

**WELLINGTON REGIONAL STADIUM TRUST**

**WELLINGTON REGIONAL COUNCIL - HALF YEARLY REPORT**

**FOR SIX MONTHS ENDED 31 DECEMBER 2000**

**Introduction**

The Wellington Regional Stadium Trust is pleased to report a successful period of operation to 31 December 2000. The Trust has achieved budget for the period and has been successful in securing an excellent calendar of sporting events.

The Trustees are satisfied with the result for the period noting that Colonial Stadium in Melbourne reported a \$35m loss for its first six months of operation and its Chief Executive has expressed concern about its future if it does not attract more events.

**Events**

The period includes the Bledisloe Cup, four NPC games, two major exhibitions – Wheels and Home & Garden, two one day cricket matches and the Celebrate Jesus concert.

The rugby test was fully sold out, the NPC experienced record crowds averaging 30,000 and the Celebrate Jesus concert attracted 24,000 people to an afternoon of religious celebration and singing.

The exhibition crowds of 15,000 for Wheels and 35,000 for the Home & Garden Show have encouraged promoters to rebook these events.

This has also been a busy period for private functions with 260 functions hosting 20,705 people.

New events confirmed for the next 12 months include:

- 2 Football Kingz games
- 1 Soccer Test v Australia
- 1 NRL game – Bulldogs v Warriors with the Bulldogs committing to one game a year for five years

We are still to finalise arrangements for the Rugby League Test scheduled for July.

Discussions are continuing with concert promoters. As is normal in the industry various artists are considering tours to this part of the world, however none has confirmed at this time. The cancellation of the Australian section of the Elton John tour was disappointing after completion of negotiations with the promoter. The weak Australian and New Zealand dollars are affecting concert tours to this part of the world. The Trust now has in place an agreement with Leisure Management International, a large US-based venue management group. This agreement links us with some major Australian venues for purpose of sourcing major concerts.

### **Food and Beverage**

On the concourse the queuing times have been reduced to an average of 4-6 minutes at peak times and at many outlets, times are even less. The patrons are slowly learning that moving to the next outlet will reduce waiting time as the longest queues are always nearest the entrance to the Stadium. At the recently completed International Sevens Tournament, queuing times on Saturday when we had our highest ever turnover of food and beverage, were a maximum of 6 minutes. Most queues were less than 3 minutes.

There has been continuous improvement in quality and service of catering around the facility as Panda Catering have made a significant effort to improve the quality of food and staff in all areas.

### **Corporate Boxes**

Fifteen boxes were unsold as at 1 July 2000. The Trust has marketed these boxes in a variety of ways offering outright sales, one and three year leases and event day hire. In addition four of the boxes have been converted into a hospitality lounge for 110 people and individual box licences are being sold for this box. This offer is proving very popular and we expect to sell all 110 licenses by the end of March. Two boxes have been leased on one and three year leases.

We now have only nine boxes left and these sell very quickly for major events.

### **Tenancies**

Otago University have commenced construction of the School of Medicine, which will accommodate the High Performance Centre. It is expected to be completed by March 2001.

### **Tax Status**

Since the last report the Wellington City Council, Wellington Regional Council and Wellington Regional Stadium Trust have made an application to the High Court for a declaratory judgement to confirm the tax status of the Trust. The advice of our lawyer Phillip Fox is still in conflict with the position taken by the IRD and this process will clarify the tax status. Once clarified the Wellington City Council, Wellington Regional Council and the Trust can decide their next move.

### **Finances**

Operation has been in accordance with budget for the period with the deficit being \$88,000 less than budget.

**Comment on KPI's**

**1. Operating Performance**

Revenues are ahead of budget because of more events and attendance that is in excess of budget at all major events. There was an increase in both event costs and overhead expenses but the deficit is \$88,000 less than budget for the six months.

**2. Cashflow Performance**

Cashflow is 87% better than budget mainly because of timing differences with some major transactions. The operating cashflow is \$322,000 better than budget because of increased profitability of events.

**3. Balance Sheet Management**

There is a slight improvement in ratios of current assets to current liabilities.

**4. Capital Expenditure**

\$679,000 has been spent on capital expenditure, which is 46% in excess of budget. This has occurred because of the need to build additional food and beverage outlets at a cost of \$390,000 which has been previously reported. Of the other capital expenditure \$250,000 has been either self funding or has generated income that meets the capital cost in the first year.

**5. Events (No. of)**

Three more sporting events and four more exhibition days than budgeted contributed to the improved financial results.

The concert "Celebrate Jesus 2000" was well attended and very successful but need to be considered more as a significant private function when comparing with budget .

**6. Event Seats (Sales)**

Minor events need to be excluded for this KPI to be meaningful. At 87% of capacity the Stadium continues to produce extraordinary attendance figures.

**7. Event Spend Level**

Average spend is 12% ahead of budget.

**8. Satisfaction**

A initial survey of ratepayers will take place next month with the inclusion of a brief survey in the Wellington City Council's regular review of ratepayers.

A survey conducted by NZRFU of Eden Park and WestpacTrust Stadium was comparing spectator experience at both venues for their respective Test matches last year.

96% of Stadium spectators said they had an excellent or good experience compared with 78% at Eden Park. The Stadium also scored well on "value for money".

**9. Risks**

There are no significant risks required to be reported under the KPI report.

The Stadium's major risk continues to be related to the need to secure the additional events highlighted in the business plan.

**10. Basin Reserve**

There will be 20 days of cricket at the Basin this year including the Boxing Day Test.



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Paul Collins

Chair

21 February 2001

Wellington Regional Stadium Trust  
KPI Report

Six Months 31-Dec-00			Year end	Year end	Year end
Actual \$000	Budget \$000	Variance %	Projection \$000	Original Budget	Variance %

1. OPERATING PERFORMANCE

Revenue:						
Advertising/sponsorship	532	521	2%	1,198	1,218	(2%)
Event revenue	1,923	1,848	4%	5,695	5,488	4%
Grants received	0	0		175	175	0%
Total revenue	5,432	5,080	7%	13,260	12,918	3%
Total Expenses	5,744	5,480	5%	12,145	11,352	7%
Net surplus/(deficit)	(312)	(400)	22%	1,115	1,566	(29%)

2. CASHFLOW PERFORMANCE

Cash flow from operations	(1,386)	(1,706)	19%	964	2,045	(53%)
Increase/(decrease) in cash available	(288)	(2,208)	87%	445	1,318	(66%)

3. BALANCE SHEET MANAGEMENT

Current asset/liability ratio	0.42:1	0.31:1		1.15:1	1.40:1	
Bank Debt	33,650	33,650	0%	33,650	33,650	0%

4. CAPITAL EXPENDITURE

Planned Projects	697	479	46%	1,163	650	79%
On time (yes/no)	Yes					

5. EVENTS (number of)

Rugby/Cricket Events	10	7	43%	20	17	18%
Other sports events	0	1	(100%)			0%
Concerts	1	0	0%	2	4	(50%)
Exhibitions (days) /other	9	5	80%	15	10	50%

6. EVENTS (seats sold)

Average capacity seats sold	59%	57%	4%	70%	62%	13%
Avg cap seats sold (excl minor events)	87%	57%	53%			

7. EVENTS (spend level)

Total avg spend per head (\$) - incl GST	10.98	9.79	12%			
Total avg spend per head (\$) - excl GST	9.76	8.70	12%			

6. SATISFACTION

Wgtn residents satisfaction	N/A					
User satisfaction						
Turnover of memberships	6					
Turnover of corporate boxes	1					

9. RISKS (reporting by exception only)

Contingent liabilities and assets	Refer discussion in written report
Deferred maintenance	
Potential legal actions	
Significant asset loss	
Main policy changes	
Credit risk	
Foreign exchange	

Wellington Regional Stadium Trust  
KPI Report

Six Months 31-Dec-00		
Actual \$000	Budget \$000	Variance %

Year end	Year end	Year end
Projection \$000	Original Budget	Variance %

BASIN RESERVE ONLY

Grants	70		#DIV/0!
Other Revenue	21	28	(25%)
Events - number of days used	20		

EXPLANATORY NOTES TO KPI'S

Events (number of)

The Budget for Rugby/Cricket events had the Boxing Day Test at the Stadium. It was shifted to the Basin Reserve (and is included in the 20 event days shown under the Basin Reserve KPI).

Events (seats sold & spend level)

Events **classified** as 'minor' were two club rugby games and the two Firebird Cricket games. Attendance at these events were 10,000 or less.

Exhibitions **attendances** excluded from calculation as **difficult** to determine total capacity.

User Satisfaction

We are in discussions with WCC over incorporating questions in the next survey.

Basin Reserve

Grants represents Funding from WCC for Deferred Maintenance Programme.

**Wellington Regional Stadium Trust**  
**Statement of Financial Performance**  
**For the Six Months Ending 31 December 2000**

	Actual YTD \$	Budget YTD \$	Variance \$	Annual Budget \$	(12 months) 30/06/00 Actuals \$
<b>Operating Revenue</b>					
Event Revenues	2,206,947	2,031,352	175,595	6,340,429	3,692,474
Amorisation of Revenue in Advance	2,985,544	2,978,604	6,940	6,133,208	4,662,560
Sundry income	182,449	28,000	154,449	136,000	206,518
	<u>5,374,940</u>	<u>5,037,956</u>	<u>336,984</u>	<u>12,609,637</u>	<u>8,561,552</u>
<b>Investment Revenue</b>					
Interest Income	33,942	19,458	14,484	98,070	115,793
Tenancy rentals	23,711	21,774	1,937	43,548	22,613
	<u>57,653</u>	<u>41,232</u>	<u>16,421</u>	<u>141,618</u>	<u>138,406</u>
<b>Other Revenues</b>					
Grants received			0	175,000	1,000,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>175,000</u>	<u>1,000,000</u>
<b>Total Revenue</b>	5,432,593	5,079,188	353,405	12,926,255	9,699,958
Operating Expenses	<u>5,744,241</u>	<u>5,479,098</u>	<u>(265,143)</u>	<u>11,360,762</u>	<u>7,997,312</u>
<b>Net Operating Surplus</b>	<u>(311,648)</u>	<u>(399,910)</u>	<u>88,262</u>	<u>1,565,493</u>	<u>1,702,646</u>

**Wellington Regional Stadium Trust**  
**Statement of Financial Position**  
**As at 31 December 2000**

	31-Dec-00 \$	30-Jun-00 \$
<b>Trust Funds</b>		
Accumulated Surplus	7,487,347	7,798,995
<b>Limited Recourse Loans</b>		
Wellington Regional Council	25000,000	25,000,000
Wellington City Council	15000,000	15,000,000
Total Trust Funds & Limited Recourse Loans	<u>47,487,347</u>	<u>47,798,995</u>
<b>Non Current Liabilities</b>		
Term Loans	33,650,000	28,000,000
Other Loans	401,258	835,129
Revenue in Advance	37,303,291	38,506,053
Total Non Current Liabilities	<u>71,354,549</u>	<u>67,341,182</u>
<b>Current Liabilities</b>		
Payables & Accruals	1,353,504	6,522,533
Revenue in Advance	6,289,494	5,232,376
Total Current Liabilities	<u>7,642,998</u>	<u>11,754,909</u>
<b>Total Funding</b>	<u>126,484,894</u>	<u>126,895,086</u>
Represented by:		
<b>Non Current Assets</b>		
Fixed Assets	123,211,193	124,128,434
Total Non Current Assets	<u>123,211,193</u>	<u>124,128,434</u>
<b>Current Assets</b>		
Cash	1,307,863	1,596,075
Receivables & Prepayments	1,962,413	1,167,116
Other Current Assets	3,425	3,461
Total Current Assets	<u>3,273,701</u>	<u>2,766,652</u>
<b>Total Assets</b>	<u>126,484,894</u>	<u>126,895,086</u>



WELLINGTON REGIONAL STADIUM TRUST (INCORPORATED)  
STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2000

	31-Dec-00 \$	12 months 30-Jun-00 \$
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Event and operating income	3,245,439	5,640,253
Net GST received	191,607	1,293,765
Interest received	44,275	104,963
Grants received	0	1,000,000
Basin Reserve Grants	70,000	180,000
Donations received and other sundry income	231,479	264,298
	<u>3,782,799</u>	<u>89483,278</u>
<i>Cash was applied to:</i>		
Payments to suppliers and employees	(3,932,641)	(4,157,781)
Interest paid	(1,236,352)	(1,665,624)
	<u>(5,168,993)</u>	<u>(5,823,405)</u>
<b>Net cash outflow from operating activities</b>	(1,386,194)	2,659,873
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
<i>Cash was applied to:</i>		
Fixed Assets	(869,331)	(31,806,290)
	<u>(869,331)</u>	<u>(31,806,290)</u>
<b>Net cash outflow from investing activities</b>		
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
<i>Cash was provided from:</i>		
Members, Corporate Box Fees & Sponsorships	833,593	26,504,205
Loans	5,810,000	8,768,758
	<u>6,643,593</u>	<u>35,272,963</u>
<i>Cash was applied to:</i>		
Repayment of loans	(4,676,280)	(5,432,500)
	<u>(4,676,280)</u>	<u>(5,432,500)</u>
<b>Net cash inflow from financing activities</b>	1,967,313	29,840,463
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	(288,211)	694,047
Cash at beginning of the period	1,596,075	902,028
<b>CASH AT END OF THE PERIOD</b>	<u>1,307,863</u>	<u>1,596,075</u>
Composition of cash:		
Cash at bank	142,108	15,643
Money market investments	1,165,755	1,580,432
	<u>1,307,863</u>	<u>1,596,075</u>
	0	0

COMMERCIAL AND IN CONFIDENCE