
ORDINARY MEETING

OF

ECONOMIC GROWTH AND ARTS COMMITTEE

AGENDA

Time: 9.15am
Date: Tuesday, 13 October 2015
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown

Councillor Ahipene-Mercer
Councillor Coughlan (Chair)
Councillor Eagle
Councillor Foster
Councillor Free
Councillor Lee
Councillor Lester

Councillor Marsh (Deputy Chair)
Councillor Pannett
Councillor Peck
Councillor Ritchie
Councillor Sparrow
Councillor Woolf
Councillor Young

Have your say!

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

AREA OF FOCUS

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

Quorum: 8 members

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1 Meeting Conduct

1.1 Apologies

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

1.2 Conflict of Interest Declarations

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

1.3 Confirmation of Minutes

The minutes of the meeting held on 15 September 2015 will be put to the Economic Growth and Arts Committee for confirmation.

1.4 Public Participation

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

1.5 Items not on the Agenda

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

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

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

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

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

2. General Business

UPDATE ON THE AIRPORT RUNWAY EXTENSION PROJECT

Purpose

1. At the Economic Growth and Arts Committee meeting, representatives of Wellington International Airport Limited (WIAL) will present an update to the Committee on the work regarding a potential runway extension.

Summary

2. Representatives of WIAL will present to the Committee on progress to date on the process to secure the necessary Resource Management Act approvals for the extension of the length of the Wellington Airport runway, in accordance with the funding agreement.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Background

3. The Council has previously agreed to contribute to the funding of the process to secure Resource Management Act approvals for the extension of the length of the Wellington Airport runway. As part of the approval for additional funding, the Council required WIAL to provide regular updates to the Council.

Discussion

4. Representatives of WIAL will present an update to the Committee on the work regarding a potential runway extension, in accordance with the funding agreement with the Council.

Options

5. Not applicable at this stage.

Next Actions

6. Not required at this stage.

Attachments

Nil

Author	Danny McComb, Manager CCOs & City Growth Projects
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

The proposal to progress this project as one of the Big 8 ideas has been communicated as part of the 2014/15 Annual Plan and the 2015-25 LTP.

Treaty of Waitangi considerations

None directly from this update. The project itself is a key issue to Mana Whenua who will be consulted with by WIAL. Further WIAL will undertake an extensive cultural and environmental impact assessment as part of its application.

Financial implications

None directly from this update. Indicative funding for this project has been included in the 2015-25 LTP.

Policy and legislative implications

None

Risks / legal

No specific legal considerations in relation to this update.

Climate Change impact and considerations

Climate change and other environmental impacts of the runway extension itself will be considered as part of the work required for any application for resource consent.

Communications Plan

None required

REVIEW OF ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS FOR THE YEAR ENDING 30 JUNE 2015

Purpose

1. This report provides the committee with a review of the annual reports submitted by Council Controlled Organisations (CCOs) for Council approval in compliance with the requirements of the Local Government Act 2002.

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

1. It is a requirement of the Local Government Act 2002 (the Act) that where the Council is a shareholder in a council organisation it must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of:
 - The Council's objectives for the organisation
 - The desired results, as set out in the organisation's Statement of Intent
 - The Council's overall aims and outcomes.
2. The Economic Growth and Arts Committee is tasked with the assessment of the efficiency and effectiveness of the following entities:
 - Basin Reserve Trust (BRT)
 - Wellington Museums Trust (WMT)
 - Wellington Regional Stadium Trust (WRST) on a summary basis
 - Wellington International Airport (WIAL)
3. 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.
4. The Wellington Regional Economic Development Agency is jointly owned by the Wellington City Council and the Greater Wellington Regional Council. The shareholders jointly monitor the company via the Wellington Regional Strategy Committee.

Discussion

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

The audited annual reports received from CCOs have been reviewed by officers to assess any risks or issues from the perspective of Council's shareholder interest. Any significant issues that were identified have been discussed with the relevant entity.

6. Year end for WIAL is March 31 and the company's annual report was considered by this committee at its meeting on 2 June 2015.
7. Representatives of the CCOs covered in this report will attend the meeting to present their Annual Report and answer any questions from the Committee.
8. If the Committee needs to clarify further the information presented or requires additional assistance with its monitoring role, it can ask officers or the Chair of the Committee to seek responses from the Board Chair.

Basin Reserve Trust

ACTIVITY SUMMARY

During the year, the Trust worked with various stakeholders to develop and deliver the Basin Reserve Masterplan. This 20-year vision for the Basin was presented to the Council in April 2015 and informed Council's decision to invest in the future redevelopment of the Basin Reserve through the 10-year plan.

The Trust facilitated a meeting in February 2015 between the Chief Executive of NZ Cricket 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, NZ Cricket CEO, committed to providing a schedule of premiere test matches to the Basin.

In February and March 2015, the Basin hosted 18 training sessions for teams as part of Cricket World Cup 2015. The Trust received overwhelmingly positive feedback with respect to the quality of the facilities and ground, and the operational management of the training sessions.

Funding was allocated through the mid-term capex review to renew the ground keeping facilities. Construction is well underway with the project expected to be completed in October 2015.

The Trust has reported strong growth in the number of Other Sports and Community events for the year, particularly by local schools and the Wellington Phoenix.

SUMMARY FINANCIALS

FINANCIAL PERFORMANCE	2012/13 Actual	2013/14 Actual	2014/15 Actual	2014/15 Budget	Variance
Total Revenue	634,559	632,564	711,508	547,600	163,908 ✓
Operating Expenses	562,205	613,296	717,610	488,140	229,470 ✗
EBITDA	72,354	19,268	(6,102)	59,460	(65,562) ✗
Net Profit after tax and dep	(200,744)	(182,844)	(93,050)	(20,540)	(72,510) ✗
FINANCIAL POSITION					
Total Assets	1,047,043	840,562	817,976	842,600	(24,624) ✗
Total Liabilities	99,162	75,525	145,989	55,140	(90,849) ✗
Equity	947,881	765,037	671,987	787,460	(115,473) ✗
CASH FLOWS					
Total Net Cash Flows	40,498	27,952	(61,983)		
Opening Cash	41,816	82,314	110,266		
Closing Cash	82,314	110,266	48,283		

SUMMARY FINANCIALS

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

- Total revenue was ahead of budget by \$163.9k (30%) because of the unbudgeted inclusion of \$205k for Turf Management Services. When normalised to account for this, revenue was below budget by \$41k (-7.5%) largely as a result not securing a budgeted naming rights sponsor.
- Operating expenses before depreciation were over budget by \$229k (47%) because of the unbudgeted costs of \$205k for Turf Management Services. When normalised for this, expenses were over budget by \$24k (5%) mainly due to higher than expected event management costs for the January Test match and consultant's costs associated with the preparation of the Masterplan.

KEY PERFORMANCE INDICATORS

30 JUNE		2013	2014	2015
Number of Events				
Cricket	Target	15	12	10
	Actual	20 ✓	22 ✓	13 ✓
Other Sports	Target	6	6	10
	Actual	1 ✗	9 ✓	27 ✓
Community	Target	2	2	2
	Actual	1 ✗	2 ✓	18 ✓
Number of Event Days				
Cricket	Target	34	32	26
	Actual	32 ✗	41 ✓	28 ✓
Other Sports	Target	6	6	10
	Actual	1 ✗	6 ✓	21 ✓
Community	Target	2	2	2
	Actual	1 ✗	2 ✓	18 ✓
Numbers Attending Events				
Attendance	Target	34,800	28,000	29,800
	Actual	32,878 ✗	30,664 ✓	22,506 ✗
Practice Facility Usage				
Number of practice days	Target	Not reported	70	70
	Actual		93 ✓	71 ✓

KPI COMMENTARY

The Trust met or exceeded all its events performance measures:

- The number of cricket events was down relative to previous years as a result of the Basin being unavailable to host cricket matches during Cricket World Cup 2015 when the ground was used as a training facility.

- Other Sports event days were well ahead of budget largely as a result of the Wellington Phoenix using the ground for training while their regular venue, Newtown Park, was being renovated.
- During the year, St Mark's School requested greater access to the Basin Reserve than it had used previously. As a result, Community event days were much higher than anticipated.
- Attendance figures were below target by 7,294 (25%) as a result of numbers budgeted for WW100 celebrations that were ultimately undertaken in the new Memorial Park.

The Trust did not meet all of its financial targets:

- The Council Subsidy per Visitor target (\$12) was over budget by \$4 per visitor due to lower than budgeted visitor numbers resulting from WW100 events being moved to Memorial Park after the Trust's SOI had been delivered.
- The Council Grant as a Percentage of Total Revenue of 78% was over target by 13%. This was due to the inclusion of an unbudgeted \$205k for Turf Management Services. When normalised to account for this, the ratio is 70%, which is 5% over the target as a result in part of not securing a naming rights sponsor and the corresponding lost signage revenue.

Officers note a significant increase in ground usage by Other Sports and Community events.

OUTLOOK

Key activities and issues anticipated in 2015/16 include:

- Securing a new naming rights sponsor by January 2016.
- Completion of the new Ground Keeping facilities in October 2015 and removal of the temporary groundsmen's accommodation space.
- Refurbishment of the R.A. Vance Stand is due to begin in October 2015.
- Further implementation of the Masterplan through the development of an All-of-Venue concept design for the Basin Reserve.

Wellington Museums Trust

EXECUTIVE SUMMARY

In the 2014/15 year, the Trust has strongly exceeded its service delivery targets in terms of visitation including repeat visitation, visitor satisfaction and resident awareness, and has grown its cash position strongly.

Effective from 1 July 2015, three of the Trust's activities began operating under new names as follows: Wellington Museum (formerly Museum of Wellington City & Sea), Nairn Street Cottage (formerly Colonial Cottage Museum) and Space Place (a new name for the visitor experience at Carter Observatory). Although this occurred after year end, we use the new names as if these were adopted during the year.

2014-15 was another positive year for the Trust. Five of the Trust's six institutions achieved their visitation targets and 81,213 school students were hosted across all the Trust's institutions. Visitation significantly increased at City Gallery and Wellington Museum. Capital E also enjoyed excellent visitation boosted by the biennial Capital E National Arts Festival for Children. The Cable Car Museum achieved its visitation target but Space Place did not achieve target and recorded its lowest attendance since opening in 2011.

The Trust has committed to improving access for children and young people by enriching their experiences at the Trust's institutions. The *150 Years: 150 Buses* project provided free transport to the Capital for 68 low-decile Wellington schools enabling 4,000 to visit Wellington in the year it celebrates 150 years as the Capital of the New Zealand. The project enables students to visit national institutions such as Parliament, Government House and the National Library of New Zealand to learn about citizenship and nationhood, or conflict and commemoration.

Building works for Phase one of the Wellington Museum development started in early 2015. This will open the Attic of the building previously used as office space and add 450m² to the visitor experience – a 30% increase. The Museum has continued the *Peoples' History Project* which is a collaboration with the Alexander Turnbull Library and the Labour History Project, and *Third Thursday* open lates. The Museum also worked with The Polish Association in New Zealand to present *Celebrating Everything Polish* which marked the 70th anniversary of the arrival of 733 Polish children refugees escaping Soviet occupation of their country during World War Two.

At City Gallery, the exhibition year started on a high with *Seung Yul Oh: MOAMOA, A Decade*. This largely sculptural exhibition had interactive elements that made it a hit with children and families. City Gallery celebrated its 21st birthday and continued to build its reputation through the presentation of influential exhibitions such as *William Kentridge: The Refusal of Time*. Perhaps the exhibition that stood out the most in the course of the year was that of New Zealand photographer *Yvonne Todd: Creamy Psychology* which was a finalist in the 2015 Museums Aotearoa Awards.

In its seventh outing since being established in 2003, the March 2015 biennial Capital E National Arts Festival for Children achieved positive audience reviews and critical acclaim. During the year Capital E hosted 81,213 students including 41,236 students for the biennial National Arts Festival for Children.

Carter Observatory made changes to its operating model, including pricing and opening hours. The Space Place name was launched with the objective of improving the popular appeal of this science visitor experience. Among the changes, the new operating model is intended to make better use of guided tours, particularly for tourist groups.

The Trust has a management agreement with the New Zealand Cricket Museum to provide in-kind support including financial management. During the year the Cricket Museum hosted 13,211 visitors including many visitors to its shipping container touring exhibition during the ICC Cricket World Cup events. 100% of visitors surveyed in Council's annual residents' awareness survey rated the facility as either Good or Very Good (versus 92% in the last year's residents survey).

After allowing for depreciation of \$511k, the Trust had a successful year, reporting a surplus of \$296k versus a budgeted deficit of \$82k and benefited an insurance payment and a bequest totalling \$292k. This result includes the \$71k loss at Carter Observatory. The Trust's balance sheet was bolstered by \$3.1m cash at 30 June 2015 funded by an operating cash surplus of \$2.1m for the year adding to the \$1.0m opening cash balance. \$2.1m of the funding is tagged for capital expenditure on the Wellington Museum development.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE						Target	Variance
(\$000)	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-15	30-Jun-15
Total Revenue	10,972	10,939	11,682	11,340	12,832	11,506	1,326 ✓
Op. Exp. before Depn	10,861	10,655	11,298	10,729	12,025	11,207	818 ✗
Depreciation	377	379	377	603*	511	381	130 ✓
Net Surplus	(266)	(94)	7	8	296	(82)	378 ✓
FINANCIAL POSITION							
Total Assets	5,810	5,856	5,371	6,035	8,300	4,642	3,658 ✓
Total Liabilities	1,739	1,879	1,387	2,043	4,011	1,171	2,840 ✗
Equity	4,071	3,977	3,984	3,992	4,288	3,471	817 ✓
CASH FLOWS							
Total Net Cash Flows	(24)	203	(515)	1,027	2,014	(24)	2,038 ✓
Opening Cash	362	338	540	25	1,053	92	n/a
Closing Cash	338	540	25	1,053	3,066	67	n/a

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

The Trust had a successful year with total revenue of \$12.8m, exceeding target by \$1.3m, aided by two windfall revenue contributions of \$291,832 representing proceeds from a \$56,632 insurance payment and a bequest of \$235,200. Neither these revenues nor some other material contributors below (with the exception of admissions, facility hire and sales) add greatly to the Trust's operating costs, which is beneficial to the Trust's year-end net surplus. Other unbudgeted revenue contributions totalling \$820k included \$500k of grants and sponsorship from a range of sources including \$200k from the Wellington Regional Amenities Fund.

Operating expenses exceeded target by \$818k, comprised mainly by two large variances – professional fees \$293k and personnel expenses \$585k.

1. Expenditure on professional fees in 2014/15 (forecast \$40k) totalled \$333k, a negative variance of \$293k. Details on the reasons for this expenditure have been requested from the Trust.
2. Personnel costs were above budget by \$585k due to the following factors.
 - Organisation restructure in Museums Wellington.
 - Hannah Playhouse salaries and wages were not budgeted but funded via revenue including the CNZ grant of \$100k.
 - Year-end wash up of personnel costs (mainly casual staff) paid via exhibition and programme budgets but accounted for under personnel costs in the annual report.

In 2014/15 the Trust's net cash flow and year end cash balances were strong. The Trust's sources of non-Council revenue include trading revenue (\$2.1m), cultural grants (\$1m) and fundraising which includes grants from community trusts, donations and personal giving, and cash sponsorships (\$0.8m). The Trust's operating cash flows were the strongest for many years. Operating cash flow was \$2.6m for the year (up from \$1.2m in 2014) and its long-run average of \$300k. After fixed asset purchases of \$0.6m the Trust generated a net increase in cash on hand of \$2.0m.

At year end the Trust was in a strong cash position with \$3.0m cash in the bank which includes \$1.6m capital funding from the Ministry for Culture and Heritage through the Government's Regional Museums Policy for Capital Construction Projects and \$575,000 from Lottery WW1, Environment & Heritage Committee. These funds are for the Wellington Museum development. The Trust's total assets are approximately \$3.0m higher than 2013 and their longer run average of around \$5.5m. This simply reflects the \$3.0m cash balance and corresponding increases in liabilities (revenue received in advance, which is effectively the capital grants and trade payables) and

SUMMARY FINANCIALS

equity balances.

KPI DASHBOARD

✓ Achieved ✗ Not Achieved. The tables contain a selection of KPIs and not a complete list.

VISITS		2010	2011	2012	2013	2014	2015
30 JUNE							
Total Visits	Actual	629,697 ✓	653,344 ✗	607,613 ✗	649,021 ✓	601,743 ✓	689,414 ✓
	Target	588,400	683,668	612,550	620,000	562,073	583,123
City Gallery	Actual	174,995 ✗	131,700 ✗	115,363 ✗	161,681 ✓	150,289 ✓	169,943 ✓
	Target	180,000	180,000	143,000	143,000	143,000	140,000
*Wellington Museum	Actual	99,663 ✓	95,161 ✓	102,894 ✓	98,605 ✓	112,536 ✓	124,955 ✓
	Target	90,000	92,700	92,700	93,800	94,000	90,000
Capital E	Actual	95,734 ✓	136,693 ✓	95,009 ✓	100,329 ✗	59,265 ✓	111,273 ✓
	Target	90,000	130,000	93,500	102,000	52,000	80,000
*Cable Car	Actual	253,608 ✓	238,310 ✓	238,345 ✓	235,866 ✓	229,960 ✓	237,099 ✓
	Target	224,400	228,888	226,888	227,000	220,998	220,998
Space Place	Actual	n/a	46,124 ✗	50,976 ✗	48,820 ✗	47,318 ✗	42,633 ✗
	Target	n/a	48,000	52,300	50,000	50,000	50,000
*Nairn St. Cottage	Actual	2,788 ✓	2,535 ✓	2,736 ✓	1,825 ✗	2,375 ✓	3,511 ✓
	Target	2,000	2,040	2,081	2,100	2,075	2,125

*The aggregation of these facilities is referred to as Museums Wellington in parts of the Trust's reporting.

Visitors to the Trust's six facilities totalled 689,414 and exceeded the SOI target of 583,123 for the year to 30 June 2015 by 106,261 visitors (or 18%). This result was assisted by all institutions exceeding targets (with the exception of Space Place). Capital E comfortably exceeded its visitor target of 80k by hosting 111,273 visitors during 2014/15 with visitation recovering towards pre-closure of Capital E's former Civic Square location. This was driven by the biennial National Arts Festival for Children which was held in March 2015 and attracted 45,092 visits.

Levels of visitor satisfaction remain high across the institutions (90%) and repeat visitation continues at good levels. The Trust's average repeat visitation is 44% versus its target of 30%. The leading institution is City Gallery at 73% repeat visitation. The average repeat visitation for City Gallery for the past 5 years is 72%.

30 JUNE	2011	2012	2013	2014	2015	2015
	Actual	Actual	Actual	Actual	Actual	Target
Council subsidy per visit (\$)	12.00* ✓	13.82* ✗	12.46 ✓	13.30 ✓	9.36 ✓	14.10
City Gallery	--	16.79	12.43 ✓	13.32 ✓	12.15 ✓	14.36
Museums Wellington	--	4.93	4.64 ✓	5.48 ✓	4.54 ✓	5.47
Capital E	--	12.42	13.35 ✗	16.21 ✓	11.71 ✓	17.43
Space Place	10.21 ✗	5.89 ✗	7.37 ✓	7.21 ✗	7.32 ✓	7.88

KPI DASHBOARD

* excl. Space Place

Council's subsidy of \$9.36 per visit was well within the Trust's KPI of \$14.10 for the year ended 30 June 2015 due to the combination of visitor numbers exceeding forecasts (excl. Space Place) and the non-Council revenues exceeding budget by \$0.8m.

30 JUNE	2011	2012	2013	2014	2015	2015
	Actual	Actual	Actual	Actual	Actual	Target
Average spend per visit (\$)	--	2.81* ✓	2.95 ✗	2.66 ✗	2.83 ✗	3.11
City Gallery	--	1.49	0.51 ✗	0.60 ✗	0.57 ✗	1.71
Museums Wellington	--	2.37	2.38 ✓	1.84 ✓	1.93 ✓	1.39
Capital E	--	4.32	5.72 ✗	5.69 ✗	5.31 ✗	7.20
Space Place	--	10.39 ✗	9.65 ✗	8.10 ✗	10.19 ✓	9.88

The Trust did not meet its target of average spend per visit of \$3.11. On average visitor spending at the Trust's facilities has averaged between \$2.50 and \$3.00 per visit and in 2014/15 the Trust earned \$2.83 average spend per visit.

Although Capital E exceeded its visitor audience numbers target, audiences for paid experiences continue to be a challenge with ticketed activities seeing a reduction in attendance. This contrasts with entry by donation events, such as *The Great Scavenger Hunt* and Museums Wellington collaboration *The Big Halloween: Wicked Wharf* which experienced strong visitation.

At Space Place, while visitation did not achieve target, the revenue yield per visitor is higher than in previous years due in part to limiting the use of discounting which had previously been a strategy to drive visitation.

Wellington Regional Stadium Trust

ACTIVITY SUMMARY

During the year ended 30 June 2015, the Stadium hosted 61 event days, including 53 major event days which was equal highest since the Stadium opened. Attendance was 531,861 – the highest since the Rugby World Cup 2011. Cumulative attendance at the Stadium since its opening in 2000 surpassed 8.25 million visitors. More than 80,000 people attended the four ICC Cricket World Cup matches at Westpac Stadium, with over 30,000 of those coming from outside of the region, including more than 10,000 international visitors. The tournament delivered a significant economic boost with direct spending by out of town visitors of \$35 million and an increase in GDP in the region of an estimated \$40 million.

RUGBY: A sell-out crowd of 35,820 saw the All Blacks beat South Africa 14-10 (Sept 2014). This was the Stadium's largest Test crowd in seven years.

2015 saw the Hurricanes having their best ever Super Rugby season hosting a sell-out semi-final and the Final (which took place in the current financial year). For the Stadium it was the first time it had hosted a Super Rugby final. Average crowds for the season (excluding finals) were 14,165, an increase of 30% over the previous season's average of 10,884.

New Zealand won the Wellington Sevens for the eighth time defeating England 27-21 in the final. 32,706 fans attended the Stadium over the two days of the event. This was down from the 52,533 fans who attended the 2014 event. The challenges around the Sevens have been well documented, and the Stadium is working closely with New Zealand Rugby to reinvigorate this iconic event in 2016.

FOOTBALL: The Wellington Phoenix attracted average regular season crowds for 2014/15 of 8,026, up 20% on the previous season's average of 6,694. The Wellington Phoenix made history when they hosted 26,106 fans on a sunny afternoon in the Wellington double header leg of the Football United Tour 2014 which saw Phoenix vs Newcastle United and West Ham United vs Sydney FC.

The Trust hosted part of the FIFA Under 20 World Cup with nine matches played over five match days that attracted over 36,000 fans.

RUGBY LEAGUE: The Stadium hosted the final of the Four Nations Rugby League Tournament where the NZ Kiwis defeated the Kangaroos 22-18 in front of 22,008 fans.

CRICKET: The Stadium hosted four matches and more than 80,000 fans over four weeks in February and March 2015 for ICC Cricket World Cup tournament. Sell-out crowds witnessed some of the greatest sporting moments in the Stadium's history as the Black Caps defeated England and West Indies on their way to the Final in Melbourne. Tim Southee's seven wickets for just 33 runs were the best figures for a New Zealand bowler in any ODI, as England were bowled out for 123 in the Stadium's first taste of World Cup action. Captain Brendon McCullum then broke his own record for the fastest half century at a World Cup, off just 18 balls. Then in the sell-out quarter final against the West Indies Martin Guptill's 237 set a new record for the highest individual score in an ICC Cricket World Cup match as well as the highest individual score by a New Zealand batsman in any ODI.

The original membership and corporate box programme came to an end in December 2014. The renewals programme has begun and will continue to be a significant strategic focus for the Trust this year.

SUMMARY FINANCIALS

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

FINANCIAL PERFORMANCE					Budget	Variance*
(\$000)	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-15	30-Jun-15
Total Revenue	18,715	16,702	16,333	17,298	14,900	2,398 ✓
Opex before Interest & Depn	10,650	9,504	9,799	10,642	8,990	1,652 ✗
Interest & Depn	4,152	4,136	4,292	4,563	4,790	(517) ✓
Net Surplus	3,913	3,062	2,242	2,093	830	1,263 ✓
FINANCIAL POSITION						
Total Assets	96,598	96,950	99,743	102,868	104,100	(1,232) ✗
Bank Borrowings	7,500	7,930	10,890	7,500	13,000	(5,500) ✓
Total Liabilities	21,058	18,348	18,899	18,432	22,700	(4,268) ✓
Equity	75,540	78,602	80,844	84,436	81,400	3,036 ✓
CASH FLOWS						0
Operating Cash Flow	5,345	3,462	3,617	9,477	(310)	9,787 ✓
Investment Cash Flow	(1,213)	(5,364)	(6,602)	(1,866)	(3,790)	1,774 ✓
Financing Cash Flow	(3,500)	430	2,960	(3,390)	8,650	(12,040)
Net Cash Flow	632	(1,472)	(25)	4,221	4,550	(329) ✗
Opening Cash	976	1,608	136	111	1,000	n/a
Closing Cash On Hand	1,608	136	111	4,332	5,550	n/a

The Trust's event revenues for the year were boosted by the busy event schedule that included two World Cups and some additional events such as the Super Rugby semi-final. Net surplus for the year of \$2.1m was below the \$2.4m in 2014 but exceeded the Trust's target of \$0.8m by \$1.3m due to better than expected crowds as well as hosting a number of unbudgeted events. With a busy 2014/15 events schedule there was less time available for major capital projects whereas in 2013/14 the Trust invested \$6.6m in capital projects led by the construction and opening of the East Mezzanine Lounge. In 2014/15 the main capital project was the completion of the wet pour beer installation and the purchase of additional food and beverage carts.

Cash flow from events revenue was \$7.5m versus the prior year figure of \$5.8m due largely to hosting two World Cups, A-League and Super Rugby finals as well as an increase in crowds. The Trust also received \$3.9m in pre-payments for events to take place in the 2015/16 year which is held on deposit, causing cash flow from operating activities to hit \$9.4m. With the reduced focus on capital projects (\$1.9m versus \$6.6m last year) the Trust repaid \$3.4m of borrowings and increased its cash on hand by \$291k net of the \$3.9m deposit held for future events.

ISSUES & OUTLOOK

The Trust has three capital projects for the upcoming year:

1. Full replacement of the Stadium turf.
2. Assess technology options and business models with a view towards implementing a connected stadium solution with high density wifi throughout the venue. This project will ultimately depend on a business case and commercial model being developed.
3. Develop plans to upgrade the internal concourse prior to the British and Irish Lions tour in 2017. Catering facilities and outlets will be a major focus as part of the concourse upgrade plans for next

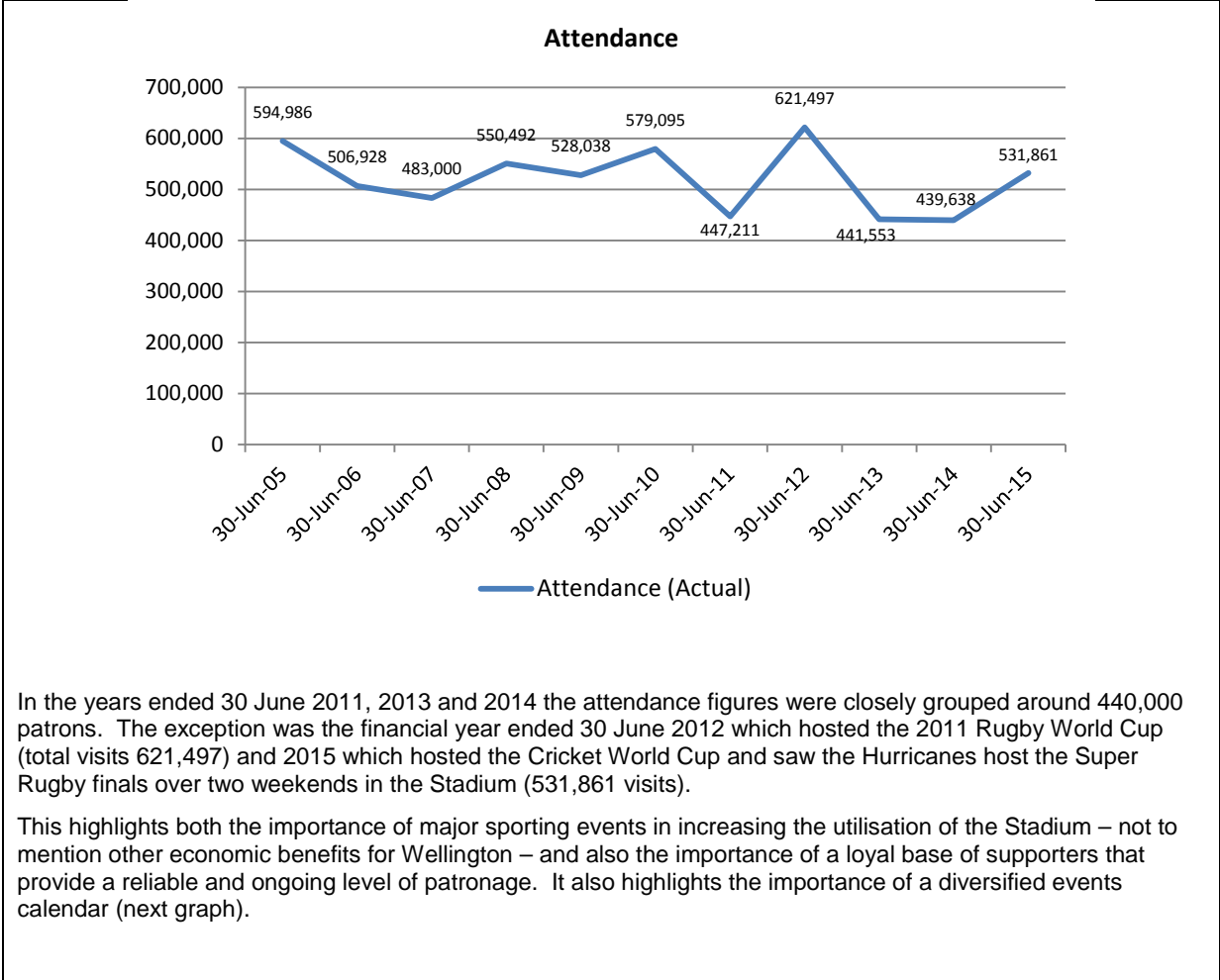
year.

Council has made provision for \$5m funding in 2016/17 for the concourse upgrade project via the 2015-25 Ten Year Plan. The turf replacement and 'connected stadium' projects will be funded by the Trust from operating cash flows and other funding sources.

The Trust is working closely with New Zealand Rugby to reinvigorate the Wellington Sevens event.

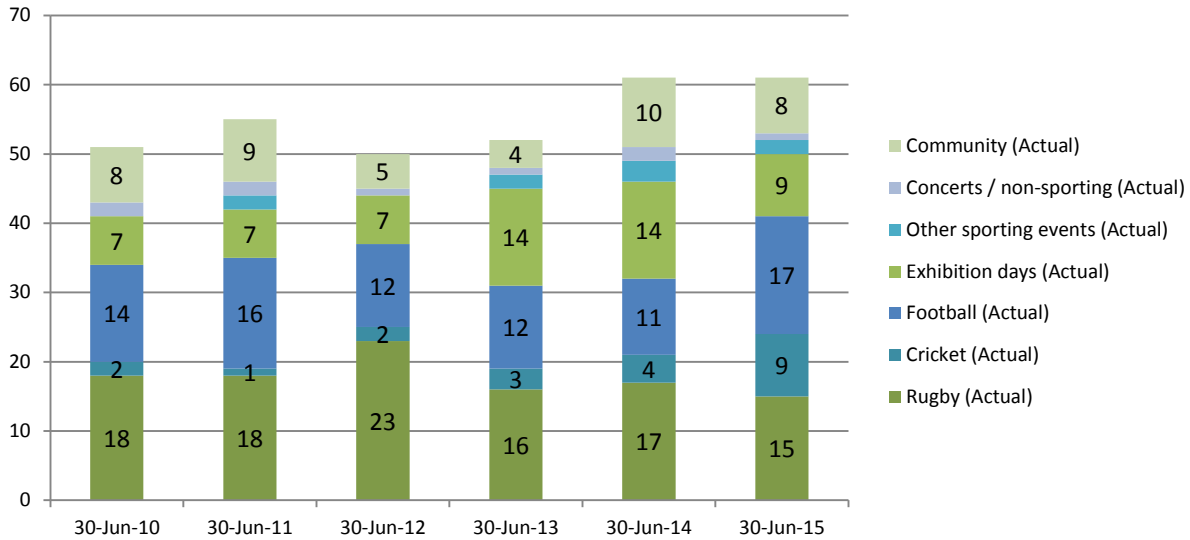
The Stadium will host concerts by Elton John and AC/DC in during the later part of 2015 and expects these will be well supported and contribute a strong total attendance for the full year to 30 June 2016.

EFFECTIVENESS INDICATORS



EFFECTIVENESS INDICATORS

Events Calendar



Exhibitions continue to add to the Stadium's reputation as New Zealand's premier multi-purpose venue. Due to the hosting of the two World Cup events (Cricket and FIFA Under 20 World Cup), the available days for exhibitions declined and as a result the Stadium hosted 9 exhibition dates compared to 14 the previous year. A total of 36,000 patrons attended exhibitions compared to 63,000 in 2013/14. Due to the shifting of exhibition dates, the Trust expects to host a record number of exhibitions in 2015/16. Also, the Trust tries to incorporate as many community events as possible each year and were able to host 8 community days over the period, including the NZ Defence Force, Fire Service training and Salvation Army Youth Training.

Attachments

- Attachment 1. Basin Reserve Trust Performance Report Page 24
- Attachment 2. Wellington Museums Trust Annual Report 2014/15 Page 42
- Attachment 3. Wellington Regional Stadium Trust 2014/15 Page 112
- Attachment 4. Wellington Regional Economic Development Agency Limited Annual Report Page 140

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

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.

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.

BASIN RESERVE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

**BASIN RESERVE TRUST
ANNUAL REPORT
For the year ended: 30 June 2015**

Contents

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**BASIN RESERVE TRUST
ENTITY INFORMATION**
For the year ended: 30 June 2015

Legal name

Basin Reserve Trust ("the Trust").

Type of entity and legal basis

The Trust is incorporated in New Zealand under the Charitable Trusts Act 1957 and also registered with the Charities Commission, registration number CC29029. The Trust was established by the Wellington City Council ("WCC") and Cricket Wellington ("CW") and is a Council Controlled Organisation ("CCO") as defined by Part 1, section 6 of the Local Government Act 2002.

The Trust's purpose or mission

The primary objective of the Trust is to manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket, for the benefit of the inhabitants of Wellington.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of four Trustees who oversee the governance of the Trust. The Trustees delegated the daily operation of the Trust to CW pursuant to a Management Agreement dated 13 August 2013. The Trust's financial affairs are managed by an external Accountant, who also attends Trustee meetings and partakes in financial discussions.

Main sources of the Trust's cash and reserves

Operating grants received from the WCC are the primary sources of funding to the Trust. The terms under which this funding is provided are contained in a Management Deed dated 16 March 2005.

Contact details

Physical Address:	Brierley Pavilion, Basin Reserve Rugby Street Wellington
Postal Address:	P O Box 578 Wellington
Phone	(04) 384-3171

**BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2015**

- The Trust's Statement of Intent for the year ended 30 June 2015 was adopted in May 2014
- The main objectives of the Trust are as follows:
 1. To contribute to the WCC's vision of Creative Wellington - Innovative Capital, by continuing to attract national and international sporting events to Wellington.
 2. To manage, administer, plan, develop, maintain, promote and operate the Basin Reserve for recreational activities and for the playing of cricket, for the benefit of the inhabitants of Wellington.
 3. To establish a long term policy for the further development of the Basin Reserve as a recreational facility and as a facility for the playing of cricket, other sports and as a venue for other community based activities.
 4. To preserve and enhance the significant and recognised heritage value of the Basin Reserve.
 5. To comply with all legislative and regulatory provisions relating to it's operation and performance, including statutory and general Council objectives for Council controlled organisations.

PERFORMANCE MEASURES	30 June 2015		30 June 2014
Administrative	Target	Actual	Actual
<i>Achieve targets within allocated budgets</i>	Achieved	Achieved	Not Achieved
<i>Comply with financial, technical and regulatory standards</i>	Achieved	Achieved	Achieved
<i>Asset management plan carried out</i>	Achieved	Achieved	Achieved
Operating - Number of Events			
<i>Cricket</i>	10	13	22
<i>Other Sports</i>	10	27	9
<i>Community</i>	2	18	2
Operating - Number of Event Days			
<i>Cricket</i>	26	28	41
<i>Other Sports</i>	10	21	6
<i>Community</i>	2	18	2
<i>Numbers attending events (total)</i>	29,800	22,506	30,664
<i>Practice facility usage</i>	70	71	93
<i>Hirer satisfaction with venue and events</i>	Achieved	Achieved	Achieved

**BASIN RESERVE TRUST
STATEMENT OF SERVICE PERFORMANCE
For the year ended: 30 June 2015**

PERFORMANCE MEASURES	30 June 2015		30 June 2014
	<u>Target</u>	<u>Actual</u>	<u>Actual</u>
<i>Playing surface to be maintained to an international standard</i>	Achieved	Achieved	Achieved
Council subsidy per visitor	\$12.00	\$16.00	\$12.00
Financial			
<i>Results within Budget</i>	Achieved	Not Achieved	Not Achieved
<i>Capital expenditure - within Budget</i>	Achieved	Achieved	Not Achieved
<i>Council % of Revenue ratio</i>	65%	79%	56%
<i>Event Income</i>	\$121,500	\$127,250	\$164,500
<i>Non-Event Income as a % of Total Income</i>	78%	82%	74%
<i>Business Plan developed</i>	Achieved	Achieved	Achieved

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

**BASIN RESERVE TRUST
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the year ended: 30 June 2015**

SUMMARY OF ANNUAL PERFORMANCE

The targets for 2014-15 were set very much in the knowledge that the Cricket World Cup 2015 would mean fewer cricket uses of the ground (due to its being used exclusively as a practice venue by the ICC organisers). However the very good summer and autumn weather provided opportunity for the ground to be made available to non-forecasted users.

In particular the Wellington Phoenix were able to access the venue while their normal training ground at Newtown Park was renovated, and neighbouring St Marks school requested and was granted a much greater access to the ground than in previous years.

Consequently the Phoenix use increased the "other sports" events and event days significantly above budget, while the St Marks use was captured as "community" use.

When the budget was agreed it was envisaged that the ground would be used in the ANZAC day celebrations, however the Arras Tunnel was used instead, meaning that the numbers attending events was lower than budgeted. Cricket matches and crowds make up nearly all of the crowd figures for this year, highlighting the importance of securing marquee matches each summer.

Given the significantly higher use of the ground than forecasted, the Trust is pleased to have been able to meet the demand within the agreed budget

The work programme associated with the Asset Management Plan was managed by an external provider, acting in coordination with both Council officers and the Trust's management. Trustees and Council staff are satisfied with the early progress of the overall plan, with priorities agreed and several works underway in the year under review.

COMPLIANCE

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

RESPONSIBILITY

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

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

In the opinion of the Board and management, the annual Financial Statements for the year ended 30 June 2015 fairly reflect the financial position, results of operations and service performance achievements of the Trust.

Sir John Anderson
Chairman
Date: 21st August 2015

Peter Clinton
Chief Executive
Cricket Wellington
Date: 21st August 2015

BASIN RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended: 30 June 2015

	Notes	Actual 2015	Budget 2015	Actual 2014
		\$	\$	\$
Revenue				
Council funding	1	560,007	355,000	355,000
Sales of goods and services	2	146,214	189,600	272,943
Interest revenue		5,287	3,000	4,621
Total Revenue		711,508	547,600	632,564
Expenses				
Depreciation of property, plant and equipment	7	86,948	80,000	202,112
Costs related to providing goods and services	3	593,530	382,250	345,514
Other expenses	4	124,080	105,890	267,782
Total Expenses		804,558	568,140	815,408
Deficit for the Year		(93,050)	(20,540)	(182,844)

Explanations of major variances against budget are provided in note 15

**BASIN RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
As at 30 June 2015**

	Notes	Actual 2015	Budget 2015	Actual 2014
Assets		\$	\$	\$
Current Assets				
Bank accounts and cash	5	48,283	150,000	110,266
Debtors and prepayments	6	124,609	25,000	16,116
Total Current Assets		172,892	175,000	126,382
Non-Current Assets				
Property, plant and equipment	7	645,084	667,600	714,180
Total Non-Current Assets		645,084	667,600	714,180
Total Assets		817,976	842,600	840,562
Liabilities				
Current Liabilities				
Creditors and accrued expenses	8	145,989	55,140	75,525
Total Current Liabilities		145,989	55,140	75,525
Total Liabilities		145,989	55,140	75,525
Total Assets less Total Liabilities		671,987	787,460	765,037
Trust Equity				
Contributed capital	9	100	100	100
Accumulated surpluses	9	671,887	787,360	764,937
Total Trust Equity		671,987	787,460	765,037

Explanations of major variances against budget are provided in note 15

**BASIN RESERVE TRUST
STATEMENT OF CASH FLOWS
For the year ended: 30 June 2015**

	Note	Actual 2015	Budget 2015	Actual 2014
		\$	\$	\$
Cash Flows from Operating Activities				
Receipts of council funding		480,190	355,000	355,000
Receipts from sale of goods and services		125,164	173,600	338,447
Interest receipts		5,287	3,000	4,620
Payments to suppliers and employees		(657,146)	(404,600)	(638,243)
GST (net)		2,374	(7,000)	(6,369)
Net Cash Flows from Operating Activities		(44,131)	120,000	53,455
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment		(17,852)	(50,000)	(25,503)
Net Cash Flows from Investing and Financing Activities		(17,852)	(50,000)	(25,503)
Net Increase/(Decrease) in Cash for the Year		(61,983)	70,000	27,952
Add opening bank accounts and cash		110,266	80,000	82,314
Closing Bank Accounts and Cash	5	48,283	150,000	110,266

Explanations of major variances against budget are provided in note 15

**BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2015**

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

GOODS AND SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

INCOME TAX

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

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Grants

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if the conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Donated Assets

Revenue from donated assets is recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the value of the asset is readily obtainable and significant.

BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2015

Interest revenue

Interest revenue is recorded as it is earned during the year.

Administration and overhead costs

These are expensed when the related service has been received.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amounts.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold Improvements	1.5 to 45.5 years	(2.20% to 66.70%)
Drainage works	14 to 18 years	(5.50% - 7.20%)
Furniture & fittings	2.5 to 8.5 years	(12.00% - 48.00%)
Plant	3 to 6.5 years	(16.20% - 33.00%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

**BASIN RESERVE TRUST
STATEMENT OF ACCOUNTING POLICIES
For the year ended: 30 June 2015**

Tier 2 PBE Accounting Standards applied

The Trust has not applied any Tier 2 Accounting Standards in preparing its financial statements.

CHANGES IN ACCOUNTING POLICIES AND TRANSITION TO THE NEW PBE SFR-A (PS) STANDARD

This is the first set of financial statements prepared using the new PBE SFR-A (PS) standard, and comparative information for the year ended 30 June 2014 has been restated to comply with the new standard. The significant adjustments arising on transition to the new standard are provided in note 16.

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

1 Council funding	2015	2014
	\$	\$
Operational grant - WCC	355,000	355,000
Turf Management grant - WCC	205,007	-
Total council funding	560,007	355,000

2 Sales of goods and services	2015	2014
	\$	\$
Ground hire income	127,250	164,500
Concession income	18,408	22,278
Signage	-	80,000
Gold membership subscriptions	-	5,217
Picket fence income	478	948
Miscellaneous income	78	-
Total sales of goods and services	146,214	272,943

3 Costs related to providing goods and services	2015	2014
	\$	\$
Building expenses	44,659	49,580
Ground expenses	353,957	108,172
Occupancy expenses	119,004	113,651
Event running expenses	75,830	73,601
Picket fence expenses	80	510
Total costs related to providing goods and services	593,530	345,514

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

4 Other expenses	2015	2014
	\$	\$
Audit fee for the financial statement audit	12,780	12,340
Bad debt expense	-	31,763
Management fee	56,000	56,000
Marketing	13,295	10,184
Other administrative expenses	42,005	157,495
Total other expenses	124,080	267,782

5 Bank accounts and cash	2015	2014
	\$	\$
Cash on hand	165	165
Cheque account	5,039	9,642
Savings accounts	43,079	100,459
Total bank accounts and cash	48,283	110,266

6 Debtors and prepayments	2015	2014
	\$	\$
Gross debtors	119,699	11,206
Provision for impairment	-	-
Net debtors	119,699	11,206
Prepayments	4,910	4,910
Total debtors and prepayments	124,609	16,116

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

7 Property, plant, and equipment

	Plant	Furniture & Fittings	Drainage Works	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 July 2013	127,163	13,503	78,630	673,309	892,605
Additions	7,150	16,537	-	-	23,687
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(124,588)	(4,768)	(8,696)	(64,060)	(202,112)
Carrying amount at 30 June 2014	9,725	25,272	69,934	609,249	714,180
Carrying amount at 1 July 2014	9,725	25,272	69,934	609,249	714,180
Additions	11,372	-	-	6,480	17,852
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation expense	(8,729)	(5,868)	(8,696)	(63,655)	(86,948)
Carrying amount at 30 June 2015	12,368	19,404	61,238	552,074	645,084

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

8 Creditors and accrued expenses

	2015	2014
	\$	\$
Creditors	96,325	22,563
Accrued expenses	39,664	52,962
Income received in advance	10,000	-
Total bank accounts and cash	145,989	75,525

BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015

9 Equity	2015	2014
	\$	\$
Contributed capital		
Balance at 1 July	100	100
Balance at 30 June	100	100
Accumulated surpluses		
Balance at 1 July	764,937	947,781
Surplus/(deficit) for the year	(93,050)	(182,844)
Balance at 30 June	671,887	764,937
Total equity	671,987	765,037

10 Commitments

There were no operating or capital Commitments as at 30 June 2015 (2014 Nil).

11 Contingent liabilities

There were no Contingent Liabilities or Assets as at 30 June 2015 (2014 Nil).

12 Related-party transactions

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

Related-party transactions significant to the Trust requiring disclosure

1. WCC made a grant of \$355,000 (2014 \$355,000) to the Trust as a contribution towards the costs of operating the Trust.
2. WCC made a grant of \$205,007 (2014 \$0) to the Trust as a contribution towards the costs of Turf Management.
3. The Trust paid WCC the sum of \$10,000 (2014 \$10,000) as a contribution for the Karori Park operation.

**BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015**

13 Trustee fees

In the year to 30 June 2015, the Trustees did not receive any remuneration in regard to their duties as trustees (30 June 2014 Nil).

14 Events after the balance date

At its meeting on 18 August Trustees discussed the potential sale of the LED screen, and approved negotiations continuing with a view to a sale of the screen to Oceania LED, in return for hireage of the screen at various events at the Basin Reserve. Title to the screen to remain with the BRT until such time as the agreed sale price has been paid.

15 Explanations of major variances against budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2015 statement of intent are as follows:

Statement of financial performance

1. When the Budget was agreed it was envisaged that the Turf Management Costs would be paid directly by WCC to the Wellington Regional Stadium Trust ("the Stadium Trust") on behalf of the Trust. However what actually happened was that the Trust received a grant from WCC of \$205,007 which resulted in Council funding being greater than the budget by this amount.
2. When the Budget was agreed it was also envisaged that a Naming Rights Sponsor would be found by January 2015 and that this would result in \$48,000 of Sales of services revenue, but this did not eventuate.
3. Costs relating to providing goods and services were higher than budgeted for by \$205,007 due to the payment of Turf Management Costs to the Stadium Trust of this amount as detailed in 1 above.

Statement of financial position

1. As explained in the Statement of financial performance variances, the billing of WCC for the Turf Management Grant and in turn the Stadium Trust invoicing the Trust for Turf Management has meant that both Debtors and prepayments and Creditors and accruals are higher at balance date than envisaged, due to there being both a receivable and a corresponding liability included in these numbers relating to this.

Statement of cash flows

1. For the same reason as outlined in 1 and 3 of the Statement of financial performance variances above, the Receipts of council funding and the Payments to suppliers and employees, are higher than budgeted for.
2. For the same reason as outlined in 2 of the Statement of financial performance variances above, the Receipts of from sale of goods and services, are lower than budgeted for.

**BASIN RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended: 30 June 2015**

16 Significant adjustments arising on transition to the new PBE SFR-A standard

The main adjustments to the 30 June 2014 comparative statement of financial performance and statement of financial position arising on the transition to the new PBE SFR-A standard are explained below:

Statement of financial position

1. Debtors and prepayments - GST receivable of \$9,136 has been reclassified and aggregated with debtors.
2. Debtors and prepayments - Prepayments of \$4,910 have been reclassified and aggregated with debtors.
3. Creditors and accrued expenses - Current account - Cricket Wellington of \$5,921 have been reclassified and aggregated with creditors.

Statement of financial performance

There were no adjustments to the Statement of financial performance.

Item 2.2 Attachment 2



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Pictured on cover: City Gallery celebrates the opening of Candice Breitz with a Poi E/Thriller Flash Mob at Cuba Dupa, March 2015. In association with WCC, DANZ and Whitiaria Performing Arts. Photo by Mark Tantrum.

Pictured page 3: Visitors contemplating Yvonne Todd: Creamy Psychology. Photo by Mark Tantrum.

Pictured page 4: What Year are You? fundraising campaign brass band and coffee event - Throwback Thursday.

Pictured page 5: Children performing a traditional Polish dance at the Polish Festival, Wellington Museum. Photo by Frances Ratner.

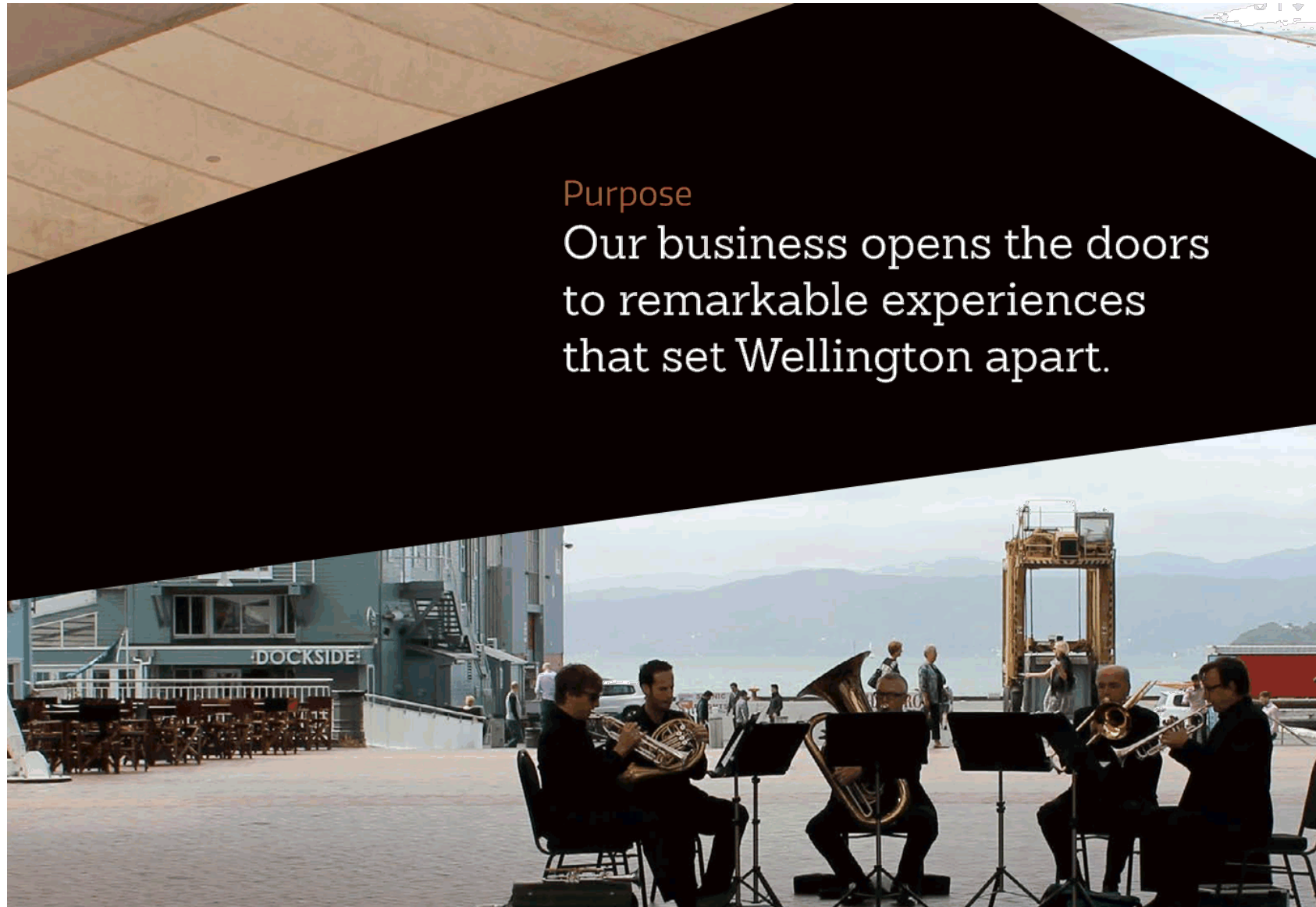
Wellington
MUSEUMS TRUST 

Introduction

Wellington Museums Trust (the Trust) provides the Capital with world-class museums, thought provoking contemporary art, the region's only publically accessible space science experience and the only facility in New Zealand dedicated to children and their creativity.



The photograph shows two individuals, a man in a denim shirt and a woman in a dark top, standing in a gallery. They are looking at a collection of framed portraits of women. The portraits are arranged on a white wall. The portraits depict various women in different settings and outfits, including a woman in a blue dress, a woman in a black top and red pants, a woman in a white top and brown skirt, a woman in a blue top and dark skirt, a woman in a blue top and dark pants, and a woman in a white top and white skirt. The lighting is soft, and the overall atmosphere is that of a contemporary art gallery.





Vision
Excellent experiences
that Wellingtonians proudly
share with the world.



Our Goals

Achieving Excellence

We provide remarkable experiences and lead in our fields: individually and as a collective. We make a difference to our sector and city.

Our experiences are rated and valued highly. People that can, return to visit us. They are happy to recommend us to others. They show their appreciation by keeping in touch, making donations and valuing the contribution we make to the city. We are sector and city leaders and provide the cultural heart of Queens Wharf, Civic Square and the Cable Car precinct.

Our Audiences

We understand and grow our audience, ensuring that our visitors reflect the region's demographic profile.

We will understand the profile of our audience, using monitoring to make changes that improve their experiences and increase our reach. We will focus upon experiences for children and young people and continue to improve access for visitors with mobility, visual and hearing impairments. We will also focus on our effectiveness in attracting a culturally diverse audience: creating strategies that will help us attain our goal of ensuring that our visitors reflect the region's demographic profile.

Our Impact

We understand, improve and constantly grow our impact upon, and value to Wellington and Wellingtonians.

We will better understand our audiences and impact in a way that supports future planning, improves our profile and our reach.

Our People, Places & Process

We prize our staff, supporters and extraordinary assets.

Our staff have the tools and support they need to do the job effectively. Our staff turnover reduces. The buildings we occupy are safe and well-maintained. Our internal systems and processes work smoothly and are legally compliant.

Financial Viability

We strive to grow a robust, sustainable business.

We remain financially viable, fully-funding depreciation, meeting our budgets and breaking even or better each year. We will achieve or better a 70:30 split between Council and revenue generated by our commercial activities, cultural grants and sponsorship.

Our Visitor Experiences

From 1 July 2015 three of our institutions will operate under new names. These are:

Wellington Museum
formerly Museum of Wellington City & Sea

Nairn Street Cottage
formerly Colonial Cottage Museum

Space Place
The new name for the visitor experience at Carter Observatory

The other institutions we operate are:

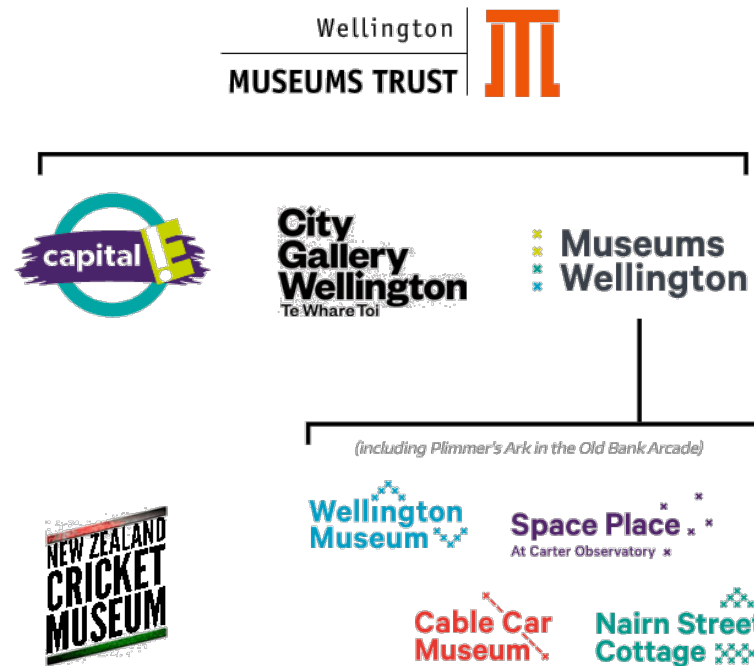
Capital E
City Gallery Wellington
Cable Car Museum

Space Place has been managed under a licence agreement with Council since 1 July 2010.

We also have a management agreement with the New Zealand Cricket Museum Trust to provide in-kind support including financial management.

These onsite, online and outreach experiences encompass art, heritage, culture, social history, science, theatre and digital technology. Our diversity is our strength and point of difference.

We are also responsible for the management and care of the city's heritage collections in storage or on display at Wellington Museum, Cable Car Museum, Nairn Street Cottage and Space Place.



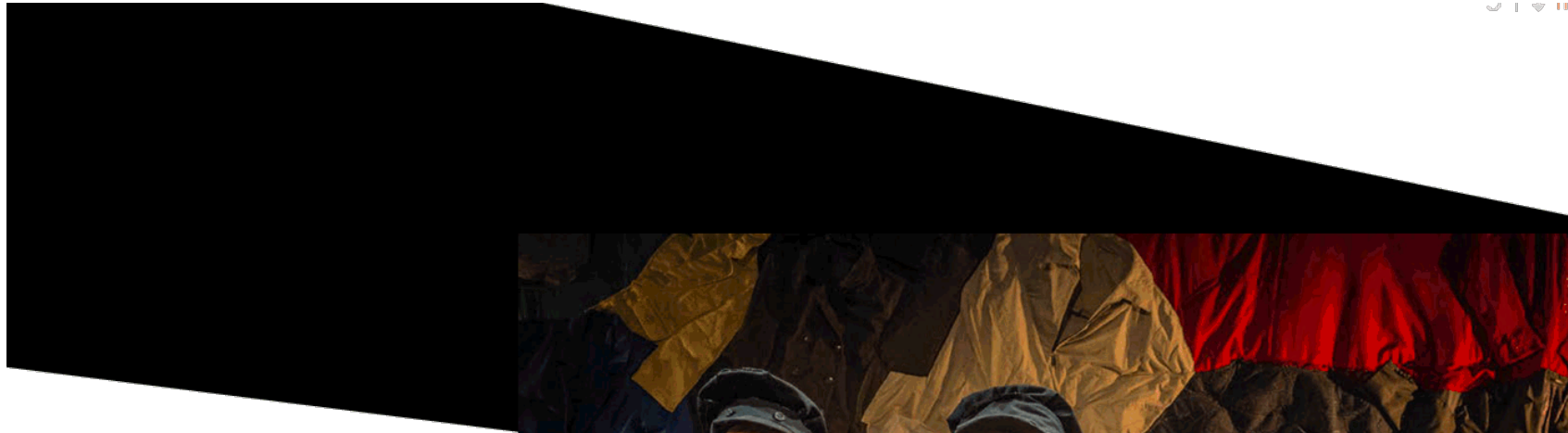




*Pictured: Visitors enjoying informative displays at the Polish Festival, Wellington Museum. Photo by Frances Ratner.
Pictured page 9: City Gallery Wellington, FlashMob. Photo by Mark Tantrum.*

This year research conducted by Wellington City Council's Research & Evaluation Team confirmed that Wellington Museums Trust institutions are highly valued by citizens across the region as cultural and social landmarks that they are proud to support.

They are thoroughly appreciated as safe and enjoyable places which enhance quality of life and generate a huge amount of civic pride. The research into the economic and social value used Social Return on Investment methodology and involved over 1,000 residents, 93% of whom said that our institutions improve the quality of life in Wellington city.

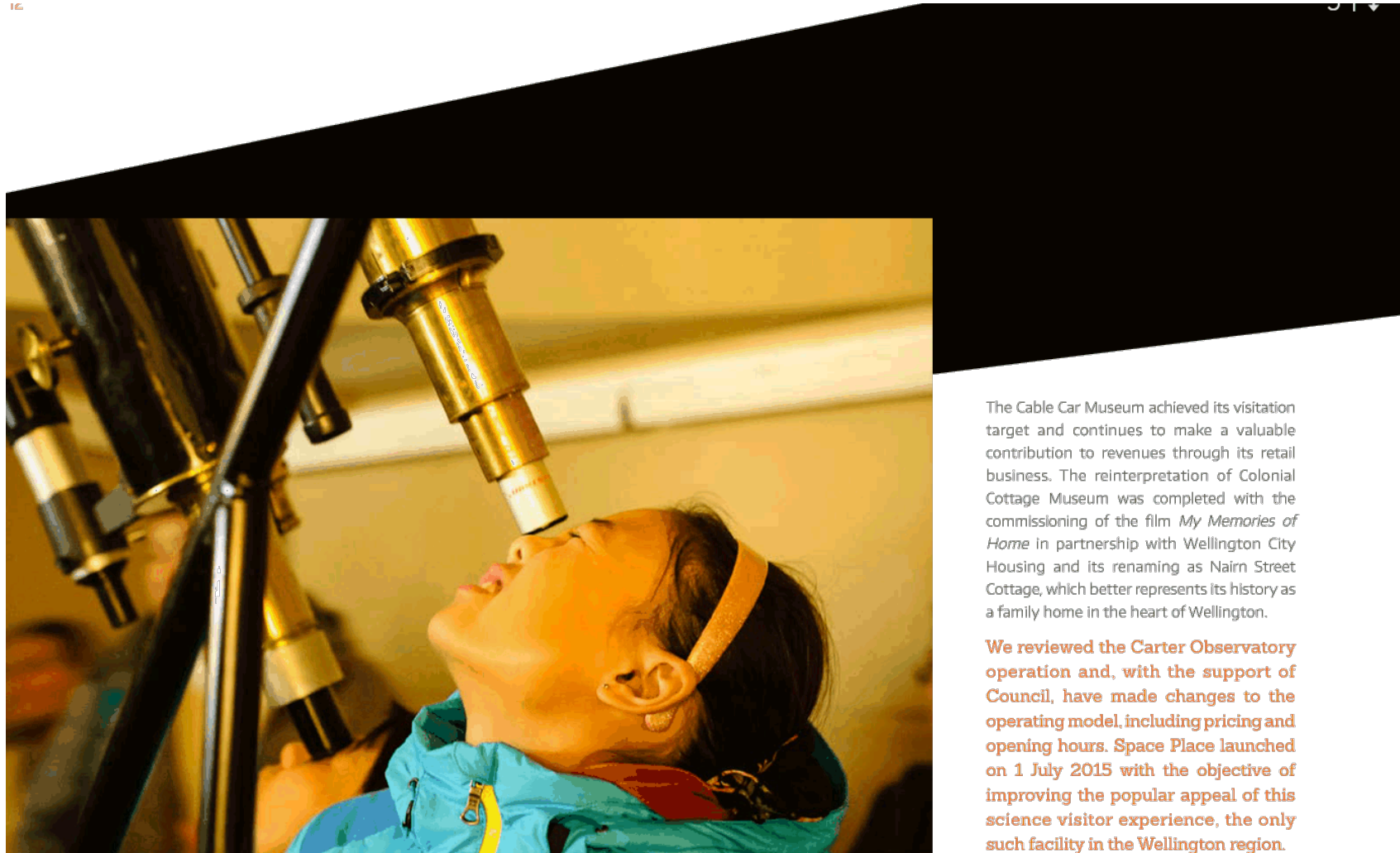


2014-15 has been an extremely positive year for the Trust. Visitation significantly increased at City Gallery and Wellington Museum. Capital E at its new home at 4 Queens Wharf has also enjoyed excellent visitation. This was boosted by the biennial National Arts Festival for Children which was held in March 2015 and attracted 45,092 visits.

The centenary of New Zealand's involvement in the Gallipoli landings has been commemorated through a number of programmes. At Capital E, the National Theatre for Children produced *An Awfully Big Adventure* and developed an accompanying digital programme *Across the Trenches*. At Museums Wellington we participated in the national initiative *A Patriotic Call to Yarn*.



Pictured: Capital E National Theatre for Children - An Awfully Big Adventure national tour. Photo by Stephen A'Court.



Pictured: Space Place, Whanau Day 2015. Photo by Mark Tantrum.

The Cable Car Museum achieved its visitation target and continues to make a valuable contribution to revenues through its retail business. The reinterpretation of Colonial Cottage Museum was completed with the commissioning of the film *My Memories of Home* in partnership with Wellington City Housing and its renaming as Nairn Street Cottage, which better represents its history as a family home in the heart of Wellington.

We reviewed the Carter Observatory operation and, with the support of Council, have made changes to the operating model, including pricing and opening hours. Space Place launched on 1 July 2015 with the objective of improving the popular appeal of this science visitor experience, the only such facility in the Wellington region.

Building works for Phase one of the Wellington Museum development started in early 2015 once capital funding had been secured. This has proved a major undertaking and the Board is grateful to, and proud of Director, Brett Mason and staff for their meticulous planning and execution of this project whilst keeping the Museum open to visitors. The new name of Wellington Museum acknowledges the museum's purpose and is appropriate given the celebrations of 150 years as the Capital of New Zealand in July 2015.

City Gallery celebrated its 21st birthday and continued to build its reputation through the presentation of influential exhibitions such as *William Kentridge: The Refusal of Time*. The growing audience for such exhibitions endorses City Gallery's strategy of presenting the most current thinking, creativity and innovation in art practice.



Pictured: City Gallery Wellington turns 21 - Mayor Celia Wade-Brown and the Hon. Fran Wilde. Photo by Mark Tantrum.



Pictured: Hataitai School arriving at Capital E for the first day of the 2015 Capital E National Arts Festival. Photo by Pippa Drakeford.

Throughout the year the Board and management advanced strategic initiatives. Significant among these is our focus on revenue generation to support our operation and fundraising for the major capital development of Wellington Museum. We have consistently exceeded our non-Council operating revenue target and have also secured millions of dollars of capital contributions towards the development of Council's cultural assets.

Council is our principal funder. It has agreed through the Long-term Plan to adjust the Trust's operating grant by 2% per annum. We thank the Council for recognising the challenges we face as fixed costs increase. However this adjustment cannot alone address the financial viability issues which the Trust continues to face. We are pleased therefore that Council has also decided to undertake a review of the Trust's base funding in 2015-16.

Our Team

Our Board membership is unchanged this year. My fellow Trustees continue to make important contributions to the governance of the Trust.

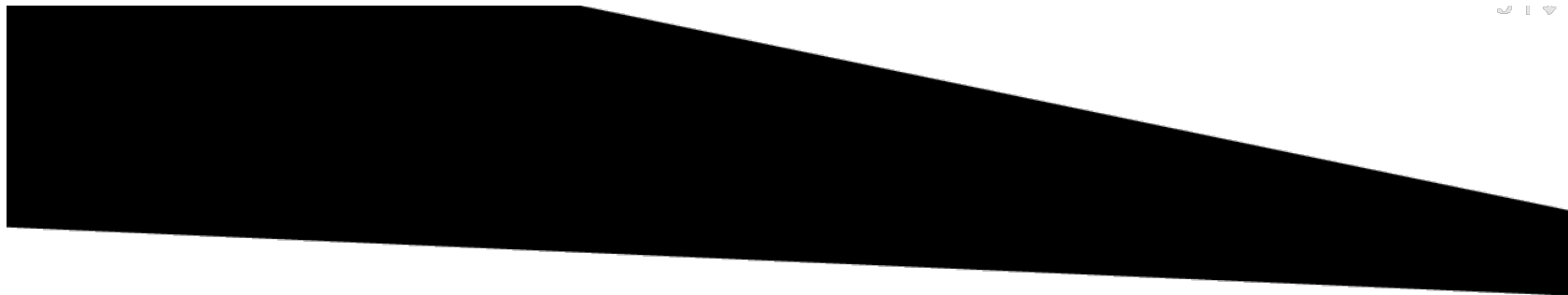
Wellington Museums Trust was one of six organisations the governance of which was reviewed by the Auditor General's *Effectiveness of governance arrangements in the arts, culture, and heritage sector* report which was tabled in Parliament in May 2015 (<http://www.oag.govt.nz/2015/arts-governance>). The Trust's performance was assessed as comprehensive in all five aspects of governance (strategic direction, leadership and culture, monitoring and review, risk management and internal controls); the Trust was the only organisation to achieve such positive ratings.

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

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

Pictured: City Gallery Staff at the Candice Breitz Exhibition Opening. Photo by Mark Tantrum.





Our Supporters

The Minister for Arts, Culture and Heritage, Hon. Christopher Finlayson advised us in September 2014 that the Government's Regional Museums Policy for Capital Construction Projects would contribute \$1.334 million to the Wellington Museum development which included \$0.525 million for earthquake strengthening. This contribution and Council's decision to provide \$1.6 million through its Mid-term CAPX Review in October 2014 meant that we were able to award the building works contract for Phase one in early 2015. The other major contributor to the development is the Lottery WW1, Environment & Heritage Committee which approved a \$930,000 grant in 2013-14. We thank these agencies and the many individual contributors to the project for supporting our efforts to develop Wellington Museum. We look forward to unveiling this landmark project later in 2015.

EY (formerly Ernst & Young) continued its support for City Gallery and this year was the principal sponsor of *William Kentridge: The Refusal of Time*. ANZ, also a valued

long time sponsor of City Gallery, was the principal sponsor of *Seung Yul Oh: MOAMOA, A Decade*. The City Gallery Wellington Foundation was the principal sponsor of the exhibition *Yvonne Todd: Creamy Psychology* and provided a financial underwrite for the Candice Breitz exhibition. Tuatara Brewing Limited is one of City Gallery's event partners and has quickly gained popularity as the named sponsor for the Tuatara Open Lates. Similarly, Seresin Wines is a favourite event partner of longstanding.

City Gallery was also the recipient of a major bequest from the estate of Sir Alexander Grant an expatriate Wellingtonian who was, for many years, a dancer with the Royal Ballet. The proceeds from the bequest will be used to support the work of City Gallery.

A wide range of grant-giving organisations supported the 2015 Capital E National Arts Festival for Children. We are very grateful for their generosity without which we would not be able to present this inspiring event. This year The Lion Foundation provided

\$50,000 to help make the event accessible to all audiences regardless of circumstance. The use of Wellington Amenities Fund support awarded in 2013-14 also enabled the Festival to broaden its reach to a wider regional audience.

The Wellington Community Trust contributed \$30,000 towards vibrant family programming at Capital E and City Gallery.

Creative New Zealand continues to support Capital E's National Theatre for Children, and the biennial National Arts Festival for Children. It also renewed its support to enable us to make the Hannah Playhouse available to other performing arts users, and provided a grant to City Gallery for the accompanying publication for the Yvonne Todd exhibition. The Ministry of Education subsidises our curriculum aligned education programmes.

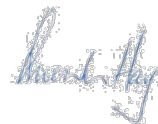
Many in the community assist the Trust in different ways and we are grateful for that assistance.

A full list of our supporters is on page 63.

Looking Forward

We will open the Attic at Wellington Museum in November and, after a short break, will begin planning the next phase of the development which will be completed in 2017-18. We will also make progress on the City Gallery development which will start with the reconfiguration of the entry and orientation lobby.

The Trust will celebrate 20 years in October 2015. We have made a significant contribution to Wellington in our first 20 years, and we are dedicated to continuing to make a positive impact towards the quality of life of Wellingtonians through our remarkable experiences as they continue to set our city apart.



Quentin Hay
Chair

Pictured: Wellington Museum wrapped up for its development.

Pictured next page: Space Place, Solar System Gallery.



Our performance

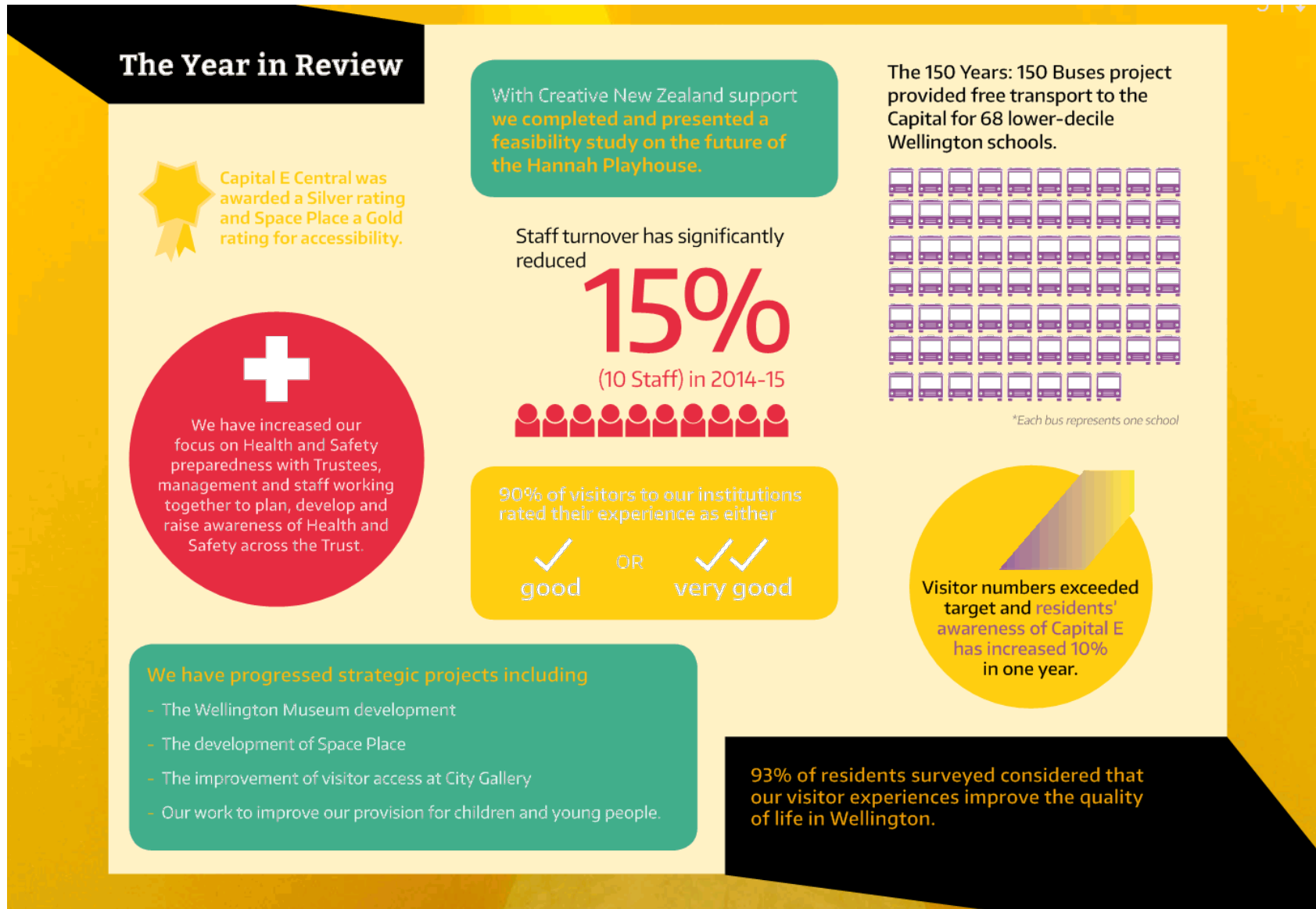
Full details of visitation and other achievements by institution are available in the Statement of Service Performance on page 38.

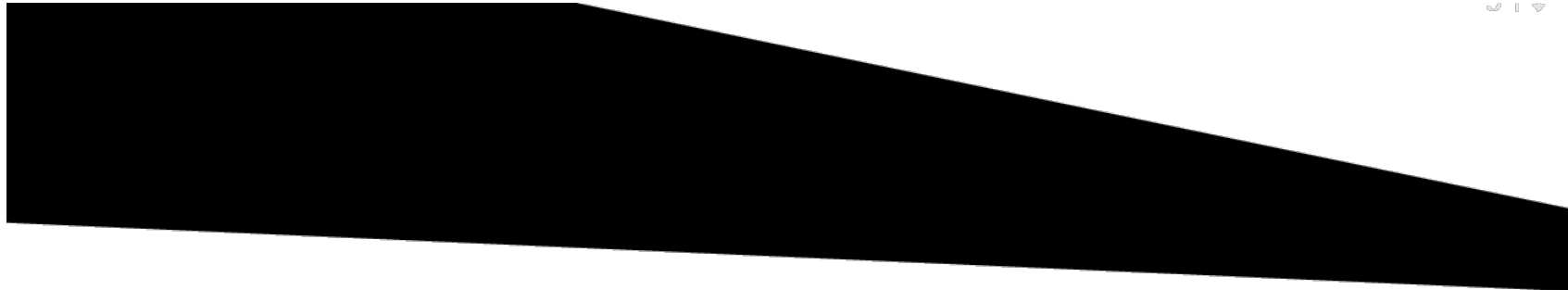
This year we revamped our strategic planning process to be more inclusive of, and available to, staff and other stakeholders, starting with the review of our purpose, vision and values statements. The resulting plan refines our core purpose and expresses our ambition in the five goals of: excellence in terms of our leadership and the experiences we offer; the audiences we attract; the impact we have on Wellington and Wellingtonians; prizing our staff, supporters and places; and our financial viability.



The Year in Review
The Chief Executive's Report







Financial Performance

The Trust achieved a better than budget result with total revenue of \$12.7 million compared to \$11.3 million in 2013-14 and total expenses \$12.5 million compared to \$11.3 million in 2013-14. We continue to manage Space Place under a Licence Agreement with Council which includes a cash underwrite. This year Space Place reported a \$71,861 cash deficit which Council has agreed to reimburse.

We contributed \$4.1 million or 39% of total revenue of \$10.7 million (excluding the Council's rental subsidy and two windfall revenue contributions amounting to \$2.1 million) which is over \$0.8 million better than budget and \$0.9 million better than in 2013-14.

The revenue we generate supplements Council's operating grant which this year was \$6.5 million. Our main sources of non-Council

revenue are trading revenue (\$2.1 million), cultural grants (\$1 million) and fundraising which includes grants from community trusts, donations and personal giving, and cash sponsorships (\$0.8 million).

Total expenses have also increased compared to 2013-14 largely due to fixed costs which have increased by \$0.8 million. We spent \$2.6 million on exhibitions and public programmes compared to \$2.2 million in 2013-14. The difference is due to the inclusion of the biennial Capital E National Arts Festival for Children in 2014-15 and the reinstatement of other programming at Capital E after a period of disruption caused by the need to relocate Capital E to new premises.

Fundraising is an increasingly important function to support operational activities. We continue to experiment with various personal

giving strategies including text donation, crowd funding and on-line donations to support the delivery of core services.

In addition to fundraising to fund operating costs, a key focus during 2014-15 was the Wellington Museum capital fundraising campaign which was boosted by Council allocating \$1.6 million through its Mid-term CAPX Review. This meant that our previously unsuccessful application for funding from the Regional Museums Policy Fund for Capital Construction Projects operated by the Ministry for Culture and Heritage was re-considered in a more favourable light. It also enabled us to uplift the Lottery WW1, Environment & Heritage Committee grant awarded in 2013-14 which was dependent on achieving other fundraising. A public fundraising campaign was also launched and has already achieved success.

Capital E

Capital E exceeded its visitor target of 80,000 but audience numbers for paid experiences continue to be a challenge. While the Capital E National Arts Festival for Children delivered beyond expectations, other ticketed activity has seen a reduction in attendance. This is in contrast to entry-by-donation events, such as *The Great Scavenger Hunt* and Museums Wellington collaboration *The Big Halloween: Wicked Wharf* which experienced strong visitation.

Across the Trenches is a new combined digital/live programme based on a World War One (WW1) theme, exploring New Zealand's involvement, the impact on our nation and on individuals. The experience begins with a performance of the Capital E National Theatre for Children's *An Awfully Big Adventure*, followed by a live television production in which young people produce a documentary-style film incorporating their thoughts and understandings of the conflict and its impacts. This will be available throughout the commemoration period.

An Awfully Big Adventure was presented in 13 centres on an education tour, as well as performing two Wellington seasons in July 2014 and as part of the 2015 Capital E National Arts Festival for Children.

In its seventh outing since being established in 2003, the March 2015 Capital E National Arts Festival for Children achieved positive audience reviews and critical acclaim. In addition to strong school numbers, the Festival grew its public audiences by 40% and achieved overall ticket sales of more than 45,092. Capital E's drop-in space became a Festival hub for families attracting 693 visitors over two weekends of public programmes.

The programme included presentation of three short films by three groups of Wellington students alongside the work of international filmmakers. This is the first time work produced by, for, with and between children has been featured in the Festival.

	2013-14 Achieved	2014-15 Achieved
Total Visitation	59,265	111,273 ¹
Visitor Satisfaction ²	89%	94%

¹Includes 8,717 attendees at non-Capital E activity at Hannah Playhouse and 2014-15 was a Capital E National Arts Festival Year.

²Those that rated their experience as either Good or Very Good in Council's Annual Residents' Awareness Survey.

Pictured next page: Dress-up time at The Great Scavenger Hunt 2015. Photo by Pippa Drakeford.



City Gallery Wellington

City Gallery exceeded its visitor target of 140,000 and the 2014-15 exhibition year started on a high with *Seung Yul Oh: MOAMOA, A Decade*. This largely sculptural exhibition had interactive elements that made it a huge hit with children and families.

City Gallery's 21st birthday was celebrated at one of the first Tuatara Open Lates with an evening of storytelling, balloon popping and a memory wall. A cake in the shape of the building was cut by our Mayor, Celia Wade-Brown, assisted by the Hon. Fran Wilde who was Mayor of Wellington when City Gallery opened.

The first solo exhibitions in New Zealand of two very significant international artists, *William Kentridge: The Refusal of Time* and *Candice Breitz* were presented. Multi-media tour de force *The Refusal of Time* was the standout hit at the 2012 *documenta13* which is a prestigious contemporary art exhibition staged every five years in Kassel, Germany and was a major coup for City Gallery to secure.

Perhaps the exhibition that stood out the most in the course of the year was that of New Zealand photographer *Yvonne Todd: Creamy Psychology* which was a finalist in the 2015 Museums Aotearoa Awards.

We joined forces with seven other organisations in the Wellington region to present a major programme of activity for Matariki with funding support from the Wellington Amenities Fund. *Art Night: Pō Whakaatu Toi* was a highlight of the month-long programme. Six of the eight organisations stayed open late, programmed special activities and were connected by free buses. This proved to be a powerful way for the region's cultural organisations to work together and we plan to repeat the collaboration in the future.

Running a contemporary programme presents all kinds of challenges and this year we presented the photographic exhibition *Jono Rotman: Mongrel Mob Portraits* which comprised traditional portraits of members of the Mongrel Mob. City Gallery's approach to presenting the exhibition safely and to communicate the intentions for the show were rewarded with a positive response from visitors who engaged with the work in a meaningful way.

Our development to improve access and revenue generating at City Gallery was started and we have committed to the next design phase so as to be in a position to commence fundraising.

	2013-14 Achieved	2014-15 Achieved
Total Visitation	150,289	169,943
Visitor Satisfaction ¹	94%	96%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents' Awareness Survey.

Pictured next page: Yvonne Todd: Creamy Psychology publication. Photo by Mark Tantrum.

Item 2.2 Attachment 2



Museums Wellington

Museums Wellington comprises Wellington Museum, Cable Car Museum, Nairn Street Cottage and Space Place.

Wellington Museum

(formerly Museum of Wellington City & Sea)

Phase one of the Museum's development has been the major focus for staff during the year. This will open the Attic of the building previously used as office space and add 450m² to the visitor experience – a 30% increase. The heritage of the building will be a prominent feature of the extended visitor experience. Wellingtonians got the first view of the new Museum spaces when the city celebrated 150 years as the Capital City of New Zealand on 26 July 2015.

The Museum has remained open throughout the year and record numbers of visitors have continued to enjoy the exhibitions and public programmes. The Museum has continued the *Peoples' History Project* which is a collaboration with the Alexander Turnbull Library and the Labour History Project, and *Third Thursday* open lanes. The Museum also worked with The Polish Association in New Zealand to present *Celebrating Everything Polish* which marked the 70th anniversary of the arrival of 733 Polish children refugees escaping Soviet occupation of their country during World War Two (WWII).

Also during the year we celebrated the Museum's 15th birthday with friends and

supporters at a function during which the Hon. Maggie Barry, Minister for Arts, Culture & Heritage, and Deputy Mayor of Wellington, Justin Lester, announced capital funding for the Museum's development. The Government's contribution includes part-funding for earthquake strengthening.

Our public fundraising campaign was launched with *What Year Are You?* which invites supporters to buy a year between 1865 and 2015. Nearly half of all years have been sold and new partnerships forged with media owners and prominent Wellington businesses and organisations.

Selecting, acquiring and preparing collection items for display in the new exhibitions, including major conservation work on some items, has been the focus for the collections' team.

In line with the Museum's leadership role as the teller of Wellington stories and its broad social history mandate which includes Wellington's maritime history, the name Wellington Museum will be used from 1 July 2015.

	2013-14 Achieved	2014-15 Achieved
Total Visitation	112,536	124,955
Visitor Satisfaction ¹	94%	95%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents' Awareness Survey.

Pictured next page: Family reading about Polish heritage at Wellington Museum during the Polish Festival. Photo by Frances Ratner.





Space Place at Carter Observatory

While visitation did not achieve target, the revenue yield per visitor is higher than in previous years due in part to limiting the use of discounting which had previously been a strategy to drive visitation. The Trust will implement a new operating model from 1 July 2015 which includes changes in opening hours, pricing and the broadening of the planetarium's content to attract more Wellington city and region visitors and to encourage repeat visitation.

The new operating model will make better use of guided tours, particularly for tourist groups, and it is pleasing to note the Museums Wellington team has secured contracts with

new inbound tour operators in the Chinese market and now have ten operators bringing tourist groups to Space Place.

With the assistance of a capital grant through Council's Mid-term CAPX Review the Trust replaced the digital planetarium which has significantly improved the presentation of planetarium shows and a \$10,000 Pelorus Trust grant made it possible for us to purchase the planetarium show *To Space and Back*.

A new Solar System Garden at the entrance of Space Place was planted by Wellington Botanic Gardens.

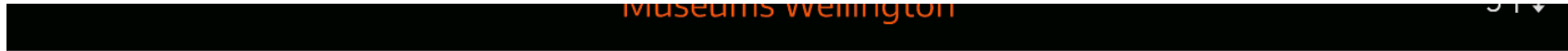
	2013-14 Achieved	2014-15 Achieved
Total Visitation	47,318	42,633
Visitor Satisfaction ¹	92%	96%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents' Awareness Survey.

*Pictured: Space Place, Solar System Gallery.
 Pictured next page: Space Place, Whanau Day 2015.
 Photo by Mark Tartrum.*

Item 2.2 Attachment 2





Cable Car Museum

The Cable Car Museum continues to be one of the main attractions for visitors to the top of the Cable Car and despite a slow start to the year both visitation and revenue from the retail operation have achieved target. New exhibition lighting and air handling system have improved visitor comfort at the Museum.

Work has been undertaken in conjunction with Positively Wellington Tourism, the Botanic Gardens and the Wellington Cable Car Company to provide a comprehensive and consistent signage solution for the top of the Cable Car and surrounding areas. Installation is expected before the 2015-16 tourist season begins.

	2013-14 Achieved	2014-15 Achieved
Total Visitation	229,960	237,099
Visitor Satisfaction ¹	89%	89%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents' Awareness Survey.

Nairn Street Cottage (formerly Colonial Museum Cottage)

Fewer visitors to the Cottage over the summer months was more than compensated for by the popularity of the Cottage's tent on Frank Kitts Park for *The Great Scavenger Hunt* in January.

The Cottage continues to be an important place for Wellingtonians and its programming is designed to optimise participation from the local community. Such a project was *A Patriotic Call to Yarn*, a national initiative to produce a handmade poppy for each New Zealand soldier who died during WW1.

On 1 July 2015 the Cottage reverted to its original name of Nairn Street Cottage to complete its transformation from colonial museum to heritage home celebrating family and community.

	2013-14 Achieved	2014-15 Achieved
Total Visitation	2,375	3,511
Visitor Satisfaction ¹	90%	91%

¹Those that rated their experience as either Good or Very Good in Council's Annual Residents' Awareness Survey.



Pictured: A Patriotic Call to Yarn event at Nairn Street Cottage.

New Zealand Cricket Museum

The New Zealand Cricket Museum built on the success of the previous year and continued to grow its visitation and presence within the cricket and museum communities. With the Cricket World Cup offering a unique opportunity, the Museum contributed to the event by supporting an outdoor exhibition in Christchurch, assisting tourism groups around New Zealand with media stories, and developing a touring exhibition in a repurposed 10-foot shipping container.

The Museum also developed a new website and built on successful social media programmes resulting in a significant growth in virtual visitation with the Museum tapping into the extraordinary international following the game enjoys.

The Museum's team of volunteers put in more hours than ever before, and the Museum continues to benefit from its network of partners, including New Zealand Cricket, Cricket Wellington, Wellington City Council, Colliers International and Sport New Zealand.

	2013-14 Achieved	2014-15 Achieved
Total Visitation	2,620	13,211 ²
Visitor Satisfaction ¹	92%	100%

¹ Those that rated their experience as either Good or Very Good in Council's Annual Residents' Awareness Survey.

² Includes visitors to the shipping container touring exhibition during the Cricket World Cup.

Heritage Collections

A major focus this year was the selection and preparation of items to be included in the new Attic exhibitions in Wellington Museum including items that have been identified in the national collections held by the Museum of New Zealand Te Papa Tongarewa (Te Papa). Our access to items of significance to Wellington held by Te Papa is now covered by a Memorandum of Understanding.

Major progress has been made with the Carter Observatory Collection with Geological and Nuclear Sciences (GNS) transferring ownership of important artefacts, previously on long-term loan, including a number of significant objects such as a pendulum clock, transit telescope and chronograph used by the Time Service, and two WWI era Depression Range Finders.

Stained glass windows and a Wellington-made organ from St Cuthbert's Church in Berhampore have been donated to the Collection. We also received a major donation of contemporary photographs of Wellington street life by respected photographer and author Julian Ward.

Tāonga Māori researcher Rongomaiaia Te Whaiti and Professor Bob Jahnke have helped us to identify a number of previously unattributed pieces from the Pain Collection as being the work of Jacob Heberley.

The theft of a ceremonial Town Hall Key from its Wellington Museum display cabinet prompted a review of security and the implementation of some changes. The key was returned without damage and is now back on display.

Pictured Next Page: New Zealand Cricket Museum - Gallery 2. Photo by Mike Lewis.



Children and Young People

We are committed to improving access for children and young people by enriching their experiences at our institutions. Our objective is that children and young people feel welcome, included and important and that we continue to expand the opportunities for engagement that are for, by and with children and young people.

The delivery of learning programmes is a core function supported by contract funding from the Ministry of Education through its Learning Experiences outside the Classroom programme. This year we welcomed 81,213 students, boosted by the biennial Capital E National Arts Festival for Children which attracted 41,236 students.

	2013-14 Achieved	2014-15 Target	2014-15 Achieved
Capital E	21,874	57,500	60,365
City Gallery Wellington	4,322	5,000	4,557
Space Place at Carter Observatory	4,892	3,500	7,820
Cable Car Museum	1,688		2,536
Nairn Street Cottage	862	8,250	868
Wellington Museum	6,491		5,067
Total	40,129	74,250	81,213

Our Head of Strategic Development, Dr Sarah Rusholme led a project involving many of Wellington's national institutions that have a constitutional or heritage mandate to enable 4,000 students from 68 lower-decile schools to visit Wellington in the year it celebrates 150 years as the Capital of New Zealand. *The 150 Years: 150 Buses* project is funded by the Wellington Amenities Fund. It enables students to visit national institutions such as Parliament, Government House and the National Library of New Zealand to learn about citizenship and nationhood, or conflict and commemoration.

Preparation for the project included professional development sessions for teachers. The group also launched *ChangeAgents*, a new teaching resource for students visiting the Capital produced with expert input from staff at Onslow College, Victoria University School of Education, Te Papa, Parliament, Wellington Museum, Government House, National Library and the Ministry for Culture and Heritage.

The Trust has also coordinated a nationwide marketing campaign to schools about the excellent learning experiences to be found in Wellington. *Wellington: A Capital Destination for Learning* is funded by Wellington City Council with the objective of providing teachers resources to plan a visit to the city. They are directed to a new look www.wellingtonNZ.com/schools webpage where they will find information about Wellington's rich visitor offerings, food and accommodation, suggested visit plans, links to teaching resources, and a new itinerary builder.

Pictured Next Page: Capital E MediaLab 3D Printing. Photo by Mark Coote.





Staff Contribution

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

Each year we seek their feedback through our Staff Engagement Survey and a recurring theme is the importance to them of the work they do for Wellington and the pleasure they get from working with Wellington's diverse communities. This is an important aspect of our work as are the many collaborative projects with other organisations for major events such as Matariki. We are also grateful to the many supporters, collectors and sponsors who make significant contributions and often make events or programmes possible.

The Museums Wellington team led by Brett Mason has had one of the most challenging years as Phase one of the development of the Wellington Museum got underway. We are grateful to the Wellington City Council Property team for its work on various aspects

of the planning to ensure smooth integration of the building works with deferred and planned maintenance.

At City Gallery the team led by Elizabeth Caldwell delivered a fantastic programme of exhibition and events. In addition to his work as Chief Curator, Robert Leonard was selected to curate New Zealand's pavilion at this year's prestigious Venice Biennale which is testament to both his considerable curatorial talents and City Gallery's position and prowess in the contemporary art world. *Simon Denny: Secret Power* was one of the most critically acclaimed and talked about exhibitions. We said farewell to Gerda Nana, City Gallery's Exhibition Manager who gave eight years of service to the Gallery.

The Capital E team led by Stuart Grant has made great progress in establishing a hub for children and young people at their new location on Queens Wharf and again delivered a very successful festival for the region's children and young people, their families and communities. We farewelled Stephen Blackburn after eleven

years at Capital E as the National Theatre for Children's Creative Producer. Stephen built strongly upon the company's reputation for quality, original productions with audiences, peers and stakeholders both nationally and internationally.

The focus of the Trust office was on the planning and delivery of key organisation development strategies including improving access for specific audience groups and improving our understanding and measurement of the economic and social value of the Trust in conjunction with Council's Research and Evaluation team. We also undertook a review of our fundraising strategy which will be implemented in 2015-16 and we prepared a detailed submission to Council's Long-term Plan review, as well as coordinating the *150 Years: 150 Buses* project.



*Pictured: Wellington Museum's What Year are You? fundraising campaign: Throwback Thursday - ballerinas and pavlova event.
Photo by Tessa Baty.*

2 | 3

The Year Ahead

The Trust will continue to focus on core business and advance the key projects designed to improve our visitor experiences. Opening the Attic at Wellington Museum and celebrating 20 years as an organisation are highlights to look forward to. We will have an opportunity to work with Council on its review of our operating grant and we will ensure that it has accurate information to support its decisions about future resourcing.

Continuing the development of Wellington Museum and improving access to City Gallery are two significant capital investment projects which will add value to Wellingtonians' quality of life and to Wellington as a place to work, stay and play. We will also make progress on key access projects including improving our provision for children and young people at all our institutions.

Pat Stuart
Chief Executive

INDEPENDENT AUDITOR'S REPORT

To the readers of Wellington Museum Trust Incorporated's Financial Statements and Performance Information for the year ended 30 June 2015

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

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Trust on pages 46 to 61, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on pages 39 to 44.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Accounting Standards applying the reduced disclosure regime.
- the performance information of the Trust presents fairly, in all material respects, the Trust's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 12 August 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain

reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Trustees;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information.

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

Responsibilities of the Board of Trustees

The Board of Trustees is responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is also responsible for preparation of the performance information for the Trust.

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

The Board of Trustees is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement,

whether due to fraud or error. The Board of Trustees is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

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

Independence

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

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



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

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

This audit report relates to the financial statements and statement of service performance of The Trust for the year ended 30 June 2015 included on the Trust's website. The Trustees are responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of the Trust's website. We accept no responsibility for any changes that may have occurred to the financial statements and the statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and the statement of service performance named above. It does not provide an opinion on any other information that may have been hyperlinked to or from the financial statements and the statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited financial statements, statement of service performance, and the related audit report dated 12 August 2015 to confirm the information included in the audited financial statements and statement of service performance presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial and non-financial information may differ from legislation in other jurisdictions.



Statement of Service Performance

Statement of Service Performance

For the year ended 30 June 2015

Key Performance Indicators

Our City

We make a compelling contribution to Wellington's economy and standing as the arts and cultural capital of New Zealand.

Outputs	Status at 30 June 2014	Measures 2014-15	Status at 30 June 2015
City Residents' Awareness (Annual Survey) ¹	City Gallery Wellington	86% Not Achieved	92% 93% Achieved
	Wellington Museum	92% Achieved	92% 98% Achieved
	Capital E	79% Not Achieved ²	90% 89% Not Achieved
	Cable Car Museum	92% Achieved	92% 95% Achieved
	Space Place	90% Achieved	92% 96% Achieved
	Nairn Street Cottage	56% Not Achieved	60% 60% Achieved

¹ Annual Council Survey of residents' (ratepayers') awareness.

² Capital E's awareness was affected by its closure for the majority of 2013-14.

Pictured Previous Page: William Kentridge, The Refusal of Time (detail - film still), 2012. On loan from the State Art Collection, Art Gallery of Western Australia.

Our Visitors

We operate popular visitor attractions.

Outputs		Status at 30 June 2014	Measures 2014-15	Status at 30 June 2015
		Achieved	Total visits of 583,123 are achieved.	Achieved Total 689,414 visits.
Physical Visitation	City Gallery Wellington	150,289	140,000	169,943
	Wellington Museum	112,536	90,000	124,955
	Capital E	59,265	80,000 ³	111,273
	Cable Car Museum	229,960	220,998	237,099
	Space Place	47,318	50,000	42,633
	Nairn Street Cottage	2,375	2,125	3,511
		Not Achieved	Total unique visits of 185,000 to institutional web/mobile sites are achieved.	Achieved Total 254,156 unique visits.
Virtual Visitation	City Gallery Wellington	71,067	72,000	113,025
	Wellington Museum	38,933	41,500	41,028
	Capital E	32,291	30,000	60,454
	Space Place	44,528	41,500	39,649
		Achieved	Snapshot target of 24,000 Facebook friends and Twitter followers.	Achieved Snapshot of 30,603 Facebook friends and Twitter followers.
Social Media Profile	City Gallery Wellington	16,130	15,500	20,225
	Wellington Museum	2,357	3,250	3,870
	Space Place	4,850	5,250	6,509

³ 2014-15 is a Capital E National Festival of the Arts year.

Our Visitors continued.

We provide a balanced programme that achieves high levels of quality, public participation and appreciation.

Outputs		Status at 30 June 2014	Measures 2014-15	Status at 30 June 2015
		Achieved	An average of 90% of visitors rate the quality of their experience as good or very good.	Achieved An average of 90% of visitors rated the quality of their experience as good or very good.
Quality of Visit ⁴	City Gallery Wellington	85%	90%	89%
	Wellington Museum	99%	90%	90%
	Capital E	93%	90%	91%
	Cable Car Museum	92%	90%	85%
	Space Place	88%	90%	93%
	Nairn Street Cottage	92%	90%	92%
		Achieved	An average of 30% repeat visitation is achieved.	Achieved An average of 44% repeat visitation.
Repeat Visitation	City Gallery Wellington	64%	40%	73%
	Wellington Museum	26%	25%	26%
	Capital E	32%	40%	61%
	Cable Car Museum	32%	25%	38%
	Space Place	31%	20%	22%

⁴ Quality is measured in terms of: the relevance of experience; information acquired; friendliness of staff; length of visit, and overall enjoyment.

Our Sustainability

We remain financially viable.

Outputs		Status at 30 June 2014	Measures 2014-15	Status at 30 June 2015
		Achieved	\$3,283,000 of non-Council revenue is achieved.	Achieved \$3,789,688 of non-Council revenue.
Non-Council Revenue	City Gallery Wellington	\$426,141	\$502,000	\$478,809
	Museums Wellington	\$670,623	\$551,000	\$759,614
	Capital E	\$1,086,742	\$1,417,000	\$1,599,436
	Space Place	\$516,689	\$599,000	\$557,853
		Not Achieved	The average spend per visitor is \$3.11.	Not Achieved \$2.83 was the average spend per visitor.
Spend per Visitor	City Gallery Wellington	\$0.60	\$1.71	\$0.57
	Museums Wellington	\$1.84	\$1.39	\$1.93
	Capital E	\$5.69	\$7.20	\$5.31
	Space Place	\$8.10	\$9.88	\$10.19
		Achieved	The average subsidy per visit is \$14.10.	Achieved \$9.36 was the average subsidy per visit.
Subsidy per Visit	City Gallery Wellington	\$13.32	\$14.36	\$12.15
	Museums Wellington	\$5.48	\$5.47	\$4.54
	Capital E	\$16.21	\$17.43 ⁵	\$11.71
	Space Place	\$7.21	\$7.88	\$7.32

⁵ Includes the rental subsidy now used to fund leased accommodation for Capital E.

Our People

We are a good employer.

Outputs	Status at 30 June 2014	Measures 2014-15	Status at 30 June 2015
Health and Safety	Not reported in 2013-14	No preventable serious harm incidents involving staff or visitors as defined by the Health and Safety in Employment Act 1992.	Not Achieved 2 serious harm incidents reported.
Staff Satisfaction	Not reported in 2013-14	Staff feel engaged with the Wellington Museums Trust.	Achieved 100% Response rate to survey and 72% of respondents feel engaged with the Wellington Museums Trust.

Our Heritage

We develop and manage our heritage collections.

Outputs	Status at 30 June 2014	Measures 2014-15	Status at 30 June 2015
% of items aligned with Collections Policy	Not Achieved	85% of items are aligned with the Collections Policy.	Not Achieved⁶

⁶ We did not achieve the 85% target due to a focus on the development of Wellington Museum.

Council's Ownership Interest

Council's Ownership Interest refers to expenses which Council meets including insurance, rates, depreciation, interest and repairs and maintenance of buildings which are owned by Council and the Trust occupies. The Trust neither manages nor controls these expenses. Prior to 2014-15 Capital E occupied a Council owned building on Civic Square which was covered by a rental grant. Capital E now occupies other premises which are paid for with the rental grant.

For further information about the Trust's operating profile refer to the Financial Statements Notes 4, 5 and 6.

Outputs		Status at 30 June 2015	
		COUNCIL'S RENTAL GRANT	COUNCIL'S ACTUAL OWNERSHIP INTEREST
Council's Ownership Interest	City Gallery Wellington	\$630,660 ⁷	\$705,333
	Cable Car Museum	-	\$76,643
	Nairn Street Cottage	-	\$26,777
	Wellington Museum	\$701,825 ⁸	\$493,682
	Space Place	-	\$783,492
	Capital E	\$430,495 ⁹	-
	Total	\$1,762,980	\$2,085,927

⁷ Offset by the rental grant.

⁸ Offset by the rental grant.

⁹ Retained to pay rent to third party landlords.

Pictured Next Page: Capital E, The Big Halloween Wicked Wharf. Photo by Sarah Leary.



Financial Statements

Statement of Financial Position

For the year ended 30 June 2015

Assets	Note	2015	2014
Property, plant and equipment	8	1,740,714	1,631,857
Collection and artefacts	9	2,338,816	2,335,816
Intangible assets	10	28,652	50,525
Total non-current assets		4,108,182	4,018,198
Inventories		130,276	103,128
Trade and other receivables	11	994,939	861,299
Cash and cash equivalents	12	3,066,272	1,052,740
Total current assets		4,191,488	2,017,168
Total assets		8,299,670	6,035,366
Equity			
Reserves	13	2,496,747	2,175,017
Retained earnings	13	1,791,575	1,816,891
Total equity		4,288,322	3,991,908
Liabilities			
Employee benefits	14	48,746	68,444
Total non-current liabilities		48,746	68,444
Trade and other payables	15	3,711,791	1,633,092
Employee benefits	14	250,811	341,923
Total current liabilities		3,962,602	1,975,015
Total liabilities		4,011,348	2,043,459
Total equity and liabilities		8,299,670	6,035,366

* In New Zealand Dollars



Trustee
12 August 2015



Trustee
12 August 2015

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2015

	Note	2015	2014
Revenue	4	12,711,891	11,263,132
Total revenue		12,711,891	11,263,132
Personnel expenses	6	(5,270,272)	(4,740,898)
Depreciation and amortisation expenses	8, 10	(510,858)	(603,170)
Other operating expenses	5	(6,754,404)	(5,988,364)
Total operating expenses		(12,535,533)	(11,332,432)
Operating surplus before finance revenue		176,357	(69,300)
Finance revenue	7	120,058	77,468
Finance expenses	7	0	(259)
Net finance revenue	7	120,058	77,210
Surplus/(Deficit) for the period		296,415	7,910
Total comprehensive revenue and expense for the period		296,415	7,910

* In New Zealand Dollars

Statement of Changes in Equity

For the year ended 30 June 2015

	Note	2015	2014
Balance at 1 July 2014	13	3,991,908	3,983,998
Surplus/(Deficit) for the period		296,415	7,910
Total comprehensive revenue and expense for the period		296,415	7,910
Balance at 30 June 2015	13	4,288,323	3,991,908

* In New Zealand Dollars

Statement of Cash Flows

For the year ended 30 June 2015

Cash Flows from Operating Activities	Note	2015	2014
Cash was provided from:			
Receipts from customers		4,380,323	3,184,865
Receipts from related parties		8,294,145	8,001,448
Interest received	7	120,058	77,468
		12,794,526	11,263,781
Cash was applied to:			
Payments to suppliers and employees		(8,560,352)	(8,588,799)
Payments to related parties		(1,496,435)	(1,484,406)
Interest paid	7	0	(259)
Net GST received/(paid)		(123,367)	90,442
		(10,180,154)	(9,983,022)
Net Cash Inflow from Operating Activities	19	2,614,374	1,280,760
Cash Flows from Investing Activities			
Cash was applied to:			
Purchase of property, plant and equipment		(600,842)	(253,400)
Net Cash Outflow from Investing Activities		(600,842)	(253,400)
Cash Flows from Financing Activities			
Cash was applied to:			
Term loan & hire purchase repayments		-	-
Net Cash Outflow from Financing Activities		-	-
Net Increase/(Decrease) in cash and cash equivalents		2,013,532	1,027,360
Cash and cash equivalents at the beginning of the period		1,052,740	25,381
Cash and cash equivalents at the end of the period	12	3,066,272	1,052,740

*In New Zealand Dollars

Notes to the Financial Statements

Significant accounting policies

1) Reporting Entity

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

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

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

For the purposes of financial reporting, the Trust is a public benefit entity (public sector).

The financial statements of the Trust are for the year ended 30 June 2015. The financial statements were authorised for issue by the Trustees on 12 August 2015.

2) Basis of Preparation

a) Statement of Compliance and Basis of Preparation

The financial statements have been prepared

in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Tier 2 PBE Accounting Standards (Public Sector) and disclosure concessions have been applied.

The Trust has elected to report in accordance with Tier 2 PBE Accounting Standards (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$30 million.

These are the Trust's first financial statements prepared in accordance with Tier 2 PBE Accounting Standards and PBE FRS 46 First-time Adoption of PBE Standards by Entities Previously Applying NZ IFRSs has been applied. In prior year, the Trust was reporting under the NZ IFRS (PBE) Differential Reporting framework. There were no material adjustments arising on transition to the new PBE Accounting Standards.

b) Basis of Measurement

The financial statements are prepared on the historical cost basis.

c) Presentation Currency

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

3) Significant Accounting Policies

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

a) Property, Plant and Equipment

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

(i) Subsequent Costs

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

(ii) Depreciation

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

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

The residual value of assets is reassessed annually.

b) Collections and Artefacts

Collections are artefacts that are of cultural or historical importance. A substantial amount of the Trust's Collections were acquired on 29 February 1996 from the Wellington Maritime



Notes to the Financial Statements

Continued

Museum Trust (WMMT) with others added either as gifts or purchases since 1996. Collections are carried at historic cost as assessed at the time of transfer from the WMMT. All subsequent acquisitions to the collections are recorded at cost if purchased. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition. Where the fair value of the assets are not able to be reliably measured, they are recorded at nil. Because the useful life of the collections is indeterminate they are not depreciated.

An external valuation of the Trust's Collections from an independent valuer is obtained on a periodic basis to ensure that the carrying value of the Collections that are held at cost does not exceed their fair value.

The Trustees obtained a valuation at 30 June 2014 and have confirmed that the carrying value at 30 June 2015 is appropriate and that no impairment has occurred.

c) Intangible Assets

Computer Software

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

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

- Computer software 33% SL

d) Trade and Other Receivables

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

e) Inventories

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

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

f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

g) Impairment

Non-cash-generating assets

The carrying amounts of the Trust's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable service amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach

based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

h) Employee Benefits

Long Service Leave

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

i) Provisions

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting

Notes to the Financial Statements

Continued

the expected future cash flows at a pre-tax discount rate that reflects current market rates and, where appropriate, the risks specific to the liability.

j) Trade and Other Payables

Trade and other payables are stated at cost.

k) Revenue

(i) Funding

The Trust's activities are supported by grants, sponsorship, admissions and other trading activities. Grants received that have an obligation in substance to return the funds if conditions of the grant are not met are initially recognised as a liability and revenue is recognised only when the services are performed or conditions are fulfilled.

Funds received that have no such obligation attached and merely a restriction imposed on the use of funds, are recognised as revenue when they become available.

(ii) Services Provided

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

(iii) Donations

Cash donations from the community are

recognised in the Statement of Comprehensive Revenue and Expenses at the point at which they are receipted into the Trust's bank account.

(iv) Sale of Merchandise

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

l) Expenses

(i) Operating Lease Payments

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

(ii) Finance Revenue and Expenses

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

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

m) Availability of Future Funding

The Trust is reliant on the Wellington City

Council (Council) for a large part of its revenue and operates under a Funding Deed with the Council. The Funding Deed was for a period of three years and is extended annually for a further year subsequent to the initial 3 year term. Funding from the Council has been approved for the year ended 30 June 2016.

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

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

n) Income Tax

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

o) Goods and Services Tax

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



4) Revenue	Note	2015	2014
Wellington City Council operational grant		6,525,165	6,232,468
Wellington City Council rental grant		1,768,980	1,768,980
Ministry of Education contracts for service		346,750	359,540
Creative New Zealand grants		641,569	451,000
Other grants, sponsorship & donations	21	824,257	476,334
Admissions revenue		989,491	697,984
Facility hire		279,068	267,085
Retail Sales		826,305	701,641
Sub-lease revenue		76,525	111,608
Other revenue		141,950	196,492
Insurance payment		56,632	0
Bequest proceeds		235,200	0
		12,711,891	11,263,132

The Trust has reviewed all funding arrangements with unfulfilled stipulations relevant to 2014-15 and in accordance with accounting procedures has recognised two windfall revenue amounts at year-end. These are the proceeds from an insurance payment and a bequest, totalling \$291,832.

5) Other Operating Expenses

	Note	2015	2014
Exhibitions & programmes		2,593,006	2,155,627
Rent paid		1,797,224	1,629,904
Marketing & promotions		562,641	610,287
Occupancy costs (excluding rent)		696,647	640,792
Other administration expenses		245,214	274,061
Communication costs		146,574	118,187
Trustee fees & expenses		101,193	80,644
Technology costs		243,935	295,382
Professional fees		332,900	151,313
Auditors' remuneration audit fee		35,069	32,165
- other services		-	-
		6,754,404	5,988,364

6. Personnel Expenses

	Note	2015	2014
Wages and salaries		5,289,969	4,740,898
Increase/(decrease) in liability for long-service leave		(19,698)	0
		5,270,272	4,740,898

7) Net Finance Costs

	Note	2015	2014
Interest revenue on bank deposits		120,058	77,468
Finance revenue		120,058	77,468
Interest expense on bank loan		0	(259)
Finance expenses		0	(259)
Net finance revenue		120,058	77,210



8) Property, Plant and Equipment	2015	2014
Computer Equipment		
Cost	185,077	157,842
Accumulated depreciation	145,064	125,562
Carrying value	40,013	32,280
Current year depreciation	19,502	13,722
Office & Equipment		
Cost	1,368,833	1,348,716
Accumulated depreciation	1,008,239	960,871
Carrying value	360,594	387,845
Current year depreciation	165,684	132,350
Motor Vehicles		
Cost	23,730	85,012
Accumulated depreciation	12,524	65,896
Carrying value	11,206	19,116
Current year depreciation	7,910	4,614
Building Fittings		
Cost	2,783,109	2,601,889
Accumulated depreciation	1,454,208	1,409,273
Carrying value	1,328,901	1,192,616
Current year depreciation	295,889	434,221
Total		
Cost	4,360,749	4,193,460
Accumulated depreciation	2,620,035	2,561,603
Carrying value	1,740,714	1,631,857
Current year depreciation	488,985	584,907

9) Collections and Artefacts

	2015	2014
Opening balance	2,335,816	2,335,095
Additions	3,000	721
Disposals	-	-
Closing balance	2,338,816	2,335,816

Restriction over Title to Assets

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

10) Intangible Asset

Computer Software

Cost

	2015	2014
Accumulated amortisation	171,640	171,640
Carrying value	142,988	121,115
	28,652	50,525
Current year amortisation	21,873	18,263

11) Trade and Other Receivables

	2015	2014
Accounts receivable	170,411	102,324
Receivables from related parties	578,829	656,553
Prepayments	11,673	2,550
Sundry receivables	86,341	75,552
GST receivable	147,686	24,320
	994,939	861,299

12) Cash and Cash Equivalents	2015	2014
Bank balances	544,838	73,513
Call deposits	2,521,434	979,227
	3,066,272	1,052,740

Call Deposits includes capital funding of \$1,558,045 from the Ministry for Culture and Heritage through the Government's Regional Museums Policy for Capital Construction Projects and \$575,000 from Lottery WW1, Environment & Heritage Committee. These funds are for the Wellington Museum development.

13) Equity and Reserves Reconciliation of Movement in Equity and Reserves	Capital Reserve	City Gallery Wellington Reserve	Nairn Street Cottage Collection Reserve	Wellington Museum Collection Reserve	Retained earnings	Total equity
Balance at 1 July 2014	2,122,961	-	23,895	28,160	1,816,891	3,991,907
Surplus /(Deficit) for the period	-	-	-	-	296,415	296,415
Transferred to Wellington Museum Collection Reserve	-	-	-	29,899	(29,899)	0
Transferred to City Gallery Wellington Reserve	-	291,832	-	-	(291,832)	0
Balance at 30 June 2015	2,122,961	291,832	23,895	58,059	1,791,575	4,288,322
Balance at 1 July 2013	2,122,962	-	23,895	18,223	1,818,918	3,983,998
Surplus /(Deficit) for the period	-	-	-	-	7,910	7,910
Transferred to Wellington Museum Collection Reserve	-	-	-	9,937	(9,937)	0
Balance at 30 June 2014	2,122,962		23,895	28,160	1,816,891	3,991,908

Capital Reserve

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

City Gallery Wellington Reserve

The Trustees have decided to place proceeds from a bequest from the estate of Sir Alexander

Grant and an insurance payment into a reserve fund for City Gallery Wellington.

Nairn Street Cottage Reserve (formerly the Colonial Cottage Museum) Collection Reserve

During the year ended 30 June 2003 The Colonial Cottage Friends Society wound up the society and donated the remaining funds (\$11,948) to the Wellington Museums Trust for the purpose of establishing a collection fund for

the Colonial Cottage Museum now known as the Nairn Street Cottage. The Trust agreed to transfer this and a similar amount to the fund.

Wellington Museum (formerly the Museum of Wellington City & Sea) Collection Reserve

During the year ended 30 June 2005 the Trustees decided to place all donations received from the Pōneke History Club membership into a collection reserve for future museum acquisitions.

14) Employee Benefits

Current	2015	2014
Payroll accruals	29,612	172,481
Liability for holiday pay	221,200	169,442
	250,811	341,923
Non-current		
Liability for long-service leave	48,746	68,444
	48,746	68,444
	299,558	410,367

15) Trade and Other Payables

	2015	2014
Trade payables	1,119,730	338,953
Payables to related parties	141,156	257,355
Revenue in advance	2,261,970	568,788
ACC premiums	4,718	28,221
GST Payable	-	-
Non-trade payables and accrued expenses	147,217	439,775
	3,711,791	1,633,092

\$696,345 of Trade payables are related to the Attic Project works.

16) Operating Leases

Leases as Lessee

Non-cancellable operating lease rentals are payable as follows:

	2015	2014
Less than one year	1,759,776	1,718,608
Between one and five years	5,809,991	4,299,370
More than five years	1,855,891	2,851,363
	9,425,658	8,869,340



16) Operating Leases Continued.

The Trust holds leases on property, office equipment and motor vehicles.

Two of the property leases are for Council owned buildings: Wellington Museum on Queens Wharf and City Gallery Wellington on Civic Square. Under the Funding Deed between the Trust and the Council rental payable to Council under these leases is covered by a rental subsidy.

Since 1 September 2013 the Trust has leased premises for the operation of Capital E and by agreement with Council, the cost of these leases is covered by the rental subsidy.

Other property leases are held by the Trust for storage of Collections and the operation of the Trust office.

17) Capital commitments

As at 30 June 2015, there are no capital commitments (2014: \$nil), which have not been accounted for.

18) Contingencies

There are no material contingent liabilities at balance date (2014: \$nil).

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

	2015	2014
Operating Surplus/(Deficit) for the Year	296,415	7,910
Adjustments:		
Add Non-Cash Items:		
Depreciation and amortisation expense	510,858	603,170
Movements in Working Capital:		
Decrease/(Increase) in Other Current Assets	(160,789)	13,623
(Decrease)/Increase in Trade Creditors	664,578	349,745
(Decrease)/Increase in Accruals and Provisions	1,303,311	306,312
Net Cash Inflow from Operating Activities	2,614,374	1,280,760

20) Related parties

(i) Identity of related parties

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



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

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

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

During the year the Trust entered into a Management Agreement (MA) with the Council for the operation of the Attic Project works. These works include converting the top floor of the Bond Store (Wellington Museum) to an exhibition space and the earthquake strengthening and planned and deferred maintenance of the building.

The Council as the building owner and landlord has ownership interest in all building capital replacement works and the Trust as tenant has ownership interest in exhibition fit-out only. Each party is responsible for meeting costs relevant to their ownership interest.

The Trust is responsible for the procurement of contractors and completing the project works. The Council will provide the Trust with funds so that it can pay all amounts payable under the construction contract which at 30 June 2015 relate only to the capital replacement works and these amounts have not been included in the Trust's Financial Statements. Included below is a summary of the total amounts received from the Council in relation to the MA and the balance receivable from the Council as at 30 June 2015.

(ii) Related party transactions

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

	Transaction value year ended		Balance outstanding as at 30 June	
	2015	2014	2015	2014
Receipts				
Wellington City Council - operational grant	6,525,165	6,232,468	-	-
Wellington City Council - rental grant	1,768,980	1,768,980	219,276	339,055
Wellington City Council - Attic Project	3,027,714	0	0	0
Wellington City Council - miscellaneous	405,135	391,158	355,915	317,499
Total	11,726,994	8,392,606	575,191	656,554

Payments

Wellington City Council - rental	1,338,485	1,338,485	111,540	256,543
Wellington City Council - miscellaneous	157,950	145,921	11,524	812
Total	1,496,435	1,484,406	123,064	257,355

(iii) Remuneration of key management personnel

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

	2015	2014
Trustees	97,746	81,996
Executive officers	555,505	552,568
Total	653,251	634,564



21) Other Grants, Sponsorship and Donations

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

	2015	2014
Capital E		
Wellington Waterfront Ltd	-	2,000
Booker Spalding Ltd	750	750
Wellington City Council	20,000	68,500
Sargood Bequest	5,000	-
The Lion Foundation	50,000	25,000
Otago Community Trust	-	5,000
The Canterbury Community Trust	5,000	15,600
Community Trust of Southland	-	5,000
TSB Community Trust	-	1,808
Trust House Charitable Trust	-	1,500
Four Winds Foundation	10,000	12,000
TSB Charitable Trust	1,022	6,000
Hutt Mana Charitable Trust	3,000	-
Mana Community Trust	9,680	-
TG MacCarthy Charitable Trust	11,998	-
Halberg Trust	1,500	-
Mainland Foundation	1,900	-
Wellington Amenities Fund	100,000	-
Pelorus Charitable Trust	-	3,000
Asia 2000 Foundation of New Zealand	-	5,000
KPMG	-	5,000
The Performing Arts Foundation of New Zealand	24,532	-
World of Wearable Arts	300	-
Infinity Foundation	5,000	20,000
Pub Charity	2,000	10,000
Wellington Community Trust	17,513	22,150
ANZ Staff Foundation	-	3,000

	2015	2014
Capital E continued		
New Zealand Players Theatre Trust	-	1,000
Taki Rua Productions	-	200
Sundry	18,292	3,019
City Gallery Wellington		
Wellington City Council	6,613	-
Ivan Anthony Gallery	-	400
The Gus Fisher Gallery	-	500
The City Gallery Foundation	166,594	130,000
Victoria University of Wellington	100	-
Museum of New Zealand Te Papa Tongarewa	3,000	-
Wellington Museum		
Wellington City Council	185,354	100,000
Wellington Waterfront Ltd	-	2,000
House of Dumplings	2,000	-
Museum of New Zealand Te Papa Tongarewa	4,348	-
Sundry	22,195	5,407
Space Place		
Wellington City Council	-	12,500
Pelorus Trust	10,000	-
Museum of New Zealand Te Papa Tongarewa	4,348	-
Trust Office		
Wellington City Council	31,000	10,000
Wellington Amenities Fund	100,000	-
Network Pro	1,000	-
Sundry	220	-
Total other grants, sponsorship & donations	824,257	476,335



22) Carter Observatory

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

The cash underwrite of \$71,861 has been accrued.

23) Subsequent Event

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

*Pictured: Space Place, Whanau Day 2015.
Photo by Mark Tantrum.*

Governance Report

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

Governance

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

The Board meets no fewer than nine times per year and operates three committees which review relevant matters prior to consideration by the full Board. These are the Audit and Risk (A&R) Committee; the People, Performance, and Safety (PPS) Committee; and the Chief Executive Performance and Remuneration (CEPSR) Committee. In addition, the Board will

convene *ad hoc* working groups to consider specific issues. Guidance in specialist areas is also provided as appropriate.

Board committees

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

Chief Executive Performance and Remuneration (CEPSR) Committee to advise the Chair in connection with the performance and remuneration of the Trust's Chief Executive.

People, Performance and Safety (PPS) Committee provides guidance and support to the Chief Executive in a Human Resources context and assists the Board to meet its due diligence responsibilities regarding the Trust's compliance with Health and Safety legislation.

Board membership and meeting attendance during 2014-15

Members	Appointed	Term expires	Meetings eligible to attend	Meetings attended
Rachel Farrant	01.07.13	30.06.16	9	9
Quentin Hay <i>(Chair from 01.01.11)</i>	01.01.07	31.12.15	9	9
Jackie Lloyd	01.07.11	30.06.17	9	8
Jill Wilson	01.07.13	30.06.16	9	9
Nicola Young	01.11.13	31.10.16	9	6

Our Supporters

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

SPONSORS

Individuals or organisations that have supported our activities either through cash and/or in kind sponsorship and grants.

ANZ
 ANZ Staff Foundation
 ASB Community Trust
 Asia New Zealand Foundation
 Big Print
 Booker Spalding Ltd.
 BOOSTED
 Canterbury Community Trust
 Canvasland
 Carter Observatory Trust
 Chantals Organics
 Circa Theatre
 City Gallery Wellington Foundation

CityLink
 Community Trust of Southland
 Connect NZ
 Creative New Zealand
 Daizy Design Face Painting
 Eastern & Central Community Trust
 EY (formerly Ernst & Young)
 Fishhead Magazine
 Four Winds Foundation Ltd.
 Google Ads
 House of Dumplings
 Hutt Mana Charitable Trust
 Infinity Foundation
 i-Site Media
 Jan Warburton
 Leon Baldock
 Mainland Foundation
 Mana Community Grants Foundation
 Maritime Friends of Wellington
 Mark Tantrum Photography Ltd.
 Mediaworks
 Metro Productions
 Ministry of Education Te Tahuku o te Mātauranga

MJF Lighting
 Moore Wilsons
 Museum of New Zealand Te Papa Tongarewa
 New Zealand Festival
 Nic Inc (Nic Marshall Design)
 Nikau Café
 NZ Players Theatre Trust
 Oceania
 Opera House
 Pelorus Trust
 Performing Arts Foundation
 Positively Wellington Venues
 Prefab
 Project Floors
 Pub Charity
 Queensland Art Gallery of Modern Art
 Radio Active
 Robin Marshall, Touchtech
 Scopa
 Seresin Estate Limited
 Service Printers
 Six Barrell Soda

Picture: Open Late Publicity posters. Photo by Mark Tantrum.



SPONSORS *continued.*

Stephen A'Court Photography
The Dominion Post
The Dowse Art Museum
The Hits
The Interislander
The Lion Foundation
t leaf T
Trade Me
Thomas George McCarthy Trust
Trust House, Masterton
TSB Community Trust
Tuatara Brewing Limited
Victoria University Press
Village Accommodation
Wellington Amenities Fund
Wellington City Council
Wellington City Council Events
Wellington City Council Housing
Wellington City Council Treaty Relations Team
Wellington Community Trust
Wellington SPCA
What Now
Z Energy

PARTNERS

Individuals or organisations that have supported our activities by working with us during the year.

Adam Art Gallery Te Pataka Toi
Alexander Turnbull Library
Archives New Zealand
Arts Access Aotearoa
Artsight
Asia New Zealand Foundation
Asian Events Trust
Ask Away
Blind Foundation
Carter Observatory Trust
Chamber Music New Zealand
Circa Theatre
Cricket Wellington
Dance Aotearoa New Zealand (DANZ)
Daniel Brown
Deaf Aotearoa New Zealand, Tangata Turi
Dive Wellington
Dunedin Public Art Gallery
Dusty & Lulu
East by West Ferries
Electoral Commission
Expressions Art and Entertainment Centre
Footnote Dance

Foster Hope
Gecko Press
Goethe Institut
Government House
Govett-Brewster Art Gallery
Gus Fisher Gallery, Auckland
Heritage New Zealand
Holocaust Centre of New Zealand
Hue & Cry Press
Inverloch Art School
Labour History Project
LitCrawl
LUX - Artist's Moving Image
Maritime Archaeological Association of New Zealand
Maritime Friends of Wellington
Mark Gee
Mediaworks
Ministry for Culture and Heritage / Pukeahu
National War Memorial Park
MJF Lighting
Morris Te Whiti Love, Chair, Wellington Tenths Trust
Museum of New Zealand Te Papa Tongarewa

Pictured: Visitors enjoying informative displays at the Polish Festival, Wellington Museum. Photo by Frances Ratner.



PARTNERS *continued.*

Nancy's Embroidery Shop
 National Library of New Zealand
 New Zealand Book Council
 New Zealand Cricket
 New Zealand Cricket Museum Trust Board
 New Zealand Lottery Grants Board
 Ngā Taonga Sound & Vision
 New Zealand Institute of Architects
 New Zealand Parliament
 New Zealand Portrait Gallery
 On the Fence
 PATAKA Art + Museum
 Pelorus Trust
 Peter Adds
 Peter and Ruth Graham
 Playmarket
 Pōneke History Club members
 Port Nicholson Block Settlement Trust
 Queensland Art Gallery of Modern Art
 Radio Active
 Radio New Zealand
 Reserve Bank Museum
 Royal Society of New Zealand
 SCAPE Public Art
 Shirley Hick

Sir Ian Athfield
 Square Eyes - New Zealand Children's Film
 Foundation
 Starkwhite
 String Bean Puppets
 Supreme Court of New Zealand
 Tall Poppy Films
 Taranaki Whānui ki Te Upoko o te Ika a Māui
 Te Kōkī New Zealand School of Music
 Te Tauara Whiri (Maori Language Commission)
 The Dowse Art Museum
 The Jordan family
 The New Zealand Founders Association
 The Polish Association in New Zealand
 The Southern Trust
 Toa Waaka, SMART Trust
 Toi Maori Aotearoa - Maori Arts New Zealand
 Toi Whakaari
 Victoria University of Wellington, International
 Institute of Modern Letters
 Victoria University of Wellington, Museum &
 Heritage Studies
 Victoria University of Wellington, School of Art History
 Victoria University of Wellington, School of Education
 Victoria University of Wellington, School of English

Victoria University Press
 Voice Arts Trust
 Walk Wellington
 Wellington Astronomical Society
 Wellington Cable Car
 Wellington Central Library
 Wellington City Archives
 Wellington City Council Property
 Wellington City Council Arts
 Wellington City Council Research and Evaluation Team
 Wellington City Council Treaty Relations Team
 Wellington East Girls' College
 Wellington High School
 Wellington Historical & Early Settlers Association
 Wellington Jazz Festival
 Wellington Sculpture Trust
 Wellington Tenth's Trust
 Wellington Waterfront Ltd.
 Wellington Zoo
 Whiteboard New Zealand
 Whitireia New Zealand, Performing Arts
 Winn-Manson Menton Trust
 Writers Walk Committee

Picture: Wizards of Wonder - The Great Scavenger Hunt 2015.



Exhibitions/Tours/ Events/Publications

EXHIBITIONS

Capital E

Engineering Paper: The Art of the Pop Up Book
Muka Youth Prints

City Gallery Wellington

Martin Basher: Blackberry Schnapps
Churchward Samoa
Seung Yul Oh: MOAMOA, A Decade
Chris Marker: Owls at Noon Prelude: The Hollow Men
Grant Stevens: What We Had Was Real
Cerith Wyn Evans
Hany Armanious: Selflok
William Kentridge: The Refusal of Time
Norman Leto: Sailor
Ralph Hotere: Godwit/Kuaka
Michael Robinson: The Dark, Krystle
Yvonne Todd: Creamy Psychology
Jono Rotman: Mongrel Mob Portraits
Alberto Garcia-Alvarez: Crossings
History in the Taking: 40 Years of PhotoForum
Peter Roehr: Film Montages
Candice Breitz
Leon Nabey and Laszlo Moholy-Nagy: Light Studies
Susan Te Kahurangi King | Shannon Te Ao: From the One I Call My Own
Demented Architecture

Wellington Museum

From Poland to Pahiataua – New Zealand's First Invited Refugees

EXHIBITION TOURS

City Gallery Wellington

Unseen City
Toured to Te Uru, Titirangi, Auckland.
5 June – 16 August 2015

PRODUCTIONS

City Gallery Wellington and Capital E collaborated to produce an Audio Guide to accompany the Gallery's Yvonne Todd: *Creamy Psychology* exhibition.

Capital E National Theatre for Children

Grandad's Lucky Storm
An Awfully Big Adventure
Mr McGee & the Biting Flea
Kiwi Moon

Capital E National Arts Festival

Carnival of the Animals
Guji Guji
Dirt & Other Delicious Ingredients
Streets of Gold
Beards! Beards! Beards!
The Ballad of Pondlife McGurk
Orchestra of Spheres
Squaring the Wheel
Ngunguru | Te Ao | Te Po
Caterpillars
Young and Cinematic

THEATRE TOURS

Capital E National Theatre for Children

An Awfully Big Adventure: toured nationally.
Mr McGee & the Biting Flea: toured the South Island.
Kiwi Moon: toured the North Island.



Pictured: Mr McGee & the Biting Flea, Capital E National Theatre for Children - South Island tour. Photo by Stephen A'Court.

EVENTS AND PUBLIC PROGRAMMES

The Great Scavenger Hunt was coordinated by Capital E and all Wellington Museums Trust Institutions participated on the day.

The Big Halloween - Wicked Wharf was organised by Capital E in conjunction with Wellington Museum.

Capital E and Space Place participated in the Starship Hospital Foundation *Great Easter Egg Hunt* for a second year.

The *Celebrating Everything Polish Festival* was coordinated by Wellington Museum in association with the Polish Association of New Zealand and Capital E participated in the event.

Wahine Experience was an education programme organised by Capital E's OnTV Studio and Wellington Museum.

Capital City Connections, a collaboration between all Wellington Museums Trust Institutions, continued this year.

Tiki Tour to the Valley was a collaboration between Capital E and Wellington Museum.

Teachers' evening was a collaboration between all Wellington Museums Trust Institutions.

Capital E

The Big RevEal
Carnival of Capital E - July school holidays
MediaLab Mix
Imagine It, Model It, Print It
Eye on the Hive
Zoos News
Trap Your Story
Mrs. Mo's Monster
Flight of Fantasy
E-Movie
ANZ Digital Day of Fun
Book Bazaar - October school holidays
A Slice of Raspberry Pi
Tiki Tour to the Valley
Central Cinema
Just Giraffe Storytelling
Little Creators Art Workshops
Discover Dance/Dance a Story
Animate! at Capital E
Wishful Woodland - Capital E Christmas
Sin Nian - Year of the Sheep family activity programme
Young & Cinematic
Festival Countdown Event
The Capital E National Arts Festival
An Awfully Big Adventure Across the Trenches
Rebuild interactive installation
Zombiewatch
2D Game Design with Gamefoot
Something Magical

City Gallery Wellington

Talks by artists and curators accompanied all exhibitions.
Tuatara Open Late series.
Artsight ran a number of adult and children's workshops across school holidays, weeknights and weekends.

School Holidays at City Gallery Wellington: holiday programme activities
Artsight School Holiday Programmes: holiday programme activities
Weekend Exhibition Tours
Artsight Weekend Art Workshop for Adults
Johnson Witihira: Toituhi
Toi Te Reo
Bilingual Exhibition Tours
Rex Butler: curatorial writing workshop
Rex Butler: Juan Davila's After-Images (with ADS Donaldson)
Artists' Films Sunday Screening: Seung Yul Oh 'OgoGago' and Duncan Campbell 'It for Others'
Blind / Visually Impaired Exhibition Tour
'La Jetée': Screening, Talk and Q&A
WWI Book Club panel discussion
Top Art 2014 and 2015
ART21 - William Kentridge: Anything is Possible
Gallery Babes Exhibition Tours
Film Screening: *'Art Party'*
Curators' Tour
The Innovator's Dilemma: A Lecture by Simon Denny
Screening: *William Kentridge 'Drawings for Projection'*
Film Screening: *'William Kentridge's Ubu Tells the Truth' and other films*
Cerith Wyn Evans Exhibition Talk: Kate Brett Kelly-Chalmers
Panel Discussion: *Ralph Hotere 'Godwit / Kuaka'*
The Menton Report: Greg McGee
Lecture: *Paradox and Politics - William Kentridge and the Human Condition*
City Talks
Artsight Kids Saturday Workshops
Art3: A Concert by NZ Trio
Book Launch: *Wystan Curnow's The Critic's Part*
Meet the Artist: *Mischa Kuball*

Imperial Time: Resistance, Negotiation and How the Empire Struck Back

LitCrawl: Hue & Cry

Poetry Reading & Talk: Ralph Hotere, Godwit/Kuaka

Screening: 'Ralph Hotere' (1974)

Talk: Hollywood Frocks

Talk: Recollections of Gilbert Melrose

Meet the Artist: Yvonne Todd

Gordon H. Brown Lecture: Nicholas Thomas

Weekend Art Workshops

Screening: Remembering Ian Athfield

Screening: 'Valley of the Dolls'

Talk: Costume and TV Soaps in Yvonne Todd

New Zealand Sign Language Exhibition Tour

Screening: 'What Ever Happened to Baby Jane?'

Typography Lecture: Tino Grass and Catherine Griffiths

Screening: Cult Movies

Talk: My Favourite Yvonne Todd

Talk: The Female Gothic and the Grotesque

Double Screening: 'The Stepford Wives' and 'The Bad Seed'

Poi E / Thriller Flash-Mob

Meet the Artist: Alberto Garcia-Alvarez

PhotoForum Talk: Geoffrey H. Short and Nina Seja

New Intimacies: Rob Garrett introduces SCAPE 2015

Talk: Professor Michael Baker on twins, triplets and higher multiples

Panel Discussion: International Artist Residencies

Talk: John B. Turner on PhotoForum

Martin Patrick Talk: Celebrity Culture and Contemporary Art

Talk: Miranda Harcourt on Candice Breitz

Talk: Jarrod Gilbert on the History of New Zealand Gangs

Poetry Reading: Vona Groarke

June Sunday Screenings

Panel Discussion: Exhibiting Photography, A PhotoForum Legacy

Film Screening: 'Boy'

Panel Discussion: New Zealand at Venice, 2015 and Beyond

Exhibition Opening Talks: Demented Architecture and From the One I Call My Own

MUSEUMS WELLINGTON

Cable Car Museum

Spring Festival - Puppets

Ukes at Cable Car

Space Place

Matariki from Matarangi 2014 and 2015

Mark Gee Workshop Photography - Eclipse

Mark Gee Night Sky Photography

Ancient Solar Observatories

Star of Bethlehem

Galileo's Birthday

Moon Myths

Milky Way and Other Galaxies

To Space and Back Launch

Children's Photography Workshop - Shadows

Mother's Day Music Under the Stars

Shooting the Moon - Space Laser

Communications

Changing Views of Saturn

Mark Gee Astrophotography Workshop

From Makahiki to Matariki - an Hawaiian and Māori perspective

Lex French Matariki Suite

Nain Street Cottage

Voice Arts Launch

Fabric Collection

Call to Yarn

Call to Yarn Youth

Create Christmas Decorations

Storytelling

Paint a Pot

Extraordinary Easter

The Journey of the Boundary Riders



Pictured: City Gallery Wellington, Matariki Art Night bus. Photo by Mark Tantrum.

Wellington Museum

Matariki Puppet Show
Labour History Project Lecture
Short History of Jazz Series
Niko Ne Zna
LUX artist talk
Watch This Space
House Party
Ukuleles
Curio Show
Songwriter Circle
People's History Series – Immigrant Workers
Whānau Zine Workshop
Monumental Crawl
Birthday Bakeoff
Kingfisher Kingfisher Take My luck – author talk
Calm Seas – Reflective Choral Music
Christmas Tree Tags
Wigilia – Polish Christmas
Cake Decorating
The History and Flavour of Chocolate
Christmas Songs with Chamber Music New Zealand
Woven Stars
Summer of Ukes
A Soldier's Tale
Paddy the Wonderdog
Wellington Mingus Ensemble
He Aha te Utu – the True Cost
Wahine 47th Anniversary
The Jac
The Wahine disaster – A Panel Discussion
The Home Front
Dirty Mike and the Boiz
Songwriter Circle
All Jazzed Up
Third Thursday- Facing the Light

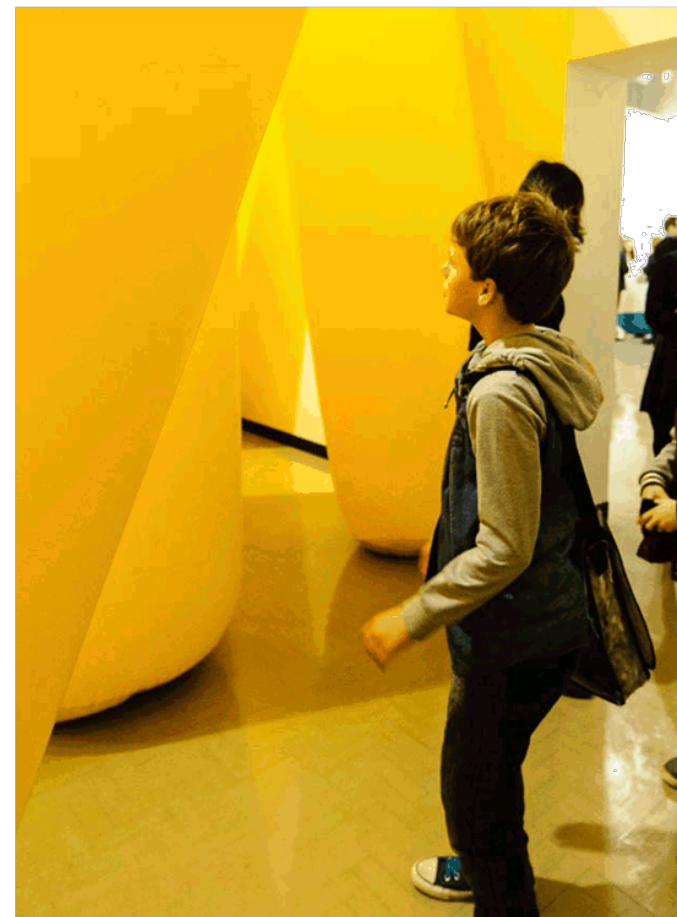
PUBLICATIONS

City Gallery Wellington

Seung Yul Oh: MOAMOA, 2014. Essays by Aaron Lister and Aaron Kreisler, and an interview with Seung Yul Oh by Sunjung Kim. Hardcover. Photographs in full colour. 122 pages. Designed by Karina McLeod. ISBN: 978-0-987657-5-5-8.

Yvonne Todd: Creamy Psychology, 2014. Edited by Robert Leonard, the book features essays by Anthony Byrt, Justin Clemens, Megan Dunn, Misha Kavka, Robert Leonard, Justin Paton, Claire Regnault and Yvonne Todd. Published by VUW Press. 260 pages. Designed by Spencer Levine. ISBN: 978-0-86473-077-3.

Jono Rotman: Mongrel Mob Portraits, 2015. Essay by City Gallery curator Aaron Lister, with introduction by Dr Ranginui Walker. A City Gallery Wellington publication to accompany exhibition of the same name. 24 pages. 13 colour images. Designed by George Miller, City Gallery designer. ISBN 978-0-987675-7-2.



Pictured: Seung Yul Oh MOAMOA, A Decade at City Gallery Wellington. Photo by Mark Tantrum.

III Directory

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Carter Observatory

Botanic Gardens
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www.museumswellington.org.nz

Cable Car Museum

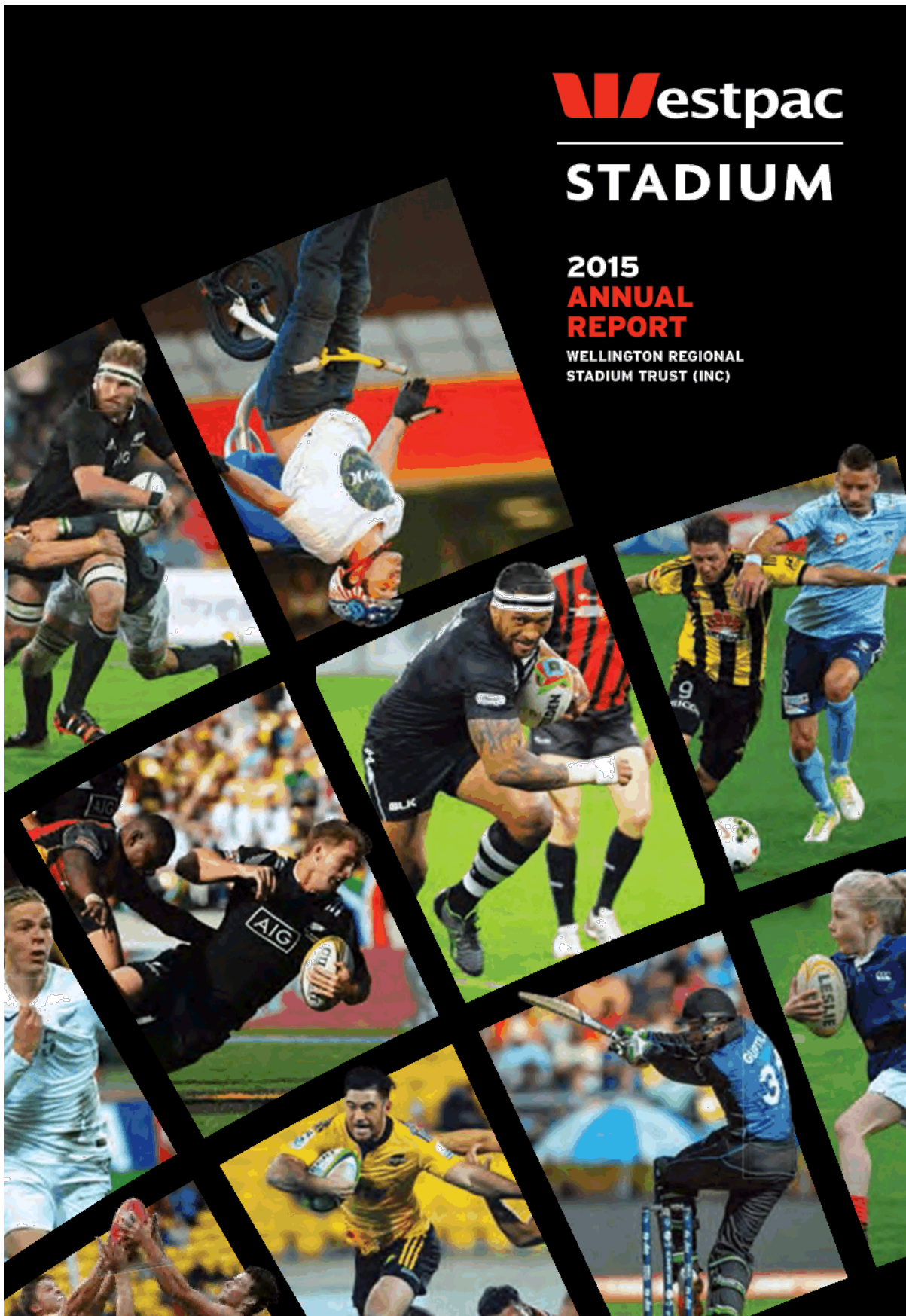
1 Upland Road
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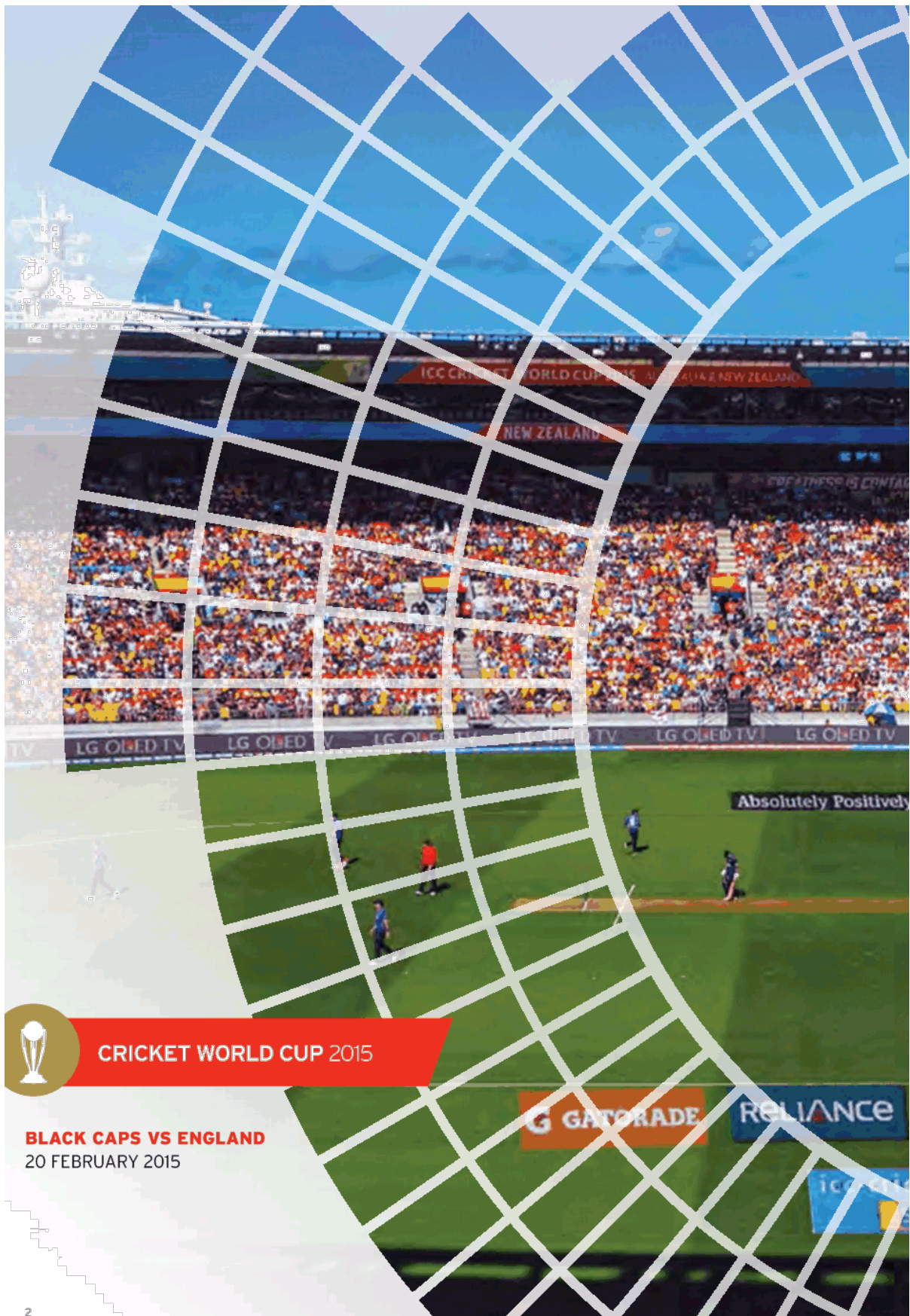
Nairn Street Cottage

68 Nairn Street
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Email: cottage@wmt.org.nz
www.museumswellington.org.nz

Plimmer's Ark Galleries

Old Bank Arcade (timbers in situ)
www.museumswellington.org.nz





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Westpac Stadium Annual Report 2015

SPONSOR'S MESSAGE

2015 has been another landmark year for Westpac Stadium.

It hosted a record 61 events, drew crowds from around New Zealand and delivered a series of high quality sporting and community events.

Westpac is proud of its sponsorship, which continues to deliver large economic, cultural and community benefits for Wellington and New Zealand.

Highlights of the past year include the Cricket and FIFA U-20 World Cups, sold out Hurricanes crowds and the biggest test-match crowd in seven years in attendance to see the All Blacks pip South Africa.

Rounding out the breadth of offerings was the Phoenix, games from the AFL and NRL competitions, the return of the daredevil Nitro Circus and exhibitions including Beervana and The Better Home and Living Show.

High quality events such as these play an important economic role for the local economy - the Cricket World Cup alone is estimated to have boosted Wellington's GDP by around \$40 million. This typifies the benefits the Stadium provides to local businesses.

Alongside its economic contribution, Westpac Stadium continued to support the community hosting training days for the New Zealand Defence Force, the Fire Service and the Salvation Army.

Looking ahead there is plenty to be excited about with a varied line up of sporting, music and lifestyle events planned for 2015/16. Westpac Stadium will also continue with its multi-year redevelopment, with more improvements aimed at making visiting Westpac Stadium an even better experience.

Once again, I'd like to acknowledge and congratulate the Westpac Stadium Board, management and staff for delivering another year of outstanding sport, culture and community events.

Westpac has a strong history in Wellington and has sponsored the Stadium since it opened. We look forward to that relationship continuing and many more world class events at Westpac Stadium in the future.

David McLean

Chief Executive
Westpac New Zealand Limited



CHAIRMAN & CHIEF EXECUTIVE'S REPORT

What a year! Those words have been mentioned a few times as we reflect on the busiest year in Westpac Stadium's history, with two major international tournaments, the ICC Cricket World Cup and the FIFA U-20 World Cup, adding to an already busy schedule.

In a year in which we celebrated its 15th birthday and welcomed its eight millionth fan, Westpac Stadium cemented its position as New Zealand's busiest and most utilised community, sporting and entertainment venue.

Our 15th year featured the following highlights:

- 53 major event days, which is the highest since the Stadium opened, as well as eight community event days
- A net surplus of \$2.09 million
- Well over 500,000 fans attended events at the Stadium, an increase of nearly 100,000 on the previous year
- Successfully hosted both the ICC Cricket World Cup and the FIFA U-20 World Cup
- Secured a host of stadium-filling non-sporting events for the 2015/16 year including the welcome return of outdoor concerts to the region.

The year was focused on both delivering operational excellence across all of our events, while also keeping an eye to the future and shoring up the calendar for the 2015/16 year.

The Stadium is proud of its role in assisting deliver operationally excellent Cricket and FIFA U-20 World Cup tournaments.

More than 80,000 people attended the four ICC Cricket World Cup matches at Westpac Stadium, with over 30,000 of those coming from outside of the region, including more than 10,000 international visitors. The tournament delivered a significant economic boost with direct spending by out of town visitors of \$35 million and an increase in GDP in the region of an estimated \$40 million.

The Stadium welcomed over 36,000 fans for the nine matches over five match days for the FIFA U-20 World Cup, highlighted by the large home crowd in attendance for New Zealand's 5-1 victory over Myanmar.

Capacity crowds also witnessed the Football United double header in July and the All Blacks' victory over the Springboks in an intense encounter in September.

Strong seasons from the Phoenix and the Hurricanes saw a significant increase in crowds for our home sides and the welcome return of finals football to the capital for both teams. The Hurricanes season culminated in two sell out finals matches including the first ever Super Rugby Final in Wellington.

The upcoming year will feature another full calendar of events. The Trust is very pleased to have secured the upcoming Elton John and AC/DC concerts, an exhibition American Football game as well as the Royal Edinburgh Military Tattoo over four nights in February. The Stadium has also been awarded two Black Caps matches in 2016, two All Blacks test matches in 2016, as well as two matches featuring the British and Irish Lions in 2017.

The upcoming year will also welcome back the Phoenix, Hurricanes and Black Caps following their very successful campaigns in 2015.

With a full calendar secured for the next twelve months, and stronger financial projections, the Trust's focus will return to continuing to enhance the Stadium in order that we provide a better experience for our hirers and patrons.

The Trust has earmarked four key projects for the upcoming year:

1. Assess technology options and business models with a view towards implementing a connected stadium solution with high density wifi throughout the venue
2. Develop plans to upgrade the internal concourse prior to the British and Irish Lions tour in 2017
3. Full replacement of the Stadium turf for the first time since 2000
4. Collaborate with the Hurricanes and the Phoenix with a view to significantly increasing the number of members across the three organisations.

During the year, we bade farewell to long serving Trustee and leading sports administrator Liz Dawson. In Liz's place we were delighted to welcome Dame Therese Walsh, fresh from delivering a world class Cricket World Cup event. Therese is one of New Zealand's leading sports administrators and was recognised in the Queen's Birthday honours for her significant contribution.



EVENTS

WELLINGTON LIONS 2014		
vs Waikato	LOSS	25-37
vs Manawatu	LOSS	21-27
vs Tasman	LOSS	20-42
vs Taranaki	LOSS	22-38
vs North Harbour	WIN	58-34

HURRICANES 2015		
vs Rebels	WIN	36-12
vs Stormers	WIN	25-20
vs Waratahs	LOSS	24-29
vs Crusaders	WIN	29-23
vs Sharks	WIN	32-24
vs Chiefs	WIN	22-18
vs Brumbies (Semi Final)	WIN	29-9



ALL BLACKS VS SOUTH AFRICA
13 September 2014



LIONS VS WAIKATO
16 August 2014

Another very full year saw 61 event days, which included eight community event days held at the Stadium. The 53 major event days was the equal highest since the Stadium opened. A total of 531,861 fans streamed through the gates, our highest since Rugby World Cup 2011, taking the cumulative attendance at the Stadium since it opened to over 8.25 million.

RUGBY

ALL BLACKS V SOUTH AFRICA

A sell-out crowd of 35,820 saw the All Blacks beat South Africa 14-10 in the Rugby Championship on 13 September. This was the largest Test crowd in seven years, and marks a welcome return to sell-out test matches in Wellington.

ITM CUP

The Wellington Lions had a difficult injury-ravaged season, winning just one match on their way to relegation. There was an average attendance of 2,930 for the regular season, down from 4,281 the previous year.

The Trust expresses its thanks to outgoing Wellington Rugby and Hurricanes CEO, James Te Puni, and wishes him every success in his future endeavours. We also welcome new Wellington Rugby CEO Steve Rogers into the role.

SUPER RUGBY

2015 was a watershed year for Super Rugby in the Capital, with the Hurricanes having their best ever season, finishing top of the table at the end of the regular season on the way to hosting a sellout semi-final and the Final.

Although the Canes fell at the final hurdle, Wellington can be very proud of its team, and for the Stadium it was a huge honour to host the Final. The Hurricanes played six regular season games at the Stadium in 2015. Average crowds for the season (excluding finals) were 14,165, an increase of 30% over the previous season's average of 10,884.

The season culminated in the Stadium hosting finals for only the second time. The team was supported by a sellout crowd for the Semi Final, who witnessed a thrilling climax to a great season.

With the departure of James Te Puni, we welcome new Hurricanes CEO Avan Lee.

WELLINGTON SEVENS

New Zealand won its home tournament for the eighth time defeating England 27-21 in the final. 32,706 fans attended the Stadium over the two days of the event. This was down from the 52,533 fans who attended the 2014 event.

The challenges around the Sevens have been well documented, and the Stadium is working closely with New Zealand Rugby to reinvigorate this iconic event in 2016.

EVENTS

FOOTBALL

WELLINGTON PHOENIX

The Wellington Phoenix had a great season, finishing fourth on the Hyundai A-League table after finishing ninth the previous year. Average regular season crowds for 2014/15 were 8,026, up 20% on the previous season's average of 6,694.

The season culminated in the Phoenix hosting their first elimination final at the Stadium since 2012. The Phoenix were defeated 2-0 by Melbourne City in front of 8,392 fans.

Although the early exit from the finals was disappointing, the Club achieved its most away wins in a season and scored more goals than ever before. Off the field they surpassed four thousand season tickets and Club Memberships for the first time ever.

FOOTBALL UNITED

The Wellington Phoenix made history when they hosted two English Premier League sides in New Zealand for the first time in July 2014.

The Wellington double header leg of the Football United Tour 2014 saw Phoenix vs Newcastle United and West Ham United vs Sydney FC.

A total of 26,106 fans enjoyed a feast of football on a sunny afternoon in one of the biggest football occasions witnessed at the Stadium.

FIFA U-20 WORLD CUP

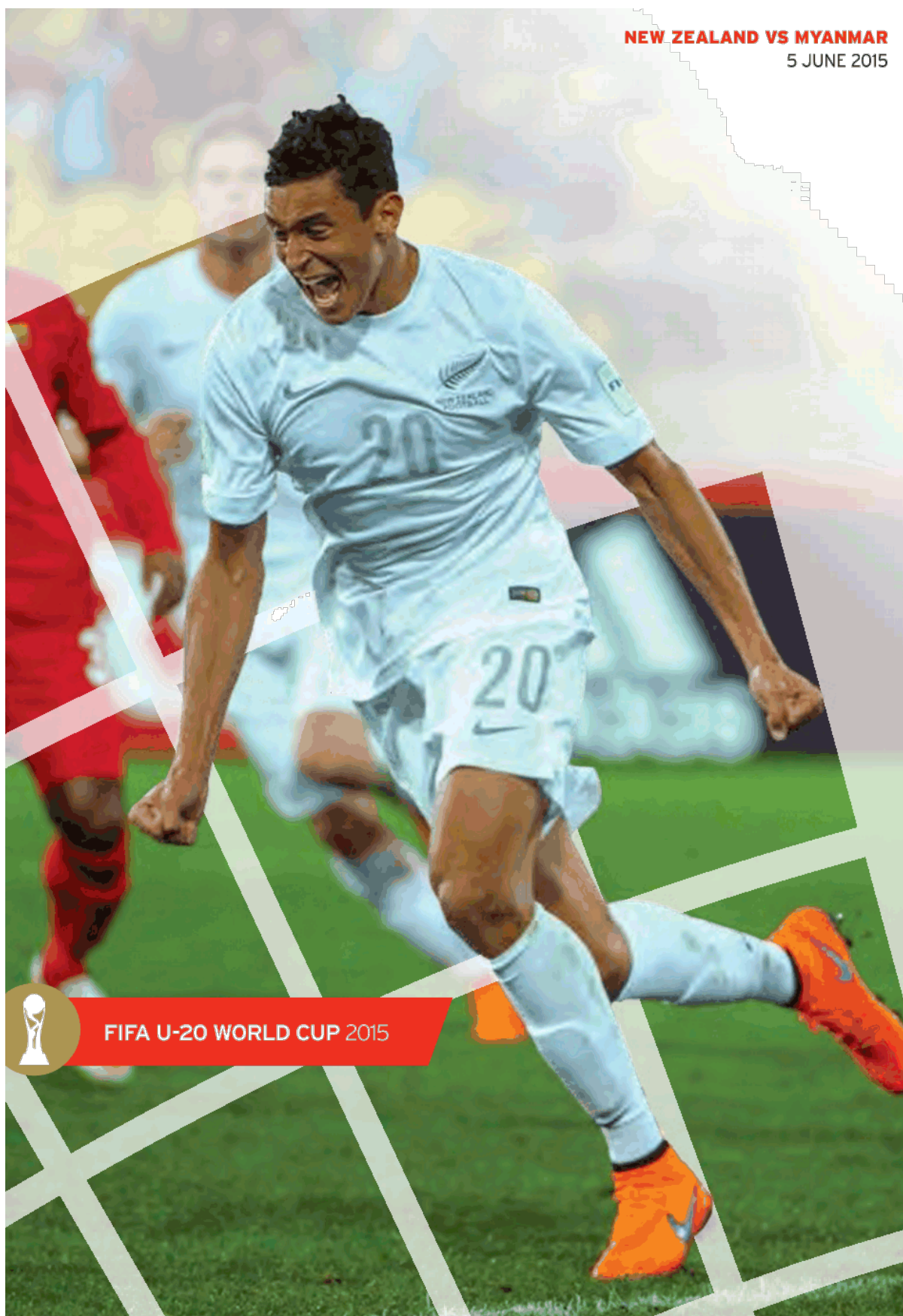
The Trust was proud to host nine matches over five match days for this prestigious tournament. Despite poor weather for most matches, fans generated a terrific atmosphere and witnessed world class football from the future stars of the game.

WELLINGTON PHOENIX 2014/15		
vs Perth Glory (2014)	LOSS	1-2
vs Newcastle Jets	WIN	4-1
vs Western Sydney Wanderers	WIN	1-0
vs Melbourne City	WIN	5-1
vs Western Sydney Wanderers	WIN	1-0
vs Brisbane Roar (2015)	WIN	3-0
vs Sydney FC	LOSS	0-3
vs Melbourne City	LOSS	0-3
vs Central Coast Mariners	WIN	3-2
vs Sydney FC	LOSS	1-2
vs Melbourne City (Finals)	LOSS	0-2

FIFA U-20 WORLD CUP	
Ghana vs Austria	2-2
Argentina vs Panama	1-1
Austria vs Panama	2-1
Argentina vs Ghana	2-3
Austria vs Argentina	0-0
Myanmar vs New Zealand	1-5
United States vs Colombia	1-0
Ghana vs Mali	3-0
Uzbekistan vs Senegal	1-0



PHOENIX VS NEWCASTLE UNITED
26 July 2014



EVENTS

CRICKET

ICC CRICKET WORLD CUP

The Stadium played an integral part in a fantastic ICC Cricket World Cup tournament by hosting four matches and over 80,000 fans over four weeks in February and March.

Sellout crowds witnessed some of the greatest sporting moments in the Stadium's history as the Black Caps defeated England and West Indies on their way to the Final in Melbourne.

Tim Southee's seven wickets for just 33 runs were the best figures for a New Zealand bowler in any ODI, as England were bowled out for 123 in the Stadium's first taste of World Cup action. Captain Brendon McCullum then broke his own record for the fastest half century at a World Cup, off just 18 balls, in a truly memorable afternoon.

The records continued to fall for the Black Caps in their sellout quarter final against the West Indies. Martin Guptill's 237 set a new record for the highest individual score in an ICC Cricket World Cup match as well as the highest individual score by a New Zealand batsman in any ODI.

In other world cup matches in Wellington, Sri Lanka defeated England by nine wickets in front of 16,947 fans, while South Africa defeated UAE by 146 runs with 4,747 in attendance.

ICC CRICKET WORLD CUP	
England vs New Zealand	NEW ZEALAND WON BY 8 WICKETS
England vs Sri Lanka	SRI LANKA WON BY 9 WICKETS
South Africa vs UAE	SOUTH AFRICA WON BY 146 RUNS
New Zealand vs West Indies	NEW ZEALAND WON BY 143 RUNS

BLACK CAPS

Westpac Stadium hosted two ODIs featuring the Black Caps in January in the lead into the ICC Cricket World Cup. New Zealand fell to Sri Lanka by 34 wickets in front of 6,380 fans on 29 January. The Black Caps returned two days later to defeat Pakistan by seven wickets in front of 7,524 fans.

DOMESTIC CRICKET

The Stadium also hosted a round of the Georgie Pie Super Smash over three days in November, when 2,596 fans witnessed six T20 games over three days.

AFL

Westpac Stadium hosted its third AFL Premiership game when St Kilda hosted Carlton on Anzac Day. The Blues emerged victorious beating the home side 81-121 in front of 12,125 fans.

RUGBY LEAGUE

The Trust was honoured to host the final of the Four Nations Rugby League Tournament. The NZ Kiwis defeated the Kangaroos 22-18 in front of 22,008 fans. In one of the best atmospheres in recent times, fans were treated to a thrilling match played by the superstars of the game.



BLACK CAPS VS SRI LANKA
29 January 2015



BLACK CAPS VS WEST INDIES
21 March 2015



WELLINGTON FIREBIRDS VS CENTRAL STAGS
23 November 2014

NITRO CIRCUS
24 JANUARY 2015



BEERVANA
22-23 August 2014

EXHIBITIONS

Exhibitions continue to add to Westpac Stadium's reputation as New Zealand's premier multi-purpose venue. Due to the hosting of the two World Cup events, our available days for exhibitions declined in the last year. As a result we hosted nine exhibition dates compared to 14 the previous year. A total of 36,000 patrons attended exhibitions compared to 63,000 in 2013/14.

Due to the shifting of exhibition dates, we expect to host a record number of exhibitions in 2015/16.

COMMUNITY EVENTS

As owner and manager of a major regional community facility, the Trust tries to incorporate as many community events as possible each year. We were delighted to host eight community days over the period, including the NZ Defence Force, Fire Service training and Salvation Army Youth Training.

Westpac Stadium Annual Report 2015

EVENTS HELD DURING THE YEAR		
DATE	EVENT	ATTENDANCE
26 July 2014	Football: Football United Tour	26,106
	- Sydney FC vs West Ham United	
	- Wellington Phoenix FC vs Newcastle United	
13 August 2014	Exhibition: Foodstuffs Trade Show	3,000
16-August 2014	ITM Cup: Wellington vs Waikato	3,274
22-23 August 2014	Exhibition: Beervana	7,825
29 August 2014	ITM Cup: Wellington vs Manawatu	2,749
13 September 2014	Rugby Test: All Blacks vs South Africa	35,820
21 September 2014	ITM Cup: Wellington vs Tasman	2,848
26-28 September 2014	Exhibition: Home and Garden Show	15,200
5 October 2014	ITM Cup: Wellington vs Taranaki	2,413
11 October 2014	ITM Cup: Wellington vs North Harbour	3,367
12 October 2014	A-League: Phoenix FC vs Perth Glory	7,452
26 October 2014	A-League: Phoenix FC vs Newcastle Jets	7,484
7 November 2014	A-League: Phoenix FC vs Western Sydney Wanderers	6,600
15 November 2014	Rugby League Four Nations Final: New Zealand vs Australia	22,008
21 November 2014	Cricket: T20 Georgie Pie Super Smash	638
	- Wellington Firebirds vs Auckland Aces	
22 November 2014	Cricket: T20 Georgie Pie Super Smash	413
	- Wellington Firebirds vs Canterbury Kings	
	- Central Stags vs Auckland Aces	
23 November 2014	Cricket: T20 Georgie Pie Super Smash	1,545
	- Wellington Firebirds vs Central Stags	
	- Otago Volts vs Northern Knights	
30 November 2014	A-League: Phoenix FC vs Melbourne City	7,115
28 December 2014	A-League: Phoenix FC vs Western Sydney Wanderers	8,285
4 January 2015	A-League: Phoenix FC vs Brisbane Roar	9,840
24 January 2015	Nitro Circus	12,810
29 January 2015	Cricket ODI: New Zealand vs Sri Lanka	6,380
31 January 2015	Cricket ODI: New Zealand vs Pakistan	7,524
6-7 February 2014	Sevens Tournament	32,706
20 February 2015	ICC Cricket World Cup: New Zealand vs England	29,195
1 March 2015	ICC Cricket World Cup: England vs Sri Lanka	16,947
12 March 2015	ICC Cricket World Cup: South Africa vs United Arab Emirates	4,747
21 March 2015	ICC Cricket World Cup: New Zealand vs West Indies (Quarter Final)	29,680
27 March 2015	Super Rugby: Hurricanes vs Rebels	13,347
29 March 2015	A-League: Phoenix FC vs Sydney FC	5,935
3 April 2015	Super Rugby: Hurricanes vs Stormers	13,369
5 April 2015	A-League: Phoenix FC vs Melbourne City	8,092
10-12 April 15	Exhibition: Better Home & Living	10,700
17 April 2015	A-League: Phoenix FC vs Central Coast Mariners	6,550
18 April 2015	Super Rugby: Hurricanes vs Waratahs	15,327
25 April 2015	AFL: St Kilda vs Carlton	10,907
26 April 2015	A-League: Phoenix FC vs Sydney FC	12,912
2 May 2015	Super Rugby: Hurricanes vs Crusaders	15,950
3 May 2015	A-League Finals: Phoenix FC vs Melbourne City	8,392
9 May 2015	Super Rugby: Hurricanes vs Sharks	9,227
16 May 2015	Super Rugby: Hurricanes vs Chiefs	17,770

Westpac Stadium Annual Report 2015

EVENTS HELD DURING THE YEAR		
DATE	EVENT	ATTENDANCE
30 May 2015	FIFA U-20 World Cup: - Argentina vs Panama - Ghana vs Austria	7,315
2 June 2015	FIFA U-20 World Cup: - Austria vs Panama - Argentina vs Ghana	3,240
5 June 2015	FIFA U-20 World Cup: - Austria vs Argentina - Myanmar vs New Zealand	13,782
10 June 2015	FIFA U-20 World Cup: - Ghana vs Mali - USA vs Columbia	4,229
14 June 2015	FIFA U-20 World Cup: Quarter Final: Uzbekistan vs Senegal	8,171
27 June 2015	Super Rugby Semi Final: Hurricanes vs Brumbies	32,675
TOTAL ATTENDANCE		531,861

FINANCIAL PERFORMANCE

Our net surplus for the year was \$2.09 million which is a decrease from the 2014 surplus of \$2.49m but ahead of our budgeted surplus of \$0.84m.

With the very busy event schedule that included the two World Cups and some additional events such as the Super Rugby Semi Final, event revenues increased compared to last year.

However, the end of the original 15-year stadium membership and box arrangements, and a renewal of a smaller number, has seen a decrease in the revenue from these sources.

Bank borrowings have decreased from \$10.89 million to \$7.5 million.

With the very busy event schedule there was less time available for major capital projects. However, we were able to complete the second phase of the wet pour beer installation to the western side of the concourse, as well as purchase additional food and beverage carts for the public areas.

Attendance of nearly 532,000 was the highest since the 2011/12 financial year. Over the past 15 years we have averaged attendance of more than half a million a year which is a very good result.

The Trust maintains a close watch on its operational costs while ensuring the facility is maintained and events are delivered efficiently and effectively.

MASTER PLAN PROGRESS

The Stadium's ongoing upgrades took a backseat in 2014/15 due to hosting the two World Cup events.

In its first year of operation the Mezzanine Lounge has proven to be a hit with fans, with strong patronage. The Lounge has offered a substantial enhancement to the overall game day experience prior to most events, and become a popular pre-match meeting spot.

Our focus for the next year is on three capital projects. Firstly we will replace the Stadium turf for the first time since it was laid.

Secondly, we are exploring options to enable the Stadium to become fully connected with high density wifi throughout the venue. This project will ultimately depend on a business case and commercial model being developed.

Thirdly we have commenced planning for an upgrade of the internal concourse. The objective of the upgrade is to enhance the visual appeal of the area and to improve the existing amenities to deliver a better experience for both our patrons and exhibition clients. Planning for this will take place over 2015/16 with roll out in 2016/17.

BASIN RESERVE

The Trust provides the ground management services to the Basin Reserve Trust. The Basin Reserve was once again rated very highly by players and officials.

The ground hosted:

Cricket match days	37
Cricket practice days	73
Senior Club Rugby matches	12
Other events (training days etc.)	37

TURF MANAGEMENT

Our turf team continues to do an exceptional job in delivering world class surfaces for our hirers. In a year that was unparalleled for the number of events, they have consistently delivered excellent surfaces for our many hirers.

The team is exploring options for the eventual full replacement of the turf which is expected to take place in 2016.

MEMBERSHIPS AND CORPORATE BOXES

The original membership and corporate box programme came to an end in December 2014.

We take this opportunity to thank our Foundation members and Box Holders for their support and to say a special thank you to those who have renewed for your ongoing commitment and loyalty.

We held a very successful members' evening in September with Steve Tew and Steve Hansen, and intend to make this an ongoing annual event.

KEY SPONSOR

We are very grateful to the team at Westpac for the long term support and sponsorship they provide. The partnership is one of the longest in New Zealand sport.

In particular we thank David McLean, Sue Foley and Tracey Grant for their ongoing commitment and support to the Stadium and the entire Wellington Region.

CATERING

Over the year we completed the rollout of a wet pour beer system. This will enable breweries to offer a greater range of beverages than in the past and provides a better product experience for our fans.

Our catering facilities and outlets will be a major focus as part of the concourse upgrade plans for next year.

Catering is an area where we are constantly seeking improvements. We recognise that this is at the pointy end of the game day experience.



PHOENIX VS NEWCASTLE UNITED
26 July 2014



SEVENS TOURNAMENT
6-7 February 2015



ST KILDA VS CARLTON
25 April 2015

ACKNOWLEDGEMENTS



NITRO CIRCUS
24 January 2015



KIWIS VS AUSTRALIA
15 November 2014



BLACK CAPS VS PAKISTAN
29 January 2015

ACKNOWLEDGEMENTS

There was one change to the Board of Trustees over the year following the retirement of long standing Trustee Liz Dawson. We are very grateful for her support and expertise over the years. Liz's involvement with a number of other sports including New Zealand Cricket and the Hurricanes will ensure that she remains closely involved.

We welcomed Dame Therese Walsh as a new Trustee. Therese is a highly-respected figure in the New Zealand sporting industry and her capability as a leader, as well as the critical role she has played in overseeing a number of major international events, has allowed her to shine as one of the most influential women in New Zealand sport.

As Head of New Zealand for the ICC Cricket World Cup 2015, and formerly Chief Operating Officer for Rugby World Cup New Zealand 2011, Therese has shown that she is an exceptional leader when it comes to effectively running major international sporting events.

The Trust strives to provide a diverse and balanced calendar of events and to achieve this we rely on the assistance of both our key stakeholders, the Wellington City Council and Greater Wellington Regional Council. We are very appreciative of the support provided by the Councils in helping us to make a contribution to the lives of the citizens in the region.

With a small team of staff, we are very reliant on our stable and committed group of suppliers and contractors who are often asked to provide services at short notice with tight time frames. We thank them for their professionalism and contributions.

We would not have an operating Stadium if it were not for the events that our clients bring to the venue. We are most appreciative and thank:

- Wellington Rugby Football Union
- New Zealand Rugby
- Wellington Phoenix Football Club
- Cricket Wellington
- New Zealand Cricket
- St Kilda Football Club and the AFL
- New Zealand Warriors and the NRL
- Cricket World Cup and the ICC
- FIFA U-20 World Cup
- New Zealand Football
- Jade Promotions
- North Port Events
- Beervana
- Armageddon

We thank our small dedicated team led by our senior management team of Linda Rieper, Katherine Andersen, Brian Stirton, Clare Elcome and Mathew Hellyer.

Most importantly, we thank all of you who attended events during the last year, and we look forward to providing you with memorable experiences in the years ahead.

John Shewan
Chairman

Shane Harmon
Chief Executive

**FINANCIAL
STATEMENTS**



**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR ENDED 30 JUNE 2015**

	NOTES	2015 \$000	2014 \$000
Revenues			
Event Revenues		8,496	5,806
License Fees and Sponsorship Revenues		4,596	5,329
Amortisation of Membership & Corporate Box Funding		1,438	2,846
Interest income		15	10
Sundry income	1	2,753	2,342
Total Revenue		17,298	16,333
Less Operating Expenses	2	10,642	9,799
Operating Surplus before Depreciation & Finance costs		6,656	6,534
Less:			
Depreciation	9	3,775	3,588
Finance costs	4	788	459
Total comprehensive revenue & expense		2,093	2,487

**WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CHANGES IN TRUST FUNDS & LIMITED RECOURSE LOANS
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTES	2015 \$000	2014 \$000
Balance at 1 July		82,343	79,856
Total comprehensive revenue & expense for the year		2,093	2,242
Effect on comprehensive revenue & expense due to restatement	17	-	245
Balance at 30 June		84,436	82,343

The accompanying accounting policies and notes form part of these financial statements

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	NOTES	2015 \$000	2014 \$000
TRUST FUNDS			
Accumulated Surplus		44,041	41,948
Limited Recourse Loans			
Greater Wellington Regional Council	5	25,000	25,000
Wellington City Council	5	15,395	15,395
Total Trust Funds & Limited Recourse Loans		84,436	82,343
NON-CURRENT LIABILITIES			
Revenue in Advance		1,839	35
Borrowings	6	7,500	10,890
Total Non-Current Liabilities		9,339	10,925
CURRENT LIABILITIES			
Revenue in Advance	7	3,361	5,133
Payables	8	5,732	1,342
Total Current Liabilities		9,093	6,475
TOTAL FUNDING		102,868	99,743
Represented by:			
NON-CURRENT ASSETS			
Property Plant & Equipment	9	96,451	98,535
Total Non-Current Assets		96,451	98,535
CURRENT ASSETS			
Cash & Cash Equivalents	10	4,332	111
Receivables & Prepayments	11	2,085	1,097
Total Current Assets		6,417	1,208
TOTAL ASSETS		102,868	99,743

On behalf of the Trustees:



TRUSTEE

24 August 2015



TRUSTEE

24 August 2015

The accompanying accounting policies and notes form part of these financial statements.

Westpac Stadium Annual Report 2015

WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 \$000	2014 \$000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Cash was provided from:			
Event and operating income		7,559	5,781
License fees and sponsorships		5,985	5,681
Funds held on behalf of hirer		3,930	-
Interest received		15	10
Goods and services tax (net*)		82	32
Sundry income		2,865	2,278
		20,436	13,782
Cash was applied to:			
Payments to suppliers and employees		(10,332)	(9,599)
Interest paid		(612)	(566)
		(10,944)	(10,165)
Net cash inflow from operating activities		9,492	3,617
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Cash was provided from:			
Disposal of property, plant & equipment		6	2
Cash was applied to:			
Purchase of property, plant & equipment		(1,887)	(6,604)
Net cash (outflow) from investing activities		(1,881)	(6,602)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Cash was provided from:			
Loan drawdown		-	2,960
Cash was applied to:			
Loan repayment		(3,390)	-
Net cash inflow from financing activities		(3,390)	2,960
NET INCREASE/(DECREASE) IN CASH HELD		4,221	(25)
Cash at beginning of the period		111	136
CASH AT END OF THE PERIOD	10	4,332	111

* The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying accounting policies and notes form part of these financial statements

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WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUNDRY INCOME

	2015 \$000	2014 \$000
Carpark income	1,653	1,442
Tenancy income	363	394
Other sundry income	737	506
Total sundry income	2,753	2,342

2. OPERATING EXPENSES

	NOTE	2015 \$000	2014 \$000
Event operating expenses		4,761	4,038
Maintenance and facility operation		2,760	2,814
Personnel	3, 13	2,172	1,993
Loss on disposal of assets		8	63
Bad debt expense		-	15
Audit Fee - annual audit		31	32
Rental expense on operating leases		20	19
Other operating expenses		890	825
Total operating expenses		10,642	9,799

3. PERSONNEL COSTS

	2015 \$000	2014 \$000
Salaries and wages	1,981	1,736
Kiwisaver employer contributions	51	44
Increase/decrease in employee entitlements	68	81
Other personnel related costs	72	132
Total personnel costs	2,172	1,993

4. FINANCE COSTS

	2015 \$000	2014 \$000
Interest on Bank Loan	603	565
Interest rate swaps - fair value adjustment	183	(117)
Other financing charges	2	11
Total finance costs	788	459

5. LIMITED-RECOURSE LOANS

The development of the stadium was partially funded by the Wellington City Council (\$15 million) and the Greater Wellington Regional Council (\$25 million). The funding was by way of unsecured limited-recourse loans. No interest has been charged on these loans by the Councils.

The Wellington City Council loan includes an amount for accrued interest (face value \$394,893) which arose under a membership underwrite agreement. The interest component is not payable until both of the original Council limited-recourse loans have been repaid. The underwrite was fully repaid in a previous financial year and no further interest will accrue.

The Trust is required to pay surplus funds to the Wellington City Council and the Greater Wellington Regional Council in reduction of their loans after meeting costs, liabilities, and debt reductions and after allowing for the appropriate capital expenditure and transfers to reserves. No surplus funds are available for repayment in the current year.

To maintain the Stadium asset to a suitable standard will require ongoing investment in the asset. This will be funded either from accumulated earnings or commercial borrowings. The Trust's view is that it will need to maintain a level of commercial borrowing for the foreseeable future. Until the commercial loan is extinguished, the Trust is not required to make any repayments of the settlor loans.

With the transition to Public Benefit Entity (PBE) reporting standards, the Trust has resumed showing these loans at their full face value. The adjustments made are detailed in Note 17.

6. BORROWINGS

	2015 \$000	2014 \$000
Non-Current Borrowings		
Westpac New Zealand Ltd	7,500	10,890

The Westpac borrowing is secured by Composite General Security Agreement and a registered first mortgage over the Stadium property.

The following interest rate swaps have been entered into, effectively fixing interest rates at:

	Interest Rate	Expires
\$2.5 million	6.53%	October 2016
\$2.5 million	6.08%	November 2017
\$2.5 million	5.88%	October 2018

At balance date the loan limit is \$13 million, and therefore \$5.5 million remains available for drawdown if required. Repayment terms relating to the balance of the loan at 30 June 2017 will be renegotiated at or before that date.

Westpac Stadium Annual Report 2015

7. REVENUE IN ADVANCE (CURRENT)

This balance represents the portion of funds received from corporate box holders, Stadium members and signage and sponsorship agreements that will be recognised as revenue in the next 12 months, as the services deliverable under the contracts are delivered to those clients.

8. PAYABLES

	NOTE	2015 \$000	2014 \$000
Trade payables		736	340
Funds held on behalf of hirer	10	3,930	-
Accrued expenses		563	750
Employee entitlements		287	219
Fair value of interest rate swaps		216	33
		5,732	1,342

The funds held on behalf of the hirer are held as the Term Deposit detailed in Note 10.

9. PROPERTY PLANT & EQUIPMENT

	1-JUL-13 \$000	30-JUN-14 \$000	ADDITIONS \$000	TRANSFERS \$000	30-JUN-15 \$000	
Cost						
Land	4,225	4,225			4,225	
Pitch	1,202	1,186	44	(13) *	1,217	
Stadium Buildings	83,861	86,248	24		86,272	
Fitout	15,070	16,474	76	(6) *	16,544	
Replay Screen & Production equipment	3,801	3,849	4		3,853	
Fittings	1,342	1,591	59		1,650	
Plant, machinery & equipment	22,662	26,483	1,716	(36) *	28,163	
Work in progress	2,148	662	40	(252)	450	
	134,311	140,718	1,962	(307)	142,373	
Depreciation	1-Jul-13	Charge for year	30-Jun-14	Charge for year	Transfers	30-Jun-15
Land	-		-			-
Pitch	(115)	(13)	(125)	(62)		(187)
Stadium Buildings	(19,802)	(1,670)	(21,448)	(1,709)		(23,157)
Fitout	(6,092)	(654)	(6,746)	(655)		(7,401)
Replay Screen & Production equipment	(1,914)	(302)	(2,201)	(286)		(2,487)
Fittings	(1,129)	(72)	(1,198)	(76)		(1,274)
Plant, machinery & equipment	(9,605)	(877)	(10,465)	(987)	36 *	(11,416)
Work in progress	-		-			-
	(38,657)	(3,588)	(42,183)	(3,775)	36	(45,922)
Carrying value	1-Jul-13		30-Jun-14			30-Jun-15
Land	4,225		4,225			4,225
Pitch	1,087		1,061			1,030
Stadium Buildings	64,059		64,800			63,115
Fitout	8,978		9,728			9,143
Replay Screen & Production equipment	1,887		1,648			1,366
Fittings	213		393			376
Plant, machinery & equipment	13,057		16,018			16,747
Work in progress	2,148		662			450
	95,654		98,535			96,451

*Refer to next page

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In the Transfers column, the asterisked amounts represent disposals of assets. Of the \$252,000 amount shown on the Work in Progress line, \$248,000 represents the amounts that have been capitalised during the year. The remaining balance was disposed of.

There is no evidence of impairment in the carrying amount of Property Plant and Equipment at balance date.

For details of the security held by Westpac over the stadium land and buildings refer to Note 6.

10. CASH & CASH EQUIVALENTS

	2015 \$000	2014 \$000
Cash at bank	402	111
Bank Term Deposits held on behalf of hirer	3,930	-
	4,332	111

11. RECEIVABLES

	2015 \$000	2014 \$000
Trade receivables	1,744	673
Prepayments	341	424
	2,085	1,097

12. FINANCIAL INSTRUMENTS RISK

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Trust uses interest rate swaps to manage the interest rate risk on its borrowings. The interest rates on the Trust's borrowings are disclosed in Note 6. The interest rate swaps are recorded at fair value and classified as held for trading.

CREDIT RISK

Financial instruments which potentially expose the Trust to credit risk consist of bank deposits, short term investments, accounts receivable and interest rate swaps. The Trust invests with high credit quality financial institutions. Accordingly, the Trust does not require any collateral or security to support financial instruments with organisations it deals with. There is no concentration of credit risk with respect to accounts receivable.

CURRENCY RISK

The Trust has no exposure to currency risk.

13. RELATED PARTY TRANSACTIONS

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include the settlors of the Trust, the governing body and key management personnel.

Related party disclosures have not been made for transactions with related parties that are within normal supplier relationships on terms and conditions no more or less favourable than those it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

SETTLORS OF THE TRUST

Wellington City Council

During the period Wellington City Council's representative on the Board of Trustees has been Councillor Simon Marsh. Trustee Fees for Councillor Marsh are paid directly to the Council.

Details of the Advance from the Wellington City Council are given in Note 5.

The Basin Reserve Trust is a Council Controlled Organisation of the Wellington City Council. During the year the Trust received income from the provision of turf management services to the Basin Reserve Trust, of \$252,078 (2014: \$37,895). Until 30 April 2014, these services were provided but not charged for in accordance with the previous contract. The value of services provided at no charge in the 30 June 2014 financial year was \$210,989. The receivables balance outstanding is \$59,817 (2014: \$nil).

Greater Wellington Regional Council

Councillor Nigel Wilson is the Greater Wellington Regional Council's representative on the Board of Trustees. Trustee Fees for Councillor Wilson are paid directly to the Council.

Details of the Advance from the Greater Wellington Regional Council are given in Note 5.

	2015 \$000	2014 \$000
Key management personnel compensation		
Board members		
Trustee Fees	169	163
Full time equivalents based on number of Trustees	8	8
Management team		
Remuneration	1,147	1,066
Full time equivalent members	6	6

Westpac Stadium Annual Report 2015

14. COMMITMENTS

The following amounts have been committed to by the Trust, but not recognised in the financial statements:

	2015 \$000	2014 \$000
Operating leases		
Non cancellable operating lease commitments		
Within one year	17	19
Between one and five years	52	55
More than five years	57	69
	126	143
Capital expenditure		
Amounts committed to capital expenditure	127	-

15. CONTINGENCIES

The Trust has no contingent liabilities at 30 June 2015 (2014: Nil).

16. EVENTS AFTER BALANCE DATE

There were no events subsequent to balance date that require adjustment of amounts in the financial statements or additional disclosures.

17. ADJUSTMENTS ARISING ON TRANSITION TO NEW PBE ACCOUNTING STANDARDS

	PREVIOUS NZ IFRS 30-JUN-14 \$000	ADJUSTMENT \$000	PBE STANDARDS 30-JUN-14 \$000
STATEMENT OF FINANCIAL POSITION			
Accumulated Surplus	80,844	(38,896)	41,948
Limited Recourse Loans			
Wellington Regional Council	934	24,066	25,000
Wellington City Council	560	14,440	15,000
Wellington City Council - Accrued Interest	5	390	395
Total Limited Recourse Loans	1,499	38,896	40,395
Total Accumulated Funds & Limited Recourse Loans	82,343	0	82,343
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE			
Interest expense	704	(245)	458
Total comprehensive revenue & expense	2,242	245	2,487
STATEMENT OF CHANGES IN TRUST FUNDS			
Balance at 1 July 2013	78,602	(39,141)	39,461
Total comprehensive revenue & expense	2,242	245	2,487
Balance at 30 June 2014	80,844	(38,896)	41,948

On transition to the PBE standards the Trust has reviewed the treatment of the limited recourse loans received from its two settlors. The nature of these loans is a concessionary loan as no interest is payable on them, and repayment is only required in certain circumstances as outlined in Note 5.

The table shows the changes made between the previously reported 30 June 2014 numbers and the comparatives shown in this set of financial statements. The limited recourse loans are now shown at their full face value, and accumulated funds have been reduced by the same value.

In effect this reverses the transition adjustment that had to be made in 2008 when the Trust was required to comply with International Financial Reporting Standards (IFRS).

Total comprehensive revenue and expense for the year ended 30 June 2014 has been increased by \$245,000 due to the reversal of the notional interest adjustment previously required to be made in that year under IFRS reporting standards.

18. SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY AND PERIOD

Wellington Regional Stadium Trust Incorporated (the Trust) is a charitable trust established by the Wellington City Council ('WCC') and Greater Wellington Regional Council ('GWRC'). The Trust is domiciled in New Zealand.

The Trust is responsible for the planning, development, construction, ownership, operation and maintenance of the Westpac Stadium, Wellington, as a multi-purpose sporting and cultural venue.

The Trust was incorporated under the Charitable Trust Act 1957. The Trust is also a charitable entity under the Charities Act 2005, registration CCI0754.

The financial statements of the Trust are for the year ended 30 June 2015. The financial statements were authorised for issue by the Trustees on 24 August 2015.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Trust Deed which requires compliance with generally accepted accounting practice in New Zealand.

As the primary purpose of the Trust to provide a community and social benefit, it is a public benefit entity for financial reporting purposes.

The financial statements of the Trust comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 2 PBE Standards. The Trust meets the requirements for Tier 2 reporting as does not have public accountability and is not large (as defined by XRB A1).

The financial statements have been prepared on a historical cost basis, except for interest rate swaps.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (000) unless otherwise stated.

This is the first set of financial statements that the Trust has presented in accordance with PBE standards. Previously the Trust reported in accordance with NZ IFRS (PBE). The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except where the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE). These differences are outlined in Note 17.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

REVENUE

Revenue is recognised when billed or earned on an accrual basis.

Corporate Box, Memberships & Sponsorship Revenues

Licenses for Corporate boxes are issued for terms of between four and six years. Signage and sponsorship properties are sold for a range of terms of between one and 10 years. The related license fees/revenues are paid annually with the revenue recognised on a straight line basis throughout the year.

Stadium memberships have been sold for terms ranging between two and five years. Payment may be made upfront or in a series of instalments. The payments received are recorded as Revenue in Advance, and recognised on a straight line basis over the term of the membership.

Amortisation of initial Membership and Corporate Box agreements

The development of the Stadium was partially funded by the sale of stadium club memberships, corporate boxes and sponsorship properties. The term of the original memberships and corporate box licenses was 15 years and this term expired on 31 December 2014. Payment for these items was received upfront and has been recognised as revenue on a straight line basis over the term of the agreement.

Interest

Interest income is accrued using the effective interest rate method.

Rental income

Rents are recognised on a straight line basis over the term of the lease.

EXPENSES

Expenses are recognised when the goods or services have been received on an accrual basis.

Interest

Interest expense is accrued using the effective interest rate method. The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

TAXATION

As a Charitable Trust, the Trust meets requirements for exemption from income tax and accordingly no provision for income tax is recorded in the financial statements.

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive.

FINANCIAL INSTRUMENTS

The Trust classifies its financial assets and financial liabilities according to the purpose for which they were acquired. The Trust determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual rights to the cash flows from the financial assets expire or if the Trust transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date. Financial liabilities are derecognised if the Trust's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

Cash and cash equivalents comprise cash balances and call deposits with up to six months maturity. These are recorded at their nominal value.

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

Financial Liabilities

Financial liabilities comprise trade and other payables and borrowings, and are all classified as other financial liabilities. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Amortisation is recognised in the Statement of Comprehensive Revenue & Expense as is any gain or loss when the liability is derecognised.

Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised at fair value as either assets or liabilities. The Trust does not hold any

derivatives that qualify for hedge accounting. Derivatives that do not qualify for hedge accounting are classified as held for trading financial instruments with fair value gains or losses recognised in the Statement of Comprehensive Revenue & Expense. Fair value is determined based on quoted market prices.

EMPLOYEE ENTITLEMENTS

Employee entitlements that the Trust expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These benefits are principally annual leave earned but not yet taken at balance date, and bonus payments.

No provision for sick leave is accrued, as past experience indicates that compensated absences in the current year are not expected to be greater than sick leave entitlements earned in the coming year.

OTHER LIABILITIES & PROVISIONS

Other Liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

LEASES

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Comprehensive Revenue & Expense in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue & Expense on a straight-line basis over the term of the lease.

PROPERTY, PLANT AND EQUIPMENT

Recognition

Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Revenue & Expense.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Revenue & Expense in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, with certain exceptions. The exceptions are land, some aspects of the pitch category and assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives of the major classes of property, plant and equipment are as follows:

Land	indefinite
Pitch	10 years to indefinite
Buildings	8 to 70 years
Replay screen & production equipment	3 to 25 years
Fitout	5 to 50 years
Fittings	3 to 20 years
Plant & machinery & equipment	2 to 70 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed, and then depreciated.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Estimating useful lives and residual values of property, plant, and equipment

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

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this estimation uncertainty by regular physical inspection of assets, a planned preventative maintenance and asset replacement programme.

STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the direct approach. Operating activities include cash received from all income sources of the Trust; record the cash payments made for the supply of goods and services and include cash flows from other activities that are neither investing nor financing activities. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the funding structure of the Trust.

CHANGES IN ACCOUNTING POLICIES

The impact of the transition to PBE reporting standards is set out in Note 17. There have been no other changes in accounting policies.

Westpac Stadium Annual Report 2015

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Wellington Regional Stadium Trust's financial statements for the year ended 30 June 2015

The Auditor-General is the auditor of Wellington Regional Stadium Trust (the Trust). The Auditor-General has appointed me, Mari-Anne Williamson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on her behalf.

OPINION

We have audited the financial statements of the Trust on pages 16 to 25, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expense, statement of changes in trust funds and limited recourse loans and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with reduced disclosure requirements.

Our audit was completed on 24 August 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements in order to design audit procedures that are appropriate in the

circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

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

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

RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Standards with reduced disclosure requirements.

The Trustees' responsibilities arise from clause 15 of the Trust Deed of the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

RESPONSIBILITIES OF THE AUDITOR

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

INDEPENDENCE

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

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



Mari-Anne Williamson
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)

TRUST PARTICULARS AT 30 JUNE 2015

SETTLORS

Wellington City Council
Greater Wellington Regional Council

TRUSTEES

J B Shewan
S E Elliott
S M Fyfe
S Marsh
M D McGuinness
R E Taulelei
Dame Therese M Walsh
N Wilson

DATE OF SETTLEMENT

1 January 1998

AUDITORS

Audit New Zealand, Wellington on behalf
of the Controller and Auditor-General

SOLICITORS

Maude & Miller

BANKERS

Westpac New Zealand Ltd

All photography from Dave Lintott Photography



**Wellington Regional Economic Development Agency Limited
Annual Report for the year ended 30 June 2015**

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Chair's Report

Right now, Wellington is taking ownership of its future.

The Wellington Regional Economic Development Agency (WREDA) was brought together to help this unique region unlock its potential. Through amalgamation, an organisation was created with unprecedented capacity to promote, facilitate and drive economic growth throughout Wellington.

This annual report details the legal and financial birth of WREDA. A transitional document, it covers a period during which the constituent entities were amalgamated, each continuing to deliver outstanding results in their respective domains. As this report goes to print, WREDA is an operational reality and our inaugural Chief Executive, Chris Whelan, has arrived to lead us into a new era.

On behalf of the Board and Chief Executive, I offer heartfelt thanks to the management, staff and boards of the prior organisations for assisting us to navigate the last 12 months so well. In partnership with the half a million people who make Wellington their home, WREDA is ready to show the world that this truly is 'the place of the possible'.

*Naku te rourou nau te rourou ka ora ai te iwi
With your basket and my basket the people will live.*

THE PURPOSE OF ESTABLISHING WREDA

WREDA was established for the purpose of improving economic outcomes for the Wellington region. We aim to develop a more cohesive focus; harnessing our existing strengths and opportunities to deliver a more integrated programme of activities, which will achieve more effective economic growth results for the region, along with a distinctive regional positioning plus greater credibility and influence for the region.

BACKGROUND

In 2014, following public consultation, the nine councils in the Wellington region agreed to combine the economic development, tourism, venues and major events functions and activities of the Wellington City Council (WCC) and the Greater Wellington Regional Council (GWRC) into a single council controlled organisation (CCO) - the Wellington Regional Economic Development Agency (WREDA).

WREDA was created by merging Grow Wellington and its subsidiary Creative HQ (owned by GWRC on behalf of the region) with Positively Wellington Tourism and Positively Wellington Venues (WCC). An existing CCO, Wellington Venues Limited, was renamed WREDA and in December 2014 acquired the activities of Positively Wellington Tourism, Grow Wellington and Creative HQ. Major Events (WCC) will be transferring during the 2015/16 year.

The merger is designed to increase the economic growth in the region through better coordination of resources and activities, a more integrated focus and less duplication of systems and processes.

Political oversight of WREDA is via the Wellington Regional Strategy Committee (WRS Committee), comprising solely elected members.

WCC owns 80% of WREDA, with the remaining 20% owned by GWRC (on behalf of the region).

PROGRESS TO DATE

In December 2014, an independent WREDA Board was established, with nine members, selected for their range of knowledge and experience.

The WRS Committee produced a Letter of Expectation, outlining the areas and activities that WREDA was expected to facilitate, support and deliver to achieve regional economic growth and prosperity.

The WREDA Strategy, commonly called the Plan on a Page, was developed by the Board and has formed the basis of ongoing discussions and presentations throughout the region with a range of stakeholders.

Following an international search, Chris Whelan was appointed as Chief Executive and commenced with WREDA in early September 2015. Chris has vast experience in economic development, most recently as the Chief Executive of Accelerate Cape Town.

Regional stakeholder engagement has been, and will continue to be, a key activity for WREDA. In the months leading up to the arrival of the new Chief Executive, the WREDA Chair has visited and met with the region's councils, representatives and business leaders to listen and learn about the projects, challenges and opportunities that will drive the Wellington regional economy. This has been an important exercise, not just to meet and engage with the people involved, but to assist in identifying the direction that WREDA will need to set, and the actions required to do so. Informing the Board while maintaining these crucial relationships and connections has created a strong base from which Chris Whelan will implement the WREDA strategy.

The WREDA Board has also worked with the WREDA business entities to distill the core activities and business objectives that have enabled past success and to identify how these will be integrated within the new WREDA strategy for the future.

The WREDA Statement of Intent was produced and submitted to the WRS Committee and the shareholders in June 2015. It outlines a bold WREDA vision, while also acknowledging that, until the operational direction is established by the Chief Executive, existing business commitments and activities will continue. Integration and coordination of WREDA's business activities remains a work in progress, and continues to be guided by the question: "What does success look like for WREDA?" The answer will be reflected in a growing regional economy and a vibrant region which continues to attract business, investment, visitors, students, migrants, skills and opportunities.

FINANCIALS

The financial statements in this Annual Report cover the activities of Positively Wellington Venues for a period of 12 months, six months of Positively Wellington Tourism and six months of Grow Wellington and Creative HQ. Major Events will transfer to WREDA during 2015/16. The WREDA group had total revenues of \$15.8 million, the majority of which was received from the two shareholders, WCC and GWRC.

The WREDA Group made a loss of \$0.5 million due to the timing of revenue and expenditure between the first and second six months, as Positively Wellington Tourism and Grow Wellington became part of WREDA in the second six months.

If individual parts of the organisation were looked at on a full year financial basis there would be a small operating surplus.

LOOKING FORWARD

WREDA has been established at a time of great opportunity and challenge for the Wellington Region. Centrally located between Auckland, experiencing massive growth and expansion, and Christchurch, currently being rebuilt and energised, Wellington has retained its reputation as the Arts, Culture and Cuisine capital of New Zealand. The region already has a highly educated and skilled workforce, strong knowledge-based ICT and creative sectors, and a range of primary and manufacturing industries.

There are also new and expanding opportunities to be explored – in film, education, primary production, business and entrepreneur attraction and technology. Through the integration of internal resources, output and knowledge, WREDA has the opportunity to demonstrate the cohesive and efficient approach to growth that the region requires.

The Wellington region already has in place a number of components for success, namely, innovation, distinctiveness, connectedness and talent. We have drawn up a bold strategic plan, in accordance with our core values - driven, inclusive, rigorous, brave and creative.

We aim to:

- Identify, facilitate and drive opportunities to increase economic growth in the Wellington region
- Deliver an outstanding events and activity programme
- Make Wellington and the region exceptionally influential and connected
- Position Wellington as an acclaimed global hub of creativity, culture and technology and
- Create a compelling narrative that promotes the “Why Wellington” story

Some of the ways by which this may be achieved include:

- Identifying and filling skill gaps in the workforce

- Attracting more students, migrants and visitors
- Increasing job numbers
- Increasing and attracting business and investment opportunities
- Promoting economic growth across all sectors
- Preserving and enhancing the region's reputation

As at: 22 April 2015

WREDA: STRATEGIC PLAN ON A PAGE – 2015-2025

Vision: *By 2025 Wellington will be the most prosperous, liveable and vibrant region in Australasia*

Purpose: *To advance the prosperity and liveability of the Wellington region*



Positioning

Wellington is packed with leaders, achievers, entrepreneurs, creators, thinkers, dreamers, doers and lovers of life. A place where ideas happen, enterprises grow, people live in style, connect with nature and find friends for life. Often wild, sometimes calm, but always alive with an energy and enthusiasm that makes the region the place of the possible.

Values *Driven; Inclusive; Rigorous; Brave; Creative*

Our vision is that by 2025, Wellington will be the most prosperous, liveable and vibrant region in Australasia.

We know that successful cities and regions work hard to create the right environment for growth and innovation to flourish. Wellington already has many of these success factors in place – compact, connected and collaborative. We are also ideally situated at the home of central government to develop and strengthen key relationship, information-sharing and advocacy roles.

Within WREDA we will create and foster the same culture and environment that we aim to support elsewhere. We will work smarter with what we've got and "capitalise" on this to connect, support, advocate, network and influence the "game changers" that will lead to economic growth.

The highlights in the following pages outline some of the recent successes of the WREDA business units – but future success for WREDA will be measured, not by individual efforts and outputs, but by collective regional outcomes. Current measures of success will be expanded, as WREDA establishes and extends its influence and activity across all key sectors. WREDA will be judged in the future by the extent to which we have enabled business, culture and all types of investment to thrive and drive growth within the Wellington regional environment.

Sector growth plans, either already commenced or completed, will form the basis of stronger relationships with all key sector stakeholders as well as coordinated action plans to more effectively leverage current activities. WREDA will play a pivotal role in connecting and communicating with sector leaders, assisting to identify needs and barriers and driving action plans.

Better integration and coordination within WREDA will allow us to identify economic growth opportunities from the various strands of WREDA activities, as well as from the businesses we connect with, and to drive, promote and amplify these. WREDA will continue to support events that inspire, projects that inform and businesses that innovate – and we will do this through deeper engagement and partnership, robust analysis of interventions, and influential advocacy.

In partnership with our shareholders, WREDA will progress a compelling and inspiring marketing programme to attract the business investment, skills, people and jobs that will drive regional growth. From this will also come energy, diversity, and vibrancy – to enhance the region's reputation and desirability as "The Place of the Possible" – the place where people and business want to be.

ACTIVITY HIGHLIGHTS

The WREDA entities – Grow Wellington, Positively Wellington Tourism and Positively Wellington Venues have operated on a ‘business as usual’ basis for most of 2014/15. Their performance highlights are set out below.

Grow Wellington

Grow Wellington has a focus on building business capability and growing sector scale, along with attracting business, investment, talent and students to the region.

Together with subsidiary company and start-up incubator Creative HQ, we have built momentum in the 2014/15 year, exceeding many of the targets set with our stakeholders.

Growing businesses

As the Regional Business Partner for New Zealand Trade and Enterprise and Callaghan Innovation, we worked with over 400 businesses in the region to help them gain the expertise they need to build capability. We also helped them access over \$6.6 million of Research and Development grant funding.

Attracting talent

In a year that saw migration figures between Australia and New Zealand swing in New Zealand’s favour, we took part in several initiatives to attract talented people to our region. On behalf of employers and recruiters, we presented at Job Expos and technology exhibitions in Sydney, Melbourne and Brisbane. With Positively Wellington Tourism we developed an online marketing campaign, ‘Wellington Works’, to help raise awareness of our presence at these events and put the region on the radar of Australian job seekers.

Our attendance at the South by Southwest interactive festival in Texas captured the attention of festival director, Shawn O’Keefe, and led to him moving to Wellington to take the role of Programme Director for our Lightning Lab Manufacturing project.

Accelerating startups

In a first for New Zealand, funding was secured to extend the Lightning Lab acceleration programme beyond digital to manufacturing companies in late 2015. Our inaugural Lightning Lab in Auckland resulted in \$2.7 million of investment offered to participating companies and a further \$3 million was raised from follow-up funding of the Lightning Lab 2014 cohort.

Networking with Silicon Valley

In May, we welcomed Bill Reichert (Managing Director of Garage Technology Ventures) and Adiba Barney (CEO of Silicon Valley Forum) to Wellington. We held a networking event to introduce Bill and Adiba to some of our most successful tech companies, and a pitching event, where the two Silicon Valley titans gave advice to seven early-stage Wellington businesses.

Following on from the tour, Bill and Adiba have asked Grow Wellington and other hosting agencies to invite select businesses to explore the Silicon Valley ecosystem and pitch to over 200 Silicon Valley investors and potential business partners.

Wider application of startup thinking

With the Ministry of Business, Innovation and Employment (MBIE), Creative HQ developed one of the world's first Government accelerators.

The R9 Accelerator brought together teams of entrepreneurs, developers, private sector specialists and government experts to work on projects that solve major pain points for New Zealand businesses and reduce their costs of dealing with government. Three out of the five participating teams received funding to proceed and are currently working on their respective solutions. As a result of the success of the R9 accelerator, MBIE have decided to run further GovTech acceleration programmes, starting with a second R9 accelerator.

Connecting tech

Our business attraction team visited the US twice to explore potential partnerships and investment opportunities for Wellington-based science and tech businesses and organisations. Grow Wellington and five Wellington science businesses were part of the New Zealand delegation at this year's TechConnect World conference in Washington, led by Callaghan Innovation. Three of the Wellington businesses won Innovation awards from the conference committee.

Wins and building the pipeline

This year's campaigns to attract new business to the region have resulted in new relocations and expansions worth an estimated \$4.1 million added to the economy each year. The pipeline now has an estimated additional economic value of \$132 million per annum. We seek to convert these leads by providing relevant information for decision making and developing bespoke relocation solutions for businesses. We are currently providing these services in the areas of ICT, business process outsourcing, screen and education.

Showcasing suppliers

Food and beverage production contributes around \$450 million to the region's GDP, with that number growing steadily since 2010. Over 50 of the Wellington region's top food and beverage suppliers exhibited at this year's Visa Wellington on a Plate Supplier Showcase, with products ranging from craft beer to gourmet meats. Primarily aimed at helping suppliers and chefs collaborate on the forthcoming festival, the Showcase is also a platform to build the profile of the region's food and beverage producers with national and international retail buyers.

Enabling filmmakers

Film activity in the region has continued to increase. Our Film Wellington office recorded a 12% increase in enquiries, a 27% increase in permits issued and a 59% increase in the number of shoot days recorded compared to last year. Wellington remains the country's film capital, with businesses in the region earning \$645 million from feature film revenue in the last financial year.

To assist film companies planning productions in Wellington, this year we developed a screen production guide for the region, outlining the different permitting processes, consents and regulations.

Empowering future entrepreneurs

We established and delivered the Venture Up mini accelerator with Young Enterprise Trust to provide experiential entrepreneurial education for high school graduates and first year university students. Following the inaugural programme, Creative HQ was awarded funding from the Ministry of Social Development and Callaghan Innovation to continue this initiative over the next three years.

Positively Wellington Tourism

Responsible for promotion of the capital as a destination, Positively Wellington Tourism manages domestic and Australian campaigns, event marketing, travel trade marketing, media programmes, Business Events Wellington, and digital marketing, as well as delivering WellingtonNZ.com, the city's primary online presence.

Tourism numbers this year were strong, and we met or exceeded almost all KPIs. Here are a few of our highlights.

More people, staying longer

More than 2.5 million commercial guest nights were spent in Wellington this financial year, our highest 12 month result since records began. Domestic guest nights were up by 4.5%, and international by 10.6%.

With guest arrivals at levels not seen since the Rugby World Cup, Wellington's average length of stay also hit record levels this year, above 2 days every month in the year for the first time. This gives Wellington one of the top average length of stay rates in the country.

It's never just a weekend

We teamed up with award-winning Kiwi filmmaker Robert Sarkies to produce a domestic campaign which highlights Wellington as a city made for weekends. Shot in more than 50 locations over just four days, the TV commercials showcase the variety, creativity, personalities and energy that make the capital one of New Zealanders' favourite weekend destinations. In the nine months following the campaign launch in October, domestic commercial guest nights in Wellington rose by 4.4% compared with the same period the year before.

Exhibition factor

We joined forces with Te Papa and the Dominion Museum to produce marketing campaigns for the exhibitions *Tyrannosaurs: Meet the Family*, *Gallipoli: The scale of our war* and *The Great War Exhibition*. All three exhibitions have been huge drawcards for the institutions, and our commercial guest night targets have been exceeded across all three exhibition periods.

Doing business

Our Business Events Wellington team hosted a record 108 familiarisation visits in the region. Leads and referrals of 100+ delegate events to our partners increased by 12%. Of the event opportunities that the team were involved with, 88 were successful, valued in excess of \$14.5 million.

Crossing the ditch

We extended the successful 'It's Never Just a Weekend When It's in Wellington' brand campaign into Australia with a mix of cinema, online and experiential activity in March and April. Sydneysiders were treated to a taste of Wellington on Martin Place with goodies from Wellington shared with them at The Wellington Lounge. 50,000 of our new look Wellington Guides were distributed in the Sydney Morning Herald, Melbourne Age and Time Out Sydney & Melbourne, while online and cinema activity received over a million impressions.

On our bikes

Aligning with Tourism New Zealand's special interest activity, we launched our very first cycling campaign encouraging Australians to experience the diverse range of cycling and lifestyle experiences across the region. Following attendance with Tourism New Zealand at Bupa Round the Bays, we launched a print, PR and digital content campaign. 5,000 regional cycling guides were distributed to Australian leisure cyclists. The campaign had a cumulative reach of over 2 million and drove almost 4,000 web visits to WellingtonNZ.com/Cycling.

Making connections

Jetstar's new services from Melbourne and the Gold Coast have added more than 130,000 seats annually. We took the opportunity to partner with Jetstar on a content-led digital campaign, showcasing Wellington's unique experiences to a combined market of nearly 5 million residents across the two destinations.

Providing resources

One of our major site development projects for the year was our online Resource Hub. This easy to use platform provides access to stock imagery and video, logos, brand guidelines, reports, plans, presentations, maps, guides and other marketing collateral. It's all free to download for partners and any other organisations promoting Wellington as a destination.

Making Christmas merry

The 2014 *Wondrous Wellington Advent Calendar* online campaign shattered records from its previous four years. Launch day, December 1, was the highest single traffic day on WellingtonNZ.com in history, with more than 31,000 visits. By the end of the 24-day campaign over 90,000 vouchers had been issued for Wellington hospitality and retail businesses in the lead up to Christmas.

Positively Wellington Venues

Managing six of Wellington's key venues - the Michael Fowler Centre, St James Theatre, The Opera House, TSB Bank Arena, Shed 6 and Academy Galleries - Positively Wellington Venues partners with hundreds of performance, business and community events every year. In 2014/15, it met or exceeded almost all performance targets, grew its contribution to the Wellington economy and improved the financial performance of the business. Here are some of the year's highlights.

Growing our audience

PWV hosted 326 performance and show events during the financial year, entertaining more than 300,000 people in total - a 10% increase on ticket holders compared with the year prior. A larger proportion of this growing audience were drawn to Wellington by the events, with out-of-town visitors making up 38% of the audience, up from 31% the previous year. In conventions and business events, we saw 4% growth. Sales for 'out-years' - forward bookings for business events over the next 2-3 years - were up by 15%. Altogether, our performance and business events contributed an estimated \$43.3 million to the economy - \$4.3 million up on the previous year, and \$1million ahead of target. However, there is more demand at some peak times than we currently have space for.

Supporting the region

From civic occasions to community causes and creative sector sponsorships for performing arts, we provided support to over 180 community hire days during the financial year, as well as over \$1.1million in sponsorship and support. We also supported city growth initiatives and regional economic development through hosting Wellington's business awards - the Gold Awards. Wellington regional produce and local chef talent will be further showcased across our venues, through our new preferred supplier contract with Restaurant Associates.

Wellington in the spotlight

Our annual trade expo, Show Me Wellington, held at TSB Bank Arena in September, once again showcased Wellington's business events industry to buyers from across New Zealand and Australia. More than 100 venue, hospitality, event and entertainment suppliers exhibited at the event, profiling their business to the \$140 million Meetings, Incentives, Conventions and Events (MICE) market. As hosting organisation, PWV not only organised and delivered the event, but offered a seminar series to help exhibitors maximise the effectiveness of their Show Me Wellington presence.

Enhancing our assets

With considerable financial contributions from the Wellington City Council and with the assistance of the Performing Arts Foundation Wellington, a transformational \$4 million programme of venue and facility upgrades took place during the year.

New, retractable and mobile seating units at TSB Bank Arena increase both patron comfort and operational flexibility. At the St James Theatre we've improved the air handling system, and given the Hospitality Suite a facelift. Nearby, at the Opera House, backstage dressing rooms received a much-needed makeover, and we replaced the yellow plastic bucket seats in the Upper Gallery with comfortable, colour-coordinated, upholstered seating.

Most rewarding of all has been the restoration of the Opera House's foyer, dress circle galleries, boxes and proscenium arch to their former glory.

Taking care of business

WREDA aims to be a New Zealand exemplar in venue health and safety. During the year we undertook a health and safety management systems audit, to inform a programme of work that will not only comply with new legislation, but set a New Zealand benchmark.

As of this financial year, we operate the first and only venues in New Zealand with ISO Quality 9001 and Environmental 14001 certification. This certification was achieved across our entire asset portfolio, which, given the eclectic collection of buildings we manage and operate, is a major achievement.

This year, we also invested in an asset development plan, covering such issues as seismic strengthening through to reactive maintenance and renewals programmes. This forward planning will ensure that we stay ahead of the curve in protecting the assets we are entrusted with, and meeting the evolving needs of the market.



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Statement of compliance and responsibility

Statement of compliance

The Board and Management of the Wellington Regional Economic Development Agency Limited (WREDA, the Company and Group) confirm that all the statutory requirements in relation to this annual report, as outlined in the Local Government Act 2002 and the Companies Act 1993, have been met.

Statement of responsibility

The Board and Management accept responsibility for the preparation of the annual financial statements and judgements used in them and hereby adopt the financial statements as presented. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and service performance reporting. In the opinion of the Board and Management, the annual financial statements for the year ended 30 June 2015 fairly reflect the financial position, financial performance and service performance achievements of the Wellington Regional Economic Development Agency Limited and Group.

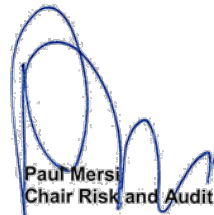
Overview

During the period, significant changes occurred within the organisation with the formation of WREDA. Further details of this can be found in the 'general information' of the accounting policies and notes 17 and 33 to the financial statements. WREDA was established on 5 December 2014 when Wellington Venues Limited was renamed the Wellington Regional Economic Development Agency Limited. Also, on 5 December 2014, WREDA received 100% shareholding in Grow Wellington Limited as an equity injection from the Wellington City Council. On 12 December 2014 WREDA accepted the transfer of assets, including liabilities, from Partnership Wellington Trust (trading as Positively Wellington Tourism). The date of effective control of Grow Wellington Limited and Positively Wellington Tourism is considered to be 1 January 2015 with their accounts included in the group results from that date.



Peter Biggs
Chair

22 September 2015



Paul Mers
Chair Risk and Audit Committee

22 September 2015

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2015

	Note	Group	Parent	
		2015 Actual \$	2015 Actual \$	2014 Actual \$
Revenue				
Service revenue	4	6,929,244	3,940,026	-
Management fee	5	5,885,323	5,885,323	5,585,486
Interest revenue		37,202	27,642	1,514
Investment revenue		31,000	-	-
Rental revenue		57,914	30,142	-
Other revenue	6	<u>2,939,648</u>	<u>2,399,947</u>	-
Total revenue		15,880,331	12,283,080	5,587,000
Expenses				
Personnel costs	7	9,228,766	7,112,437	5,408,251
Directors fees	25	198,583	189,583	116,740
Depreciation and amortisation	10,11	72,416	36,186	-
Other expenses	8	<u>6,881,734</u>	<u>5,035,137</u>	<u>59,337</u>
Total Expenses		<u>16,381,499</u>	<u>12,373,343</u>	<u>5,584,328</u>
Surplus/(deficit) before income tax and subvention payment		<u>(501,168)</u>	<u>(90,263)</u>	<u>2,672</u>
Subvention payment		931	931	2,672
Income tax expense	9	<u>-</u>	<u>-</u>	<u>-</u>
Surplus/deficit for the year		<u>(502,099)</u>	<u>(91,194)</u>	<u>-</u>
Other comprehensive revenue and expense				
Movement in fair value of investment assets		<u>398,563</u>	<u>-</u>	<u>-</u>
Total comprehensive revenue and expense		<u>(103,536)</u>	<u>(91,194)</u>	<u>-</u>

The accompanying notes form part of these financial statements.

Significant operating activity occurred in the 6 months from 1 January 2015 (post-merger) resulting in a deficit for the Group. If individual operating units were looked at in isolation for a full financial year, all have tracked well against a small operating budget surplus.

Due to the transfer of assets (and trading activity of Positively Wellington Tourism) from Partnership Wellington Trust, the Parent has seen significant revenue and expenditure growth during the year.

Statement of Financial Position

As at 30 June 2015

	Note	Group 2015 Actual \$	2015 Actual \$	Parent 2014 Actual \$
ASSETS				
Current assets				
Cash and cash equivalents	16	1,650,995	843,978	164,988
Trade and other receivables	14	1,250,070	977,063	391,782
Prepayments		42,103	35,714	-
Inventories	13	<u>1,816</u>	<u>1,816</u>	<u>-</u>
Total Current assets		<u>2,944,984</u>	<u>1,858,571</u>	<u>556,770</u>
Non-current assets				
Investment in Grow Wellington Limited	17	-	1,577,137	-
Property, plant and equipment	10	362,477	122,874	-
Intangible assets	11	33,346	6,565	-
Other financial assets	15	46,569	46,569	-
Investments in incubator and accelerator companies	12	<u>1,400,992</u>	<u>-</u>	<u>-</u>
Total Non-current assets		<u>1,843,384</u>	<u>1,753,145</u>	<u>-</u>
TOTAL ASSETS		<u>4,788,368</u>	<u>3,611,716</u>	<u>556,770</u>
LIABILITIES				
Current liabilities				
Trade payables	19	1,248,629	731,548	-
Employee entitlements	18	756,049	543,978	393,476
Sundry creditors and accruals	20	765,475	624,068	49,970
Revenue in advance		330,386	91,223	-
Taxes and Kiwisaver payable	21	<u>213,228</u>	<u>133,957</u>	<u>113,224</u>
Total Current liabilities		<u>3,313,767</u>	<u>2,124,774</u>	<u>556,670</u>
TOTAL LIABILITIES		<u>3,313,767</u>	<u>2,124,774</u>	<u>556,670</u>
NET ASSETS		<u>1,474,601</u>	<u>1,486,942</u>	<u>100</u>
EQUITY				
Share capital		1,000	1,000	100
Capital injection from shareholder	17	1,577,137	1,577,137	-
Accumulated funds		(103,536)	(91,195)	-
TOTAL EQUITY		<u>1,474,601</u>	<u>1,486,942</u>	<u>100</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2015

	Note	Group	Parent	
		2015 Actual \$	2015 Actual \$	2014 Actual \$
Balance at 1 July		100	100	100
Issuance of new shares		900	900	-
Capital injection from shareholder	17	1,577,137	1,577,137	-
Total comprehensive revenue and expense for the year		<u>(103,536)</u>	<u>(91,195)</u>	<u>-</u>
Balance at 30 June		<u>1,474,601</u>	<u>1,486,942</u>	<u>100</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2015

	Note	Parent		
		Group	2015 Actual \$	2014 Actual \$
Cash flows from operating activities				
Receipts from activities and other income		9,049,309	7,789,752	6,460,787
Receipts from Grants and Subsidies - Operating		6,515,026	3,940,026	-
Payments to suppliers/employees		(14,500,117)	(10,997,608)	(5,379,360)
Net GST paid		(69,979)	23,370	(877,937)
Income tax (paid) / received		(1,203)	(500)	(2,671)
Net cash flows from/(used in) operating activities		993,036	755,040	200,819
Cash flows from investing activities				
Interest received		37,202	27,642	1,507
Share sale receipts (CHQ Incubator companies)		31,000	-	-
Acquisition of subsidiaries, net of cash	17	668,302	-	-
Held-to-maturity loan		(75,000)	(75,000)	-
Purchase of intangibles		(5,283)	-	-
Purchase of property, plant and equipment		(165,150)	(30,592)	-
Net cash flows from/(used in) investing activities		491,071	(77,950)	1,507
Cash flows from financing activities				
Assets transferred from Partnership Wellington Trust, net of cash	32	1,000	1,000	-
Proceeds from issue of share capital		900	900	-
Net cash flows from/(used in) financing activities		1,900	1,900	-
Net increase/(decrease) in cash and cash equivalents		1,486,007	678,990	202,326
Cash and cash equivalents at beginning of period		164,988	164,988	(37,338)
Cash and cash equivalents at end of period		1,650,995	843,978	164,988

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2015

STATEMENT OF ACCOUNTING POLICIES

1. General Information

The Wellington Regional Economic Development Agency Limited (WREDA the company and Group) combines the activities, functions and funding of business units previously under the control of the Wellington City Council and the Greater Wellington Regional Council. WREDA now pools the resources of Grow Wellington limited (the region's economic development agency) and its subsidiary, Creative HQ Limited from the Greater Wellington Regional Council, with the resources of Positively Wellington Tourism and Positively Wellington Venues from the Wellington City Council.

WREDA aims to integrate, streamline, strengthen and, as required, modify the core activities of these organisations so that the Wellington Region's prosperity will be improved and its global reputation as a centre of creativity, enterprise, diversity and liveability will be enhanced. As a result, the Region will be more attractive to visitors, investors, migrants, students and entrepreneurial businesses, and will also retain existing enterprises and enable them to grow.

The Wellington City Council's wholly owned subsidiary, Wellington Venues Limited was incorporated under the Companies Act 1993 on 19 January 2011. Wellington Venues Limited name was changed to Wellington Regional Economic Development Agency Limited (WREDA Limited) on 5 December 2014. WREDA Limited remains domiciled in New Zealand and the address of its registered office is 111 Wakefield St, Wellington.

Also, on 5 December 2014, the Wellington City Council and the Greater Wellington Regional Council entered in a share transfer agreement to transfer 200 ordinary shares of the 1000 ordinary shares available in WREDA Limited to the Greater Wellington Regional Council in consideration for 100% in Grow Wellington Limited.

As a result of the share transfers, WREDA Limited is owned 80% by Wellington City Council and 20% by Greater Wellington Regional Council. WREDA Limited received 100% shareholding in Grow Wellington Limited as an equity injection from the Wellington City Council, also on 5 December 2014. Grow Wellington Limited has a wholly owned subsidiary, Creative HQ Limited.

On 12 December 2014, WREDA Limited accepted the transfer of assets including liabilities, free from all security interests, from the Partnership Wellington Trust. The activities of the Partnership Wellington Trust, trading as Positively Wellington Tourism also transferred to WREDA Limited on this date.

WREDA Limited remains a council controlled organisation as defined under section 6 of the Local Government Act 2002.

2. Summary of significant accounting policies

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

2.1. Basis of Preparation

The financial statements of WREDA are for the year ended 30 June 2015. The financial statements were authorised for issue by the Board of Directors on 22 September 2015.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). These financial statements comply with Public Benefit Entity (PBE) accounting standard.

WREDA is a public benefit entity that qualifies for Tier 2 reporting as total expenses are greater than \$2 million but less than \$30 million. The Company has elected to report in accordance with Tier 2 PBE standards with reduced disclosure requirements (PBE standards RDR) as defined by External Reporting Board (XRB) A1 framework.

Measurement Base

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that have been measured at fair value or amortised cost. The accounts have been prepared on a going concern basis.

The financial report is presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated.

Comparative Information

The comparatives shown in these financial statements are for the 12 months ended 30 June 2014. Comparatives relate only to the activities of Wellington Venues Limited.

Changes in Accounting Policies

There have been no elected changes in accounting policies during the financial period. Public Sector PBEs with reporting periods beginning on or after 1 July 2014 are required to transition to the new PBE Accounting Standards. The first time adoption of the new suite of Public Benefit Entity Accounting Standards with reduced disclosure requirements (PBE standards RDR) after having previously applying NZ IFRS PBE (differential reporting) or "old NZ GAAP" does not constitute a change in accounting policies.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of WREDA and its subsidiaries (the Group) as at 30 June 2015. A Group structure diagram is included in note 33.

Subsidiaries

Subsidiaries are all those entities over which WREDA (the company and Group) has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Accounting policies of our subsidiary are aligned to ensure consistency with the policies adopted by the Company and Group. The financial statements of subsidiaries are prepared for the same reporting period as WREDA, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. Assets, liabilities, income and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the controlled entity.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

Financial Assets

WREDA's financial assets include cash and cash equivalents, trade and other receivables, and loans receivable. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets are recognised on the date that the Group commits to purchase or sale of the asset.

Cash and cash equivalents

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

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in two categories:

- (i) Loans and receivables
- (ii) Held to maturity investments

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Losses arising from impairment are recognised in the Statement of Comprehensive Revenue and Expenses in finance and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when WREDA has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognised in the Statement of Comprehensive Revenue and Expenses in other expenses.

Impairment of financial assets

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Investments in incubator and accelerator companies

The measurement of financial assets depends on their classification based on the purpose for which financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Creative HQ Limited (CHQ), receives shares from clients involved in its incubation programme as part consideration for the services and support provided by CHQ and the Lightning Lab to the client. The shares received represent a small proportion of the total equity of the client company. These shares are investments in equity instruments that do not have a quoted market price in an active market and are designated as available for sale.

CHQ recognises the initial investment in the companies according to the programme the company is involved in, incubator programme or accelerator programme. Companies in the incubator programme do not have a value on initial recognition as no external investment has yet occurred and therefore the fair value of the initial investment is valued at nil.

Companies in the accelerator programme have initial recognition at fair value through other comprehensive revenue and expense. This is determined by the value per share based on the funding

provided to each company in the programme in exchange for equity in the company. As at 30 June 2015 the valuation of CHQ's investments is based on the price of the most recent investment made by external investors, unless there is evidence that the value of the investment should be adjusted as the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value.

The valuation of these investments is undertaken by CHQ using accepted industry guidelines. The International Private Equity and Venture Capital Valuation Guidelines (IPEV) have been accepted as the industry standard valuation guidelines and are based on the principle of 'fair value' and are reviewed following any relevant changes in accounting standards or market practices. The IPEV Guidelines provide a framework for private equity and venture capital investors to arrive at a fair value for their investments. The IPEV are of the view that compliance with PBE accounting standards can be achieved by following the guidelines.

IPEV Guidelines recommend that for early stage investments, where it is difficult to assess the future profitability of the company, fair value is generally determined by the price of the most recent investment. This methodology is appropriate until the circumstances of the company change such that an alternative valuation methodology (such as, but not limited to price/earnings analysis or discounted cash flow) is appropriate or there is evidence that the value of the investment should be adjusted. An adjustment is considered necessary where the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. The level of adjustment can range from nil to 100% of the value.

A significant or prolonged decline in fair value of the investment below its cost is considered to be objective evidence of impairment. Where the asset is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is reclassified from equity to profit or loss as a reclassification or adjustment. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive revenue and accumulated as a separate component of equity in the fair value reserve.

As at 30 June 2015 the valuation of CHQ's investments is based on the price of the most recent investment made by external investors, unless there is evidence that the value of the investment should be adjusted as the performance of the investment is significantly below the expectations on which the investment was based, leading to a diminution in value. CHQ is reliant on receiving recent investment information from incubator and accelerator companies directly through yearly information requests.

Impairment of non-financial assets

Assets with finite useful lives are reviewed for impairment whenever an event or change in circumstances indicates that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Revenue

Revenue may be derived from either exchange or non-exchange transactions and comprises grants, management fees, interest income, investment income, rental income and other revenue and is measured at the fair value of consideration received or receivable. Revenue is included in the Statement of Comprehensive Revenue and Expense unless stated otherwise.

(i) Revenue from exchange transactions

Revenue from exchange transactions arises where WREDA provides goods or services to another entity or individual and directly receives approximately equal value or greater in a willing arm's length transaction (primarily in the form of cash in exchange).

(ii) Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. Revenue from non-exchange transaction arises when WREDA receives value from another party without giving approximately equal value directly in exchange for the value received.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As WREDA satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognizes an amount of revenue equal to that reduction.

Approximately equal value

Approximately equal value is considered to reflect a fair or market value, which is normally commensurate with an arm's length commercial transaction between a willing buyer and willing seller.

(i) Grants

Grants are in large received from shareholders Wellington City Council and Greater Wellington Regional Council but also from some Central Government organisations. Grants are recognised when received and all the conditions associated with the grants have been met. Where grants have been given for specific services, income will be recognised in the same period in which the specific service is provided. At balance date any unexpended specific funding is treated as a liability (income in advance).

(ii) Management Fee

WREDA manages venues on behalf of the Wellington City Council and receives Management fee revenue for those services. The venues currently managed on behalf of the Wellington City Council include the Michael Fowler Centre, St James Theatre, Opera House, TSB Bank Arena and Conference Centre (Shed 6). Management fee income is recognised in the accounting period in which the services are rendered.

(iii) Interest Revenue

Interest income is recognised as the interest accrues to the net carrying amount of the financial asset using the effective interest method.

(iv) Rental Revenue

Rental revenue is recognised on a straight line basis over the lease term.

(v) Other Revenue

Other revenue received includes fee revenue, capital raising success fees and sponsorships. Fee revenue received from incubator residents partly offsets the costs of running the incubator and is recognised when the future economic revenue is measurable and probable of future economic revenue being received.

Capital raising success fees received from the introduction of companies and individuals to Angel investors. These fees are received when those introduced raise capital. The fee is based on a negotiated percentage of the capital raised.

Sponsorships are received from third parties to partly cover the costs of running the subsidiary programmes and projects. Sponsors were linked to the programme and recognised in all promotions associated with the activity they sponsored. Sponsorships are recognised when measurable and probable of future economic benefits being received.

Other revenue received are from third parties to cover contracted and other services provided for the third party. These will include training courses, services provided to Education Wellington International and expenses recovered.

Property, Plant and Equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(i) Additions

The cost of acquiring or replacing part of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably.

(ii) Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expenses.

(iv) Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment other than land over the estimated useful life. Depreciation is charged to the Statement of Comprehensive Revenue and Expenses. The useful lives and associated depreciation rates have been estimated as follows:

Class of asset depreciated	Estimated useful life
Computer hardware	2-3 years
Equipment	2-8 years
Furniture and fittings	3-10 years

(v) Subsequent Costs

Subsequent costs for property, plant and equipment are capitalised only when future economic benefits or service potential will flow to the Group and the cost of the item can be measured reliably.

(vi) Capital work in progress

Capital work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Intangible assets

Intangible assets that are acquired, which have finite useful life, are measured at cost less accumulated amortisation and accumulated impairment losses. The useful lives and associated amortisation rates have been estimated as follows:

Computer Software	3 years
Website	3 years

(i) Amortisation

Amortisation is recognised in the Statement of Comprehensive Revenue and Expenses on a straight-line basis over the estimated useful lives of the intangible assets. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

(ii) Computer Software

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The costs associated with maintaining computer software are recognised as an expense when incurred.

(iii) Website Maintenance

Costs associated with developing websites are recognised as an intangible asset where it can be demonstrated that the asset will generate probable future economic benefits or service potential. Costs associated with maintaining websites are recognised as an expense when incurred.

Impairment of property, plant, and equipment and intangible assets

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets are assessed for indicators of impairment at each financial period. Where an asset's carrying value exceeds its recoverable amount, the asset is impaired down to its recoverable amount, with losses recognised in the Statement of Comprehensive Revenue and Expenses.

External and internal sources of information are assessed for indications of impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value (being the net selling price), with due allowance for any damaged and obsolete stock items.

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

Net selling price is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

Any write-down in the cost of inventory to net realisable value is recognised in the Statement of Comprehensive Revenue and Expenses.

Creditors and Other Payables

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are recorded at their face value. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expenses on a straight line basis over the term of the lease. Lease

incentives received are recognised as an integral part of the total expenses of the lease expense, over the term of the lease.

Personnel Costs

(i) Short-term benefits

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

(ii) Superannuation scheme

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in Statement of Comprehensive Revenue and Expenses when incurred.

Provisions

The Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Parent from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

Equity and Share Capital

Equity is Wellington City Council and Greater Wellington Regional Council's interest in WREDA, being a council controlled organisation, as measured by total assets less total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes. These components of equity are:

- Accumulated funds
- Share capital
- Capital injection from shareholder
- Available for sale reserves

Related Parties

Related party means parties that are considered to be related if one party has the ability to (a) control the other party, or (b) exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable

than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Related parties include key management personnel, directors and their close family members and entities controlled by them. Key management personnel are the chief executives of WREDA and Subsidiaries. Subsidiaries are also related parties due to WREDA's influence over them.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of assets and liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. Where material, information on major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

In distinguishing between exchange and non-exchange revenues, substance rather than the form of the transaction should be considered. Professional judgement is exercised in determining whether the substance of a transaction is that of a non-exchange or an exchange transaction.

In assessing if an impairment of property, plant, equipment and intangible assets was required, WREDA considered the plans to discontinue or restructure the operation as a result of the merger and the effect any merger will have on the useful life of the assets or the ability to generate continued cash from the assets. No impairment is considered necessary.

Uncertainties are inherent in estimating fair value of the investments in incubator and accelerator companies and care has been made in exercising judgement and making the necessary estimates. Accounting standards require a gain or loss on fair value of these investments to be recognised in surplus or deficit but there is no certainty that any gain or loss based on the estimate of fair value will actually be realised if a sale was completed.

Notes to the financial statements (continued)

4. Service Revenue

	Group 2015	2015	Parent 2014
Total	<u>6,929,244</u>	<u>3,940,026</u>	<u>-</u>

Service revenues are grants received by WREDA in large from its shareholders Wellington City Council & Greater Wellington Regional Council as well as some central Government organisations. Service revenues are used to further economic development in the Wellington Region.

5. Management Fees

	Group 2015	2015	Parent 2014
Total	<u>5,885,323</u>	<u>5,885,323</u>	<u>5,585,486</u>

Management fees are earned from managing venues owned by Wellington City Council. Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs contained within the Parent's venue management division.

6. Other Revenue

	Group 2015	2015	Parent 2014
Wellington i-SITE Visitor Information Centre revenue	1,418,285	1,418,285	-
Partner revenue	854,899	854,899	-
Cruise shuttle revenue	104,633	104,633	-
Fees for service, non-government	<u>561,831</u>	<u>22,130</u>	-
Total	<u>2,939,648</u>	<u>2,399,947</u>	<u>-</u>

7. Personnel Costs

	Group 2015	2015	Parent 2014
Salaries and wages	8,842,729	6,876,403	5,274,634
Kiwisaver contributions	191,685	137,624	97,662
Increase/(decrease) in employee entitlements	63,056	26,980	(11,442)
Other personnel costs	<u>131,296</u>	<u>71,430</u>	<u>47,397</u>
Total personnel costs	<u>9,228,766</u>	<u>7,112,437</u>	<u>5,408,251</u>

Due to the nature of Economic Development and Venue Management, the Group and Parent have a significant portion of expenditure as costs associated with personnel.

Notes to the financial statements (continued)

8. Other Expenses

	Group 2015	2015	Parent 2014
Advertising, printing and publications	3,642,739	3,337,880	-
Audit fees	70,669	34,686	17,000
Consultants and legal fees	119,831	60,434	16,385
Contractors	361,693	-	-
Direct costs	1,470,848	1,288,472	-
Grants and contributions	116,957	-	-
Information and communication technology	260,706	94,158	200
Loss on disposal of asset	282	282	-
Leased copiers and office equipment	9,627	-	-
Utilities	18,133	7,729	-
Rent	298,352	123,466	-
Travel	175,471	3,373	-
Stationery	40,686	9,147	-
Membership fees	21,378	2,963	-
Impairment of loan	28,431	28,431	-
Other expenses	245,931	44,116	25,752
	Note 15		
Total other expenses	<u>6,881,734</u>	<u>5,035,137</u>	<u>59,337</u>

9. Income Tax

	Group 2015	2015	Parent 2014
Components of tax expense			
Current tax expense/(benefit)	-	-	-
Adjustments in current tax in prior years	-	-	-
Deferred tax expense/(benefit)	(2,302)	(39,395)	13,347
Tax expense/(benefit)	<u>(2,302)</u>	<u>(39,395)</u>	<u>13,347</u>
Relationship between tax expense and accounting profit			
Net (deficit) surplus before tax	(502,099)	(91,194)	-
Tax at 28%	(140,588)	(25,535)	-
Plus (less) tax effect of:			
Non-deductible expenditure	1,119,197	1,119,197	748
Non-taxable income	(1,081,780)	(1,103,207)	-
Prior year adjustment	-	-	22,678
Tax losses forfeited	41,761	-	-
Group loss offset	(68,437)	(68,437)	(36,773)
Temporary differences not recognised	-	-	-
Deferred tax adjustment	127,284	38,587	-
Tax expense/(benefit)	<u>(2,563)</u>	<u>(39,395)</u>	<u>13,347</u>
Imputation credits			
Amount of imputation credits available for use in subsequent reporting periods	-	-	-
Amount of imputation credits available for use in subsequent reporting periods			

Notes to the financial statements (continued)
10. Property, plant and equipment

The Parent held no assets at the end of June 2014

Parent:	Furniture and Equipment	Property Improvement	Computer Hardware	Total
Cost	-	-	-	-
At 30 June 2014	-	-	-	-
Acquired upon acquisition	508,918	188,295	112,900	810,113
Additions	11,502	13,582	5,790	30,874
Disposals	(282)	-	-	(282)
At 30 June 2015	520,138	201,877	118,690	840,705
Depreciation	-	-	-	-
At 30 June 2014	-	-	-	-
Acquired upon acquisition	457,832	173,990	52,653	684,475
Depreciation for the period	12,918	6,416	14,022	33,356
As at 30 June 2015	470,750	180,406	66,675	717,831
Net book value	-	-	-	-
As at 30 June 2015	49,388	21,471	52,015	122,874
As at 30 June 2014	-	-	-	-
Group:	Furniture and Equipment	Property Improvement	Computer Hardware	Total
Cost	-	-	-	-
At 30 June 2014	-	-	-	-
Acquired upon acquisition	115,276	14,305	131,860	261,441
Additions	132,413	13,582	19,130	165,125
Disposals	(282)	-	-	(282)
At 30 June 2015	247,407	27,887	150,990	426,284
Depreciation	-	-	-	-
At 30 June 2014	-	-	-	-
Depreciation for the period	21,245	6,416	36,146	63,807
As at 30 June 2015	21,245	6,416	36,146	63,807
Net book value	-	-	-	-
As at 30 June 2015	226,162	21,471	114,844	362,477
As at 30 June 2014	-	-	-	-

Notes to the financial statements (continued)

11. Intangible assets – software/website

	Group	Parent
Cost		
At 30 June 2014	-	-
Acquired upon acquisition	36,672	534,835
Additions	<u>5,283</u>	<u>-</u>
At 30 June 2015	<u>41,955</u>	<u>534,835</u>
Amortisation		
At 30 June 2014	-	-
Acquired upon acquisition	-	525,440
Amortisation	<u>8,609</u>	<u>2,830</u>
At 30 June 2015	<u>8,609</u>	<u>528,270</u>
At 30 June 2015	<u>33,346</u>	<u>6,565</u>
At 30 June 2014	<u>-</u>	<u>-</u>

12. Investment in incubator and accelerator companies

	Group 2015	2015	Parent 2014
Opening balance	-	-	-
Acquired upon acquisition	1,008,054	-	-
Additions	-	-	-
Impairments to investment	-	-	-
Movement in fair value of accelerator and incubator companies for period 1 Jan - 30 June 2015	<u>392,938</u>	<u>-</u>	<u>-</u>
Total investment in incubator and accelerator companies	<u>1,400,992</u>	<u>-</u>	<u>-</u>

Creative HQ invests in unlisted early-stage companies. Unlisted investments are generally not publicly traded. As there may be no open market to establish an independent value for certain unlisted investments, there can be no assurance that a determination for fair value for an unlisted investment will be obtainable in the market, or that there will be a market for the unlisted investment.

The accounting policy is to recognise such investments both initially and subsequently at fair value following accounting standards. This will be based on the CHQ directors' assessment of fair value using the approach set out in note 2.2

In CHQ's accounts full year movement in the investments for the year ended 30 June 2015 is \$602,999 and the opening balance of its investments at 1 July 2014 was \$804,388. At year end, the fair value of its investments has been determined at \$1,400,992. Notwithstanding the uncertainty of the valuation of the investment, the CHQ Board is of the view that the fair values of unlisted investments in these financial statements represent the best available information and the WREDA Board has accepted this view.

Notes to the financial statements (continued)

CHQ's exposure to changes in investment value could be material to the financial statements. As CHQ is not reliant on the cash flows from the investments, changes in value do not impact the underlying viability of CHQ. The CHQ Board reviews regular reports from the companies.

In the event that an investment will be considered to be impaired, it will have a non-cash effect on the surplus / (deficit) of CHQ and Group.

13. Inventories

	Group 2015	2015	Parent 2014
Inventory held for sale:			
Finished goods	<u>1,816</u>	<u>1,816</u>	<u>-</u>

Finished goods are held for sale at the Wellington i-SITE Visitor Information Centre.

14. Trade and other receivables

	Group 2015	2015	Parent 2014
Trade receivables	499,925	227,623	-
Management fee receivable	591,093	591,093	386,032
GST receivable	132,350	132,350	-
Sundry receivables	26,702	25,997	- 5,750
Total receivables	<u>1,250,070</u>	<u>977,063</u>	<u>391,782</u>

Receivables from non-exchange transactions are non-interest bearing and are generally on terms of 30 to 90 days.

Non-exchange transactions

All receivables are derived from non-exchange transactions.

Notes to the financial statements (continued)

15. Other financial assets

	Group 2015	2015	Parent 2014	
Loan	75,000	75,000		-
Less provision for impairment	<u>(28,431)</u>	<u>(28,431)</u>		-
Total other financial assets	<u>46,569</u>	<u>46,569</u>		<u>-</u>

As at 30 June 2015, a loan provided to the Wellington Culinary Events Trust with an initial value of \$75,000 (2014: nil) was written down to its current fair value by \$28,241. This impairment was taken to the statement of comprehensive revenue and expense by the Parent. The loan is repayable after 5 years or on demand with 60 days written notice and no interest is charged. Its fair value shall be revisited yearly and adjusted if necessary. The Board has an expectation that the full loan of \$75,000 shall be repaid.

16. Cash and cash equivalents

	Group 2015	2015	Parent 2014	
Cash at bank and on hand	1,650,995	843,978		164,988
Term deposits	<u>-</u>	<u>-</u>		<u>-</u>
Total cash and cash equivalents	<u>1,650,995</u>	<u>843,978</u>		<u>164,988</u>

Notes to the financial statements (continued)

17. Investment in Grow Wellington Limited

	2015	2014
Grow Wellington Group		
Equity contribution from Wellington City Council	1,577,137	-
Property, plant & equipment, and intangibles	163,079	-
Intangible assets	-	-
Cash and cash equivalents	668,302	-
Receivables	298,901	-
Prepayments	22,900	-
Investments	1,022,860	-
Creditors	(276,670)	-
Employee liabilities	(107,589)	-
Income in advance	(161,352)	-
Other liabilities	<u>(53,294)</u>	=
Total identified net assets	1,577,137	
Less provision for impairment		
Investment in Grow Wellington Limited	1,577,137	

On 5 December 2014, Wellington City Council and Greater Wellington Regional Council entered in a Share Transfer Agreement to transfer 200 ordinary shares of the 1000 ordinary shares available in WREDA Limited to Greater Wellington Regional Council in consideration for 100% in Grow Wellington Limited being transferred to WREDA Limited. As a result of the share transfers, WREDA Limited is owned 80% by Wellington City Council and 20% by Greater Wellington Regional Council. The acquisition by WREDA Limited of 100% in Grow Wellington Limited has meant that WREDA Limited also acquired on that date, its wholly owned subsidiary Creative HQ Limited.

As at 31 December 2014, which was the date of effective control, Grow Wellington Limited and its subsidiary had assets of \$2,161,186 and liabilities of \$584,049, resulting in a valuation of \$1,577,137. Wellington City Council purchased Grow Wellington Limited via a share transfer agreement on 5 December 2014. WREDA received a capital injection of \$1,577,137 from its shareholders being the net assets of Grow Wellington Limited.

Name of Entity	Location	Principal Activity	2015 % Held	2014 % Held
Grow Wellington Limited	Wellington, New Zealand	Economic development company	100%	0%
Creative HQ Limited	Wellington, New Zealand	Start-up company	100%	0%

18. Employee Entitlements

	Group 2015	2015	Parent 2014
Annual leave	534,151	390,486	193,699
Accrued salaries and wages	<u>221,898</u>	<u>153,492</u>	<u>199,777</u>
Total employee entitlements	<u>756,049</u>	<u>543,978</u>	<u>393,476</u>

No accruals are made for sick leave as the probability of any requirement cannot be accurately recorded, and payments made during the year have identified that the potential cost is not material.

19. Trade Payables

	Group 2015	2015	Parent 2014
Total trade payables	<u>1,248,629</u>	<u>731,548</u>	<u>-</u>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-day terms. All payables are current.

Notes to the financial statements (continued)

20. Sundry Creditors and Accruals

	Group 2015	Parent 2015	2014
Expense accruals	679,251	579,583	-
Audit fee accrual	42,772	20,000	-
ACC payable	39,898	30,564	16,848
Other payables	<u>3,554</u>	<u>(6,079)</u>	<u>33,122</u>
Total sundry creditors and accruals	<u>765,475</u>	<u>624,068</u>	<u>49,970</u>

21. Taxes and Kiwisaver Payable

	Group 2015	Parent 2015	2014
GST payable	108,334	69,989	46,612
FBT payable	698	-	-
PAYE and Kiwisaver payable	<u>104,196</u>	<u>63,968</u>	<u>66,612</u>
Total taxes and Kiwisaver payable	<u>213,228</u>	<u>133,957</u>	<u>113,224</u>

22. Operating Leases

Operating leases as lessee

The Parent and Group lease buildings, plant and equipment in the normal course of its business. Future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group 2015	Parent 2015	2014
No later than one year	483,012	199,213	-
Later than one year but not later than five years	<u>531,654</u>	<u>164,744</u>	-
Total non-cancellable operating leases	<u>1,014,666</u>	<u>363,957</u>	<u>-</u>

Operating leases as lessor

The Parent's subsidiary has entered into a commercial property sub-lease on a surplus building. This non-cancellable lease has a remaining term of 2 years and 3 months. The Parent has entered into a commercial property sub-lease at the Wellington i-SITE Visitor Information Centre. This lease expired on 4 August 2015. Renewal is still subject to renewal of the head lease.

Notes to the financial statements (continued)

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2015 and 2014 are, as follows:

	Group 2015	Parent 2015	2014
No later than one year	52,024	5,024	-
Later than one year but not later than five years	<u>66,583</u>	<u>-</u>	<u>-</u>
Total non-cancellable operating leases	<u>118,607</u>	<u>5,024</u>	<u>-</u>

23. Contingent liabilities & Guarantees

At 30 June 2015, the Group and Parent had no contingent liabilities and had not entered into any guarantees.

24. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Parent and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Group and the Group's shareholders (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

There are no required related party disclosures but WREDA makes the following disclosures in relation to key management personnel.

Directors

Prior to the commencement of a Chief Executive in September 2015, the Chairman of WREDA, Peter Biggs, has been performing the role of Executive Chair. Wellington City Council has remunerated Peter Biggs for undertaking this work.

On 21 September 2015, Peter Biggs took up a role as Chief Executive of Assignment Group Limited, a supplier to WREDA. WREDA has ended its current arrangements with the Assignment Group. All previous transactions with the Assignment Group have been at arm's length.

WREDA purchased tax advice services from Deloitte New Zealand in 2015 at arm's length. Director Thomas Pippas is the National Chief Executive of Deloitte.

Brett Holland, who was a CHQ Board director during the year, performed consultancy work at CHQ during the year and was paid at arm's length for these services. During August 2015, Brett accepted a salaried position with CHQ and subsequently resigned as a director.

Management

WREDA entered into a loan agreement with the Wellington Culinary Events Trust to assist with costs incurred to purchase the brand and event known as Beervana. David Perks, Chief Executive of Positively Wellington Tourism, and Gerard Quinn, Chief Executive of Grow Wellington Limited, resigned as Trustees of Wellington Culinary Events Trust in May 2015 prior to the execution of this loan.

WREDA has also incurred establishment costs at arm's length with suppliers. Where these are borne by one business within the WREDA group, they have subsequently been shared equally among the other business areas in the Group.

Notes to the financial statements (continued)

25. Directors' fees

		2015	2014
Parent WREDA Limited			
Peter Biggs (Chairman)	(appointed on 4 Dec 2014)	29,169	-
Helen Anderson	(appointed on 4 Dec 2014)	14,583	-
Matthew Clarke	(appointed on 4 Dec 2014)	14,583	-
Sarah Gibbs	(appointed on 4 Dec 2014)	14,583	-
William (Grant) Guilford	(appointed on 4 Dec 2014)	14,583	-
Richard Laverty	(appointed on 4 Dec 2014)	14,583	-
Thomas Pippos	(appointed on 4 Dec 2014)	14,583	-
Lorraine Witten		20,833	15,000
Paul Mersi	(appointed on 4 Dec 2014)	14,583	-
Christopher Parkin (previous Chairman)	(resigned on 4 Dec 2014)	12,500	30,000
Cr. Simon Woolf	(resigned on 4 Dec 2014)	-	-
Daniel Bridges	(resigned on 4 Dec 2014)	6,250	15,000
Mike Egan	(resigned on 4 Dec 2014)	6,250	15,000
Linda Rieper	(resigned on 4 Dec 2014)	6,250	15,000
Samantha Sharif	(resigned on 4 Dec 2014)	6,250	15,000
Cr. Paul Eagle	(resigned on 31 Dec 2013)	-	7,500
Cr. Ngaire Best	(resigned on 12 Oct 2013)	-	4,240
Total WREDA directors' fees		189,583	116,740
Subsidiary Creative HQ Limited			
Gerard Quinn (Chairman)	(appointed on 7 Dec 2012)	-	-
Barry Brook	(appointed on 16 Dec 2011)	2,000	-
Brett Holland	(appointed on 1 Mar 2014)	2,000	-
Victoria Crone	(appointed on 28 Nov 2014)	2,000	-
Susan Reynolds	(appointed on 28 Nov 2014)	2,000	-
Nicholas Lewis	(resigned on 26 Jan 2015)	1,000	-
Total Subsidiary directors' fees		9,000	-
Total directors' fees		198,583	116,740

On the 4 December 2014, all Grow Wellington directors resigned and the newly appointed directors of WREDA Limited were appointed directors of Grow Wellington Limited. Their fees are paid by the parent company and a share paid direct to the Parent by the subsidiary.

Lorraine Witten was a director of WREDA Limited for the full financial year. Fees paid to her were for the full financial year. Paul Mersi is a director of Grow Wellington Limited and Sarah Gibbs was a trustee of Partnership Wellington Trust prior to merger. They received fees for this in the respective organisation prior to amalgamation.

Notes to the financial statements (continued)

26. Remuneration

Total remuneration includes any non-financial benefits provided to employees.

At the balance date, the Parent employed 158 full time equivalent employees. The Group employed 199 full time equivalent employees.

Severance payments

During the year the Parent has made termination payments totaling \$52,808.

Key management personnel

Key management personnel of the Parent in 2015 comprise the Chief Executives of operating divisions, Positively Wellington Venues and Positively Wellington Tourism, and directors of Wellington Venues Limited up to 4 December 2014 and WREDA Limited from 4 December 2014.

Key management personnel of the Group are the Chief Executives of all four operating divisions (Positively Wellington Venues, Positively Wellington Tourism, Grow Wellington Limited and Creative HQ Limited) and the directors of Wellington Venues Limited, WREDA Limited and Creative HQ Limited. Remuneration for Positively Wellington Venues is for the full year and for the other operating divisions are from 31 December 2014 (the effective date of control).

The total remuneration and the number of individuals, on a full-time equivalent basis, considered key management personnel receiving remuneration are:

	Group	Parent	
	2015	2015	2014
Key Management Personnel			
Directors remuneration	198,583	189,583	116,740
WREDA Limited director full-time equivalents	9	9	8
Creative HQ director full-time equivalents	5	-	-
Management remuneration of the operating divisions	717,803	516,291	992,039
Management full-time equivalents	4	2	7

Due to the difficulty in determining full-time equivalents for directors, the full-time equivalent figures are the number of directors serving on the boards of WREDA Limited and Creative HQ Limited as at 30 June 2015.

In 2014, the Parent's key management personnel consisted of the Chief Executive and six other members of Positively Wellington Venues' leadership team. During 2015, only Chief Executives are considered key management personnel. In 2014, the directors of Wellington Venues Limited are also included in key management personnel.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2014: nil).

The Group did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2014: nil).

The Group did not provide any loans to key management personnel or their close family members.

Notes to the financial statements (continued)

Salary Bands

The annual remuneration by band for employees as at 30 June:

	Number of current employees		
	Group 2015	2015	Parent 2014
\$100,000 - \$109,999	4	1	1
\$110,000 - \$119,999	3	3	-
\$120,000 - \$129,999	5	2	-
\$130,000 - \$139,999	2	-	1
\$140,000 - \$149,999	2	2	2
\$150,000 - \$159,999	2	1	-
\$160,000 - \$169,999	1	-	-
\$170,000 - \$179,999	1	1	-
\$190,000 - \$199,999	1	-	-
\$230,000 - \$239,999	1	-	-
\$260,000 - \$269,999	1	1	-
\$300,000 - \$309,999	-	-	1
\$390,000 - \$399,999	1	1	-

There has been a significant increase in employees being paid over \$100,000 compared to previous years. This is a result of the inclusion of Grow Wellington Limited, Creative HQ Limited and the former employees of the Partnership Wellington Trust as part of the WREDA Group.

Notes to the financial statements (continued)

27. Reconciliation of net cash flow from operating activities to surplus

	Group 2015	Parent 2015	Parent 2014
Surplus/(deficit) for the period	(502,099)	(91,195)	-
Add/(deduct) non-cash items:			
Vested Assets	-	-	-
Bad debts written off not previously provided for	-	-	-
Depreciation and amortisation	72,720	36,186	
Fair value changes in investment properties	-	-	(11,442)
Other fair value changes	5,624	-	-
Movement in provision for impairments of doubtful debts	-	-	-
Tax Expense	-	-	-
Non-cash movements in provisions	-	-	-
Total non-cash items	78,344	36,186	(11,442)
Add/(deduct) Working Capital movements:			
Trade and other receivables	(100,364)	(22,529)	173,266
Prepayments	7,529	(8,932)	(58)
Inventories	(406)	(406)	-
Trade and other payables	1,785,188	1,253,641	11,780
Revenue in advance	(378,650)	(475,211)	-
Employee benefit liabilities	173,832	92,559	31,933
Provision for other liabilities	-	-	-
Total working capital movements	1,487,129	839,122	(216,921)
Add/(deduct) investing and financing activities:			
Net gain/loss on disposal of P&E	-	-	-
Dividends received, including CHQ sale of shares in investments	(31,000)	-	-
Interest received	(37,202)	(27,642)	(1,507)
Tax paid	(1,205)	(500)	(481)
Interest paid on borrowings	-	-	-
Subvention Payment	(931)	(931)	(2,672)
Share of equity accounted surplus in associates	-	-	-
Total investing and financing activities	(70,338)	(29,073)	(4,660)
Net cash flows from operating activities	993,036	755,040	200,819

Notes to the financial statements (continued)

28. Auditor fees

The auditor of WREDA Limited is Audit New Zealand.

	Group 2015	Parent 2015	2014
Fees to Audit New Zealand for:			
Audit of financial statements	59,669	23,686	17,000
Fees paid to Grant Thornton for:			
Audit of divisions financial Statements (WREDA Tourism)	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Total fees paid to auditors	<u>70,669</u>	<u>34,686</u>	<u>17,000</u>

The audit firms responsible for auditing WREDA Limited have not been paid a fee for any other services required.

29. Events after the balance date

There are no material non-adjusting events after the reporting date.

30. Adjustments arising on transition to the new PBE accounting standards

a. Reclassification adjustments

There have been no reclassifications on the face of the financial statements.

b. Recognition and measurement adjustments

There have been no recognition and measurement adjustments to 30 June 2014 comparative information resulting from the transition to the new PBE accounting standards

31. Operating funds

WREDA is reliant for a large part of its revenue from its shareholders, Wellington City Council and Greater Wellington Regional Council (the Councils).

The Councils have accepted the Group's Statements of Intent, which includes funding for the Group and its activities for the next three years.

Notes to the financial statements (continued)

32. Assets transferred from Partnership Wellington Trust

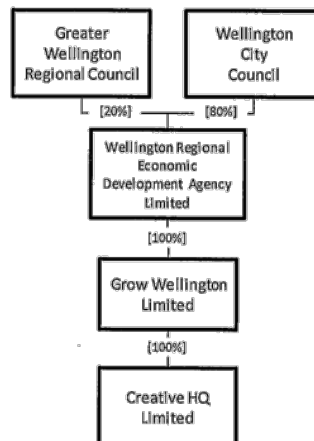
On the 12 December 2014, the Partnership Wellington Trust and WREDA entered into an Asset Transfer Agreement to transfer the assets including liabilities of the Partnership Wellington Trust, trading as Positively Wellington Tourism, to WREDA Limited.

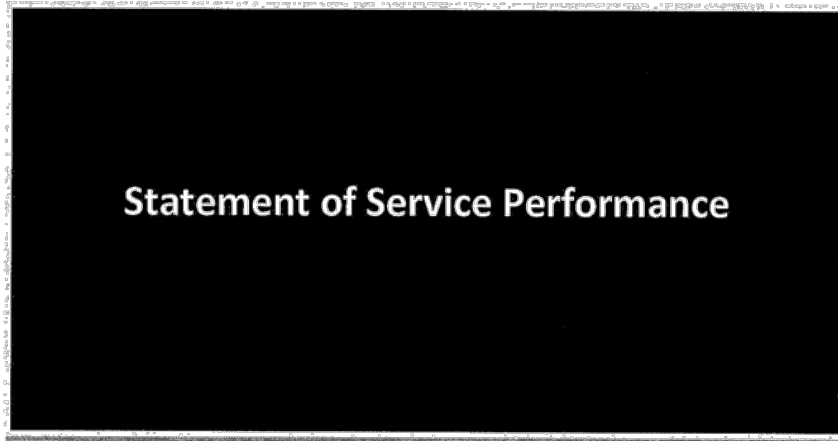
Partnership Wellington Trust	
Consideration paid for assets	-
Property, plant & equipment	125,638
Intangible assets	9,395
Cash and cash equivalents	1,000
Receivables	603,151
Prepayments	21,533
Stock on hand	1,409
Creditors	-
Employee liabilities	(190,277)
Income in advance	(566,434)
Other liabilities	(5,415)
Total identified assets	0

33. Company Structure

Wellington City Council and Greater Wellington Regional Council entered in a share transfer agreement with WREDA Limited to transfer 200 ordinary shares of the 1000 ordinary shares available in WREDA Limited to Greater Wellington Regional Council in consideration for 100% in Grow Wellington Limited.

As a result of the share transfers, WREDA Limited is owned 80% by Wellington City Council and 20% by Greater Wellington Regional Council. WREDA Limited received 100% shareholding in Grow Wellington Limited as an equity injection from the Wellington City Council. Grow Wellington Limited has a wholly owned subsidiary Creative HQ Limited.





STATEMENT OF SERVICE PERFORMANCE MEASURES

In December 2014, Wellington City Council and Greater Wellington Regional Council created a new agency - Wellington Regional Economic Development Agency Limited (WREDA) combining Positively Wellington Tourism, Positively Wellington Venues and Grow Wellington Limited. These Statement of Service Performance results reflect the 12 months activities of these business units.

Positively Wellington Venues

MEASURE	MEASURE/TARGET	FY15 RESULT	COMMENT ON RESULT
Economic Contribution Grow the economic contribution of show and grow business events to Wellington. This measure is based on the relationship between event revenue and the event-related expenditure in Wellington (referred to as the expenditure multiple).	Economic benefit from conventions & events (3.37x grow business revenue) target of \$28.7m Economic benefit from performances & exhibitions (at 2.46x show business revenue) target of \$13.7m	\$27.0m \$16.3m	There is often competition for available space at venues and overall we have met the combined group target of \$43.3m. This was close to \$1 million or 2.4% above the combined target.
Optimising space by achieving a 5% improvement in venue utilisation over last year	Venue utilisation 50.7%	52.4%	The number of hired days over last year increased with a corresponding improvement in utilisation. This is pleasing given that the Wellington Town Hall was unavailable for public performances in the 2015 financial year.
Optimising venue yield by achieving a 4% improvement over last year	Venue yield 34.6%	35.6%	The improvement in venue yield is driven by the increase in event revenue (at a summary level) and improvement achieved in utilisation over the prior year.
Community Responsibility Ensuring our venues are open to community and funded events. There are a wide variety of sponsorships provided and they are broadly categorised as City Growth, Creative Sponsorships, Community Support, and Civic Occasions.	Greater than 175 community hire days per annum Value of community subsidised or sponsored events of \$2m	186 \$1.111m	PWV supported 32 separate community hirers to deliver 74 events in our venues for a total of 186 hire days in the 2015 financial year. All requests were met but the total pool wasn't spent as World of WearableArts Show rehearsed offsite.

MEASURE	MEASURE/TARGET	FY15 RESULT	COMMENT ON RESULT
Customer Satisfaction Give a voice to the customer to understand and improve their experience at our venues	Net promoter score >70%	87%	Hirers are surveyed post-event, although participation rates are not high. A complaints register is monitored and any issues addressed with immediacy. Interpreting the results of the net promoter score is not statistically sound due to insufficient number of respondents. Of those that did respond, 87% scored seven or higher out of ten.
Good Employer	Zero serious harm at our venues	1	One patron incident reported (broken arm). Procedures have been initiated to reduce risk of recurrence.
Health & Safety in our venues	Zero lost time due to injury	0	For the second consecutive year there were no lost time injuries reported.
Improvement in staff engagement survey "say, stay and strive"	2% improvement in annual staff engagement	n/a	A staff engagement survey was completed in February 2015. Sixty four percent (64%) of permanent and casual staff scored five or more out of ten when asked how they rate the culture of PWV. The rating ranged from zero, being "not at all" to ten, being "extremely satisfied". A follow up survey will be run before the end of this calendar year.
Profit Contribution Deliver a EBITDA target improvements in the 2014/15 FY	Full year EBITDA >\$765k	\$822.9k	Positively Wellington Venue's represents the combined result of the venues operations within the WCC that are managed by WREDA. The result is normalised to exclude revenue from PAF grants, WREDA establishment costs and other abnormal costs. This is done to better represent the performance of the underlying business operations and enables better year on year comparisons of performance.
Productivity Improve the profit margin of each line of business towards a 1% improvement on prior year at Group	Full year gross margin of 44%	44%	Initiatives implemented over the year lifted gross margin by 1% to achieve the targeted expectation of 44%.

Positively Wellington Tourism

MEASURE		MEASURE/TARGET	FY15 RESULT	COMMENT ON RESULT
Organisational	WCC funding	Maintain WCC core funding at 50% or less of Wellington's marketing activity investment.	46.2%	Wellington City Council funding was 46.2% of our total marketing investment made through PWT activity in the 2014/15 year.
	Overhead costs	Maintain overhead costs as less than 12% of total activity costs including partnership investments.	7.7%	Overhead costs were \$901,204 which was 7.7% of total activity costs.
Australia Sales & Marketing				
	Recognition of destination	Recognition of Wellington as a visitor destination in targeted regions of Australia has risen over levels measured (after one full year of activity) in March 2015.	51%	A survey of Australian travellers found that 51% of respondents felt their knowledge Wellington and the surrounding wine regions has increased over the last 12 months. This figure has declined when compared to the same survey in 2014 (65%). (Source: PWT 'Wellington Travel Survey')
	Australian arrivals	Increase Australian visitor arrivals through Wellington International Airport over 2013/14 levels by 3%.	+1.4%	Australian visitor arrivals to Wellington Airport increased 1.4% to 141,904. (Source: International Visitor Arrivals, Statistics NZ)
	Airline capacity	Airline capacity maintained at least 2013/14 levels.	-0.3%	Trans-Tasman capacity decreased by 0.3% to 967,722 seats. (Source: Wellington International Airport Limited)
Convention Bureau Sales and Marketing				
	Leads and referrals	Increase leads/referrals generated to Convention Bureau partners by 2% relative to 2013/14.	13.5%	Large (100+ delegates) leads and referrals made to partners increased by 13.5%. Small (<100 delegates) leads and referrals numbered 220. (unable to measure against previous years due to change in reporting of data) (Source: Salesforce reporting, PWT)
	Market share	Maintain Wellington's Convention & Incentive market share within the New Zealand market to 17% of the national share of the multi day conference market.	15%	Wellington's C&I multi-day market share of delegate days for the year ended March 2015 at 15%. (Source: Convention Activity Survey)

MEASURE		MEASURE/TARGET	FY15 RESULT	COMMENT ON RESULT
Downtown Marketing				
Retail spending	Wellington retail and hospitality spending does not decline below 2013/14 levels.		+7%	Spending has increased by 7% in the 11 months to May 2015, relative to 2013/14. (Source: Regional Tourism Indicators, MBIE)
Wellington audience	Increase the KNOW Wellington audience (social media and KNOW eNews) by 10% to 157,000.		12.5%	The current KNOW Wellington audience exceeds the target set by 12.5%, finishing the year at 176,775. (Source: PWT database statistics)
International Marketing				
International guest nights	Increase international commercial guest nights in Wellington relative to 2013/14 by 2%.		13.3%	International commercial guest nights increased by 13.3% to 733,413. (Source: Commercial Accommodation Monitor – 11 months to May 2015)
Airline promotion	PWT will work with WIAL to meet with airlines for which there is a business case to fly to Wellington and provide each with a business proposition. PWT will work with Wellington tourism providers and Tourism NZ to promote travel to Wellington from key Asian source markets to increase demand for travel to Wellington.		Completed	PWT has attended 3 Tourism New Zealand led KiwiLink events in Asia, developed translated versions of WellingtonNZ.com and hosted many trade and media famils in Wellington targeting Asian markets. (Source: PWT and WIAL report to WCC)
International spending	Increase the spend by international visitors to Wellington by 2% relative to 2013/14.		18%	International spending rose 18% in the 11 months to May 2015, relative to 2013/14. (Source: MBIE Regional Tourism Indicators)
New Zealand and Event Marketing				
Domestic guest nights	Increase domestic commercial guest nights in Wellington city by 2% relative to 2013/14.		4.6%	Domestic commercial guest nights increased by 4.6% to 1,331,661. (Source: Commercial Accommodation Monitor – 11 months to May 2015)
Weekend rooms	Increase weekend rooms sold in partner hotels by 2% relative to 2013/14.		Increased	The methodology of measurement has changed since last year. Weekend occupancy levels in partner hotels increased from 73.4% to 77.5% to 78.2%. (Source: PWT Hotel Monitor)
Digital Marketing				
Website visits	Increase total website visits to WellingtonNZ.com by 10% relative to 2013/14.		11%	Visits to WellingtonNZ.com increased to 2,635,155, an increase of 11%. (Source: Google Analytics)
Subscribed audience	Increase Wellington's subscribed audience by 7% (e-newsletter and social media subscribers across all areas) to 215,000.		29%	Wellington's subscribed audience increased to 277,830, 29% ahead of target. (Source: PWT database and social media statistics)

MEASURE		MEASURE/TARGET	FY15 RESULT	COMMENT ON RESULT
Product Development				
Project support	Provide support and research assistance into the visitor usage aspects of infrastructure projects proposed by WCC in its Eight Ideas for Economic Growth.	Completed		The PWT executive has supported WCC in regards to the development of a film museum, establishing improved international air connections, development of a convention centre and the growth agenda set out in the WCC LTP 2015-2025. (Source: PWT and partner report to WCC)
i-SITE Visitor Centre				
i-SITE revenue	Maintain i-SITE revenue relative to 2013/14.	-10.2%		Trading revenue in the year decreased by 10.2% compared to 2013/14.
Wellington product sales	Increase the proportion of sales of Wellington product by 2% relative to 2013/14.	10.7%		The proportion of sales of Wellington product increased 10.7% to 38% of total i-SITE sales.
i-SITE visitors	Visitors to the i-SITE maintained at 2013/14 levels.	+9.5%		331,120 people visited the i-SITE in the year, an increase of 9.5% on 2013/14.
Destination Wellington				
Marketing	Delivery of marketing activity to targeted audiences in coordination with delivery programme.	Completed		The Wellington Works talent attraction campaign webpages saw more than 14,000 visits in six weeks, and referred 181 visitors to job listings. The Wellington Adds Up Business attraction campaign generated 25,000 page views and resulted in 5 Australian prospect business owners being hosted in Wellington in June. The PR campaign supporting the Destination Wellington talent and business attraction campaigns in Australia had a cumulative reach of 97,868,503 in four months. (Source: Sling & Stone; PWT, Grow Wellington and WCC report to CCOs)
Website visits	Increase total website visits to WellingNZ.com by 10% relative to 2013/14.	11%		Visits to WellingNZ.com increased to 2,635,155, an increase of 11%. (Source: Google Analytics)

Grow Wellington

MEASURE		MEASURE/TARGET	FY15 RESULT	COMMENT ON RESULT
Business growth				
Deliver a suite of business capability services across the region	\$ Full capability funding allocated.		100%	100% of funding allocated.
	RBP target number of businesses connected to the Accelerate Success Programme (NZTE).		400	Over 400 unique business engagements with the RBP programme year to date (across NZTE and Callaghan Innovation).
	15 business clinics delivered		10	10 business clinics delivered. Adjusted approach during the year and clinics booked from November to February were cancelled due to changes in demand.
	20 businesses participate in programme.		20	20 business participated in investment programme.
	1 investment event held.		2	2 investment events held.
Deliver a suite of export growth events or services.	Baseline number of businesses participating in export programme.		35	Over 35 businesses directly involved across the programme.
	1 export growth event held		4	4 export events held. Event partners included Grant Thornton, American Chamber of Commerce and KPMG.
Refine sector strategies Implement sector projects	Publish strategies for ICT & Digital, and Film & Screen		Nearing Completion	Strategy published for Film and Screen. ICT and Digital in progress.
	Complete existing multi-year projects (e.g. Clean Tech Centre) and deliver new programmes and projects from sector strategies which identify and support industry led clustering, new market/product opportunities and export trade connections.		Completed	Clean Tech Centre closed. Building subleased to new tenant.
	Identify, support and deliver new sector based events.		Completed	New programmes and projects scoped, started or supported include Lightning Lab Manufacturing, Screen Masterclass Series, China Film Delegation (with Film Commission), and a high tech manufacturing focused delegation to Tempe, Arizona with the Hutt City Council Mayoral delegation.

	Deliver Visa Wellington on a Plate (VWOAP) Supplier Showcase and support VWOAP Festival.	Completed	Other sector events delivered include Visa Wellington on a Plate Supplier Showcase, Edtech for Export conference, AnimixNZ conference, Goran Roos digital manufacturing event, Alvy Ray-Smith Project Connect screen and animation event, Bruce Sheridan screen industry event, Connect to Silicon Valley business and pitching event, ICT industry partnership event (with Westpac Stadium), Robotics Hackfest as part of the Hutt Science Technology Engineering Manufacturing and Mathematics (STEMM) festival.
	Event management for Edtech for Export conference.	Completed	Events sponsored by Grow Wellington include Animation Education Conference, New Zealand Hi-Tech Awards and Wairarapa Gate to Plate.
	Support wider benefits of Wairarapa Water Use Project.	Completed	A Memorandum of Understanding with the Wairarapa Water Use Project was signed, detailing Grow Wellington's ongoing support for the project including assessment of economic impact, business attraction, a farmer information programme and land use research.
Attraction			
Business & Investment	Pipeline value of \$20m EVA (Economic Value Add).	\$132m	Pipeline value \$132m.
Attraction campaigns	Four in-market campaigns completed.	10	Ten campaigns completed.
	New businesses contribute \$8m pa EVA.	\$4.1m	\$4.1m contribution from deals completed.
	Attract and support relevant delegations to come to Wellington which match local needs and opportunities, and provide follow up action.	Completed	As strategic partners for inaugural Open Source // Open Society conference in April we sourced, funded and hosted two key note speakers from the US, providing opportunities for them to share their knowledge with the local tech community. With Positively Wellington Tourism we hosted the five Australian businesses which were winners of the Wellington Adds Up business attraction competition. The group met similar local companies and industry leaders as well as getting a taste of the region's business environment, and lifestyle. Other delegations included NWA Newswire from Japan, Zhongnan Trading from China and Xiamen ITG, a Chinese logging company looking for forestry acquisition and logging rights. We introduced Xiamen ITG to suppliers of timber and sellers of forestry tracts. Increased sales are expected.

Student Attraction campaigns	5% increase over 2012 baseline, or a 3% increase in NZ market share of international students enrolled in Wellington region secondary and tertiary institutions.	2%	2% growth in student numbers for 2014 (calendar year).
Film & Screen Attraction	The attraction of screen production to Wellington with combined production value of \$10m.	\$120m	We played a significant role attracting large budget productions to the region, suggesting location options, showcasing production facilities and recommending services for <i>The Light Between Oceans</i> , <i>Pete's Dragon</i> and <i>Krampus</i> . The value of studio and on-location production in Wellington for these films was approximately \$120m.
Talent Attraction	Deliver two talent campaigns in line with workforce needs.	5	Five campaigns delivered. Two seminars delivered to support Wellington employers' international recruitment activity.
Business Retention	Execute a retention engagement programme with key businesses	Completed	Ongoing relationships are maintained with key businesses to gain early advice of potential relocation issues.

MEASURE	MEASURE/TARGET	FY15 RESULT	COMMENT ON RESULT
Innovation Lead the development of the region-wide innovation ecosystem	A programme of active partnerships/alliances driving specific projects	Completed	Contributed to meetings to identify problems and objectives for the redevelopment of Gracefield as an Innovation Quarter. Member of the working group devising a roadmap for the area's redevelopment. Collaborated with the Embassy of Israel to select an entrepreneur to represent New Zealand at the Start-Up Tel Aviv seminar in Israel. Creative HQ's programme of Startup Weekends, Bootcamps and the R9 Accelerator have connected businesses, students, investors and Government.
	Innovation Profile used to drive increased collaboration and output in priority sectors	Ongoing	Prototype Profile refreshed and integrated on the WellingtonNZ.com website to showcase innovation in the region to on and off-shore audiences. Next stage will be to negotiate partnerships with both Victoria Business School and Callaghan Innovation to build a research-based data set and to connect the Profile with Callaghan Innovation's National Technology Networks.
Progress innovation hub and precinct proposals	Proposals shaped and impact evaluated	Ongoing	Participated in the Europe/UK innovation precinct evaluation mission with Callaghan Innovation and the Ministry of Business, Innovation and Employment in July 2014 and reported findings to Callaghan Innovation for consideration with respect to the Gracefield Innovation Quarter. Provided feedback on the draft Expression of Interest for the Wellington City Council's Tech Hub and sat on the Evaluation Panel.
Deliver Regional Business Partner programme with Callaghan Innovation	2013/14 level (\$2.4million) + 5% *	\$6.6m	\$6.6m Research and Development grant funding allocated
<i>* Subject to contract negotiations with Callaghan Innovation</i>			
Increase the number of successful entrepreneurs and viable start-ups in the region		2 high growth exits from incubator Creative HQ's portfolio value	Achieved 6 high growth exits \$1.4m \$1.4m current valuation as at 30 June 2015

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exceeds \$1m	\$5.7m	Achieved a total \$5.7m investment. \$3m was raised from follow-up funding of the Lightning Lab 2014 cohort and \$2.7m of investment was offered on demo day at Lightning Lab Auckland.
\$3.5m of investment raised six months post Demo Day (for Lightning Lab teams)		
Digital Futures - 50 students attending programme	24	24 students participated. This was a result of uncertainty of programme timing and reliance on external parties to market to students.
Workforce		
Work with tertiary and skills providers to identify new programmes of study and support their implementation	Completed	In response to the government's ICT Graduate School initiative, which allocated \$28.6m of contestable funding for three new schools, we collaborated with a combined tertiary (VUW, WelTec/Whitireia) and industry (Downer, Greenbutton, Interger, WETA Digital) Working Group, to develop a proposal for Wellington. An announcement of the outcome will be made in the first quarter of 2015/16. The School will deliver a wider range of industry-responsive tertiary qualifications, integrated work placements, and industry-generated research projects.
Bring together an industry-led Advisory Board to identify and sponsor proposed new programmes	Achieved	Following our seed funding for Enspirial Dev Academy in 2013/14, this year the Academy has trained 74 graduates, 86% of whom have moved directly into employment in the ICT industry, the majority of them (91%) in Wellington-based businesses.
Increasing numbers of new programmes both tertiary and independent with a widening range of teaching/training and learning models	182	182 interns were placed in target sector firms.
175 interns placed in target sector firms	Achieved	The number of interns and businesses involved in Summer of Tech increased again with 90 internships in Wellington compared to 47 last year. 33% of the interns placed were female, well above the industry average of 20%. Our Manufacturing pilot was successful and plans for a Design pilot were developed to run next year.
Increase work-based learning		

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

**To the readers of the
Wellington Regional Economic Development Agency Limited group's
financial statements and performance information
for the year ended 30 June 2015**

The Auditor-General is the auditor of the Wellington Regional Economic Development Agency Limited and its subsidiaries. The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the group, consisting of the Wellington Regional Economic Development Agency Limited and its subsidiaries (collectively referred to as "the Group"), on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- The financial statements of the Group on pages 16 to 48, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on pages 49 to 59.

In our opinion:

- The financial statements of the Group:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with reduced disclosure requirements.
- The performance information of the Group presents fairly, in all material respects, the Group's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Uncertainties in the carrying value of unlisted shares in incubator and accelerator companies

Without modifying our opinion, we draw your attention to note 2.2, note 3 and note 12 of the financial statements that explain how the fair value of shares in incubator and accelerator

companies has been determined and the uncertainties in measuring that fair value. Although the fair value of unlisted shares in incubator and accelerator companies is based on the best information available, there is a high degree of uncertainty about that value due to the early stage nature of the investments, the absence of quoted market prices and the reliance placed on the unaudited information supplied by the incubator and accelerator companies. This uncertainty could have a material effect on the statement of comprehensive revenue and expenses and statement of financial position. This uncertainty also impacts a reported result in the statement of service performance for Creative HQ's portfolio value for incubation on page 58.

We consider the disclosures about the uncertainties and reliance on information to be adequate.

Our audit was completed on 25 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Group's financial statements and performance information 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 involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

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

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the Group that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the performance information for the Group.

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

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

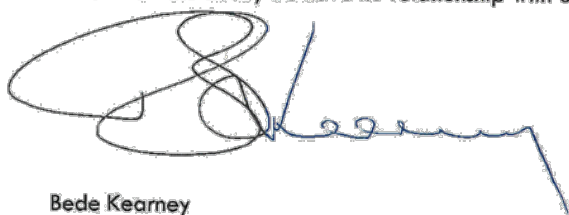
Responsibilities of the Auditor

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

Independence

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

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



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

Directory

For the year ended 30 June 2015

The company changed its name from WELLINGTON VENUES LIMITED to WELLINGTON REGIONAL ECONOMIC DEVELOPMENT AGENCY LIMITED on 5 December 2014.

Directors

- Lorraine Witten (appointed 1 January 2012)

The following appointments were made to the Board of Directors on 4 December 2014:

- Helen Joan Anderson
- Peter Ronald Francis Biggs (Chair)
- Matthew Norman Clarke
- Sarah Jane Gibbs
- William Grant Guilford
- Richard James Laverty
- Paul Mersi
- Thomas Pippas

There have been the following changes to the Board of Directors since 1 July 2014:

- The following Directors resigned from the Board of Directors on 4 December 2014:
 - Simon Woolf
 - Linda Rieper
 - Christopher Parkin
 - Samantha Sharif
 - Daniel Bridges
 - Michael Egan

Shareholders	Wellington City Council 800 shares (80%) 101 Wakefield Street Wellington 6011 New Zealand
	Greater Wellington Regional Council 200 shares (20%) Shed 39, Harbour Quays, Centreport Wellington 6011 New Zealand
Registered Office	111 Wakefield Street Wellington Central Wellington 6011 New Zealand
Auditors	Audit New Zealand Level 1, 100 Molesworth Street Wellington 6140 New Zealand
Bankers	ANZ Bank New Zealand Limited 22 Willis Street Wellington 6011 New Zealand
Solicitor	DLA Piper 50-64 Customhouse Quay, Wellington, 6140 New Zealand
Registered Company Number	3237332

WELLINGTON ECONOMIC INITIATIVES DEVELOPMENT FUND

Purpose

1. The purpose of this paper is to report on the second year of the Wellington Economic Initiative Development (WEID) Fund, ended 30 June 2015.

Summary

2. The WEID Fund has supported 24 initiatives through its investment of \$2.026 million during the 2014/15 financial year. In 2013/14, \$1.6 million was invested and a further \$2.4 million has been committed to future initiatives with payments occurring through to 2018/19 totalling \$6.056 million of approved investment as at 30 June 2015.
3. Since 30 June 2015, a further \$3.4 million has been approved, including up to \$3.26 million for the tech hub which was approved as part of the 2015/25 Long Term Plan process.
4. The initiatives span several sectors (technology, film, medical research, innovation, commerce, education and entertainment) and activity types (business support, sector support, events and business events).

Recommendations

That the Economic Growth and Arts Committee:

1. Receive the information.
2. Agree to change the name of the Wellington Economic Initiatives Development Fund (WEID Fund) to the Wellington Economic Development Fund (WED Fund).

Background

5. The WEID fund was established on 1 July 2013, with funding of \$3 million from budgeted surpluses as a tool to support initiatives that will contribute to the economic growth of the city. A further \$3.6 million was approved in the 2014/15 Annual Plan, bringing a total of \$6.6m available for allocation to 30 June 2015.
6. In June 2015, Council approved a further \$3 million per annum in the 2015/25 Long Term Plan.
7. The WEID fund enables the Council to respond to economic development and growth opportunities that arise in the public and private sector in a timely and agile manner.
8. The priorities of the WEID fund are to:
 - help generate income and productivity growth at a faster rate than the economy as a whole
 - help facilitate opportunities that contribute to economic growth in Wellington
 - be agile, responsive and engaged through a partnership approach that is tailored to maximise potential leverage from both private and public sectors.
9. The WEID fund supports three broad areas: events, initiatives and partnerships. The table below outlines each of the three funding areas:

Events	Initiatives	Partnerships
<p><i>Events that are:</i></p> <ul style="list-style-type: none"> • Maximising the economic contribution that events can make to Wellington • Maximising the diversity and vibrancy of Wellington's arts and culture events • Enhancing a strong events support-structure which draws on Wellington's venues and assets • Encouraging more visitors to Wellington through strengthening the city's profile as a leading events destination • Encouraging the development of events that support the city's key strategic economic objectives. 	<p><i>Initiatives that are:</i></p> <ul style="list-style-type: none"> • Facilitating opportunities for Wellington that enlarges the city's business footprint • Supporting initiatives that build the city's reputation as an easy place to do business • Supporting initiatives that create jobs in Wellington's professional services and innovative high-tech industries • Enhancing Wellington's image as a centre of excellence in innovation and professional services • Encouraging opportunities that contribute to the city's long-term economic growth aspirations. 	<p><i>Partnerships that are:</i></p> <ul style="list-style-type: none"> • Supporting people to commercialise or progress innovative ideas that are Wellington-based or focused (not start-ups) • Sharing expertise and resources to maximise potential opportunities for the city that: <ul style="list-style-type: none"> • will lead to improved economic growth opportunities, and/or • will lead to better value for money services for the local government sector • Encouraging a joined-up approach that contributes to the city's long-term economic growth aspirations.

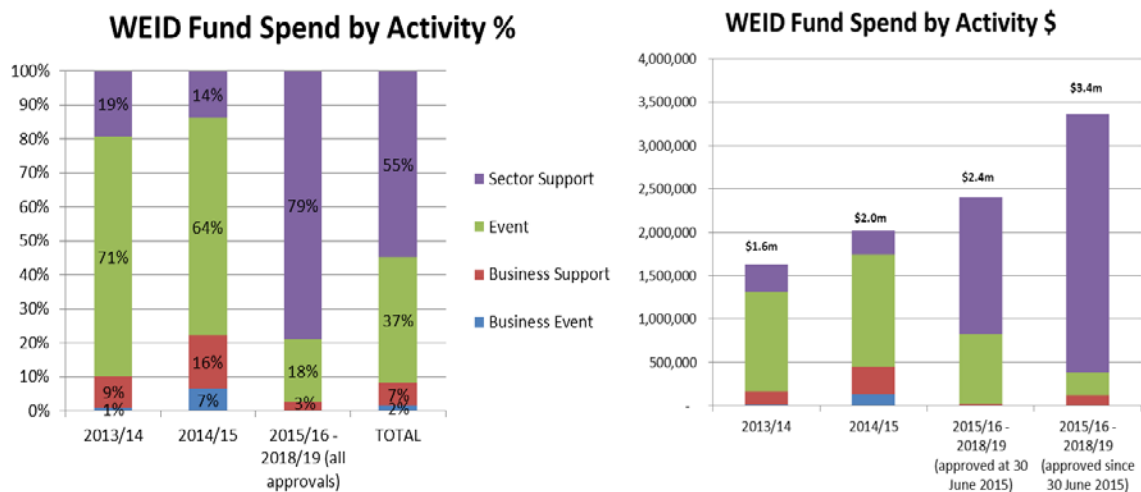
- Proposals are assessed for their strategic fit against these criteria as well as normal due diligence criteria of the applicant (financial viability and analysis, ability to deliver, partners, other investors etc).
- Each proposal needs to have a matched funding source so that a maximum of 50% of total initiative costs are being sought from the WEID fund. The matched funding will be either in the form of a cash injection from other investors, or in-kind investment (verifiable time or services) to an equal value on the initiative.
- Funding decisions for initiatives seeking over \$100,000 are made by the Funding Panel, comprising the Mayor, Deputy Mayor, Economy Portfolio Leader and Chief Executive. Decisions under \$100,000 are delegated to the Chief Executive only.
- In the year to 30 June 2015, 59% of funding spent (7 initiatives) resulted from decisions by the Funding Panel. Across all fund approvals since inception and including future commitments, 85% of the \$6.056 million approved funding at 30 June 2015 (11 initiatives) was approved by the Panel.

Discussion

14. In the year ended 30 June 2015 the WEID funded 24 initiatives totalling \$2.026 million, out of the total \$6.6 million available.
15. Since the fund began to 30 June 2015, \$6.056 million of the \$6.6 million available has been paid or committed from the WEID Fund. \$1.6 million was paid in 2013/14 and \$2.0 million in 2014/15. The remaining \$2.4 million has been committed to future projects requiring payments out to 2018/19 (as at 30 June 2015).
16. In addition, since 30 June 2015 a further \$3.4 million has been approved (including up to \$3.26 million for the the tech hub as part of the 2015-25 LTP process) to future projects. This brings the total of committed projects from the WEID fund since its inception to the time of writing to \$9.4 million.

Activites Supported

17. The WEID Fund has supported a variety of projects which can be broken down to the following four main categories:
 - Business Events – industry or sector specific events held in Wellington
 - Business Support – support for business development in, and attraction opportunities to Wellington
 - Sector Support – support for promotion and growth of a particular sector that provides the potential for economic returns to Wellington (eg Film, Technology)
 - Events – Major events that support the city’s key strategic event outcomes
18. The following graphs shows how the \$9.4 million of commitments from the fund are spread across these activities by year, and total:



19. Of the \$2.0 million spent in 2014/15, 64% was used to support events (eg Cricket World Cup, WWI, Capital 150th), 16% went to business support (eg. Enspiral Dev Bootcamp, Youth Enterprise Accelerator Programme, CHQ Innovation Services), 14% supported sector activities (Miramar Events Trust, GMRI medical research, Summer of Tech) and 7% supported business events (eg. Helloworld Conference, OS//OS 2015 tech conference).
20. We anticipate a changing profile over time due to sector and business support activities requiring more research and business case development than event analysis, and with the formation of WREDA and more targeted projects and programmes being identified

for economic development and growth. In addition there was a pent up demand in the events space through 2013 – 2015 where the city has enjoyed a strong event program.

Expected Outcomes of the WEID Fund spend to 30 June 2015

21. WEID fund investments have both economic and non-economic returns for the city. Some are immediate (events) and some take longer to realise (business and sector support).
22. Each initiative has its own funding agreement with conditions and reporting requirements tailored to that initiative. This ensures that Council has the ability to monitor and record if the KPI's of each initiative are met.
23. In this financial year some of the key outcomes from the initiatives supported include:
 - a. Bridging the skills shortage gap in the IT sector through initiatives such as the Enspirial Dev Boot Camp and growing the Summer of Tech internships program – both with very high success rates in terms of graduate employment in the tech sector. Both are working well with the industry and are working hard to put in place solutions to the skills shortage problem in Wellington.
 - b. Assisting our start-up businesses to achieve key clients through the Creative HQ Innovation Services program which links industry problems and needs to solutions and services provided by our local start ups, assisting them in their success and growth.
 - c. Hosting the country's first youth accelerator program, 'Venture Up' for 18-25 year old entrepreneurs (targeted through Young Enterprise) and run by Creative HQ. The pilot program was such a success it has now attracted government funding and will be run again in Wellington next year involving a larger number of nationwide students.
 - d. Showcasing Wellington as a great place to do business through business conferences such as Helloworld bringing 500 Australian and New Zealand tourism sector professionals to Wellington, and the OS//OS (Open Source Open Society) 2015 Festival showcasing innovation.
 - e. Successfully hosting the Cricket World Cup in Wellington, and continuing to grow our reputation of superior hosting capability and experience of players and fans.
 - f. Supporting unique and ground-breaking medical research led by Dr Swee Tan into the use of stem cells in cancer treatment at the Gillies McIndoe Research Institute based in Newtown, Wellington. Dr Tan's reputation is growing internationally and being based in Wellington could have significant benefits to the city in the medical research field.
 - g. Promotion of Wellington's status as the country's Capital City through the Capital 150th celebrations.
 - h. Support of the film sector through assisting with the establishment of the Miramar Events Trust, led by Oscar winning Jaimie Selkirk, which aims to facilitate events and projects related to film, technology, education, arts, culture and other activities within the Miramar film businesses for the benefit of the greater Wellington community.
24. An economic impact report prepared by PWC for the Cricket World Cup indicates \$40 million of gross domestic product (GDP) and 700 additional jobs were created in the Wellington economy as a result of our investment in this event.

Future WEID Fund Commitments

25. The WEID fund will continue to contribute to the long-term economic growth aspirations of the city through its future commitments to initiatives that will increase visitation to Wellington through airline route development and completion of the Capital 150th celebrations and WWI commemorations being held in our city.
26. In addition, the tech hub will be a place for Wellington's innovative businesses in the tech sector to call home – whether through locating or showcasing their business there, attending or hosting events, or seeking resources and support to help their businesses be more successful. It will be located at 115 Tory Street (opposite Moore Wilson's) and is being developed in partnership with BizDojo, a New Zealand owned company that has been developing and operating co-working and collaboration spaces since 2009.
27. BizDojo will be significantly expanding its co-working space to create the tech hub's physical environment, and along with CreativeHQ, our City's incubator, will provide an important 'front door' for Wellington based start-ups and entrepreneurs in the city. The tech hub will also host and deliver a dynamic set of programmes and events that will energise, activate and connect the wider tech, entertainment, design, and sustainability businesses that are part of Wellington's wider innovation ecosystem.
28. At the time of writing this report, a further \$5.8 million has been committed to fund future projects over the next three financial years from WEID (including up to \$3.26 million for the Council approved tech hub) as follows:
 - \$2.8 million in 2015/16
 - \$1.6 million in 2016/17
 - \$1.4 million in 2017/18
29. It is also expected that the WEID fund will continue to support the events program for the city which was passed over to WREDA more than fully subscribed.

Name of the Fund

30. In the development of our communications and marketing strategy for the fund it was noted that the acronym "WEID" when pronounced caused confusion, and could misrepresent the intention of the fund.
31. It has been proposed that an alternative name and acronym would make the communications and marketing of the fund a less confusing process. The following suggestion or options were considered:

a.	Wellington Economic Growth Fund	WEG Fund
b.	Wellington Economic Development Fund	WED Fund
c.	Wellington Growth Fund	WGF
d.	Wellington Innovation and Growth Fund	WIG Fund
32. It is recommended that the fund be renamed the Wellington Economic Development Fund (WED Fund) to remove the confusion arising from the use of the WEID fund in marketing and communications material.

Attachments

Nil

Author	Kiri Rasmussen, Manager, Economic Development Projects
Authoriser	Derek Fry, Director City Growth & Partnerships

SUPPORTING INFORMATION

Consultation and Engagement

No consultation has occurred in the preparation of this paper. The WEID fund has been consulted on as part of the development of the 2015/25 Long Term Plan.

Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations.

Financial implications

There are no financial implications.

Policy and legislative implications

There are no policy and legislative implications.

Risks / legal

There are no risks or legal implications.

Climate Change impact and considerations

There is no impact to climate change or any further considerations.

Communications Plan

The website outlines the purpose of the WEID Fund and the application process and criteria. A communications plan for the fund is in development and will be signed off by the Director of City Growth and Partnerships.

UPDATE ON PROJECTS

Purpose

1. The Committee will receive an update on the projects work underway.

Recommendation

That the Economic Growth and Arts Committee:

1. Receive the information.

Discussion

2. The Director of City Growth and Partnerships will update the Committee on a number of projects and workstreams currently underway, including the Tech Hub and work in the major events area.

Attachments

Nil

Author	Derek Fry, Director City Growth & Partnerships
Authoriser	Derek Fry, Director City Growth & Partnerships

3. Public Excluded

Resolution to Exclude the Public:

THAT the Economic Growth and Arts Committee :

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.1 Report from Wellington International Airport Limited for the Quarter Ending 30 June 2015	7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.