

Report 15.541
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Committee Council
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Wellington Regional Stadium Trust- Annual Report June 2015

1. Purpose

To receive the 2015 Annual Report of the Wellington Regional Stadium Trust (WRST).

2. Background

WRC Holdings Group has the role of monitoring the WRST. The Board received their Statement of Trustee Intent (STI) in June this year and the final accounts in early November, in addition the Board receives presentations from the WRST Chief Executive and Chairman.

The annual report incorporating the financial statements is appended as attachment 1.

3. Financial Comment

The Stadium Trust has produced an operating surplus for the year of \$2.09 million against a budget of \$830,000. The main components of this variance are discussed below.

The following table courtesy of Wellington City Council provides a historical high level summary of the finances.

The commentary that follows refers to the 2014/15 year and how they performed against their STI.

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						
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

Statement of Comprehensive Income

Revenue for the year was boosted by a busy event schedule that included two World Cups and some additional events such as the Super Rugby semi-final.

Operational Costs were over budget reflecting additional events but more than offset by higher revenues from them.

Interest and Depreciation were favourable to budget reflecting lower debt levels and lower levels of capital expenditure due to the additional events.

Statement of Financial Position

The better than planned operating result and favourable cash flow has flowed through to lower a bank borrowing than planned which saw debt reduce from \$10.89 million to \$7.5 million. Equity has improved to \$84.4 million.

Statement of Cash flows

The important line to watch is the operating cash flow as this represents how much cash the WRST is making. Looking at the table above, it can be seen operating cash flow has improved significantly in 2014/15 having deteriorated over the last two years. However \$3.9 million of this cash flow relates to prepayments for 2015/16 year events, taking this out the net cash flow reverts to \$5.5 million which is up on last years \$3.6 million.

Capital expenditure (Investment cash flow) during the year saw completion of the wet pour systems (beer dispensers) and the purchase of additional food and beverage carts.

4. Non- Financial Comments

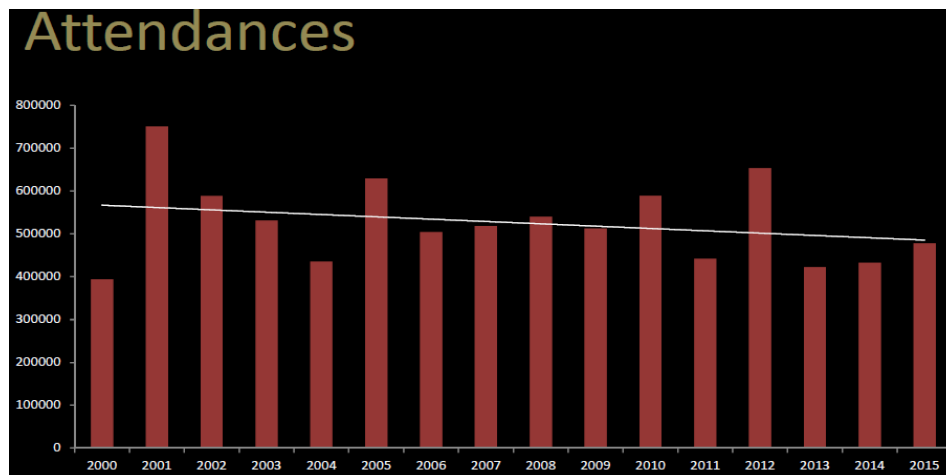
The WRST hosted 61 events during the year including eight community event days having planned 45-50 (non-community events in their STI).

They had 532,000 attendances during the year (highest since 2011/12) compared to last year's 440,000 leading to a cumulative attendance of 8 million patrons since its opening in 2000.

The WRST turned 15 years on 25 July and an open day was held to celebrate this.

Dame Therese Walsh joined the Board in 2015 and Liz Dawson retired.

Falling attendances appear to be improving see chart below:



5. Strategic focus for 2015/16 year:

Assess technology options and business models with a view towards a connected stadium solution with high density Wi-Fi throughout the venue.

Upgrade the internal concourse prior to the British and Irish Lions tour 2017.

Full replacement of the Stadium turf for the first time since 2000.

Collaborate with the Hurricanes and the Phoenix with a view to significantly increasing the number of members across the three organisations.

6. Communication

No communication is necessary.

7. The decision-making process and significance

No decision is being sought in this report.

This report provides a summary of Wellington Regional Stadium Trust's annual report and is for information only.

7.1 Engagement

Engagement on this matter is unnecessary.

8. Recommendations

That the Council:

- 1. **Receives the report.***
- 2. **Notes the content of the report.***

Report prepared by:

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Treasurer

Report approved by:

Dave Humm
GM Corporate Services/CFO

Attachment 1: 2015 Annual Report Wellington Regional Stadium (INC)