

REVIEW OF WELLINGTON REGIONAL STADIUM TRUST 2006/07 ANNUAL REPORT

1. Introduction

The trustees of Wellington Regional Stadium Trust (WRST) have submitted their audited annual report for the year to 30 June 2007.

2. Key Issues

The Trust usually aims to achieve a net surplus of \$2 million to service and repay debt. With no rugby test budgeted for the coming year and the need for increased investment ahead of the World Rugby Cup in 2011, the budget for the 2007/08 year is for a surplus of \$1.1 million. The Trust has successfully re-negotiated repayment terms of its bank loan in the run-up to 2011.

3. Performance

a. Financial

Statement of Financial Performance

\$ '000	FY Actual	FY Budget	2005/06 Actual
Income	15,912	14,178	16,432
Expenditure	13,853	12,476	16,153
Operating surplus	2,059	1,702	2,279

Statement of Financial Position

\$ '000	FY Actual	FY Budget	2005/06 Actual
Current assets	3,211	2,680	1,775
Non current assets	103,351	109,180	107,863
Current liabilities	6,437	3,000	6,862
Non current liabilities	40,800	52,010	45,510
Equity ¹	59,325	56,850	57,266
Current ratio	0.50:1	0.89:1	0.26:1
Equity ratio	56%	51%	52%

Statement of Cash Flows

\$ '000	FY Actual	FY Budget	2005/06 Actual
Operating	2,488	1,770	3,388
Investing	(381)	(450)	(505)
Financing	(1,650)	400	(2,931)
Net	457	(1,720)	(48)
Closing balance	1,630	2,500	1,173

¹ Including limited recourse loans

For the third consecutive year the Trust has achieved a net surplus in excess of the \$2 million required for debt servicing and to maintain the stadium to international standard. The result this year was assisted by two rugby tests, only one of which was budgeted, offset to some extent by the write-down in value of the electronic replay screen/scoreboard ahead of its early replacement.

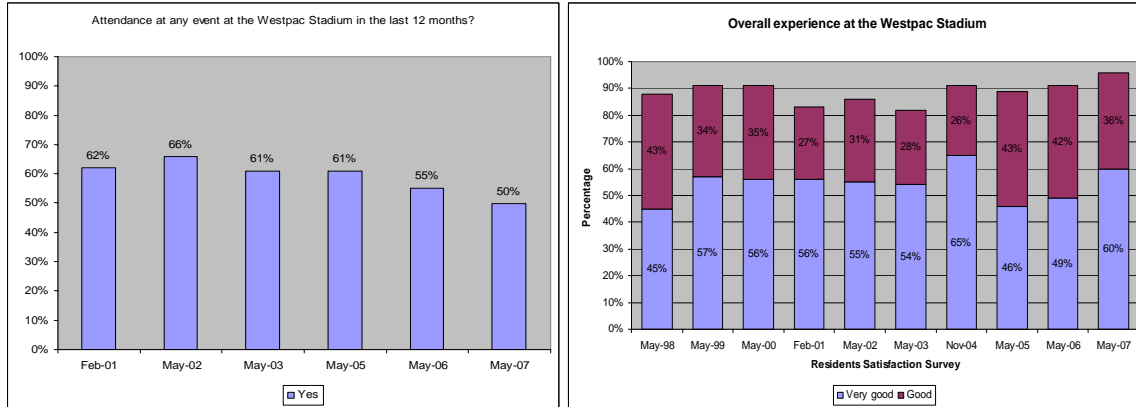
Debt was further reduced by \$1.65 million and the annual interest bill is now \$0.6 million less than the 2001 peak.

b. KPIs

	2007 Actual	2007 Target
Sporting events	21	18
Concerts/Other events	2	2
Exhibition days	8	8
Community events	8	7
Total Events	39	35
Event revenue	\$7,441,808	\$5,662,000

	2007 Actual	2006 Actual
Bank borrowing to Total Assets	20.9%	21.8%
Number of attendees	483,000	506,928

c. Trends



The downward trend in terms of attendance is a national trend for stadiums throughout the country, with possible explanations being greater competition for entertainment spending and various sporting fixtures resulting in fans being more selective in the matches that they attend.

Positive upwards trend in terms of attendee experience, particularly in light of the high levels that have been maintained from 2004.

4. Key items from the year

A full sporting program completed including two rugby tests, a rugby league test, IRB International Sevens, Super 14 and Air New Zealand Cup fixtures, and One Day and Twenty/20 cricket internationals.

The stadium support of the Wellington Phoenix proposal was key in their successful bid for inclusion in the Australian A-League Football competition.

Another high profile music event, Elton John, was successfully staged in December, with over 32,000 enjoying the concert on a balmy Wellington evening.

Operational improvements include the successful introduction of a drop in cricket pitch and the replacement of the replay screen/scoreboard with an improved version. Installation of another screen at the south end of the stadium will be completed by the end on 2007 which will mean that there are screens at both ends of the ground.

5. Governance

Peter Biggs retired as a trustee in June 2007. The current trustees during the year were:

P D Collins (Chair)
R A Armstrong (WCC Councillor)
Sir John Anderson
P R F Biggs (retired 30 June 2007)
D W Bale
E A Dawson
M J Egan
C R Laidlaw (GWRC Councillor)

6. Comments Regarding Council

The continuing support of Wellington City Council councillors and officers is acknowledged in the annual report.

7. Future Plans / Issues

Additional capital expenditure is planned for the 2007/08 year for the lounges and concourse to improve the service and the variety of food and beverages.

Planning and investment continues for the 2011 Rugby World Cup.

8. Conclusion

WRST has had another successful year and, with the addition of the Wellington Phoenix program, the stadium is now at capacity for sporting events.

The announcement of a concert by international super group, Police in February 2008, confirms the stadiums growing reputation as a world class facility for major international events.