

20 May 2008

Warren Ulusele
Portfolio Manager, Council Controlled Organisations
Wellington City Council
P O Box 2199
WELLINGTON

Dear Warren

December 2007 Quarterly report

Please find attached the quarterly report for the Wellington Regional Stadium Trust for the quarter ending 31 March 2008.

Please contact me if you require any further information.

Yours sincerely



David Gray
CHIEF EXECUTIVE

**Wellington Regional Stadium Trust
Report to Settlers
For quarter ending 31 March 2008**

The Trustees are pleased to present this report of operations for the quarter ending 31 March 2008.

Events

There have been a wide variety of events presented during the quarter illustrating the multi-purpose nature of the venue.

Three concert days were held. The first in January was The Police concert attended by 18,629. This was an excellent show that deserved a higher crowd. The relatively low attendance was in common with all the band's shows across Australasia.

At Easter 2008, the two day Rock2Wgtn extravaganza was held. Attendance across the whole weekend was close to 40,000, and the crowd was generally well behaved. On the first night the concert ran over the scheduled 11 pm finish giving rise to four noise complaints from residents. Following a meeting with the promoter, the second night was presented in a shortened format and there were no complaints on the second night.

Another very successful Sevens tournament was held in the first weekend in February with over 69,000 enjoying the spectacle that is the Wellington Sevens. Once again we were fortunate to have good weather, and a winning New Zealand team.

A Cricket One Day International was held against England one week later on 9 February. Attendance was 17,268.

Three Super 14 games were held during the quarter. As has been experienced across the whole competition attendances have been falling, however attendances at Westpac Stadium are among the highest in the country. Attendance at the Crusaders game was 31,744, and at the first two games was 15,682 and 16,913.

The quarter started with the Phoenix's final round robin home game on January 4. A beautiful Wellington day brought out the crowds and over 13,000 attended.

The main community event held during the quarter was the annual Junior Sports Day organised by Sport Wellington. Over 600 children attended, and they got to experience a variety of sports on the Stadium pitch. These days are always popular.

Financial Results

The net surplus for the nine months to March is \$3.3m, compared to a budgeted surplus of \$786,000.

Event revenues are \$2.8m ahead of budget for the nine months. As reported previously, there have been more events than have been budgeted for. There were 37 event days in the nine months compared to a budget of 26. The additional events were two concert days, six

additional football matches, the Air NZ Cup quarter final, an extra Super 14 match and one preseason rugby match.

Non event revenues are also above budget, primarily due to increased income from commuter car parking, as well as some additional function related income.

The difference between the budgeted and actual cash flow movement for the period is mainly due to the positive surplus variance. During the quarter we also made a temporary repayment against the bank loan of \$1.5 million.

The value of turf management services provided at no cost to the Basin Reserve Trust during the quarter was \$81,788.

Creative Wellington – Innovation Capital

The Trust continues to work closely with promoters to attract concerts and other non-sporting events to the Stadium and we are currently in discussions with promoters as we finalise next years event schedule.

Rugby World Cup 2011

The Trust is represented on the Wellington Project Group with the City Council, Regional Council, Wellington Rugby, Positively Wellington Tourism and NZ Police looking at maximising the benefits to the region from the tournament.

Asset Management Plan

Opus International have completed an independent review of the asset management plan, which includes a physical check of all the assets, and a review of all planned preventative and reactive maintenance and we have actioned all the recommendations in the consultants report. The consultants have complimented the Trust on appropriateness and quality of the asset management plan.

Work continues, with the assistance of our contractors, on the exterior cladding of the building. We expect the issue to be satisfactorily resolved in the next 12 months, and expect any cost the Stadium has to meet to be contained within existing budgets.

Capital Expenditure

During the quarter, capital expenditure was \$200,000 on a variety of items including security system enhancements, new carpet and some replay screen production equipment.

Turf

The turf has come through this busy period well and there are no significant issues. A successful returfing was completed following the Rock2Wellington concert.

Basin Reserve

It has been a particularly busy period at the Basin which included cricket test against Bangladesh v England and one concert. The work being put into the Basin wicket is paying off with the recognition of increase pace and bounce during the Test against England.

Customer Satisfaction

Full debriefs are conducted with the code or promoter after each major event. All event debriefs conducted during the period have been positive with no major issues arising.

The Trust has continued its practice of monitoring queuing times at the concourse food and beverage outlets at each event. The six minute queue KPI has generally been met at all events during the quarter, and we are satisfied with the performance of our caterer in this area.

Conclusion

This financial year has continued to be very busy for the Westpac Stadium and we look forward to completing a successful year in the remaining quarter.

Paul Collins
Chairman
May 2008

Wellington Regional Stadium Trust Key Performance Indicators

FINANCIAL	Actual				Total YTD \$000	Budget				YTD Budget \$000 31-Mar-08	Annual Budget \$000	Annual Reforecast \$000	YTD Variance 31-Mar-08 \$000	YTD Variance %
	Quarter 1 30-Sep-07 \$000	Quarter 2 31-Dec-07 \$000	Quarter 3 31-Mar-08 \$000	Quarter 4 30-Jun-08 \$000		Quarter 1 30-Sep-07 \$000	Quarter 2 31-Dec-07 \$000	Quarter 3 31-Mar-08 \$000	Quarter 4 30-Jun-08 \$000					
Event revenue	1,173	1,216	3,669	3,669	6,058	803	427	2,011	1,157	3,241	4,398	6,285	2,817	87%
Total income	3,373	3,416	5,983	5,983	12,672	2,877	2,467	4,097	3,247	9,441	12,688	15,444	3,231	34%
Net surplus/(deficit)	357	826	2,095	2,095	3,278	(265)	44	1,007	293	786	1,079	2,970	2,492	317%
Net cashflow movement	(734)	1,856	(86)	(86)	1,036	(2,731)	477	2,085	(444)	(169)	(613)	(234)	1,205	(713)%
Loan repayments	0	0	1,500	1,500	1,500	0	0	0	0	0	0	0	0	
Net bank debt	21,404	19,548	18,134	18,134	18,134	23,186	22,709	20,623	21,068	20,623	0	(234)	2,489	12%
Liquidity Ratio (Current Assets to Current Liabilities)	0.69	0.88	0.97	0.97	1,783	(0.53)	(0.18)	0.49	0.48	0.49	1,685	1,986	(98)	(6%)
Bank borrowing to Total Assets	21.18%	20.38%	19.32%	19.32%	21.19%	21.45%	21.52%	21.19%	21.44%	21.19%	1,685	1,986	(98)	(6%)
Stadium Enhancements (Capex)	657	926	200	200	1,783	1,420	265	265	265	1,685	1,685	1,986	(98)	(6%)

EVENTS	Actual				Total YTD	Budget				YTD Budget	Total Budget	Reforecast	YTD Variance 31-Mar-08
	Quarter 1 30-Sep-07	Quarter 2 31-Dec-07	Quarter 3 31-Mar-08	Quarter 4 30-Jun-08		Quarter 1 30-Sep-07	Quarter 2 31-Dec-07	Quarter 3 31-Mar-08	Quarter 4 30-Jun-08				
Events held during period	7	1	5	13	13	6	4	3	3	10	13	17	
Rugby	1	1	1	1	1	1	1	1	1	1	1	1	
Cricket	6	7	1	14	14	3	4	1	1	8	8	14	
Football	1	1	1	3	3	1	1	1	1	1	1	1	
Other Sport	2	3	3	5	5	2	3	3	3	1	1	3	
Concerts/Other events	15	12	10	37	37	11	8	6	6	26	32	44	11
Exhibition Days	6	2	3	11	11	3	1	1	1	4	5	10	
Total events	16	29	6	51	51	10	14	10	10	46	56	56	
Other event-related days	48	60	19	127	127	24	78	30	17	132	149	210	(5)
Community events	6	2	3	11	11	3	1	1	1	4	5	10	
Set up/bookings for quarter/semi/final	11	17	0	28	28	10	14	22	0	46	56	56	
Turf renovation	16	29	6	51	51	0	56	0	0	56	56	56	
Total event-related days	120,353	136,223	219,649	476,225	476,225	120,353	136,223	219,649	219,649	476,225	476,225	476,225	(5)
Total numbers attending	120,353	136,223	219,649	476,225	476,225	120,353	136,223	219,649	219,649	476,225	476,225	476,225	(5)

Wellington Regional Stadium Trust
Statement of Financial Performance
For the Nine Months Ending 31 March 2008

	Actual YTD	Budget YTD	Variance	Annual Budget	(12 months) 30/06/07 Actuals
	\$	\$	\$	\$	\$
Operating Revenue					
Event Revenues	6,058,273	3,241,307	2,816,966	4,398,128	7,441,808
Amortisation	5,626,784	5,629,386	(2,602)	7,513,322	7,565,467
Sundry income	703,286	389,447	313,839	521,404	597,560
	<u>12,388,343</u>	<u>9,260,140</u>	<u>3,128,203</u>	<u>12,432,854</u>	<u>15,604,835</u>
Investment Revenues	284,373	181,591	102,782	256,027	307,327
Total Revenue	12,672,716	9,441,731	3,230,985	12,688,881	15,912,162
Operating Expenses	<u>5,604,466</u>	<u>4,927,972</u>	<u>(676,494)</u>	<u>6,640,170</u>	<u>8,785,727</u>
Operating Surplus before Depreciation and Interest	7,068,250	4,513,759	2,554,491	6,048,711	7,126,435
Depreciation	2,328,940	2,334,101	5,161	3,114,451	3,183,762
Interest	1,460,803	1,393,517	(67,286)	1,855,356	1,883,693
Net Operating Surplus	<u><u>3,278,507</u></u>	<u><u>786,141</u></u>	<u><u>2,492,366</u></u>	<u><u>1,078,904</u></u>	<u><u>2,058,980</u></u>

Wellington Regional Stadium Trust
Statement of Financial Position
As at 31 March 2008

	31-Mar-08 \$	30-Jun-07 \$
Trust Funds		
Accumulated Surplus	22,208,706	18,930,199
Limited Recourse Loans		
Wellington Regional Council	25,000,000	25,000,000
Wellington City Council	15,000,000	15,000,000
Wellington City Council - Accrued Interest	394,893	394,893
Total Trust Funds & Limited Recourse Loans	<u>62,603,599</u>	<u>59,325,092</u>
Non Current Liabilities		
Term Loans	20,800,000	22,300,000
Revenue in Advance	19,848,231	22,036,887
Total Non Current Liabilities	<u>40,648,231</u>	<u>44,336,887</u>
Current Liabilities		
Payables & Accruals	1,304,004	983,301
Revenue in Advance	3,127,847	1,916,594
Total Current Liabilities	<u>4,431,851</u>	<u>2,899,895</u>
Total Funding	<u>107,683,681</u>	<u>106,561,874</u>
Represented by:		
Non Current Assets		
Fixed Assets	103,398,535	103,351,113
Total Non Current Assets	<u>103,398,535</u>	<u>103,351,113</u>
Current Assets		
Cash	2,665,781	1,630,100
Receivables & Prepayments	1,619,365	1,580,661
Total Current Assets	<u>4,285,146</u>	<u>3,210,761</u>
Total Assets	<u>107,683,681</u>	<u>106,561,874</u>