to showcase the children's work alongside the work of adults, bridging that gap.

Pat Stuart
Chief Executive

Actual -Jun-14	STATEMENT OF FINANCIAL PERFORMANCE	Actual 9 mths to 31-Mar-15	Actual Qtr to 31-Dec-14	Actual Qtr to 31-Dec-14	Actual Qtr to 30-Sep-14	Budget Qtr to 30-Sep-14	Budget Qtr to 31-Dec-14	Budget Qtr to 31-Mar-15	Budget Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
	Revenue											
1,667	Trading Income	1,082	447	365	269	393	393	393	393	1,573	1,382	1,632
6,232	Council Operating Grant	4,840	1,613	1,613	1,613	1,613	1,613	1,613	1,613	6,453	6,403	6,453
1,769	Council Rental Grant	1,327	442	442	442	442	442	442	442	1,769	1,769	1,769
811	Other Grants	888	251	294	342	214	214	214	214	855	848	930
476	Sponsorships and Donations	141	36	98	7	137	137	137	137	547	311	396
77	Investment Income	68	20	18	30	18	18	18	18	70	70	70
308	Other Income	163	66	48	48	60	60	60	60	239	242	237
11,340	**Total Revenue**	8,508	2,875	2,881	2,752	2,876	2,876	2,876	2,876	11,506	11,025	11,487
	Expenditure											
4,741	Employee Costs	3,851	1,254	1,300	1,296	1,224	1,224	1,224	1,224	4,897	5,025	5,125
1,338	Council Rent	1,014	338	338	338	338	338	338	338	1,353	1,353	1,353
2,156	Exhibitions & Programmes	1,309	589	341	379	511	511	511	511	2,044	1,628	2,101
610	Marketing & Promotions	476	154	151	171	158	158	158	158	630	578	636
932	Occupancy Costs (excluding Council Rent)	789	308	222	259	332	332	332	332	1,328	1,330	1,309
118	Communication Costs	104	36	36	31	32	32	32	32	126	120	120
81	Trustee Fees & Expenses	52	17	17	18	19	19	19	19	77	77	77
295	Technology Costs	114	38	51	24	38	38	38	38	154	166	154
151	Professional Fees	256	75	60	121	10	10	10	10	40	40	40
274	Administration Expenses	294	89	113	91	109	109	109	109	437	441	437
33	Other Operating Expenses	26	9	9	9	30	30	30	30	121	121	121
603	Depreciation	317	109	155	53	95	95	95	95	381	381	381
0	Interest	0	0	0	0	0	0	0	0	0	0	0
11,332	**Total Expenditure**	8,602	3,017	2,795	2,790	2,897	2,897	2,897	2,897	11,588	11,259	11,853
8	**Net Surplus/(Deficit) before Taxation**	(94)	(141)	86	(38)	(22)	(22)	(22)	(22)	(89)	(66)	(147)
	Taxation Expense											
8	**Net Surplus/(Deficit)**	(94)	(141)	86	(38)	(22)	(22)	(22)	(22)	(89)	(66)	(147)
0.1%	**Operating Margin**	-1.1%	-4.9%	3.0%	-1.4%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.6%	-1.4%

otal YE -Jun-14	STATEMENT OF FINANCIAL POSITION	Actual 31-Mar-15	Actual 31-Dec-14	Actual 31-Dec-14	Actual 30-Sep-14	Budget 30-Sep-14	Budget 31-Dec-14	Budget 31-Mar-15	Budget 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
	Shareholder/Trust Funds											
2,123	Share Capital/Settled Funds	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123
0	Revaluation Reserves	0	0	0	0	0	0	0	0	0	0	0
52	Restricted Funds	52	52	52	52	38	38	38	38	38	38	38
1,817	Retained Earnings	1,724	1,724	1,865	1,778	1,371	1,351	1,330	1,310	1,310	1,075	710
3,992	**Total Shareholder/Trust Funds**	3,899	3,899	4,040	3,953	3,532	3,512	3,491	3,471	3,471	3,236	2,871
	Current Assets											
74	Cash and Bank	183	183	9	55	11	11	11	11	11	11	11
861	Accounts Receivable	352	352	230	87	239	239	239	239	239	251	263
103	Other Current Assets	247	247	304	443	105	105	105	105	105	110	116
1,038	**Total Current Assets**	782	782	543	584	355	355	355	355	355	372	390
	Investments											
979	Deposits on Call	4,064	4,064	816	2,646	1,659	32	1,644	57	57	(172)	(244)
0	Other Investments	0	0	0	0	0	0	0	0	0	0	0
979	**Total Investments**	4,064	4,064	816	2,646	1,659	32	1,644	57	57	(172)	(244)
	Non-Current Assets											
3,967	Fixed Assets	4,591	4,591	4,516	3,994	4,162	4,179	4,197	4,214	4,214	4,303	4,092
51	Other Non-current Assets	15	15	15	15	16	16	16	16	16	16	16
4,018	**Total Non-current Assets**	4,606	4,606	4,531	4,009	4,178	4,195	4,213	4,230	4,230	4,319	4,108
6,035	**Total Assets**	9,452	9,452	5,889	7,239	6,193	4,582	6,212	4,642	4,642	4,519	4,254
	Current Liabilities											
1,633	Accounts Payable and Accruals	3,658	3,658	1,549	1,405	572	577	622	671	671	758	832
410	Provisions	282	282	300	293	488	493	498	500	500	525	551
0	Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0
2,043	**Total Current Liabilities**	3,940	3,940	1,850	1,698	1,059	1,070	1,120	1,171	1,171	1,283	1,383
	Non-Current Liabilities											
0	Loans - WCC	0	0	0	0	0	0	0	0	0	0	0
0	Loans - Other	0	0	0	0	0	0	0	0	0	0	0
0	Other Non-Current Liabilities	1,613	1,613	0	1,588	1,601	0	1,601	0	0	0	0
0	**Total Non-Current Liabilities**	1,613	1,613	0	1,588	1,601	0	1,601	0	0	0	0
3,992	**Net Assets**	3,899	3,899	4,040	3,953	3,532	3,512	3,491	3,471	3,471	3,236	2,871
0.51	**Current Ratio**	0.20	0.20	0.29	0.34	0.34	0.33	0.32	0.30	0.30	0.29	0.28
0.66	**Equity Ratio**	0.41	0.41	0.69	0.55	0.57	0.77	0.56	0.75	0.75	0.72	0.67

otal YE -Jun-14	STATEMENT OF CASH FLOWS	Actual 9 Mths to 31-Mar-15	Actual Qtr to 31-Mar-15	Actual Qtr to 31-Dec-14	Actual Qtr to 30-Sep-14	Budget Qtr to 30-Sep-14	Budget Qtr to 31-Dec-14	Budget Qtr to 31-Mar-15	Budget Qtr to 30-Jun-15	Total YE 30-Jun-15	Total YE 30-Jun-16	Total YE 30-Jun-17
	Cash provided from:											
1,591	Trading Receipts	1,446	382	360	704	397	393	393	393	1,577	1,365	1,614
8,001	WCC Grants	7,780	3,669	467	3,644	3,656	455	3,656	455	8,222	8,172	8,222
811	Other Grants	888	251	294	342	214	214	214	214	855	848	930
476	Sponsorships and Donations	141	36	98	7	137	137	137	137	547	311	396
77	Investment Income	68	20	18	30	18	18	18	18	70	70	70
308	Other Income	163	66	48	48	60	60	60	60	239	242	237
11,264		10,486	4,424	1,287	4,775	4,481	1,276	4,477	1,276	11,510	11,008	11,469
	Cash applied to:											
4,741	Payments to Employees	3,851	1,254	1,300	1,296	1,224	1,224	1,224	1,224	4,897	5,025	5,125
5,332	Payments to Suppliers	3,866	895	1,186	1,784	1,861	1,861	1,822	1,820	7,364	6,887	7,440
(90)	Net GST Cashflow	5	2	2	2	(294)	(294)	(294)	(294)	(1,177)	(1,146)	(1,194)
0	Other Operating Costs	0	0	0	0	0	0	0	0	0	0	0
0	Interest Paid	0	0	0	0	0	0	0	0	0	0	0
9,983		7,722	2,152	2,488	3,082	2,791	2,791	2,752	2,750	11,084	10,767	11,372
1,281	**Total Operating Cash Flow**	2,764	2,272	(1,200)	1,693	1,690	(1,515)	1,725	(1,474)	425	241	98
	Investing Cash Flow											
	Cash provided from:											
0	Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0	0	0	0	0
	Cash applied to:											
253	Purchase of Fixed Assets	(429)	(1,150)	677	44	113	113	113	113	450	470	170
0	Other	0	0	0	0	0	0	0	0	0	0	0
253		(429)	(1,150)	677	44	113	113	113	113	450	470	170
(253)	**Total Investing Cash Flow**	429	1,150	(677)	(44)	(113)	(113)	(113)	(113)	(450)	(470)	(170)

Budget -Jun-14	STATEMENT OF CASH FLOWS (CONT)	Actual 9 Mths to 31-Mar-15	Actual Qtr to 31-Mar-15	Actual Qtr to 31-Dec-14	Actual Qtr to 30-Sep-14	Budget Qtr to 30-Sep-14	Budget Qtr to 31-Dec-14	Budget Qtr to 31-Mar-15	Budget Qtr to 30-Jun-15	Forecast to 30-Jun-15	Forecast to 30-Jun-16	Forecast to 30-Jun-17
	Financing Cash Flow											
	Cash provided from:											
0	Drawdown of Loans	0	0	0	0	0	0	0	0	0	0	0
0	Other	0	0	0	0	0	0	0	0	0	0	0
	Cash applied to:											
0	Repayment of Loans	0	0	0	0	0	0	0	0	0	0	0
0	Other	0	0	0	0					0	0	0
0		0	0	0	0	0	0	0	0	0	0	0
0	**Total Financing Cash Flow**	0	0	0	0	0	0	0	0	0	0	0
1,028	**Net Increase/(Decrease) in Cash Held**	3,193	3,422	(1,877)	1,649	1,577	(1,628)	1,613	(1,587)	(25)	(229)	(72)
25	**Opening Cash Equivalents**	1,053	824	2,702	1,053	92	1,669	42	1,654	92	67	(162)
1,053	**Closing Cash Equivalents**	4,246	4,246	824	2,702	1,669	42	1,654	67	67	(162)	(234)
		(1)	(1)	(0)	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)

Budget -Jun-14	CASH FLOW RECONCILIATION	Actual 9 Mths to 31-Mar-15		Actual Qtr to 31-Dec-14	Actual Qtr to 30-Sep-14	Budget Qtr to 30-Sep-12	Budget Qtr to 31-Dec-12	Budget Qtr to 31-Mar-13	Budget Qtr to 30-Jun-13	Forecast to 30-Jun-13	Forecast to 30-Jun-14	Forecast to 30-Jun-14
8	**Operating Surplus/(Deficit) for the Year**	(94)	(141)	86	(38)	(21)	(21)	(21)	(21)	(82)	(235)	(365)
	Add Non Cash Items											
603	Depreciation	317	109	155	53	95	95	95	95	381	381	381
0	Other	0	0	0	0	0	0	0	0	0	0	0
611		224	(32)	241	15	75	75	75	75	299	146	16
	Movements in Working Capital											
(3)	(Increase)/Decrease in Receivables	509	(122)	(143)	774	(126)	0	0	0	(126)	(12)	(13)
17	(Increase)/Decrease in Other Current Assets	(144)	57	138	(340)	130	0	0	0	130	(5)	-6
350	Increase/(Decrease) in Accounts Payable	563	756	152	(345)	6	6	45	49	105	87	74
306	Increase/(Decrease) in Other Current Liabilities	1,613	1,613	(1,588)	1,588	1,606	(1,596)	1,606	(1,598)	17	25	26
670		2,541	2,304	(1,441)	1,678	1,615	(1,590)	1,650	(1,549)	126	94	82
	Net Gain/(Loss) on Sale:											
0	Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
0	Investments	0	0	0	0	0	0	0	0	0	0	0
1,281	**Net Cash Flow from Operations**	2,764	2,272	(1,200)	1,693	1,690	(1,515)	1,725	(1,474)	425	241	98
0		0	0	0	0	0	0	0	0	0	0	0

Strategic Projects 2014-15

Refer to Appendix on page 6 for detailed outline of what we aim to achieve with each project in 2014-18

SECTION 1: Achieving Excellence					
Project	**Responsibility**	**Targets for 2014-15**	**On-Target Yes / No**	**Q3 Report as at 31 March 2015**	**Achieved Yes / No**
Museum of Wellington City & Sea Development					
Implement the visitor experience development plan for the Museum of Wellington City & Sea - a three phase project scheduled to be completed in 2020.	The Museums Wellington Team: lead by Director, Museums Wellington	All phases on track according to plan.	Yes	**Phase One** ▪ Naylor Love began building works. ▪ City Care began external works including painting building and mansard repairs. ▪ Workshop for exhibition build opens and begins building display furniture. ▪ Perceptual Engineering on schedule with Nga Hau.	
		Fundraising strategy for personal, community and business giving implemented and target/s achieved.	Yes	▪ Personal giving campaign launched on 29 January. ▪ Funding applications to The Lion Foundation and Wellington Community Trust were submitted.	
City Gallery Wellington Entrance, Foyer and Internal Development					
Implement a visitor entry and commercial development project at City Gallery Wellington.	The City Gallery Wellington Team; lead by Director, City Gallery	Fully scope the project (feasibility, budget and timeframe to completion).	Yes	▪ High level design, costs and timeline completed. ▪ Project submitted for CAPX funding in LTP but decision not to fund. ▪ Gallery will now engage Architecture+ to prepare feasibility for Stage 1 (front entrance, retail, reception) for mid-year CAPX bid.	
		Work with Council property to implement EPC, HVAC and health and safety and visitor access issues.	Yes	▪ EcoSave submitted a Detailed Facility Study to Council in late March. Council is preparing a business case for funding from EECA grant and Crown loan. Est. start date is June 2015.Project may also be suitable for Mid-term CAPX funding. ▪ Council and City Gallery working to address building H&S issues with progress made with installation of stair nosing and mobile duress alarms for Visitor Services staff. ▪ Visitor access through front door continues to be an issue. ▪ Tendering for recladding of stairwell and roof replacement underway. Recladding to commence mid May with roof delayed to summer months. ▪ Council to change-out Gallery switchboard in August 2015 which requires 1-2 weeks total closure of premises.	
		Develop and implement fundraising strategy.	Yes	▪ Fundraising Strategy is in early development stage with work continuing into Q4.	

Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
Learning about Nationhood – Wellington a Capital Destination for Learning					
Work with Council and other stakeholders to improve service and overcome barriers for teachers visiting or considering a visit to Wellington.	Trust Office; lead by Head of Strategic Development	Develop and deliver a pilot programme.	Yes	▪ Pilot programme underway. ▪ New resources published for teachers planning a visit to Wellington.	
		Seek Wellington Regional Amenities Fund support for a pilot project targeting low decile schools.	Yes	▪ WRAF budget ($100k) approved. Contract in place between WCC and WMT. ▪ 67 schools recruited to participate. ▪ 55 teachers attended 2 professional development sessions at the National Library.	**Yes**
SECTION 2: Our Audiences					
Children and young people feel welcomed, included and important					
Realise our vision that children and young people encountering us feel welcomed, included and important.	Executive Team and Advocacy Group; lead by Chief Executive	A plan for the Trust's provision for children and young people (PCYP) is developed and implemented.	Delayed	▪ A plan has been developed. ▪ Greater awareness has been achieved & institutions are committed to this audience. ▪ Organisation review underway with comments received from PPS Committee.	
		A resource plan for implementation is prepared.	No	▪ Subject to organisation review. ▪ Likely to be deferred until 2015-16.	
		Organisation-wide data-gathering & evaluation strategy is set up & baselines established.	No	▪ Subject to organisation review. ▪ Likely to be deferred to 2015-16.	
		A transitional Wellington performance venue for the National Theatre for Children for the period to 2020 is confirmed.	Yes	▪ Hannah Playhouse secured for 2015. ▪ Feasibility study completed. ▪ Interim accommodation options for 2016 under consideration. ▪ Hannah Playhouse remains the most affordable option for a Wellington base for the theatre company.	
Reducing barriers for visitors with mobility, hearing and visual impairment					
Implement our plan for reducing barriers for visitors with mobility, hearing and visual impairment.	Visitor Services, Exhibitions and Programmes Teams; lead by Head of Strategic Development	Our Access Policy is reviewed.	Yes	▪ Will take place in Q4.	
		Carter Observatory and Capital E Central achieve a minimum of silver in accessibility audits.	Yes	▪ Capital E Central Audit completed and Silver rating achieved. ▪ Carter Observatory Audit scheduled for Q4.	

Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
Increasing the diversity of our audience					
Undertake a research project that benchmarks the diversity of our audience, and helps us to understand barriers and motivators to engagement and feeds into the development of strategies that will help us to attain our goal of ensuring that our visitors reflect the region's demographic profile.	Executive Team; lead by the Chief Executive	*The first targets for this project will appear in 2015-16.*	N/A	▪ In 2013-14 we prioritised two focus audiences for our first access and inclusion strategies: children and young people and visitors with mobility, hearing and visual impairment. ▪ In 2014-15 achievements see Project above – Reducing barriers for visitors with mobility, hearing and visual impairment.	N/A
SECTION 3: Our Impact					
Audience Research					
Better understand the cultural diversity of our audiences in a way that supports future planning and improves our reach.	Trust Office, Visitor Services and Marketing Teams; lead by Head of Strategic Development	A consistent approach to gathering and recording visitor data is developed and implemented.	Yes	▪ Underway. Get Smart monitoring in place at all visitor reception points. ▪ Review of survey taking place.	
		Reports shared with staff which supports decision making.	N/A	▪ N/A	
Economic Impact					
Work with Council to pilot measures that enable us to measure our economic impact and economic and social value.	Trust Office and Visitor Services Team; lead by Head of Strategic Development	Pilot study is complete leading to robust economic impact and economic and social value data for our institutions.	Yes	▪ WCC team analysing demographic data for a report to Trust in May 2015. ▪ Analysis of the impact of Capital E National Arts Festival 2015 underway – report due May 2015.	**Yes**
		A review of the pilot is conducted.	Yes	▪ Presentations to Executive Team and Trustees. Further discussion to take place once all data received.	
		Continue gathering data pending review.	Yes	▪ Data Gathering continues across all participating sites. ▪ Analysis of the impact of Capital E National Arts Festival 2015 underway.	

SECTION 4: Our People, Places & Process					
Project	**Responsibility**	**Targets for 2014-15**	**On-Target Yes / No**	**Q3 Report as at 31 March 2015**	**Achieved Yes / No**
Health & Safety					
Continue to operate healthy and safe places for staff and visitors and respond effectively and efficiently to any event where the health and safety of staff or visitors is threatened.	All Staff; lead by the Chief Executive	100% compliance with current Health and Safety legislation.	Yes	▪ Compliant as of March 2015.	**Yes**
		No serious harm incidents.	No	▪ Stair nosing and temporary handrail on City Gallery main Staircase have been installed and are working effectively. ▪ Permanent hand rail in final design stage. ▪ Following a staff injury while undertaking installation work processes and work areas have been reviewed and revised.	
		Complete Health and Safety audits of all sites operated by the Trust.	Yes	▪ Trustees carried out their first of eight H&S observations of the buildings that we occupy at present. ▪ Risks identified by independent audit are being minimised or eliminated on an ongoing basis.	
Organisational Development					
Support, develop and encourage staff to achieve a high performing organisation.	Executive Team and Managers; lead by the Chief Executive	Staff are committed to achieving the vision and the delivery of the strategic plan.	Yes	▪ Review of vision completed in Q1 and new vision, purpose and values statements presented and implemented. ▪ Strategic Plan completed in Q2 following organisation wide consultation and now available on intranet. ▪ Further engagement underway focussing on the Strategic Plan, draft SOI and Health and Safety Plan.	
		Revised staff induction programme implemented.	Yes	▪ Underway.	
		Training for managers / supervisors is provided.	Yes	▪ Awaiting decision from Council officer (HR) regarding dedicated Crucial Conversations training for Trust staff. ▪ Council's leadership programme is an option to be investigated. ▪ Management training options under consideration.	
		Staff turnover is less than 20%.	Yes	▪ 9% YTD (includes permanent staff only).	
Buildings and Maintenance					
Work with Council and other landlords to ensure that our buildings are safe, welcoming and well-maintained.	Executive Team and Buildings Manager; lead by Buildings Manager	We contribute to and monitor Asset Management Plans for our institutions.	Yes	▪ Monthly meetings with WCC Property Dept.	.

Project	Responsibility	Targets for 2014-15	On-Target Yes / No	Q3 Report as at 31 March 2015	Achieved Yes / No
		Maintenance and capital replacement takes place according to plan.	Yes	▪ Bond Store maintenance as part of Attic Project Works. ▪ New alarm system being installed at the Bond Store, building will now be monitored by WCC Security. ▪ City Gallery re-roofing and re-cladding delayed until May 2015. ▪ New switch board at City Gallery will be installed in August 2015. ▪ New Carpet tiles are being installed at the City Gallery. ▪ Colonial Cottage ventilation system has now had a timer placed on the system to reduce running costs.	.
			SECTION 5: Financial Viability		
			Our Budget		
Ensure that our budget is break-even and depreciation is fully-funded.	All Staff; lead by Accounts Manager	Break-even budget or better after funding depreciation.	Yes	▪ Reforecast as at 31 January indicates that the Trust will achieve budget.	
		Council agrees to the LTP request for an increase in our operating grant and annual adjustment for inflation.	Partial Success	▪ The requested catch-up in the operating grant is unlikely to be achieved based on current response from Council. Proposed inflation adjustment of 2% is in Draft LTP. ▪ CAPX for Phase 2 & 3 of Museum development in Draft LTP.	
			Carter Observatory Sustainability		
Develop and implement a long-term approach for Carter Observatory that fosters financial viability and provides for re-investment in the visitor experience.	The Museums Wellington Team; lead by Director, Museums Wellington	Increased Council funding secured through Long-term Plan or existing cash underwrite remains in place.	Yes	▪ Reconfirmed Board commitment to new operating model and business case in March Board meeting, placed within SOI for Council confirmation of approach.	
		Visitation, revenue and visit feedback targets achieved.	N/A	▪ In preparation for new operating model for implementation in 2015-16.	N/A
			Non-Council revenue is 30% or better of total revenue		
Improve our revenue generation capability and minimise risk to non-Council revenue streams.	All Staff; lead by the Chief Executive	30% or better of total revenue (excluding Council's rental subsidy) is from non-Council sources.	Yes	▪ YTD non-Council revenue is 32% of total revenue (excluding the rental subsidy). ▪ Donations and fundraising total will be boosted by Festival. ▪ Better coordination is in place. ▪ Workshop planned for May to review personal giving strategy and how to engage and incentivise staff. ▪ Executive Team committed to trialling new approaches to personal giving. ▪ Text donation trial underway. ▪ CAPX fundraising is the priority for the Museums Wellington team.	

APPENDIX – Strategic Projects: What we want to achieve in 2014-18

SECTION 1: Achieving Excellence	
Project	**What do we want to achieve in 2014-18**
Museum of Wellington City & Sea Development Implement the visitor experience development plan for the Museum of Wellington City & Sea - a three phase project scheduled to be completed in 2020.	▪ **Phase One – delivery 2015.** Opens the top floor of the Bond Store: the Attic (previously not accessible to the public) with major new exhibitions that will display collections, tell Wellington stories and showcase the unique features of this Category 1 Heritage New Zealand building. ▪ **Phase Two – delivery 2017.** Earthquake strengthen and enhance the first and second floor exhibitions and upgrade popular exhibitions such as *Millennium Ago* and *The Wahine Disaster*. Also during this period scope and fully plan the refurbishment of the Ground Floor. ▪ **Phase Three – delivery 2020.** Earthquake strengthen and reconfigure the ground floor to include community space integrated with changes to the exterior landscaping, a café, extended retail and reception.
City Gallery Wellington Entrance, Foyer and Internal Development Implement a visitor entry and commercial development project at City Gallery Wellington.	▪ Subject to funding and Council addressing health and safety, accessible toilets and maintenance/capital replacement issues, **Phase One** (re-modelled entrance and orientation lobby) will be complete by the end of 2016. ▪ **Phase Two** which develops the area immediately in front of City Gallery on Civic Square and the area facing Harris Street is linked to, and somewhat dependent on, Council's plans for the revitalisation of Civic Square. We will continue to press for the Gallery, and recognition of the role it plays as the cultural heart of Civic Square, to be represented in the planning of this project.
Learning about Nationhood – Wellington a Capital Destination for Learning Work with Council and other stakeholders to improve service and overcome barriers for teachers visiting or considering a visit to Wellington.	▪ Funding from Wellington Regional Amenities Fund will enable us to extend our pilot project to fund transport to Wellington for the region's decile 7 and below schools in 2015. A research component will be led by Victoria University, and teacher professional development coordinated by other members of the group. Once the project is complete and reported to stakeholders, we will hand the leadership of the project onto others.

SECTION 2: Our Audiences	
Project	**What do we want to achieve in 2014-18**
Children and young people feel welcomed, included and important Realise our vision that children and young people encountering us feel welcomed, included and important.	▪ By 2018 we will be measurably closer to our vision that young participants in our experiences feel welcomed, included and important. We will create an implementation plan that draws together our expertise, facilities, products and services into provision that children and youth want to engage in and stakeholders are prepared to fund. ▪ Careful consideration of Capital E's transitional and potential leadership role in this area as well as its future shape and location, including a central Wellington base for the National Theatre for Children, are an integral part of this process. Discussion with internal and external stakeholders will ensure we are working to develop excellent long-term provision for children and young people.

Reducing barriers for visitors with mobility, hearing and visual impairment Implement our plan for reducing barriers for visitors with mobility, hearing and visual impairment.	▪ We want to ensure that our staff and experiences are making visitors with access issues feel welcomed and included. Our institutions will achieve a silver or better accessibility rating. We will review our priority audiences in 2016.
Increasing the diversity of our audience Undertake a research project that benchmarks the diversity of our audience, and helps us to understand barriers and motivators to engagement and feeds into the development of strategies that will help us to attain our goal of ensuring that our visitors reflect the region's demographic profile.	▪ In 2015-16 we will assess the diversity of audience and use that research to inform a review of our diversity policy. The research will also inform future strategy to engage diverse audiences.

SECTION 3: Our Impact	
Project	**What do we want to achieve in 2014-18**
Audience Research Better understand the cultural diversity of our audiences in a way that supports future planning and improves our reach.	▪ In order to understand our visitor profile better particularly with respect to audience growth, diversity and the provision of reliable performance data, we will investigate and develop a whole-of-organisation approach to gathering and recording our visitor profiles.
Economic Impact Work with Council to pilot measures that enable us to measure our economic impact and economic and social value.	▪ We will complete a pilot study in 2014-15 and review the project. Continuation depends upon the outcomes of the review.

SECTION 4: Our People, Places & Process	
Project	**What do we want to achieve in 2014-18**
Health & Safety Continue to operate healthy and safe places for staff and visitors and respond effectively and efficiently to any event where the health and safety of staff or visitors is threatened.	▪ We will continue our active management of Health & Safety with the objective of full compliance with the new Health and Safety at Work Bill and to achieve entry to the ACC Workplace Safety Management Practices (WSMP). The level of staff engagement is important to our success in achieving and maintaining heathy and safe places for staff and visitors.
Organisational Development Support, develop and encourage staff to achieve a high performing organisation.	▪ Critical to achieving our vision and strategic plan is the talent, commitment and experience of our staff; they are our most important asset. We recognise the importance of fair, performance-based remuneration, training and development opportunities and an organisation culture that is focused on the delivery of excellent experiences that Wellingtonians proudly share with the world.

Buildings and Maintenance Work with Council and other landlords to ensure that our buildings are safe, welcoming and well-maintained.	▪ We have elevated the status of this area to a Strategic Plan issue in recognition of its importance in 2014-18. Across this period health and safety will be a focus, and proactive maintenance is critical to us achieving our 'no serious harm incidents' goal. We will therefore work with Council and contribute to the preparation and regular review of Asset Management Plans (AMP) for our buildings. It is our goal that maintenance and capital replacement is proactive and is not deferred to the detriment of our financial position, visitor experiences and the health and safety of our staff and visitors. ▪ Across 2014-18 we will undertake significant building projects – developments of the Museum of Wellington City & Sea and City Gallery Wellington are featured in **Section 1: Achieving Excellence**. These and other projects are also highlighted where relevant under the Business Unit Summaries.

SECTION 5: Financial Viability	
Project	**What do we want to achieve in 2014-18**
Our Budget Ensure that our budget is break-even and depreciation is fully-funded.	▪ We will break even or better and fully-fund depreciation annually across 2014-18.
Carter Observatory Sustainability Develop and implement a long-term approach for Carter Observatory that fosters financial viability and provides for re-investment in the visitor experience.	▪ We will establish a long-term approach for Carter. This will include rebranding, broadening its visitor appeal through a wider variety of Planetarium shows, drive visitation into education-only and public-only hours, and extending the evening viewing options; i.e. an operating model that balances the Observatory's education and public/tourist attraction roles, plus proposals for timetabled maintenance and capital expenditure for essential re-investment in the product. Visitation, revenue and visitor satisfaction targets are achieved.
Non-Council revenue is 30% or better of total revenue Improve our revenue generation capability and minimise risk to non-Council revenue streams.	▪ We will achieve all revenue targets. ▪ Our focus on commercial activities will continue, and, in order to increase revenue generation capacity, our capital development projects include new or expanded trading opportunities: Phases One and Two of the Museum of Wellington City & Sea development will enhance venue hire and retail opportunities and City Gallery's foyer development includes dedicated retail and a modified venue hire area. ▪ We will also implement improvements in our fundraising strategy, focussing upon coordination, transparency of reporting and monitoring, relationships, and investing our limited resource for maximum gain. Fundraising is an area where we want greater staff engagement, with the possibilities for fundraising and other revenue generation opportunities becoming part of the planning and decision-making process for programming and other activities.


WELLINGTON
AIRPORT
2015 Annual Review


Engine room of the region
Celebrating 2015 Highlights and Achievements
5.5m passengers
775k international passengers
$22m capital investment
20,152 passengers on our busiest day
6,000m2 main terminal extension commenced
2nd for Overall Airport Satisfaction in Australasia
Jetstar new service to Gold Coast
Jetstar new service to Melbourne
Fiji Airlines to start flying year-round to Nadi connecting to North America
165,000 increase in seat capacity from new international services
30 new volunteer ambassadors assisting passengers
Subway opened in the international terminal
New Beanhive café
Vodafone opened
First Dreamliner 787-8 visit
Trenery opened
4,000 tonnes of asphalt replaced on runway
North Pier domestic lounge expanded and upgraded
1m coffees purchased
Air New Zealand up gauged from B737s to A320s

CEO & Chairman's Report

Results for the Year Ended 31 March 2015

The Airport delivered another year of safe and efficient operation and laid the basis for future growth with three new international routes secured. Results for the year were a net profit after taxation (NPAT) of $9.7m. Underlying earnings show an EBITDAF before subvention payment [1] of $82.1m, down $3.9m on the previous year due to lower aeronautical charges in the year. Revenue and EBITDAF is expected to increase as passenger numbers continue to grow, scheduled increases in aeronautical charges for 2016-2019 take effect and new investment is undertaken. Capital investment to improve the quality of passenger services and cater for growth was $22.1m for the year with the expansion of the main terminal underway.

International and domestic traffic

The busiest day ever at the Airport was on 27 March 2015 with over 20,000 passengers. Full year passenger numbers were however flat at 5.5m due to domestic airline changes. International passengers increased 3% to 775,000.

There has been continued strong demand for international services to and from Wellington, with load factors on aircraft being the highest ever experienced at the Airport. Over the next year a marked step-up in international passengers is anticipated with the Airport's international capacity increasing by 15%.

Wellington Airport invests significantly in route development with airlines and was delighted to announce the commencement of Jetstar services to the Gold Coast and Melbourne, and Fiji Airways year round service to Nadi with onward connections to Los Angeles. The three new international services will deliver an annual increase of 165,000 seats.

Domestic passengers are also expected to now increase with the up-gauging of Air New Zealand aircraft and competition from Jetstar. Sounds Air is also growing into a material regional player with five routes and 100,000 seats forecast to be flown in 2016.

Better Passenger Services

A total of $250m of capital development is planned for the next five years including the expansion of domestic and international terminals, a hotel, multi-storey car park, retail park expansion and the roll-out of the noise mitigation programme for neighbouring residents.

Construction commenced in November 2014 on the $58m, 6000sqm extension to the main terminal building after extensive consultation with Air New Zealand. It will markedly improve all aspects of the passenger experience and enhance the Airport's existing use of natural light and the views over Lyall Bay.

The expansion for the domestic lounges at the northern end of the Airport predominantly used by Jetstar passengers was completed during the year, providing a more comfortable experience for travellers.

The next aspect of the terminal experience the Airport plans to improve is the international arrivals area with around $17m allocated for its development.

Detailed designs and feasibility of the multi-level car park and hotel are being progressed with decisions on both due by late 2015.

The Airport continues moving towards its goal of providing a high street shopping experience. As the terminal expansion nears completion, this experience will be added to with further retail and dining offerings.

On the west side of the Airport the retail park expansion is also underway with three new shops opening in Spring-2015.

Wellington City Council – Wellington Airport joint project to enhance the region's air connectivity

Over 500,000 people travelled between northern hemisphere destinations and Wellington's market catchment over the last year, all having to fly via other New Zealand or Australian Airports. Consequently the Airport and Wellington City Council established a joint venture to seek environmental consents to extend the Airport's runway. This would open the door for long-haul airlines to operate to and from central New Zealand with the aim of delivering more convenient and affordable services and passenger growth.

The initial stage involves feasibility assessment and resource consenting and this is well advanced with the aim of having the necessary approvals in place in mid-2016. In the meantime discussions are underway with our neighbours and the region's business, civic and tertiary communities to ensure that anyone with an interest is informed about the project.

It is important that the development is widely understood and while most people appreciate the benefits of better and cheaper air services, the Council and Airport must fully evaluate both costs and benefits.

Supporting Wellington events and the community

Every year the Airport is proud to play a supporting role in the region's events and community endeavours.

Common Unity Project Aotearoa won the Wellington Airport regional community award for voluntary services. It is an incredible group of people encouraging the children and families of Epuni School to learn how to grow their own vegetables in a community garden.

The Airport is a major supporter of New Zealand's most successful innovative performing arts and design event the World of Wearable Art. The Airport also partnered with Wellington City to launch the inaugural CubaDupa festival to celebrate dance, music, theatre, live street art, carnival, circus and food in the historic Cuba Street precinct.

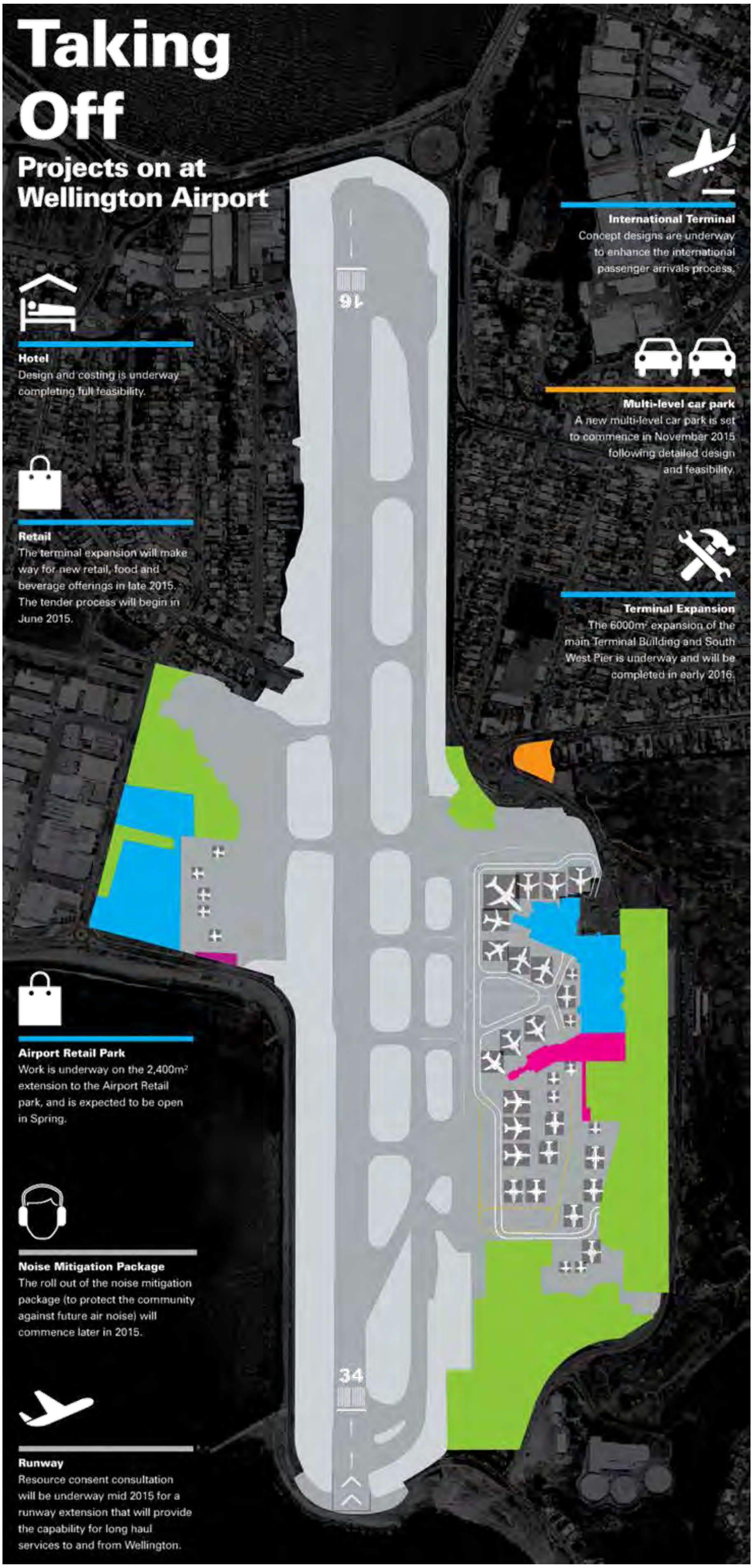
The Airport team and community

Behind the Airport's safe, efficient and welcoming gateway are its people. We would like to warmly thank the team at Wellington Airport and the 1500 people who work within the wider Airport community, all our airlines, Air New Zealand, Jetstar, Qantas, Fiji Airways, Virgin, Sounds Air, our 50 volunteer ambassadors, service providers, contractors and stakeholders.

Steve Sanderson
Chief Executive

Tim Brown
Chairman

1. EBITDAF before subvention payment is a non-NZ GAAP measure of earnings. A reconciliation between WIAL's NPAT and EBITDAF before subvention payment is set out in the NZX announcement.


Taking Off
Projects on at Wellington Airport
International Terminal
Concept designs are underway to enhance the international passenger arrivals process.
Hotel
Design and costing is underway completing full feasibility.
Multi-level car park
A new multi-level car park is set to commence in November 2015 following detailed design and feasibility.
Retail
The terminal expansion will make way for new retail, food and beverage offerings in late 2015. The tender process will begin in June 2015.
Terminal Expansion
The 6000m² expansion of the main Terminal Building and South West Pier is underway and will be completed in early 2016.
16
Airport Retail Park
Work is underway on the 2,400m² extension to the Airport Retail park, and is expected to be open in Spring.
Noise Mitigation Package
The roll out of the noise mitigation package (to protect the community against future air noise) will commence later in 2015.
34
Runway
Resource consent consultation will be underway mid 2015 for a runway extension that will provide the capability for long haul services to and from Wellington.

Growing Together

International growth

Wellington is now the fastest growing of New Zealand's largest airports. Wellington Airport has invested significantly in route development with airlines and at the end of last year announced new services with Jetstar to Melbourne and Gold Coast and Fiji Airways to Nadi. The three new international services will deliver an annual increase of 165,000 seats, reducing travel costs and improving connectivity to Asia and North America.

Over the last twelve months, 786,000 people flew internationally to and from Wellington and with the new services we are forecasting a 15% increase in seat capacity over the next year. In April this year the Airport achieved its busiest month for international travellers ever - 77,000 people, more than twice the capacity of The Stadium travelled to and from Wellington, an increase of 17%.

WCC and Airport joint project to enable long haul flights

The last major extension to Wellington's runway was 180 metres long into Lyall Bay in 1972. This extension was to enable direct services to Australia on DC8 aircraft. After Boeing announced the pre-launch specifications of the B787 a decade ago, the potential of direct services linking Wellington, Asia and North America has been on the radar of Wellington's business, education and civic communities.

When it became apparent that the B787 and the A350 aircraft would not be able to provide commercially viable direct services from Wellington Airport's existing runway, Wellington City Council and the Airport commenced a joint project to assess the viability of a suitable extension. The initial stage involves feasibility assessment and consenting. This is well advanced with stakeholder consultation from May 2015 with the aim of having the necessary approvals in place in mid-2016.

Extending the main terminal

When the main terminal was opened in 1999 around 9,500 passengers came through the Airport each day. That number has now increased to 15,000 on average with busy days reaching up to 20,000. The extension will add another 6000sqm to the terminal building, providing a refreshing, open space with easy movement throughout the terminal, clear signs, more parking spaces for aircraft, and a centralised security screening point. It will be a very comfortable place to welcome and farewell family and friends, with new retail and food offerings and double the number of toilets. The new terminal will cater for up to 1500 passengers during the busy hour.

"A massive BRAVO! Thanks for making the event such a resounding success. My sincere gratitude for treating Wellington to an unforgettable experience!!"

CUBADUPA ATTENDEE

Supporting our Community

CubaDupa

CubaDupa transformed Wellington's iconic Cuba Street into a colorful street festival of dance, music, theatre, live street art, carnival, circus and street food. Wellington Airport are proud to have played an integral part in helping the inaugural CubaDupa take off.

"The inaugural CubaDupa festival required a leap of faith for all those who supported it. It was ambitious for a first year festival, and no one quite knew how it would go. Wellington Airport was there from the beginning as the key corporate partner in the festival, and thanks to their support CubaDupa was able to be seeded as a unique and major new event for the city, with an estimated 100,000 attendees and overwhelming positive feedback from all those who participated."

EMMA GIESEN – GENERAL MANAGER CREATIVE CAPITAL ARTS TRUST

Wellington Airport Community Awards

The Wellington Airport Regional Community Awards recognised 45 community groups across the Wellington region. Common Unity Project Aotearoa won the Supreme Award for their work as a community-based urban farm project, growing food, skills and leadership with local families at Epuni School. The self-funded pilot scheme has created a model that can be emulated around New Zealand.

"Big thanks to Wellington Airport and the Wellington Community Trust for this wonderful honour and a great night celebrating all the goodness in our region. We're so thrilled and humbled. And big love, as always, to all of our lovely volunteers and supporters. Such a proud moment for our Epuni community."

JULIA MILNE,
FOUNDER OF COMMON UNITY PROJECT AOTEAROA

We are proud to support:

- The Wellington Airport Community Awards
- Wild at Heart Spirit Awards
- NZ Festival
- CubaDupa
- World of Wearable Arts
- Wellington Phoenix FC
- Wellington Gold Award
- Wellington High Performance Aquatics
- Wellington Jazz Festival
- Wellington on a Plate
- Fringe Festival
- Lyall Bay, Maranui and Worser Bay Surf Clubs
- The Marine Education Centre
- Life Flight Trust
- NZ Airports Association
- Wellington Aero Club
- Wellington Employers Chamber of Commerce
- Lifelines
- Miramar Golf Club
- Refugee Services

Phoenix FC

The confronting signage in international arrivals says it all, our Airport is undoubtedly Phoenix territory. We are proud supporters of the Phoenix and congratulate them on their best season yet!

Spirit Awards

The Wild at Heart Spirit Awards are presented annually by Wellington Airport to a Year 13 student from each of the five local Colleges. This year the recipients each received a scholarship of $3000 towards furthering their education.

2015 Annual Review

Thank you for your on-going support from the team at Wellington Airport

Executive Leadership Team

WELLINGTON INTERNATIONAL AIRPORT LIMITED

Consolidated Annual Report
For the Year Ended 31 March 2015

DIRECTORS' REPORT

The Directors have pleasure in presenting to shareholders their twenty-fifth consolidated annual report for Wellington International Airport Limited ("WIAL" and/or the "Company") for the year ended 31 March 2015.

Directors

The Directors of WIAL during the year were:

- Timothy Brown, Chairman
- Jason Boyes
- Peter Coman
- Steven Fitzgerald
- Keith Sutton
- Celia Wade-Brown

Group's Affairs and Nature of Business

WIAL provides airport facilities and services to various airlines and airport users. WIAL's wholly owned subsidiary, Wellington Airport Noise Treatment Limited (WANT Limited), provides noise mitigation activities to manage the impact of noise generated from the airport on the surrounding community. As a result WIAL comprises a group for financial reporting purposes and is required to prepare a consolidated report.

The Directors regard the state of the Group's affairs to be satisfactory.

The nature of the Group's business has not changed during the year.

Earnings After Subvention Payment and Dividends

Total revenue for the year was $108.3 million. The net profit after taxation amounted to $9.7 million after a $38.2 million subvention was paid to subsidiaries of Infratil Limited.

During the year a dividend of $12.0 million was paid to Wellington City Council.

Retained Earnings Reserve

The total decrease in equity for the year, being the total recognised revenues net of expenses and subvention payment less dividends paid was $2.2 million. The retained earnings reserve at 31 March 2015 totalled $95.1 million.

Revaluation Reserves

The total revaluation reserve at 31 March 2015 was $333.8 million.

Liabilities

The liabilities of WIAL are not guaranteed by the shareholders.

Auditors

KPMG remained the Group's auditors during the year.

On behalf of the Board.

Timothy Brown
Chairman
13 May 2015

Keith Sutton
Director
13 May 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015	2014
		$000	$000
Landing and terminal charges		62,720	65,900
Property rent and lease income		11,508	11,277
Retail and trading activities		34,082	33,713
Total revenue		**108,310**	**110,890**
Operating expenses	4	(17,097)	(16,143)
Subvention payment	16	(38,230)	(35,330)
Employee remuneration and benefits		(9,105)	(8,715)
Total operating and other expenditure		**(64,432)**	**(60,188)**
Investment property revaluation net increase	12	371	511
Depreciation	11	(16,210)	(15,781)
(Loss)/gain on sale of property, plant and equipment		(19)	118
Loss on sale of residential houses		(674)	(959)
Operating earnings before interest and financing expense		**27,346**	**34,591**
Interest income		521	1,311
Interest expense		(18,255)	(19,981)
(Decrease)/increase in value of financial instruments designated at fair value through profit or loss		(1,182)	10,168
Net financing expense		**(18,916)**	**(8,502)**
Net profit from continuing operations before taxation		**8,430**	**26,089**
Taxation income/(expense)	8	1,246	(2,634)
Net profit after taxation		**9,676**	**23,455**
Total comprehensive income		**9,676**	**23,455**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings	Total Equity
		Attributable to Equity Holders				
		$000	$000	$000	$000	$000
Balance as at 1 April 2014		9,050	333,829	74	97,379	440,332
Total comprehensive income						
Net profit		-	-	-	9,676	9,676
Total comprehensive income		**-**	**-**	**-**	**9,676**	**9,676**
Contributions by and distributions to owners						
Executive redeemable shares issued		-	-	80	-	80
Executive redeemable shares converted		-	-	(14)	-	(14)
Dividends to equity holders		-	-	-	(11,966)	(11,966)
Total contributions by and distributions to owners		**-**	**-**	**66**	**(11,966)**	**(11,900)**
Balance as at 31 March 2015	10	**9,050**	**333,829**	**140**	**95,089**	**438,108**

	Note	Capital	Asset Revaluation Reserve	Other Reserve	Retained Earnings	Total Equity
		Attributable to Equity Holders				
		$000	$000	$000	$000	$000
Balance as at 1 April 2013		9,050	333,829	57	84,752	427,688
Total comprehensive income						
Net profit		-	-	-	23,455	23,455
Total comprehensive income		**-**	**-**	**-**	**23,455**	**23,455**
Contributions by and distributions to owners						
Executive redeemable shares issued		-	-	45	-	45
Executive redeemable shares converted		-	-	(28)	-	(28)
Dividends to equity holders		-	-	-	(10,828)	(10,828)
Total contributions by and distributions to owners		**-**	**-**	**17**	**(10,828)**	**(10,811)**
Balance as at 31 March 2014	10	**9,050**	**333,829**	**74**	**97,379**	**440,332**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 $000	2014 $000
Cash and cash equivalents	7	22,309	28,927
Trade receivables	13(a)	10,324	11,373
Prepayments and sundry receivables		3,542	2,548
Current assets		**36,175**	**42,848**
Property, plant and equipment	11	744,522	739,097
Investment properties	12	60,805	59,980
Derivative financial instruments	13(d)	-	401
Non current assets		**805,327**	**799,478**
Total assets		**841,502**	**842,326**
Trade and other payables		602	776
Taxation payable		13,853	14,967
Accruals and other liabilities		10,138	8,717
Accrued employee benefits	14	2,359	1,896
Current liabilities		**26,952**	**26,356**
Retail and wholesale bonds	6	273,882	273,727
Deferred taxation liability	8	92,057	92,189
Derivative financial instruments	13(d)	10,503	9,722
Non current liabilities		**376,442**	**375,638**
Attributable to shareholders		438,108	440,332
Total equity		**438,108**	**440,332**
Total equity and liabilities		**841,502**	**842,326**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

On behalf of the Board.

Timothy Brown
Chairman
13 May 2015

Keith Sutton
Director
13 May 2015

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 $000	2014 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		109,146	110,477
Interest received		461	1,311
		109,607	**111,788**
Cash was disbursed to:			
Payments to suppliers and employees		(25,420)	(26,006)
Interest payment		(17,827)	(20,326)
		66,360	**65,456**
Subvention payment	16	(38,230)	(35,330)
Net cash flows from operating activities	15	**28,130**	**30,126**
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment		6	14
		6	**14**
Cash was disbursed to:			
Purchase and removal of residential houses		(674)	(956)
Purchase of property, plant and equipment		(21,593)	(15,307)
Purchase of investment property		(521)	(4,847)
		(22,788)	**(21,110)**
Net cash flows from investing activities		**(22,782)**	**(21,096)**
Cash flows from financing activities			
Cash was provided from:			
Drawdown of loans and borrowings		12,000	31,000
Issue of bonds		-	125,000
		12,000	**156,000**
Cash was disbursed to:			
Repayment of matured bonds		-	(100,000)
Repayment of loans and borrowings		(12,000)	(31,000)
Dividends payment	16	(11,966)	(10,828)
		(23,966)	**(141,828)**
Net cash flows from financing activities		**(11,966)**	**14,172**
Net (decrease)/increase in cash and cash equivalents		(6,618)	23,202
Cash and cash equivalents balance at the beginning of the year		28,927	5,725
Cash and cash equivalents balance at the end of the year		**22,309**	**28,927**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

(1) Accounting policies

(a) Reporting entity

Wellington International Airport Limited ("WIAL" and/or the "Company") is a profit orientated company domiciled in New Zealand and registered under the Companies Act 1993. It was established under the Wellington Airport Act 1990 and was incorporated in September 1990. The commencing assets of WIAL were vested in the Company on 16 October 1990 by an Order in Council. The Company commenced trading on 16 October 1990. Its registered office is located at Wellington Airport Terminal, Stewart Duff Drive, Wellington, New Zealand. In terms of the Securities Act 1978 and Financial Markets Conduct Act 2013, the Company is a FMC Reporting Entity as it has bonds listed on the NZDX.

The consolidated financial statements comprise the Company and its subsidiary Wellington Airport Noise Treatment Limited ("WANT Limited"), (the "Group"). Under the new FMC reporting framework, WIAL is no longer required to report parent entity financial statements if consolidated accounts are prepared. WIAL has therefore elected to report Group financial statements only.

The financial statements of the Group are for the year ended 31 March 2015. The financial statements were approved by the Board of Directors on 13 May 2015.

(b) Basis of preparation

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable financial reporting standards as appropriate for profit-oriented entities. The financial statements also comply with IFRS.

The financial statements for the Group are presented as at and for the year ended 31 March 2015.

The consolidated financial statements comprise statements of the following: comprehensive income; changes in equity; financial position; cash flows; and the notes to those statements.

The consolidated financial statements are prepared on the basis of historical cost, except that property, plant and equipment are revalued in accordance with accounting policy (c), investment properties in accordance with accounting policy (d) and financial derivatives in accordance with accounting policy (i).

These consolidated financial statements are presented in New Zealand Dollars which is the Group's functional currency. Where indicated values are rounded to the nearest thousand dollars ($000).

(ii) Significant accounting estimates and judgments

The preparation of these consolidated financial statements conform with NZIFRS which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. The principal areas of judgement in preparing these financial statements are set out below:

Valuation of property, plant and equipment

The basis of valuation for the Group's property, plant and equipment is fair value by independent valuers where WIAL does not have the internal expertise. The basis of the valuations include assessment of the net present value of the future earnings of the assets, the optimised depreciated replacement cost, and other market based information, in accordance with asset valuation standards. The major inputs and assumptions that are used in the valuations that require judgement include forecasts of future revenues, sales volumes, capital investment and expenditure profiles, capacity, replacement values and life assumptions for each asset, and the application of discount rates.

Judgements must be made about whether costs incurred relate to bringing an asset to its working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset. The determination of the appropriate life for a particular asset requires management to make judgements about, among other factors, the expected future economic benefits of the asset and the likelihood of obsolescence. Revaluations are carried out by independent valuers with sufficient regularity, at least once every five years, to ensure that the carrying value does not differ from the fair value at balance date. The carrying value of property, plant and equipment and the valuation methodologies used in the latest revaluation undertaken and the key assumptions and inputs are disclosed in Note 11.

Valuation of investment properties

The Group revalues its investment properties to fair value each year. The fair value of investment properties is estimated by an independent valuer which reflects market conditions at balance date. Changes to market conditions or to assumptions made in the estimation of fair value will result in changes to the fair value of the investment properties. The carrying value of the investment properties, the valuation methodology applied and the key assumptions and inputs are disclosed in Note 12.

Derivatives

Derivatives are classified as financial assets or financial liabilities at fair value through profit or loss. The key assumptions and risk factors for derivatives relate to their valuation. Accounting judgements have been made in determining hedge designation for the different types of derivatives employed by the Group to hedge risk exposures. Derivative valuations are based on market information and prices. The carrying value of derivatives, the valuation methodology applied and the key assumptions and inputs are disclosed in Note 13.

(c) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses, or at fair value with valuations undertaken on a systematic basis with no individual asset included at a valuation undertaken more than five years previously. Impairment losses are charged to profit or loss.

Property, plant and equipment that are revalued, are revalued to their fair value determined by an independent valuation or by management using recognised valuation techniques. Where the assets are of a specialised nature and do not have observable market values in their existing use, optimised depreciated replacement cost is used as the basis of the valuation. This measures net current value as the most efficient, lowest cost which would replace existing assets and offer the same amount of utility in their present use. Where there is an observable market, an income based approach is used.

Land, buildings and civil assets are measured at fair value. An independent valuer is engaged to provide a valuation if management does not have sufficient expertise to perform the valuation. The fair values are recognised in the consolidated financial statements, and are reviewed at the end of each reporting period to ensure that the carrying values are not materially different from their fair values.

Any revaluation increase arising on the revaluation of land, buildings and civil assets is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of land, buildings, leasehold improvements and civil assets is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and civil assets is charged to profit or loss. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes is transferred directly to retained earnings. Plant and equipment under finance leases are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition. Additions not yet subject to independent valuation, including capital work in progress, are recorded at cost which may include capitalised interest where appropriate.

Land is not depreciated. Depreciation is calculated systematically on a straight-line basis to allocate the cost or revalued amount of an asset, less any residual value, over its estimated useful life. The useful lives are as follows:

Building ancillary services	5 – 30 years
Buildings	20 – 60 years
Civil works	5 – 80 years
Vehicles, plant and equipment	3 – 20 years

Individual assets' remaining useful lives and residual values are assessed at least annually and depreciation is calculated on a basis consistent with those parameters.

(d) Investment properties

Investment properties are measured at fair value with any change therein recognised in profit or loss.

Investment properties are revalued annually to their fair value determined by an independent valuer.

(e) Capital work in progress

The cost associated with the building of an item of property, plant and equipment or investment property is treated as capital work in progress. These costs are transferred to the relevant item of property, plant and equipment or investment property class when the asset is ready for use as intended by management.

(f) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due.

(g) Leases

Operating lease rentals are charged to profit or loss on a straight line basis over the period of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense and spread over the lease term.

(h) Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the measurement date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity or in other comprehensive income, in which case the deferred tax or current tax is also recognised directly in equity or in other comprehensive income.

(i) Derivative financial instruments

The Group is a party to derivative financial instruments as part of its day to day operating activities. When appropriate, the Group enters into agreements to manage its interest rate and foreign exchange risk. In accordance with the Group's risk management policies, the Group does not hold or issue derivative financial instruments for speculative purposes. Derivatives that do not qualify for hedge accounting are accounted for at fair value through profit or loss.

Derivative financial instruments are recognised initially at fair value at the date they are entered into. Subsequent to initial recognition, derivative financial instruments are remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The fair value of derivative financial instruments is classified as a non-current asset or a non-current liability if the remaining maturity of the derivative instrument is more than 12 months and as a current asset or current liability if the remaining maturity of the derivative is less than 12 months.

Counterparties to treasury derivative financial instruments are major financial institutions. The Group does not request security to support derivative financial instruments entered into.

(j) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(k) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred using the effective interest rate method except to the extent that they are capitalised. Borrowing costs that are directly attributable to material construction projects of a qualifying asset are capitalised as part of the cost of the assets.

(l) Borrowings

Borrowings are recorded at amortised cost. Fees and other costs incurred in raising debt finance are capitalised and amortised over the term of the relevant debt instrument or debt facility.

(m) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of Goods and Services Tax ("GST"). Revenue comprises the fair value of consideration received or receivable for the sale of goods or services in the ordinary course of the Group's activities.

Airport related revenues

Airfield income, passenger service charges and terminal service charges are recognised as revenue when the passenger travels or the airport facilities are used.

Rental revenue

Rental revenue is recognised in the profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of rental revenue and are amortised over the expected remaining life of the lease.

Retail and trading activities

Retail concession fees are recognised as revenue on an accrual basis in accordance with the agreements.

Revenue from car parks is recognised once the service is delivered.

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Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield of the financial asset.

(n) Segmental reporting

The Group has considered the requirements for segmental reporting as set out in NZ IFRS 8: Operating Segments. The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer. The Group has determined that one segment exists for the airport and airport related operations including investment properties.

(o) New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2015, but have not been applied in preparing these consolidated financial statements.

NZ IFRS 9 Financial instruments: recognition and measurement. Effective for periods beginning on or after 1 January 2017. The statement adds requirements related to classification, measurement and derecognition of financial assets and liabilities. It is not expected to have a material impact on the Group's financial statements.

NZ IFRS 15 Revenue from contracts with customers. Effective for periods beginning on or after 1 January 2017. This standard introduces principles for reporting cohesive and useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The likely impact of this standard has not yet been assessed.

(p) Changes in accounting policies

There have been no changes in accounting policies during the year other than the adoption of the new standards, amendments to standards and interpretations, if any, as noted in accounting policy (o).

(2) Nature of business

The Group operates in Wellington providing integrated airport and commercial facilities and services to various airlines and other airport users. A commercial retail park adjacent to the airport site is available to the public. Revenues include landing and terminal charges, property leases, retail and trading income. WANT Limited, the Company's wholly owned subsidiary, provides noise mitigation activities to manage the impact of noise generated from the airport on the surrounding community. The Company is a limited liability company incorporated and domiciled in New Zealand.

The Land Use Management and Insulation for Airport Noise Study was undertaken by WIAL in conjunction with its airlines, Board of Airline Representatives New Zealand Inc, Wellington City Council and the local Air Noise Management Committee in order to fulfil WIAL's obligations arising from Environment Court proceedings in 1997. The work identified from this study includes the acquisition and removal of noise affected houses and the provision of noise mitigation and insulation activities for others. WIAL commenced charging the airlines operating at Wellington Airport for these activities from 1 April 2012 and this charge is currently approximately 40 cents per passenger. These charges and noise mitigation activities are managed in WANT Limited, a wholly owned subsidiary of WIAL. WANT Limited has forecast that it will have predominantly concluded the noise management activities by the end of the financial year ending 31 March 2022 and it is expected that the charges will recover the noise mitigation costs over the period from 1 April 2012 to 31 March 2022.

(3) Reconciliation of Earnings before Interest, Taxation, Depreciation, Amortisation, Fair Value Movements of Financial Instruments, Realisations and Impairments, Subvention payments and Investment property revaluations (EBITDAF before subvention payment)

The Group's EBITDAF before subvention payment is presented to provide further information on the operating performance of the Group. EBITDAF before subvention payment is a useful non-GAAP financial measure as it shows the contribution to earnings prior to non-cash items such as depreciation and amortisation and fair value adjustments, and before the cost of financing, subvention payments and taxation. It is calculated by adjusting net profit after taxation for the year for subvention payments and for items that are non-operating such as interest, taxation, depreciation, revaluations and impairments.

	2015	2014
	$000	$000
Net profit after taxation	**9,676**	**23,455**
Subvention payment	38,230	35,330
Net interest expense	17,734	18,670
Taxation (income)/expense	(1,246)	2,634
Depreciation	16,210	15,781
Investment property revaluation net increase	(371)	(511)
Loss/(gain) on sale of property, plant and equipment	19	(118)
Loss on sale of residential houses	674	959
Decrease/(increase) in value of financial instruments designated at fair value through profit or loss	1,182	(10,168)
EBITDAF before subvention payment	**82,108**	**86,032**

(4) Operating expenses

	2015	2014
Fees paid to auditors:	$000	$000
Audit of statutory financial statements	82	90
Taxation services	38	17
Other assurance services	42	25
Donations	6	-
Directors' fees	338	328
Regulatory compliance and consultation	581	436
Marketing and development	1,629	1,439
Cleaning and energy	2,044	2,042
Rates	1,970	1,951
Insurance	2,037	2,031
Repairs and maintenance	2,553	2,506
Operating lease expenses	821	805
Administration and other expenses	4,956	4,473
Total operating expenses	**17,097**	**16,143**

Taxation services relate to tax compliance work. Other assurance services comprise fees paid in relation to the audit of WIAL's annual regulatory Information Disclosures and review of the airline pricing consultation financial model.

(5) Bank interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's bank interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk see Note 13: Financial instruments.

	2015	2014
Facilities not utilised at reporting date	$000	$000
Unsecured bank credit facilities	100,000	90,000

Financing arrangements

The Group's debt includes bank facilities with a negative pledge arrangement, which with limited exceptions do not permit the borrower to grant any security over its assets. The bank facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. The banking arrangements also include restrictions over the sale or disposal of certain assets. The Group has complied with all its debt covenant requirements during the year.

(5) Bank interest-bearing loans and borrowings (continued)

Committed cash advance facilities

At year end, the Group had unsecured bank debt facilities of $100.0 million (2014: $90.0 million) of which $70.0 million expires in June 2018 and $30.0 million expires in June 2019. Interest rates were determined by reference to prevailing money market rates plus a margin. Interest rates paid during the period ranged from 4.18% to 4.40% (2014: 3.32% to 3.46%).

(6) Bonds

	2015	2014
	$000	$000
Non current bonds		
Wholesale bonds maturing August 2017, 3.89% per annum to 1 May 2015, then repriced quarterly at BKBM plus 25bp	150,000	150,000
Wholesale bonds maturing June 2019, 4.93% per annum to 17 Jun 2015, then repriced quarterly at BKBM plus 130bp	25,000	25,000
Wholesale bonds maturing June 2020, fixed 5.27% p.a.	25,000	25,000
Retail bonds maturing May 2021, fixed 6.25% p.a.	75,000	75,000
Less transaction costs from issue still to be expensed	(1,118)	(1,273)
Balance at the end of the year	**273,882**	**273,727**

At 31 March 2015, the bonds had a fair value of $282.3 million (2014: $274.7 million).

The Trust Deeds for the bonds require the Group to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deeds create restrictions over the sale or disposal of certain assets. The Group complied with its debt covenant requirements during the year.

(7) Cash and cash equivalents

	2015	2014
	$000	$000
Bank and cash balances	1,009	1,027
Call and short term deposits	21,300	27,900
Total cash and cash equivalents	**22,309**	**28,927**

(8) Taxation

	2015	2014
	$000	$000
Net profit before taxation	8,430	26,089
Taxation for the year at 28% (2014: 28%)	(2,361)	(7,305)
Subvention payment made in respect to prior period	(10,704)	(9,892)
Taxation effect of non deductible expenses	(122)	(105)
Prior period adjustment	(894)	-
Loss offset	4,298	4,419
Over provision in prior years	11,029	10,249
Taxation income/(expense)	**1,246**	**(2,634)**
Current taxation	1,114	(1,223)
Deferred taxation	132	(1,411)
Taxation income/(expense)	**1,246**	**(2,634)**

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FOR THE YEAR ENDED 31 MARCH 2015

(8) Taxation (continued)

Deferred tax

	2015	2014
	$000	$000
Balance at the beginning of the year	(92,189)	(90,778)
Income/(expense) for the year	132	(1,411)
Balance at the end of the year	**(92,057)**	**(92,189)**

Recognised deferred tax assets and liabilities

		2015			2014	
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	$000	**$000**	**$000**	$000	$000	$000
Property, plant and equipment	-	(86,804)	(86,804)	-	(87,634)	(87,634)
Investment properties	-	(9,036)	(9,036)	-	(8,076)	(8,076)
Derivatives	3,814	-	3,814	3,547	-	3,547
Employee benefits accrued	139	-	139	149	-	149
Other items	-	(170)	(170)	-	(175)	(175)
Net tax assets/(liabilities)	**3,953**	**(96,010)**	**(92,057)**	**3,696**	**(95,885)**	**(92,189)**

Movement in temporary differences during the year

	Balance 31/03/2013	Earnings	Recognised in Equity	**Balance 31/03/2014**	**Recognised in Earnings**	**Equity**	**Balance 31/03/2015**
	$000	$000	$000	**$000**	**$000**	**$000**	**$000**
Assets:							
Property, plant and equipment	(89,725)	2,091	-	(87,634)	830	-	(86,804)
Investment properties	(7,578)	(498)	-	(8,076)	(960)	-	(9,036)
Other items	(38)	38	-	-	-		-
Liabilities:							
Employee benefits accrued	146	3	-	149	(10)	-	139
Derivatives	6,409	(2,862)	-	3,547	267	-	3,814
Other items	8	(183)	-	(175)	5	-	(170)
Balance at year end	**(90,778)**	**(1,411)**	**-**	**(92,189)**	**132**	**-**	**(92,057)**

Imputation credit account

	2015	2014
	$000	$000
Imputation credits for use in future reporting periods	1	1

(9) Investment in subsidiary

The Company held shares in the following operating companies:

Subsidiary	**Balance Date**	**2015 Holding**	**2014 Holding**	**Principal activity**	**Country of incorporation**
WANT Limited	31 March	100%	100%	Noise mitigation	New Zealand

WANT Limited commenced trading on 1 April 2012.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(10) Capital

	2015	2014
	$000	$000
Represented by:		
Total issued capital at the beginning and end of the year 40,155,942 ordinary shares	9,050	9,050
Balance at the end of the year	**9,050**	**9,050**

All ordinary shares have equal voting rights and share equally in dividends and equity. All shares have no par value.

(11) Property, plant and equipment

	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	at fair value	at fair value	at fair value	at cost	at cost	
	$000	$000	$000	$000	$000	$000
Cost or valuation						
Balance at 1 April 2014	290,130	151,874	309,323	39,769	10,474	801,570
Additions	395	15	427	604	20,672	22,113
Transfer from capital work in progress	1	5,851	2,095	1,092	(9,039)	-
Transfer from capital work in progress to investment properties	-	-	-	-	(521)	(521)
Transfer to property, plant and equipment assets from investment properties	-	-	67	-	-	67
Disposals	-	(14)	-	(137)	-	(151)
Balance at 31 March 2015	**290,526**	**157,726**	**311,912**	**41,328**	**21,586**	**823,078**
Accumulated depreciation and impairment losses						
Balance at 1 April 2014	-	17,059	22,659	22,755	-	62,473
Depreciation for the year	-	5,177	7,586	3,447	-	16,210
Disposals	-	(14)	-	(113)	-	(127)
Balance at 31 March 2015	**-**	**22,222**	**30,245**	**26,089**	**-**	**78,556**
Net book value at 31 March 2015	**290,526**	**135,504**	**281,667**	**15,239**	**21,586**	**744,522**

(11) Property, plant and equipment (continued)

	Land at fair value $000	Civil at fair value $000	Buildings at fair value $000	Plant and Equipment at cost $000	Capital work in progress at cost $000	Total $000
Cost or valuation						
Balance at 1 April 2013	289,701	147,736	305,659	35,128	9,021	787,245
Additions	581	-	161	4,159	15,563	20,464
Transfer from capital work in progress	-	4,142	4,085	1,602	(9,829)	-
Transfer of capital work in progress to investment properties	-	-	-	-	(4,281)	(4,281)
Transfer from property, plant and equipment assets to investment properties	(152)	-	(350)	(64)	-	(566)
Disposals	-	(4)	(232)	(1,056)	-	(1,292)
Balance at 31 March 2014	**290,130**	**151,874**	**309,323**	**39,769**	**10,474**	**801,570**
Accumulated depreciation and impairment losses						
Balance at 1 April 2013	-	12,063	15,151	20,564	-	47,778
Depreciation for the year	-	4,998	7,568	3,215	-	15,781
Disposals	-	(2)	(60)	(1,024)	-	(1,086)
Balance at 31 March 2014	**-**	**17,059**	**22,659**	**22,755**	**-**	**62,473**
Net book value at 31 March 2014	**290,130**	**134,815**	**286,664**	**17,014**	**10,474**	**739,097**

Revalued assets at deemed cost

	Land $000	**Civil $000**	**Buildings $000**	**Vehicles, Plant and Equipment $000**	**Capital work in progress $000**	**Total $000**
Cost	86,633	127,206	236,460	40,815	10,474	501,588
Additions	395	15	427	604	20,672	22,113
Transfer to investment properties	-	-	-	-	(521)	(521)
Increase/(decrease) in assets under construction during the year	1	5,851	2,095	1,092	(9,039)	-
Transfer to property, plant and equipment assets from investment properties	-	-	67	-	-	67
Disposals	-	(41)	-	(137)	-	(178)
Less accumulated depreciation	-	(37,228)	(64,849)	(27,187)	-	(129,264)
Net book value at 31 March 2015	**87,029**	**95,803**	**174,200**	**15,187**	**21,586**	**393,805**
Cost	86,204	123,066	232,584	35,150	9,021	486,025
Additions	581	-	161	4,159	15,563	20,464
Transfer to investment properties	(152)	-	(350)	(64)	-	(566)
Increase/(decrease) in assets under construction during the year	-	4,142	4,085	1,602	(14,110)	(4,281)
Disposals	-	(2)	(20)	(32)	-	(54)
Less accumulated depreciation	-	(34,365)	(58,915)	(23,908)	-	(117,188)
Net book value at 31 March 2014	**86,633**	**92,841**	**177,545**	**16,907**	**10,474**	**384,400**

(11) Property, plant and equipment (continued)

Land was last revalued as at 31 March 2012 by independent valuers Telfer Young Limited, in accordance with the New Zealand Institute of Valuers asset valuation standard (fair value $289.2 million). The Directors are satisfied that there has not been a material movement in the fair value as at 31 March 2015.

All buildings and civil assets were last revalued as at 31 March 2011 in accordance with the New Zealand Institute of Valuers Asset Valuation Standards. The valuation was undertaken by independent registered valuers, Telfer Young Limited for buildings (fair value $268.7 million), and Opus International Consultants Limited for civil assets (fair value $142.7 million). The Directors are satisfied that there has not been a material movement in the fair value as at 31 March 2015.

As at 31 March 2015 the Group performed a discounted cash flow analysis to confirm that there had been no material movements in the value of the vehicle business assets within the building assets category and that the carrying value still represented the fair value of the asset. The discounted cash flow analysis showed that there was no material change in the value of the vehicle business assets within the buildings asset category.

The following table summarises the valuation approach and key assumptions used by the valuers to arrive at fair value, and categorises each fair value measurement within the 'fair value hierarchy' described in Note 13 (d), based on the lowest level input that is significant to the fair value measurement as a whole.

Asset classification and description	Valuation approach	Key valuation assumptions	Fair value hierarchy level	+ / - 5% Valuation Impact
Land				
Aeronautical land - used for airport activities and specialised aeronautical assets Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail and land associated with the vehicle business	Market value existing use approach - comprising market value alternative use valuation plus development and holding costs to provide land suitable for airport use The development and holding costs are derived by the valuer using assumptions regarding the discount rate, holding period and direct costs of holding the land for conversion to airport use. The valuer makes use of expert advice from Sapere Research Group in relation to the discount rate used. These inputs are deemed unobservable.	Adopted rate per hectare prior to holding costs $1.37 million per ha Discount rate 12.88% Holding period 5 years	3	+/- $21.1 million (of a 5% change in discount rate)
Residential land	Residential land is valued at rateable value	-	1	-
Civil				
Civil works includes sea protection and site services, excluding such site services to the extent that they would otherwise create duplication of value	Optimised depreciated replacement cost - the cost of constructing a modern equivalent asset at current market based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and any sub-optimal usage of the assets in their current application (optimisation). These inputs are deemed unobservable.	Average cost rates including concrete $740 per m^3, asphalt $833 per m^3, base course $83 per m^3 and foundations $15 per m^3	3	+ / - $6.8 million (of a 5% change in cost estimate)
Buildings				
Specialised buildings used for identified airport activities	Optimised depreciated replacement cost derived from modern equivalent asset rate, as described for Civil above.	Modern equivalent asset rates ranging from $175 to $5,000 per m^2, with a weighted average of $4,050 per m^2	3	+ / - $9.3 million (of a 5% change in cost estimate)
Buildings other than for identified airport activities, including space allocated within the main terminal building for retail activities, offices and storage that exist because of the airport activities	Optimised depreciated replacement cost derived from modern equivalent asset rate, as described for Civil above.	Modern equivalent asset rates ranging from $550 to $1,900 per m^2, with a weighted average of $1,364 per m^2		

(11) Property, plant and equipment (continued)

Asset classification and description	Valuation approach	Key valuation assumptions	Fair value hierarchy level	+ / - 5% Valuation Impact
Vehicle business assets Assets associated with car parking and taxi, shuttle and bus services (excluding land)	Discounted cash flow valuation performed by management and based on: - Internal management information such as forecast future revenues, costs and capital expenditure. This information is derived from WIAL's financial and car park management systems and is subject to WIAL's overall control environment. - Assumptions such as the discount rate. These are based on management's judgement and arrived at in consultation with external experts. Both the internal management information and the discount rate are deemed to be unobservable inputs.	Revenue growth 3% per annum Cost growth 3% per annum Discount rate 13%	3	+ / - $2.8 million (of a 5% change in discount rate)
Vehicles, plant and equipment Vehicles, plant and equipment comprises a mixture of specialised and non-specialised assets	Not applicable - measured at cost.	-	-	-

There were no transfers between Level 2 and Level 3 of the fair value hierarchy during the year ended 31 March 2015 (2014: none).

Level 3 Asset Classification	Sensitivity of significant unobservable inputs
Land	The critical elements in establishing the market value existing use valuation of land is the opportunity cost of capital over the holding period, and the adopted rate per hectare. - An increase in the adopted rate per hectare will increase the fair value - An increase in the discount rate will increase the fair value - An increase in the holding period will increase the fair value
Civil□	The critical elements in establishing the fair value of civil assets is the movement in the average cost rates for concrete, asphalt, base course and foundations, as well as the estimated remaining useful life of the assets. - An increase to any of the average cost rates listed above will increase the fair value - A decrease in the estimated remaining useful life of the assets will decrease the fair value
Buildings (other than Vehicle business assets)	The key inputs in establishing the fair value of buildings (other than vehicle business assets) are the estimate of the remaining useful life and the modern equivalent asset rate. - An increase to the modern equivalent asset rate will increase the fair value - A decrease in the estimated remaining useful life will decrease the fair value
Vehicle business assets	The key inputs to the fair value of vehicle assets, and their impact on the resulting valuation are: - A decrease in the assumed revenue growth will decrease the fair value - An increase in the assumed cost growth will decrease the fair value - An increase in the discount rate used for the discounted cash flow method will decrease the fair value

Capital work in progress

For the year ended 31 March 2015, capitalised borrowing costs relating to capital work in progress amounted to $0.5 million (2014: $0.4 million), with an average capitalisation rate of 6.23% (2014: 6.70%).

(12) Investment properties

	2015 $000	2014 $000
Balance at the beginning of the year	59,980	54,622
Transfer from capital work in progress to investment properties	521	4,281
Transfer (to)/from property, plant and equipment assets (from)/to investment properties	(67)	566
Investment properties revaluation net increase	371	511
Balance at the end of the year	**60,805**	**59,980**

Investment properties are valued at fair value annually, based on independent valuations undertaken by registered valuers, Telfer Young Limited. It was confirmed by Telfer Young Limited that there was a change in value as at 31 March 2015 and this has been recorded. Fair values are based on market values, being the price that would be received to sell a property in an orderly transaction between market participants at the measurement date. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting the property and application of a yield that reflects the specific risks inherent in the net cash flows to arrive at a property valuation. The methodologies applied are consistent with those used in the prior year. Movements in the valuation of investment properties are taken to profit or loss.

The discounted cash flow valuations are based on both:
- Information provided by WIAL management including net contract income and lease term. WIAL provided the valuer with information on rental incomes and directly associated expenses from the underlying accounting records. Information on lease terms is derived from WIAL's property management system.
- Assumptions and valuation models used by the valuer. These assumptions are typically market related, such as the capitalisation rate. These are based on the valuer's professional judgement and market observation.

All input information provided is subject to WIAL's overall control environment.

The inputs described above are deemed unobservable, and therefore investment properties are classified as Level 3 in the fair value hierarchy.

The principal assumptions used in establishing the valuations were as follows (expressed as weighted averages):

	2015	2014
Discount rate	10.94%	9.83%
Capitalisation rate	8.44%	8.41%
Average lease term (years)	3.55	4.16

The impact of the unobservable inputs to the discounted cash flow valuation of investment properties is:
- An increase in the discount rate will decrease the fair value.
- An increase in the capitalisation rate will decrease the fair value.
- A decrease in the average lease term will ordinarily decrease the fair value.

	2015	2,014
Amounts recognised in profit or loss (excluding revaluations):	**$000**	$000
Rental income from investment properties	5,535	5,005
Direct operating expenses arising from investment properties that generate income	(1,079)	(1,109)
Total amounts recognised in profit or loss (excluding revaluations)	**4,456**	**3,896**

(13) Financial instruments

The Group has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee also has a function of reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Group has developed a comprehensive enterprise wide risk management framework. Management and Board participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Group. Management report to the Audit and Risk Committee and the Board on the Group's risks and the controls and treatments for those risks.

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group is exposed to credit risk in the normal course of business including those arising from trade receivables with its customers, financial derivatives and transactions (including cash balances) with financial institutions. Cash is held with counterparties approved under the Group's Treasury Policy. At 31 March 2015 cash was held solely with ANZ Bank New Zealand Limited. The Group minimises its exposure to credit risk of trade receivables through the adoption of counterparty credit limits and standard payment terms. Derivative and cash transactions are limited to high credit-quality financial institutions and other organisations in the relevant industry.

The Group's exposure and the credit ratings of counterparties are monitored, and the aggregate value of transactions concluded are spread amongst approved counterparties.

The Group has exposure to various counterparties. Concentration of credit risk with respect to trade receivables is concentrated in a small number of accounts because the Group has a limited range of customers. At 31 March 2015, 71% of trade receivables were due from ten customers (2014: 78%).

Liquidity risk is the risk that assets held by the Group cannot readily be converted to cash to meet the Group's contracted cash flow obligations. Liquidity risk is monitored by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk by maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the spreading of debt maturities. In addition, covenant levels are monitored and reported on to the Board, banks and the bond trustee.

Market risk includes interest rate risk (cash flow and fair value) which is the risk of interest rate volatility negatively affecting the Group's interest expense cash flow and earnings. The Group mitigates this risk by issuing term borrowings at fixed interest rates or entering into interest rate swaps to convert floating rate exposures to fixed rate exposure. Also included is foreign exchange risk which is the risk of the foreign exchange rate volatility negatively affecting the Group's foreign exchange cash flow and earnings. The Group mitigates this risk by entering into forward exchange rate contracts to hedge foreign currency exposures, where appropriate.

(13) Financial instruments (continued)

(a) Credit risk

Financial instruments which potentially subject the Group to credit risk principally consist of bank balances and receivables. The Group actively manages and monitors its accounts receivable on an ongoing basis. Maximum exposures to credit risk as at balance date are:

	2015	2014
	$000	$000
Bank	22,274	28,894
Trade receivables	10,324	11,373
Bank and trade receivables	**32,598**	**40,267**

No security is held on the above amounts. The Group is not exposed to any other concentrations of credit risk.

The ageing of trade receivables at the end of the year were:

	2015	2014
	$000	$000
Current	9,702	10,654
Overdue 0-30 days	478	562
Overdue 31-90 days	26	64
91 days and over	220	188
Provision for doubtful debts	(102)	(95)
Total trade receivables	**10,324**	**11,373**

(b) Market risk

Interest rate risk

The Group is exposed to interest rate fluctuations on its bank debt and borrowings. The Group uses interest rate swaps to manage interest rate risk. As at 31 March 2015 the Group has covered 100% of its wholesale bond exposure to floating interest rates with fixed rate swaps (2014: 100%) matching with the full term of the loans. The average effective interest rate for the interest rate swaps during the year ended 31 March 2015 was 6.32% (2014: 6.72%). At balance date the interest rate contracts outstanding were:

	2015	2014
	$000	$000
Interest rate swaps notional value	175,000	175,000
Fair value of interest rate swaps	(10,503)	(9,321)
Maturity analysis		
Between 2 to 5 years	175,000	150,000
More than five years	-	25,000

Foreign exchange risk

The Group was not exposed to foreign currency risk at 31 March 2015 (2014: nil).

(13) Financial instruments (continued)

(c) Sensitivity analysis

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for the year to the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss			
	2015		2014	
	100 bp increase	**100 bp decrease**	100 bp increase	100 bp decrease
	$000	**$000**	$000	$000
Wholesale bonds - variable rate instruments	(1,750)	1,750	(1,750)	1,750
Interest rate swaps	5,935	(6,073)	7,367	(7,367)
Net profit and loss sensitivity	**4,185**	**(4,323)**	**5,617**	**(5,617)**

(d) Fair values

Financial instruments consist of Cash and cash equivalents, Trade receivables, Trade and other payables, Retail and wholesale bonds and Derivative financial instruments. The fair value of interest rate swaps are detailed in Note 13(b). The fair value of all other financial instruments are represented by their carrying value except for the Retail bonds which are represented by their NZDX quoted value. The Group's Retail bonds are not carried at fair value, but the fair value is disclosed in Note 13(d). The fair value of Retail bonds is classified as Level 1, as it is based on a quoted market price. These fair values are considered to be Level 1 as the values are directly observable.

There were no transfers between Level 2 and Level 3 of the fair value hierarchy during the year ended 31 March 2015 (2014: none)

	Loans & receivables	Fair value through profit and loss	Liabilities at amortised cost	Total carrying amount	Fair value
	$000	**$000**	**$000**	**$000**	**$000**
At 31 March 2015					
Assets					
Cash and cash equivalents	22,309	-	-	22,309	22,309
Trade receivables	10,324	-	-	10,324	10,324
Total assets	**32,633**	**-**	**-**	**32,633**	**32,633**
Liabilities					
Trade and other payables	-	-	602	602	602
Retail and wholesale bonds					
Retail bonds	-	-	74,336	74,336	82,749
Wholesale bonds	-	-	199,546	199,546	199,546
Derivative financial instruments	-	10,503	-	10,503	10,503
Total liabilities	**-**	**10,503**	**274,484**	**284,987**	**293,400**

(13) Financial instruments (continued)	Loans & receivables	Fair value through profit and loss	Liabilities at amortised cost	Total carrying amount	Fair value
At 31 March 2014	**$000**	**$000**	**$000**	**$000**	**$000**
Assets					
Cash and cash equivalents	28,927	-	-	28,927	28,927
Trade receivables	11,373	-	-	11,373	11,373
Derivative financial instruments	-	401	-	401	401
Total assets	**40,300**	**401**	**-**	**40,701**	**40,701**
Liabilities					
Trade and other payables	-	-	776	776	776
Retail and wholesale bonds					
Retail bonds	-	-	74,240	74,240	75,183
Wholesale bonds	-	-	199,487	199,487	199,487
Derivative financial instruments	-	9,722	-	9,722	9,722
Total liabilities	**-**	**9,722**	**274,503**	**284,225**	**285,168**

Estimation of fair values

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

• The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

• The fair value of derivative financial instruments are calculated using market-quoted rates based on discounted cash flow analysis;

• The fair value of the wholesale bonds is approximated by cost as they are repriced quarterly; and

• The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.

The Group discloses fair value measurements by level of the following fair value measurement hierarchy:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),

• Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The table below shows financial instruments, measured at fair value at the end of the financial year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
	$000	**$000**	**$000**	**$000**
At 31 March 2015				
Liabilities				
Derivative financial instruments	-	(10,503)	-	(10,503)
Total liabilities	**-**	**(10,503)**	**-**	**(10,503)**
At 31 March 2014				
Assets				
Derivative financial instruments	-	401	-	401
Total assets	-	401	-	401
Liabilities				
Derivative financial instruments	-	(9,722)	-	(9,722)
Total liabilities	**-**	**(9,722)**	**-**	**(9,722)**

(13) Financial instruments (continued)

(e) Liquidity risk

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date. The amounts in the tables below are disclosed at fair value, apart from bonds which are disclosed as contractual undiscounted cash flows and include interest through to maturity.

	Balance sheet	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	$000	$000	$000	$000	$000	$000	$000
At 31 March 2015							
Trade and other payables	602	602	602	-	-	-	-
Retail bonds	74,336	105,469	2,344	2,344	4,688	14,063	82,031
Wholesale bonds	199,546	226,215	4,109	3,972	8,004	184,470	25,659
Derivative financial instruments	10,503	12,056	2,266	2,403	4,747	2,640	-
Total liabilities	**284,987**	**344,342**	**9,321**	**8,719**	**17,439**	**201,173**	**107,690**
At 31 March 2014							
Trade and other payables	776	776	776	-	-	-	-
Retail bonds	74,240	110,160	2,344	2,344	4,688	14,063	86,719
Wholesale bonds	199,487	243,697	4,203	4,596	10,155	172,328	52,414
Derivative financial instruments	9,722	7,327	2,173	1,779	2,596	868	(89)
Total liabilities	**284,225**	**361,960**	**9,496**	**8,719**	**17,439**	**187,259**	**139,044**

(f) Fair value movement

As at 31 March 2015, the Group has interest rate contracts with maturities up to June 2019. Interest rate contracts are marked to market and this has resulted in an unrealised loss of $1.2 million for the year ended 31 March 2015 (2014: unrealised gain of $10.2 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

(13) Financial instruments (continued)

(g) Capital management

The Group's capital includes share capital, reserves and retained earnings.

The key factors in determining the Group's optimal capital structure are quality and dependability of earnings and cash flows, capital needs and available sources of capital and relative cost. The Group is subject to certain compliance ratios relevant to the facility agreements and Trust Deeds applicable to the borrowings. There were no changes in the Group's approach to capital management during the year. The Group monitors capital on the basis of the gearing ratio, which is calculated as net debt divided by total capital funding.

	Notes	2015	2014
		$000	$000
Net debt			
Retail and wholesale bonds	6	(273,882)	(273,727)
Cash and cash equivalents	7	22,309	28,927
Total net debt		**(251,573)**	**(244,800)**
Total equity		**(438,108)**	**(440,332)**
Total capital funding		**(689,681)**	**(685,132)**
Gearing ratio		**36.5%**	**35.7%**

(14) Accrued employee benefits

	2015	2014
	$000	$000
Salaries and wages	1,812	1,301
Annual leave	547	595
Total accrued employee benefits	**2,359**	**1,896**

(15) Reconciliation of net profit with cash flow from operating activities

	2015	2014
	$000	$000
Net profit after taxation	9,676	23,455
Add items not involving cash flows		
Investment property revaluation net increase	(371)	(511)
Decrease/(increase) in value of financial instruments designated as fair value through profit or loss	1,182	(10,168)
Depreciation	16,210	15,781
Loss/(gain) on sale of property, plant and equipment	19	(118)
Loss on sale of residential houses	674	959
Movement in deferred tax	(132)	1,411
Amortisation of transaction costs from issue of bonds	156	(443)
Movements in working capital		
(Increase)/decrease in trade and accounts receivables	1,049	(131)
(Increase)/decrease in prepayments and sundry receivables	(994)	(826)
(Decrease)/increase in accounts payable	(174)	(511)
(Decrease)/increase in accruals and other liabilities	1,949	5
(Decrease)/Increase in taxation payable	(1,114)	1,223
Net cash inflow from operating activities	**28,130**	**30,126**

(16) Related parties

WIAL is 66% owned by NZ Airports Limited, which is wholly owned by Infratil Limited. Wellington City Council owns the remaining 34% of the Company.

	Transaction Value for the year ended 31 March		Balance receivable/(payable) as at 31 March	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Wellington City Council				
Dividend payment	(11,966)	(10,828)	-	-
Directors' fees	(46)	(18)	-	-
Rates	(2,250)	(2,183)	-	-
Grant	517	257	-	257
Other	(230)	(106)	(13)	23
Infratil and its subsidiaries				
Infratil Group - subvention payment	(38,230)	(35,330)	-	-
Cityline NZ Limited - Airport Flyer Bus services	236	305	24	23
H.R.L. Morrison & Co Limited - Consultancy fees	(47)	(5)	-	-
- Directors' fees	(233)	(182)	-	-
iSite Limited - Advertising services	1,268	1,357	124	157
Infratil Associate				
Z Energy - Lease of property	392	178	38	40

Directors fees of $233,245 (2014: $181,962) were paid during the year to H.R.L. Morrison & Co, the company responsible for the day-to-day management of Infratil Limited, for the services of T Brown, P Coman, S Fitzgerald and J Boyes as Directors, and S Fitzgerald and J Boyes as Audit and Risk Committee members. Directors fees of $46,035 (2014: $17,513) were paid during the year to the Wellington City Council, for the services of C Wade-Brown as a Director.

From time to time Directors of the Group, or their related entities, may enter into transactions with the Group as members of the public. These transactions are entered into on an arm's length commercial basis.

(17) Financial commitments

(a) Capital commitments

	2015	2014
	$000	$000
Contracted but not provided for	**35,866**	**3,029**

The property, plant and equipment contracted but not provided for relates to terminal development works and sundry other projects.

(17) Financial commitments (continued)

(b) Leases

Lease commitments to the Group

The Group owns investment properties and other properties, plant and equipment which are leased to produce property income. The lease commitments expire as set out below:

	2015	2014
	$000	$000
Between 0 to 1 year	12,738	14,828
Between 1 to 2 years	5,558	10,852
Between 2 to 5 years	10,284	12,834
More than 5 years	8,678	11,414
Total lessor commitments	**37,258**	**49,928**

Lease commitments of the Group

The Group has commitments under operating leases relating to the lease of premises and hire of plant and equipment. The lease periods range from 1 to 20 years. The lease commitments expire as set out below:

	2015	2014
	$000	$000
Between 0 to 1 year	821	805
Between 1 to 2 years	806	775
Between 2 to 5 years	2,289	2,258
More than 5 years	3,352	4,100
Total lessee commitments	**7,268**	**7,938**

(18) Contingent liabilities

There were no contingent liabilities outstanding at 31 March 2015 (2014: nil).

(19) Key management personnel disclosures

	2015	2014
	$000	$000
Short-term employee benefits	**2,794**	**2,493**

The key management personnel include the Directors of WIAL, the Chief Executive Officer and those personnel reporting directly to the Chief Executive Officer. The Directors' fees of $337,591 (2014: $328,498) disclosed in Note 4: Operating expenses are included within short-term employee benefits as they form part of the remuneration to key management personnel.

(20) Infratil staff share scheme

WIAL participates in two staff share schemes, namely an executive share scheme and a staff share purchase scheme.

WIAL has recorded $283,321 in profit or loss in respect of the executive share scheme for the year ended 31 March 2015 (2014: $131,928). In association with employee participation in the staff share purchase scheme, WIAL has recorded $20,360 in interest free loans as at 31 March 2015 (2014: $19,170).

(21) Events after balance date

There were no disclosable events after balance date.

STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015

Directors' interests

The Directors have given the following notices of disclosure of interest which have been entered into the Company's register of interests.

Director	Name of party in which Director has an interest	Nature of interest
Timothy Brown	Creative Capital Arts Trust	Chairman
	MCL Capital Limited	Chairman
	MCL Capital No. 1 Limited	Chairman
	Mana Capital Holdings Limited	Director
	New Zealand Bus Limited	Director
	New Zealand Bus Company Finance Limited	Director
	New Zealand Opera	Director
	North West Auckland Airport Limited	Director
	H.R.L. Morrison & Co Limited	Executive
Jason Boyes	H.R.L. Morrison & Co Limited	Executive
Peter Coman	Aspire Schools (Qld) Pty Limited	Director
	Aspire Schools Holdings (Qld) Pty Limited	Director
	Infratil Infrastructure Property Limited	Director
	iSite Limited	Director
	Learning Infrastructure Partners GP Limited	Director
	Living & Learning Custodians Pty Limited	Director
	Living & Learning Finance Pty Limited	Director
	Living & Learning Holdings Custodians Pty Limited	Director
	Morrison & Co PIP Limited	Director
	Morrison & Co Property Group Limited	Director
	New Lynn Central Limited Partnership	Director
	Next Step Partners GP 1 Limited	Director
	Next Step Partners GP Limited	Director
	QEPO Landowner Pty Limited	Director
	Woodward Infrastructure Limited	Director
	H.R.L. Morrison & Co Limited	Executive
Steven Fitzgerald	Infratil Airports Europe Limited	Chairman
	PAPT Holdings Pty Limited	Director
	PAPT Nominees Pty Limited	Director
	Perth Airport Development Group Pty Limited	Director
	Perth Airport Pty Limited	Director
	Perth Energy Pty Limited	Director
	RA 2014 Pty Limited	Director
	RA (Holdings) 2014 Pty Limited	Director
	Western Energy Pty Limited	Director
	H.R.L. Morrison & Co Limited	Executive
Keith Sutton	Taranaki Investment Management Limited	Chairman
Independent Director	Tasman Farms Limited	Chairman
	Gough Group Limited	Director
	OSPRI New Zealand Limited	Director
	Sutton McCarthy Limited	Director
	Sealord Group Limited	Director
	Wools of New Zealand Limited	Director
	The Van Diemen's Land Company	Governor
	Te Tumu Paeroa Advisory Board	Member

STATUTORY INFORMATION
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Celia Wade-Brown	Cetal Limited	Director
	Wellington City Council	Mayor
	Living Street Aotearoa	Member
	Friends of Taputeranga Marine Reserve Trust	Patron
	Island Bay & Berhampore Community Orchard Trust	Patron
	Wellington Art Club	Patron
	Evans Bay Yacht and Motor Boat Club	Patron
	Kelburn Municipal Croquet Club	Patron
	Friends of Tawa Bush Reserves	Patron
	National Council of Women	Patron
	New Zealand Opera	Patron
	Onslow Historical Society	Patron
	Pan Pacific and South East Asian Woman Association	Patron
	Parent Help	Patron
	Rainbow Wellington	Patron
	Table Tennis Wellington	Patron
	Royal Humane Society of New Zealand Inc	Patron
	Wellington Orchestra	Patron
	Wellington Historical and Early Settler's Association	Patron
	Wellington Municipal Croquet Club	Patron
	Wellington Rose Society	Patron
	Wellington Rowing Club	Patron
	Wellington Youth Orchestra & Wellington Youth Sinfonietta	Patron
	Wellington Xiamen Association	Patron
	Orpheus Choir Wellington	Patron
	Wellington Tramway Museum	Patron
	Pelorus Trust Wellington Brass Band	Patron
	Sounds Capital Inc	Patron
	Harbour Capital Chorus	Patron

STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015

Remuneration of Directors

Fees paid and payable to Directors during the year were as follows:

Director name	Fees
Timothy Brown (Chairman)	$81,840
Jason Boyes	$52,685
Peter Coman	$46,035
Steven Fitzgerald	$52,685
Keith Sutton	$58,311
Celia Wade-Brown	$46,035

The Directors received no other remuneration or benefits for services in that office or in any other capacity other than as disclosed in Note 16.

Entries in the interest register

The information below is given pursuant to the New Zealand Exchange Listing Rules.

	Beneficial Interest	Non Beneficial Interest
Retail Bond Issue		
Timothy Brown	$100,000	-
Keith Sutton	-	$1,500,000

All bonds were purchased during the year ended 31 March 2014.

Loans to Directors

No loans have been made by the Group to a Director nor has the Group guaranteed any debts incurred by a Director.

Use of group information

There were no notices from Directors requesting use of Group information received in their capacity as Directors, which would not otherwise have been available to them.

Directors' indemnity insurance

As authorised by its constitution, the Group has arranged policies of Directors' and Officers' liability insurance with cover appropriate for the Group's operations.

STATUTORY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015

Remuneration of employees

Grouped below, in accordance with section 211(1)(g) of the Companies Act 1993, are the number of employees or former employees of the Company and its subsidiaries, excluding Directors of WIAL, who received remuneration and other benefits in their capacity as employees, totalling $100,000 or more, during the year:

Amount of remuneration	Employees
$100,000 to $110,000	5
$110,001 to $120,000	2
$120,001 to $130,000	3
$140,001 to $150,000	2
$150,001 to $160,000	2
$160,001 to $170,000	1
$170,001 to $180,000	5
$180,001 to $190,000	1
$220,001 to $230,000	2
$280,001 to $290,000	1
$340,001 to $350000	1
$370,001 to $380,000	1
$570,001 to $580,000	1

Diversity of personnel

The Group considers that a merits based approach is appropriate for the selection and promotion of employees and executives, and for the composition of the Board and as such has not set specific targets for gender diversity.

At 31 March 2015, the WIAL Board consisted of five male Directors and one female Director (31 March 2014: five male Directors and one female Director), and the Executive consisted of six male Executives and two female Executives (31 March 2014: six male Executives and one female Executive).

CORPORATE GOVERNANCE

Role of the Board

The Board of Directors of WIAL is appointed by the shareholders to supervise the management of WIAL. The Board establishes WIAL's objectives, overall policy framework within which the business is conducted and confirms strategies for achieving these objectives, monitors management performance and ensures that procedures are in place to provide effective internal financial control. The Board regularly monitors the Group's occupational safety and health system with a view to ensuring the safety of the Group's employees, contractors and agents.

Board Membership

The Board currently comprises six non-executive Directors.

Infratil, as the majority shareholder of WIAL, appointed four of the current Directors. The two remaining Board members have been appointed by the Wellington City Council.

During the period under review, the Board met eight times with a full agenda.

Directors' Shareholding

Under the constitution Directors are not required to hold shares in the Company.

Audit and Risk Committee

The Board has established an Audit and Risk Committee comprising of three Directors, Mr K Sutton (Chairman), Mr S Fitzgerald and Mr J Boyes with attendances by appropriate WIAL representatives.

The main objectives of the Audit and Risk Committee are to:

- Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to the Group's governance processes including assessing the adequacy of the Group's:
  - financial reporting;
  - accounting policies;
  - financial management;
  - internal financial reporting (and operational) control system; procurement process controls;
  - risk management system;
  - insurance and systems for protecting the Group assets and income;
  - related party transactions; and
  - compliance with applicable laws, regulations, standards and best practice guidelines as they relate to financial and and non-financial disclosures.
- Enhance the efficiency of the Board by allowing delegated issues to be discussed in sufficient depth and, where necessary, with appropriate independent advice.
- Ensure the adequacy of the internal control system for financial reporting integrity
- Facilitate the continuing independence of the external auditor, monitor performance, and enhancing the effectiveness of external audit.
- Provide a formal forum for enhancing communication between the Board, senior financial management and external audit, ensuring there has been no unjustified restrictions or limitations placed on the auditors.

During the period under review the Audit and Risk Committee met four times with a full agenda.

Other Committees

The Board has established a Treasury Committee comprising of three Directors, Mr T Brown (Chairman), Mr K Sutton and Mr J Boyes with attendances by appropriate WIAL representatives.

The duties of the Treasury Committee are allocated by the Board and include the following:

- to review and recommend to the Board any changes to the treasury management policy;
- to oversee the development of the strategy to implement the treasury management policy;
- to recommend to the Board instrument types that may be used; and
- to recommend to the Board bank counterparties and counterparty limits.

The Board has established a Remuneration Committee comprising of two Directors, Mr T Brown (Chairman) and Mr K Sutton with attendances by appropriate WIAL representatives. The duties of the Remuneration Committee is primarily to ensure that members of the executive team are fairly remunerated relative to comparable positions within the New Zealand market.

Internal Financial Control

The Board has overall responsibility for the Group's system of internal financial control. The Directors have established procedures and policies that are designed to provide effective internal financial control.

Annual budgets and long term strategic plans are agreed by the Board.

Financial statements are prepared regularly and reviewed by the Board throughout the year to monitor performance against budget targets and objectives.

Risk Management and Compliance

The Audit and Risk Committee also has a function of reviewing management practices in relation to the identification and management of significant business risk areas and regulatory compliance. Formal systems have been introduced for regular reporting to the Board on business risk and compliance matters.

Management is required to, and has confirmed to the Audit and Risk Committee and Board in writing that:

- Financial records have been properly maintained and the Group's financial statements present a true and fair view, in all material respects, of the Group's financial condition, and operating results are in accordance with relevant accounting standards;
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (GAAP) and comply with International Financial Reporting Standards (IFRS) and other applicable financial reporting standards for profit-orientated entities; and
- Appropriate and effective internal controls and risk management practices are in place to safeguard and protect the Group's assets and to identify, assess, monitor and manage risk, and identify material changes to the Group's risk profile.

Directors' and Officers' Insurance

The Group has arranged Directors' and Officers' liability insurance covering Directors acting on behalf of the Group. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for the Group. The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulations, or duty to the Group, improper use of information to the detriment of the Group or breach of professional duty.

Independent Professional Advice

With the approval of the Chairman, Directors are entitled to seek independent professional advice on any aspect of the Directors' duties, at the Group's expense.

Going Concern

After reviewing the current results and detailed forecasts, taking into account available credit facilities and making further enquiries as considered appropriate, the Directors are satisfied that the Group has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Shareholder and other Stakeholder Communications

The Board aims to ensure that shareholders and other stakeholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders in the annual report, interim report and media releases.

Corporate Governance Best Practice Code

The Group supports the Corporate Governance Best Practice Code promulgated by the New Zealand Exchange. In a number of respects, the Group's practice differs from this Code. In particular, the Group has not established a separate Director Nomination Committee. The Group considers that it is properly dealing with these issues at the full Board level. Copies of the Group's Code of Ethics are available upon request from the Company Secretary.

FIVE YEAR SUMMARY & STATISTICS

WIAL AIRPORT STATISTICS

Passenger movements (000's)	2015	2014	2013	2012	2011
Domestic	4,682	4,684	4,647	4,474	4,480
International	775	753	727	718	655
Total	**5,457**	**5,437**	**5,374**	**5,192**	**5,135**

Aircraft movements	2015	2014	2013	2012	2011
Domestic	78,448	81,744	84,064	81,952	83,072
International	5,526	5,742	5,800	5,708	5,512
Military, freight, private and other movements	9,232	9,055	10,134	13,249	12,112
Total	**93,206**	**96,541**	**99,998**	**100,909**	**100,696**

Number of employees	2015	2014	2013	2012	2011
FTE	94	90	86	87	84

WIAL CONSOLIDATED FINANCIAL RESULTS

Statement of financial position ($000's)

	2015	2014	2013	2012	2011
Non-current assets	805,327	799,478	794,089	781,503	702,136
Current assets	36,175	42,848	18,692	13,180	42,331
Total assets	**841,502**	**842,326**	**812,781**	**794,683**	**744,467**
Non-current liabilities	376,442	375,638	259,547	360,843	349,023
Current liabilities	26,952	26,356	125,546	25,591	26,153
Total liabilities	**403,394**	**401,994**	**385,093**	**386,434**	**375,176**
Net assets/Shareholders' equity	**438,108**	**440,332**	**427,688**	**408,249**	**369,291**

Statement of profit and loss ($000's)

	2015	2014	2013	2012	2011
Revenue	108,310	110,890	106,189	99,467	92,625
Operating expenses (excluding subvention payment)	(26,202)	(24,858)	(23,249)	(24,002)	(22,320)
EBITDAF before subvention payment	**82,108**	**86,032**	**82,940**	**75,465**	**70,305**
Investment property revaluation increase/(decrease)	371	511	4,698	922	207
Property, plant and equipment revaluation decrease	-	-	-	-	(213)
Gain/(loss) on sale of fixed assets	(19)	118	602	(3)	2
Change in value of financial instruments designated as fair value through profit or loss	(1,182)	10,168	(689)	(9,578)	(12,521)
Loss on sale of residential houses	(674)	(959)	(4,922)	-	-
Operating earnings before subvention, interest, tax and depreciation	**80,604**	**95,870**	**82,629**	**66,806**	**57,780**
Depreciation	(16,210)	(15,781)	(16,017)	(17,553)	(14,403)
Earnings before subvention, interest and tax	**64,394**	**80,089**	**66,612**	**49,253**	**43,377**
Net finance expense	(17,734)	(18,670)	(19,438)	(19,103)	(16,925)
Subvention payment	(38,230)	(35,330)	(29,982)	(30,137)	(27,245)
Profit/(loss) before taxation	**8,430**	**26,089**	**17,192**	**13**	**(793)**
Taxation	1,246	(2,634)	(946)	3,836	(18,310)
Profit/(loss) after taxation	**9,676**	**23,455**	**16,246**	**3,849**	**(19,103)**
Net profit from discontinued operations after taxation	-	-	-	5,132	-
Dividends	(11,966)	(10,828)	(8,826)	(49,061)	(8,341)
Retained earnings/(deficit)	**(2,290)**	**12,627**	**7,420**	**(40,080)**	**(27,444)**

Independent auditor's report

To the shareholders of Wellington International Airport Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Wellington International Airport Limited and its subsidiaries ("the group") on pages 3 to 26. The financial statements comprise the consolidated statement of financial position as at 31 March 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand, the New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements 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 group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the group in relation to taxation and other assurance services. Partners and employees of our firm also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

Opinion

In our opinion, the consolidated financial statements on pages 3 to 26 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of Wellington International Airport Limited as at 31 March 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

KPMG

13 May 2015
Wellington