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Committee Policy, Finance and Strategy
Author Greg Schollum Chief Financial Officer

Stadium Trust: Half Year Report

1. Purpose

To receive the Stadium Trust half year report for the period 1 July 2003 to 31 December 2003 (refer **Attachment 1**).

2. Background

The funding deed signed by the Wellington Regional Council, Wellington City Council and the Wellington Regional Stadium Trust requires the Trust to report to the two settlors (GWRC/WCC) each six months. In conjunction with the receipt of the report each six months, the Stadium Trust also provides an oral briefing to give Councillors the opportunity to ask any questions relating to the Stadium. As the last briefing was held in December 2003, I expect the next briefing will be scheduled for April/May 2004.

3. Comment on the half year report to 31 December 2003

The attached report reflects further positive news from the Stadium Trust, notwithstanding an operating deficit of \$252,000 being recorded for the six month period.

The deficit of \$252,000 compares well with the budgeted deficit for the period of \$725,000, representing a favourable YTD variance of \$473,000. As the second half year is typically more profitable than the first half, the Trust is now projecting a higher surplus for the full year of \$735,000 (compared with \$236,000 budgeted).

External debt remains at around \$31 million at 31 December 2003, indicating that any prospect of repayment of Council's advance by the Trust remains many years away (as all external debt must be repaid first).

I remain hopeful that the legal and tax status of the Trust will be clarified by the High Court before 30 June 2004. In the meantime no interest is accruing on Council's \$25 million advance and the Trust continues to build up tax losses.

The Stadium Trust notes in the attached report that the securing of events remains the biggest challenge for the Trust in the future.

4. Communications

It is expected that the Stadium Trust's positive results will continue to be well reported by the media.

5. Recommendation

That the Committee recommend that the Council receive the report and note its contents.

Report prepared by:

Greg Schollum
Chief Financial Officer

Attachment 1: Stadium Trust: Half Year Report 2003