

WELLINGTON REGIONAL STADIUM TRUST ANNUAL REPORT 2004/05 REVIEW

1. Introduction

The trustees of Wellington Regional Stadium Trust (WRST) have submitted their audited annual report for the year to 30 June 2005.

2. Performance

a Financial results

(i) Against targets

Statement of Financial Performance

\$'000	FY Actual	FY Budget	2003/04 Actual
Income	15,656	13,059	12,191
Expenditure	13,120	11,797	11,818
Net surplus	2,536	1,262	373
Operating margin	16%	10%	3%
Return on equity	5%	2%	1%

The trust has posted its biggest surplus since opening in 2000. The result reflects the particular mix of event days in use, which contributed to the high attendance levels and yields.

Statement of Financial Position

\$'000	FY Actual	FY Budget	2003/04 Actual
Current assets	2,692	2,340	3,015
Non-current assets	111,582	111,640	114,272
Current liabilities	7,928	3,260	8,577
Non-current liabilities	51,359	57,010	56,259
Equity ¹	54,987	53,710	52,451
Current ratio	0.34	0.72	0.35
Equity ratio	48%	47%	45%

¹ Including limited recourse loans

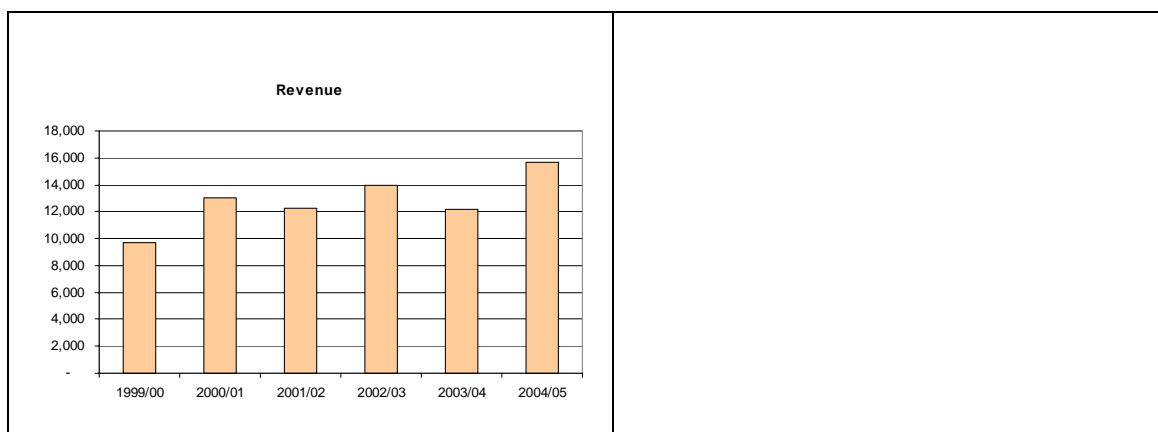
The trust has been able to make its scheduled loan repayments for both 2003/04 and 2004/05 and also has been able to commit \$0.588 million towards stadium enhancements.

Statement of Cash Flows

\$'000	FY Actual	FY Budget	2003/04 Actual
Operating	2,865	1,170	1,534
Investing	(589)	(400)	(109)
Financing	(3,254)	(1,500)	(596)
Net	(978)	(730)	829
Closing balance	1,221	1,540	2,199

The major contributor was the positive operating result, which enabled the increased capital expenditure and loan repayments to be made.

(ii) Trends



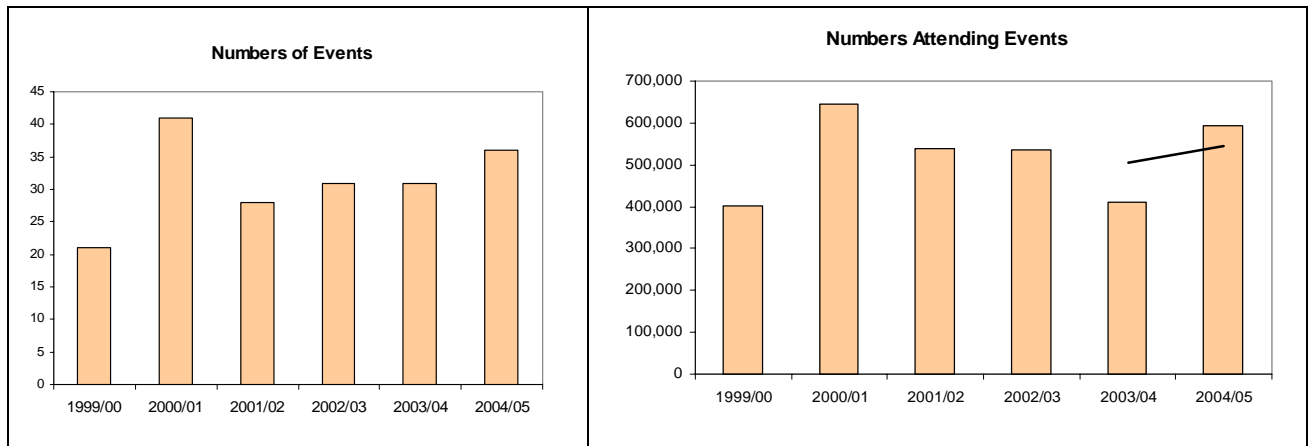
b KPIs

(i) Against targets

Measure	2004/05 Target	2004/05 Actual	Comment
Work within approved budget and business plan	To be achieved		Achieved
Work within and report on the approved strategic plan and Statement of intent	To be achieved		Achieved
Number of events	39	36	Below target
Number of attendees	No target set	593,941	Achieved
Event Income	\$5.22m	\$7.74m	Achieved
Net Surplus (deficit)	\$1.26m	\$2.54m	Achieved
Bank borrowing to total assets	<=24.7%	22.88%	Achieved

The Trust has achieved its three millionth patron in April 2005 compared to the original target date of 2009.

(ii) Trends



The Trust has had a busy year, and benefited from the NPC semi-final and final. The trend line for attendees is a 5-year average, which is intended to be used as the benchmark in coming years.

c Significant changes

(i) In activities

Basin Reserve activities are no longer the responsibility of the Stadium Trust. However the Trust does continue to provide turf management services to the new Basin Reserve Trust.

(ii) Other – governance

The following trustees retired during the year: Councillors Ian Buchanan (GW) and Chris Parkin (WCC) in October 2004 and Dame Margaret Bazley in June 2005. Councillors Robert Armstrong (WCC) and Chris Laidlaw (GW) were appointed in November 2004, and Liz Dawson was appointed in July 2005.

3. Discussion

a Key items from the year

IRD STATUS: Following the end of the financial year, the status of the Trust has been resolved in the Court of Appeal. This judgement has set out that the Trust is not a CCO but has been established under its own empowering legislation. IRD is not expected to appeal this case any further.

b Issues for consideration

No new issues have been raised.

4. Conclusion

a Summary of analysis

WRST has had a strong year, in terms of its key indicators: event numbers, revenue and profits.

b Looking forward

The expansion of both the Super 12 (14) and NPC rugby competitions next year offer opportunities and challenges for the Trust to work through.

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