



 **Bay Venues**

# **ANNUAL REPORT**

**Financial Statements for the  
Year ended 30 June 2022**



**BAYPARK**

**CLUBfit**

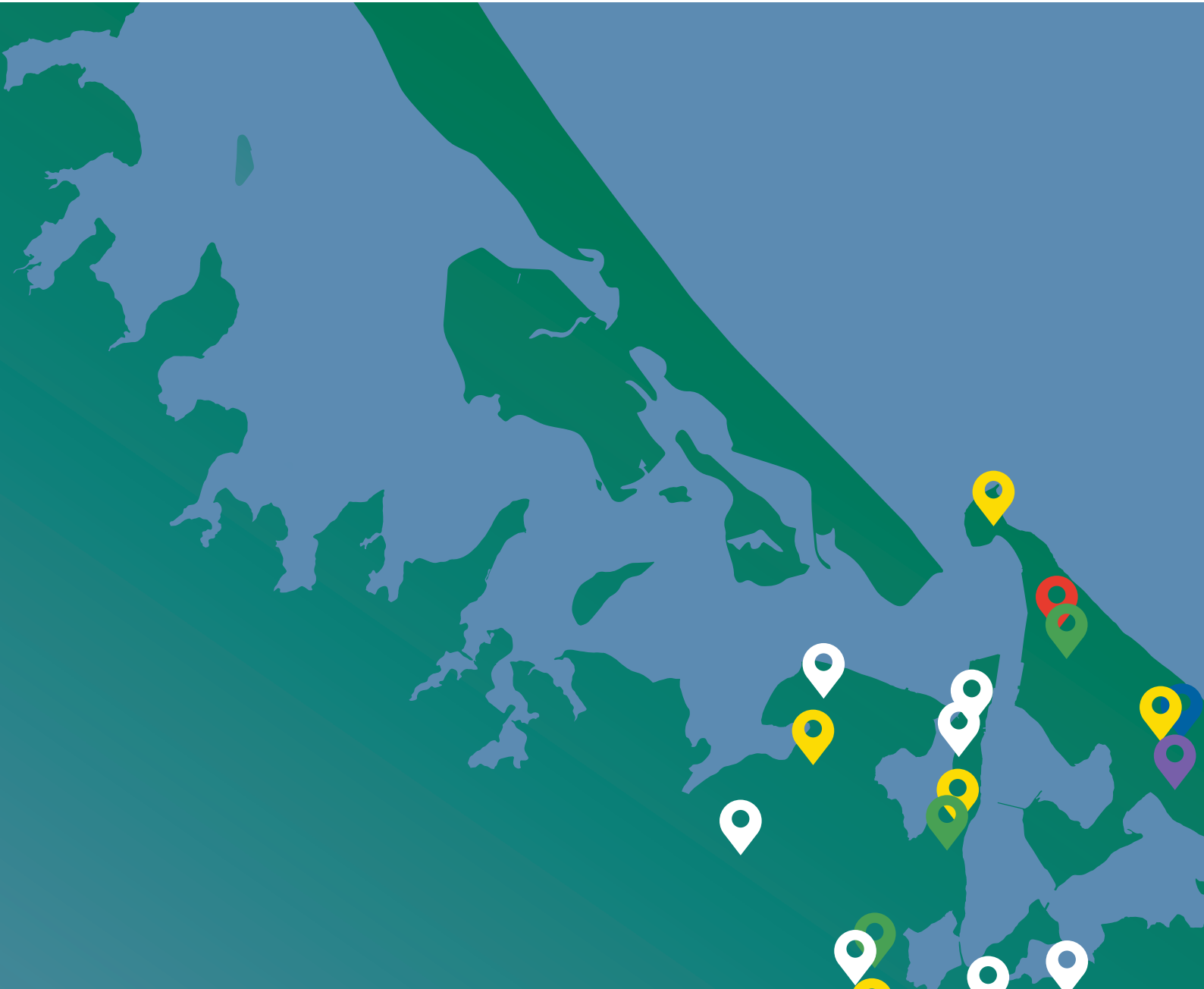
*Baywave*  
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**MOUNT  
HOT POOLS**



THE UNIVERSITY OF WAIKATO  
**ADAMS CENTRE**  
FOR HIGH PERFORMANCE

**BayCatering**



# Facilities

- 1 Trustpower Baypark (Arena, Stadium & BayStation)
- 1 Adams Centre for High Performance
- 3 Community Centres
- 4 Sports Centres
- 5 Aquatics Facilities
- 8 Community Halls

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# OUR YEAR IN NUMBERS

## REVENUE

# \$23.10m

(↓26% below budget)

\*

TCC Community Operating Grant:

**\$3.26m**

TCC Renewal Funding:

**\$3.14m**

Aquatics & Learn to Swim:

**\$4.23m**

Sports Facilities:

**\$1.34m**

Clubfit & Other Memberships:

**\$2.06m**

Events & Catering:

**\$7.57m**

Other User Fees\*\*:

**\$1.13m**

## EBITDA

# -\$2.89m

(↓\$2.9m below budget)



FULL TIME STAFF:

# 124

PART TIME STAFF:

# 120

CASUAL STAFF:

# 103



# 90%

Overall Customer Satisfaction

# 92%

Overall satisfaction with the facility

# 92%

Overall satisfaction with the service

# 94%

Overall satisfaction with our staff



# 43

Number of Sporting & Aquatic Tournaments

# 128

Conferences, Trade Shows, Exhibitions, Concerts and other events at Trustpower Baypark.

\* Excludes TCC Debt Servicing and TCC Rehabilitation expense funding

\*\*Includes BayStation and Merchandise.



## VISITORS

# 1.5m\*

## to our facilities

(↓30% below budget)

### 584,898

Visitors to our  
**Aquatic Facilities**

### 249,909

Visitors to our  
**Community Centres & Halls**

### 193,841

Visitors to our  
**Indoor Sports Facilities**

### 219,420

Visitors to **Trustpower  
Baypark (Arena & Stadium)**

### 289,826

Visitors to **Other Facilities\*\***



**SCHOOLS IN POOLS**  
(Water Safety)

## 12

Schools Joined

## 3,368

Children  
Participated  
In Lessons



**Participants in Bay  
Venues Led Activity  
Programmes<sup>^</sup>**

## 63,591

Adults & Senior

## 86,283

Child/Youth

## 9,817

Pre-School

## 159,691

Total



**HEALTHY SCHOOL  
LUNCHES**

## 465,649

total lunches  
supplied (started  
Oct 2020)

## 16

Schools Supplied

\* All facilities were impacted by nationwide COVID-19 Level 4 restrictions in August 2021, and further restrictions up to April 2022.

\*\* Including BayStation, Clubfit and University of Waikato Adams Centre for High Performance.



# A Year in Review

### *Nā tou rourou nā taku rourou ka ora ai te iwi*

*With your food basket and my food basket,  
the people have thrived*

#### **Resilience through Change**

The year ending 30 June 2022 was a year of substantial change and substantial challenge for Bay Venues, but we are proud of how the organisation and its people have showed ongoing resilience in continuing to serve our community.

The year was the first full year for our new Board and our new CEO, Chad Hooker, started in November 2021. It was also a year in which the operating environment was extraordinarily challenging with much of the year impacted by Covid related restrictions and managing staff and customer vaccination mandates. Notwithstanding this, we managed to maintain our service levels in most venues, which is testament to the hard work and tireless commitment from our team.

Other positives throughout the year include the increasingly strong relationships we have built with Tauranga City Council (TCC), mana whenua and other key partners. We are also delighted and proud to report that we have become a Living Wage employer to help attract and retain staff.

On the facilities front, we commenced a major upgrade of Greerton Aquatic & Leisure Centre which will provide a much improved facility for the community.

Unsurprisingly, as a result of the Covid enforced restrictions, Bay Venues performed poorly in financial terms in FY22 (1 July 2021 to 30 June 2022) running an EBITDA deficit of \$2.9M (against a budget of breakeven).

However, as business returns to more normal trading conditions we are heartened to see events and activity returning to our venues. We launched a refreshed strategy for the organisation and both the Board and senior management are excited about the future.

#### **Our Purpose**

Bay Venues is the kaitiaki of our strategic network of community facilities here in Tauranga Moana and we aspire to provide 'The Best Venues for the Bay'. Every day we

connect our community through exceptional experiences that take place within the 24 facilities we manage on behalf of Tauranga City Council. We strive to unite our community with the delivery of amazing activities and events that enhance the social, cultural, and economic wellbeing of Tauranga Moana.

#### **Our People**

Our people have faced extreme challenges over the last year, and although challenges have been felt by all workers across Aotearoa, the Events and Leisure industry that we are proudly part of has felt them acutely. From staff shortages, operating under different alert levels, and simply not being able to host the events and activities that are our passion – we've experienced it all. However, what we are most proud of is our people's resilience during all of this, always keeping the customer and community at the forefront of what we do.

Our employee numbers have varied throughout the financial year as we rode the wave of different Covid alert levels. However, at the end of year we have seen a stabilisation of these numbers and we now look to ensure that we are resourced to deliver to our region across all areas of our business. While it has been difficult, we seek to acknowledge a number of significant 'wins' in the people space, including the creation of a new mission, vision, purpose, a new set of values created by a cross section of the organisation, and we became a Living Wage employer – the cornerstones of creating an organisation worth belonging to.

#### **Our Customer & Community Experience**

Bay Venues has a strong focus on the customer and our communities' experience. In FY22 we introduced a new, real-time customer sentiment tool that has allowed us to survey a wider pool of customers throughout the year. It was pleasing to see that we maintained a 90% customer satisfaction rating again this year, significantly ahead of our 85% target.

Customers recognise the value of our facilities and programmes providing comments such as "we in Tauranga are so fortunate to have these lovely community halls", "your staff... are amazing,

**// We maintained a 90% customer satisfaction rating again this year, significantly ahead of our 85% target //**



# A YEAR IN REVIEW

they help us with all the little things we need or to make life easier” and “the facilitators really helped to ensure our day ran smoothly. They were really accommodating and kind”.

To encourage higher utilisation and participation, the new Bay Venues website platform highlights venues available to hire and activities taking place within them. Since launching the new Bay Venues site in October 2021 engagement and customer interaction has drastically improved.

## Our Community Facilities

As kaitiaki of Tauranga’s community facilities our role is to look after and enhance our existing assets. In collaboration with Ngai Tukairangi Trust, the unveiling of *He Pou Rarama* based at the Mount Hot Pools has enhanced the cultural experience of facility visitors and passers-by. The 50-year-old Greerton Aquatic & Leisure Centre continues to be a valued community facility and is currently undergoing a refurbishment to address long-standing issues which will significantly improve the level of service and increase its appeal to the wider community. The growth in Pickleball has been supported by the install of specific court lines at both Trustpower Arena and the Mount Sports Centre.

Our community focus was acknowledged when we received the Recreation Aotearoa National Aquatic Innovation Award for the ‘Keep Me Safe’ child supervision policy, which highlights parental responsibility around water. We continue

// We received the Recreation Aotearoa National Aquatic Innovation Award for the ‘Keep Me Safe’ child supervision policy, which highlights parental responsibility around water //

to deliver existing activities to a high standard such as water safety lessons with over 3,300 primary aged students attending 4-5 hours of vital water skills lessons this year. Over 60 teachers surveyed reported 96% amazing satisfaction with the overall programme. Likewise, over 9,300 visits were recorded attending the popular Tumble Time preschool programme

based at Trustpower Arena and QEYC.

Our network of community facilities is home to so many diverse user groups – sport, recreation, support services, arts & culture, education, religion, exercise and more. Our team endeavour to work collaboratively with existing and new user groups to enhance the wellbeing of people in Tauranga, and beyond.

Our venues host an extensive range of events and consequently the last twelve months has been a very difficult time. Constant uncertainty has been a significant challenge for those organising events; they have needed to regularly

react to the requirements of the various regulations in place to mitigate the effects of Covid. Our team spent many hours working with event organisers repositioning activity for a time when they could operate with confidence.

In other areas where gathering limits were not as prohibitive, such as at Clubfit gyms and BayStation, we saw a downturn but managed to trade at reduced levels with the fourth quarter seeing an upturn as the region returned to an Orange Traffic Light setting.

We took advantage of when we could operate and highlights include our catering service to the Women’s Cricket World Cup hosted at the Bay Oval, our ongoing service of the Healthy School Lunches programme during the most difficult periods, and seamlessly transitioning between the various stages of the Traffic Light System in presentation of our facilities.

// The fourth quarter saw the start of normal business resuming with a swing from almost no activity to a rush for time and space as events and activities recommenced //

Events and associated activities had delivered a positive financial result in the previous twelve months with the help of the wage subsidy, but in the absence of this assistance the financial impact of long periods of gathering restrictions was significant. We were fortunate to be able to provide our facilities to enable core essential service providers such as the DHB and Envirowaste to operate, realising a small but valuable cash flow.

The fourth quarter saw the start of normal business resuming with a swing from almost no activity to a rush for time and space as events and activities recommenced. The pipeline for our next financial year is very healthy and our facilities are in demand well into the future.

## Our Financial Sustainability

FY22 was a challenging year from a financial perspective with a full year EBITDA deficit of \$2.9m (against a breakeven budget).

Total EBITDA revenue of \$20.2m was \$4.1m behind budget, \$3.3m of the deficit was from Events Facilities and Associated Activities with covid related restrictions meaning we were unable to host major events for most of the year. Aquatic Facilities were able to remain open however volumes were also restricted, resulting a revenue deficit of \$0.8m against budget.

On a positive note, significant cost reductions were targeted in response to revenue impacts, and we were able to deliver \$1.2m total EBITDA expense savings against budget.



# A YEAR IN REVIEW

Our capital programme for FY22 was underspent due to disruptions across the construction sector, resulting in a renewals capital spend of \$3.1M, \$3.6M less than budget. The most significant of the delays was the upgrade of Greerton Aquatic Centre, which is now underway and scheduled for completion in mid FY23.

## Looking Forward

With the worst of the pandemic now appearing to be behind us we are able to forward plan with some certainty to optimise event and activity bookings across our network of community facilities. Event bookings are strong over the next 12-18 months, along with growth in the region driving increased participation in sport and recreational activities we are facing increasing demand for space within our venues. This is a good problem to have, but will mean at times the need to prioritise bookings at peak times. The pipeline of event bookings also bodes well for our Catering and AV business units that are heavily reliant on event bookings to drive revenue.

We will increase our focus on maintaining and improving our assets. Our aging network of community facilities will need increased investment in renewals alongside plans to build new facilities to cater for the growth of the city. We are working closely with TCC to ensure that appropriate funding is allocated so we can look after what we've got and cater for the future. This will include a review of our pricing to ensure it is appropriate. In the short term we are scheduled to complete the refurbishment of the Greerton Aquatic and Leisure Centre in late 2022 while we are also planning a significant maintenance closure at Baywave in early 2023. The completion of the Baypark Master Plan will guide future development opportunities for this site well into the future. A wider venue strategy will be finalised in FY23 to provide a cohesive plan for investment and improvements going forward.

With the launch of a refreshed organisational strategy and values having been completed at the end of FY22 we now need to embed these within the business. A new structure for the organisation's Executive Team is well advanced and will be followed by investing in leadership development for our key people leaders. Staff recruitment and retention will continue to be an ongoing challenge in the year ahead and we are working on initiatives around remuneration, career development and culture to help us to attract and retain good people. A proactive health and safety culture, an increasing emphasis on sustainability and improved enhanced reporting are other key focus areas for the year ahead.

Despite the challenges of Covid, Bay Venues is well positioned to meet the needs of our local community into the future.

**We take this opportunity to thank our Board for their ongoing service and also to thank the senior executive team and all our staff for the work that they do for Bay Venues and our Tauranga Moana.**

Simon Clarke, Chair

Chad Hooker, CEO





## HIGHLIGHTS



### Keep Me Safe award

Bay Venues was awarded the Recreation Aotearoa 2021 Aquatic Innovation Award for their 'Keep Me Safe' pool supervision rules. Since the 2020 implementation of 'Keep Me Safe', a campaign designed to encourage caregivers to take ownership of their child's safety in and around the water, there has been a 38% decrease in wet rescues across all aquatic sites. A critical incident that occurred at the Mount Hot Pools in January 2020 was the catalyst for making change to the pool supervision rules. The success of implementing 'Keep Me Safe' is due to the buy-in of multiple business units all collaboratively working together to ensure there is consistency and repetitive reinforcement, aided by some standout marketing collateral to drive the message home to parents. The volume and calibre of the other nominees made this award even more prestigious.



### Water Skills For Life programme

More than 3,300 primary school-aged children from a dozen schools across the city took part in the Water Skills For Life programme with BaySwim this year, with each student attending between four and five hours of lessons that taught them vital water safety and survival skills. "The skills learnt are invaluable to our tamariki who live and play in and near the ocean," Shelley Blakey, Principal of Arataki School, said. Treena Korzelius from Selwyn Ridge Primary School commented: "I am really happy with what you offer our students, having a mixture of both structured and fun water safety lessons." Katie McKenzie, also from Selwyn Ridge, added: "Wearing the life jackets for deep water survival was definitely a highlight." Meanwhile, Natasha Hoskin from Greenpark School praised the "fun, engaging lessons" and said she enjoyed "watching our kids develop confidence in the water". Of the 62 teachers surveyed, more than 90 per cent reported "amazing satisfaction" with the overall programme, the facilities, and the water safety content. For Te Kura o Matapihi, the BaySwim programme was a "life saver" after it had to cancel its own swimming classes due to the school pool needing repairs. Tumuaki Hira Hona said: "We would like to express a heartfelt thank you to the BaySwim team at the Baywave venue."



## HIGHLIGHTS

### Tumble Time

Tumble Time has become part of the weekly routine for many young families in the Tauranga community, with 9,300 visits to the preschool programme this year. Play is a cornerstone of Sport New Zealand's Physical Literacy Approach and is described as being "a crucial part of physical, cognitive, social/emotional and spiritual development for young people". Sport New Zealand says young people must have access to enriched and varied playful experiences within their local environments, as individuals and with others. There should be a variety of play types and it should be sensory rich, with physical movement and a sense of an escape from realism. The Tumble Time team work hard each week to create such an environment at Trustpower Arena and Queen Elizabeth Youth Centre, with trampolines, moon hoppers, scooters, trikes, bikes, and balls. There is balancing and gymnastic equipment, obstacle courses, mega blocks, monkey bars, and so much more. Josh Bates has brought his daughter Liliana to Tumble Time since she was about 8 months old and said she has gone "from strength to strength" and "absolutely loves it". "The big benefits we've seen is her being able to interact with lots of other kids, be social, go on lots of toys and climbing equipment that we don't have at home, and it's really safe. The first time she's ever been on a trampoline was here." He said Tumble Time has given Liliana an opportunity to grow her confidence and develop social skills. "She can take risks and if she crashes, it's safe ... there's lots of options for her to climb and explore, get a bit of independence."



### He Pou Rarama

A culturally significant artwork that tells the story of the four sacred springs of Mauao was unveiled at the entrance of Mount Hot Pools this year. *He Pou Rarama*, by local artist Tiare Dickson, has a commanding presence outside the popular venue, day and night. The pou was crafted from corten steel and has been laser cut to reveal coloured acrylic which glows with the assistance of LED lighting. Dickson said the kōrero of the four springs – Waipatukākahu, Ruarapapari, Te Puna Waitapu, and Te Kawa Waipuna – is meaningful to all iwi and hapū connected to Mauao, "so everyone will feel involved in this work".



# HIGHLIGHTS



Manaakitanga | Service

Whakawhanaungatanga | Relationships

Kaitiakitanga | Caring

He Toi Tangata | Excellence



## Launch of New Strategy and Values

In June this year Bay Venues launched the organisation's new strategy and values. This event marked the beginning of a new chapter for Bay Venues, with community the main focus and a vision to be "The Best Venues for the Bay". As chief executive Chad Hooker explained to those gathered, Bay Venues' mission is to be the kaitiaki of Tauranga's strategic network of community facilities. The organisation's new purpose, he said, is to connect the community through exceptional experiences. This will be achieved by maximising events and activities, looking after and enhancing assets, and leveraging and building the organisation's capability. Behind this strategy sits four key values – Manaakitanga (Service), Whakawhanaungatanga (Relationships), Kaitiakitanga (Caring), and He Toi Tangata (Excellence). These values will lie at the heart of Bay Venues and its future direction.

## Event Resurgence

As Aotearoa opened back up again after months of Covid-19 lockdowns and traffic light restrictions, the events industry quickly sprang back to life and this resurgence meant a busy fourth quarter for Bay Venues. There were 45 events (nearly double the 2021/2022 average) held at Trustpower Baypark during this period and over 65,000 people came through the doors. There was the Bay of Plenty Wedding Show, 7 Days Live, and the Urban Dance youth hip hop competition. Realty Group held three different events at Trustpower Baypark – the EVES annual conference, the EVES annual awards evening, and the Bayleys annual awards evening. They were delighted with the end result and the contribution of the Bay Venues events team. "I know that without the world class experience and professionalism from everybody at Baypark these events would not have been the success they were," event organiser Kristin Bainbridge said. She said the catering was "super impressive" and the level of customer service "impeccable".





# FINANCIAL STATEMENTS 2021-2022

## STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES for the Year ended 30 June 2022

	Note	Actual 2022 (\$000's)	Budget 2022 (\$000's)	Actual 2021 (\$000's)
<b>Revenue</b>				
User Revenue	2	16,605	21,261	18,687
Other Revenue	3	60	155	148
TCC Operational Grant	2	3,256	2,916	2,887
TCC Debt Servicing Grant	2	452	452	1,285
TCC Renewal Funding	2	3,142	6,782	3,433
Rehabilitation Expense Funding	2	324	-	197
COVID19 Wage Subsidy	2	38	-	1,046
<b>Total Operational Revenue</b>		<b>23,877</b>	<b>31,566</b>	<b>27,683</b>
<b>Expenditure</b>				
Employee Expense	4	13,430	13,982	12,329
Administrative Expense	8	1,132	1,442	1,256
Consulting & Governance Expenses	5	985	638	677
Operating Expenses (incl. COGS)	6	6,458	7,489	6,492
Repairs & Maintenance Expense		845	782	869
Rehabilitation Expense		324	-	197
Profit/Loss on Disposal		3	-	17
Finance Costs		615	637	671
Depreciation and Amortisation Expense	7	5,756	6,089	5,717
<b>Total Operating Expenditure</b>		<b>29,548</b>	<b>31,059</b>	<b>28,225</b>
Surplus/(Deficit) Before Tax		(5,671)	507	(542)
Income Tax Benefit	9	1,595	-	2,036
<b>Surplus/(Deficit) After Tax</b>		<b>(4,076)</b>	<b>507</b>	<b>1,494</b>
<b>Other comprehensive Revenue &amp; Expenses</b>				
Gain on Property, Plant & Equipment Revaluation		7,956	-	2,309
Tax on Revaluation		(1,806)	-	(680)
		6,150	-	1,629
<b>Total Comprehensive Income</b>		<b>2,074</b>	<b>507</b>	<b>3,123</b>



# FINANCIAL STATEMENTS 2021-2022

## STATEMENT OF CHANGES IN EQUITY for the Year ended 30 June 2022

	Share Capital (\$000's)	Retained earnings (\$000's)	Revaluation Surplus (\$000's)	Other Reserves (\$000's)	Total Equity (\$000's)
<b>Balance as at 1 July 2020</b>	<b>84,232</b>	<b>(24,556)</b>	<b>36,505</b>	<b>333</b>	<b>96,514</b>
<b>Comprehensive Income</b>					
Surplus or Deficit for the Year	-	1,494	-	-	1,494
<b>Other Comprehensive Income</b>					
Surplus or Deficit for the Year	-	-	2,309	-	2,309
Revaluation Adjustment on Disposal	-	-	-	-	-
Tax on Revaluation Gain	-	-	(680)	-	(680)
Transfer to Trustpower Reserve	-	(200)	-	200	-
<b>Total Other Comprehensive Income, Net of Tax</b>	<b>-</b>	<b>(200)</b>	<b>1,629</b>	<b>200</b>	<b>1,629</b>
<b>Balance As At 30 June 2021</b>	<b>84,232</b>	<b>(23,262)</b>	<b>38,134</b>	<b>533</b>	<b>99,637</b>
<b>Balance As At 1 July 2021</b>	<b>84,232</b>	<b>(23,262)</b>	<b>38,134</b>	<b>533</b>	<b>99,637</b>
<b>Comprehensive Income</b>					
Surplus or Deficit for the Year	-	(4,076)	-	-	(4,076)
<b>Other Comprehensive Income</b>					
Surplus or Deficit for the Year	-	-	7,956	-	7,956
Revaluation Adjustment on Disposal	-	-	-	-	-
Tax on Revaluation Gain	-	-	(1,806)	-	(1,806)
Transfer to Trustpower Reserve	-	(200)	-	200	-
<b>Total Other Comprehensive Income, Net of Tax</b>	<b>-</b>	<b>(200)</b>	<b>6,150</b>	<b>-</b>	<b>6,150</b>
<b>Balance as at 30 June 2022</b>	<b>84,232</b>	<b>(27,539)</b>	<b>44,285</b>	<b>733</b>	<b>101,711</b>

Summary of significant accounting policies and the accompanying notes form part of these financial statements.



# FINANCIAL STATEMENTS 2021-2022

## STATEMENT OF FINANCIAL POSITION as at 30 June 2022

	Note	Actual 2022 (\$'000's)	Actual 2021 (\$'000's)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	10	733	399
Inventories	11	368	401
Debtors & Other Receivables	12	835	1,349
<b>Total Current Assets</b>		<b>1,936</b>	<b>2,149</b>
<b>Non-Current Assets</b>			
Other Non-Current asset	15	3,425	2,613
Intangible Assets	13	531	727
Property, Plant & Equipment	14	133,282	126,348
<b>Total Non-Current Assets</b>		<b>137,238</b>	<b>129,688</b>
<b>Total Assets</b>		<b>139,174</b>	<b>131,837</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Employee Entitlements	16	1,057	1,163
Creditors & Other Payables	17	5,983	3,086
Borrowings UoW Adams Centre Loan	18	1,000	1,000
<b>Total Current Liabilities</b>		<b>8,040</b>	<b>5,249</b>
<b>Non-Current Liabilities</b>			
Borrowings	18	20,537	18,273
Deferred Tax	9	8,886	8,675
<b>Total Non-Current liabilities</b>		<b>29,423</b>	<b>26,948</b>
<b>Total Liabilities</b>		<b>37,463</b>	<b>32,197</b>
<b>Net Assets</b>		<b>101,711</b>	<b>99,640</b>
<b>EQUITY</b>			
Share Capital	19	84,232	84,232
Retained Earnings	20	(27,539)	(23,261)
Other Reserves	22	733	533
Revaluation Reserves	21	44,285	38,136
<b>Total equity</b>		<b>101,711</b>	<b>99,640</b>

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Simon Clarke – Director	22 November 2022	Jeremy Curragh – Director	22 November 2022
	Date		Date



# FINANCIAL STATEMENTS 2021-2022

## STATEMENT OF CASHFLOWS for the Year ended 30 June 2022

	Note	2022 (\$000's) Actual	2021 (\$000's) Actual
<b>OPERATING ACTIVITIES</b>			
Cash Received from Customers		19,453	17,578
Grants Received		6,812	8,652
Dividend Received		11	43
Cash Received from Other Sources		155	178
Goods & Services Tax (net)		-	-
		<b>26,431</b>	<b>26,451</b>
Payments to Employees		(13,534)	(12,595)
Payments to Suppliers		(8,762)	(9,283)
Interest Paid		(615)	(671)
Goods & Services Tax (net)		(97)	(13)
		<b>(23,008)</b>	<b>(22,562)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>24</b>	<b>3,423</b>	<b>3,889</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash flows from investing activities</b>			
Proceeds from Sale of Property, Plant and Equipment		7	78
		<b>7</b>	<b>78</b>
Purchase of Property, Plant & Equipment		(4,547)	(4,540)
Transfer to Depreciation Investment		(812)	(743)
		<b>(5,359)</b>	<b>(5,283)</b>
<b>Net Cash Flow from Investing Activities</b>		<b>(5,352)</b>	<b>(5,205)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Borrowings		7,764	7,662
		<b>7,764</b>	<b>7,662</b>
Repayment of TCC Borrowings		(5,500)	(6,500)
<b>Net Cash Flow from Financing Activities</b>		<b>2,264</b>	<b>1,162</b>
Net Increase / Decrease in Cash Held		335	(154)
Cash & Cash Equivalents at Beginning of Year		398	552
<b>Cash, Cash Equivalents, and Bank Overdrafts at the End of the Year</b>	<b>10</b>	<b>733</b>	<b>398</b>

Summary of significant accounting policies and the accompanying notes form part of these financial statements.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### 1.1 ENTITY STATEMENT

Bay Venues Limited is a Council Controlled Organisation (CCO) as defined in Section 6 of the Local Government Act 2002. The company is wholly owned by Tauranga City Council. The company is registered under the Companies Act 1993 and is a reporting entity for the purposes of the Financial Reporting Act 1993.

The primary objective of Bay Venues Limited is to provide goods and services for the community or social benefit, rather than making a financial return. Accordingly, Bay Venues Limited, as part of the Tauranga City Council group, has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of Bay Venues Limited are for the year ended 30 June 2022. The financial statements were authorised for issue by Bay Venues Limited Directors on 22nd November 2022.

### 1.2 BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

The financial statements of Bay Venues Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002, which includes the requirements to comply with New Zealand generally accepted accounting practice (GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards on the basis that Bay Venues Limited is not publicly accountable and expenses are between \$2 million and \$30 million. However, Bay Venues Limited will not be taking advantage of all Tier 2 exemptions. These financial statements comply with PBE standards.

The accounting notes set out below have been applied consistently to all periods presented in these financial statements.

#### Measurement base

The financial statements have been prepared on historical cost basis, modified by the revaluation of land, plant and buildings.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Bay Venues Limited is New Zealand dollars.

#### New standards issued and adopted in current annual reporting

##### Amendment to PBE IPSAS 2 Cash Flow Statement

Amendment applicable for the year ending 30 June 2022.

An amendment to PBE IPSAS 2 Cash Flow Statements requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The new information required by this amendment has been disclosed in Note 24(A).

#### Standards, amendments, and interpretations issued that are not yet effective

Standards, amendments, and interpretation issued that are not yet effective will have a minimal impact on the entity.

### 1.3 REVENUE RECOGNITION

Revenue is recognised at fair value of the consideration received or receivable.

#### Sale of Goods

Revenue from the sale of goods is recognised when the product is sold to the customer.

#### User Fees & Charges

User fees and charges are recognised on the basis of actual services provided. Any fees and charges received in advance are recognised as unearned income.

#### Grant Income

Grant income is recognised upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Revenue is classified as exchange and non exchange. Subsidised income received is recognised as non exchange revenue.

### 1.4 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.5 INCOME TAXATION

Income tax expense includes components relating to current tax and deferred tax, and is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date.

Current tax is the income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

### 1.6 LEASES

#### Operating Lease

An operating lease is a lease that does not transfer substantially all the risks and benefits of ownership of the leased item to the lessee.

Lease payments under an operating lease are recognised as expenses in the surplus or deficit on a straight line basis over the lease term.

### 1.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held on call with banks and other short term highly liquid investments with original maturities of three months or less.

### 1.8 DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are included at their net realisable value after deduction of a provision for doubtful debts.

### 1.9 IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

#### Receivables

Impairment is established when there is objective evidence that Bay Venues Limited will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default on the payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue

receivables that have been renegotiated are reclassified as current (that is not past due). Impairment in term deposits is recognised directly against the instrument's carrying value.

### 1.10 INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at cost, adjusted when applicable, for any loss of service potential. The loss of service potential of inventory held for distribution is determined on the basis of obsolescence. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first in first out (FIFO) method.

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost adjusted for any loss of service potential.

The amount of any write down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write down.

### 1.11 PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

#### Revaluation

Land, buildings and Plant are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost. Revaluations of property, plant, and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

The most recent valuation was performed by Quotable Values on Buildings & Land only, with the valuation being effective as at 30 June 2022.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### Additions

The cost of an item of property plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Bay Venues Limited and the cost of the item can be measured reliably.

Costs incurred subsequent to initial recognition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Bay Venues Limited and the cost of the item can be measured reliably.

In most cases an item of property plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

### Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Depreciation

All assets are depreciated over their expected useful lives. Depreciation is provided on a straight line (SL) basis, at rates calculated to allocate the asset cost less estimated residual value over the estimated useful life. When assets are revalued, depreciation rates are overridden by the new annual depreciation rates to accurately reflect the useful life of the asset.

CLASS OF ASSET DEPRECIATED	Estimated useful life (Years)	Depreciation Method
Operational Assets		
Buildings & Improvements	1-100	SL
Plant and Equipment	1-100	SL
Computer Equipment	3-10	SL
Office Furniture & Equipment	1-20	SL
Motor Vehicles	4.5-10	SL

### 1.12 INTANGIBLE ASSETS

#### Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised as an expense when incurred.

#### Intellectual property development

CLASS OF INTANGIBLE ASSET	Estimated Useful Life	Amortisation rates
Acquired Computer software	3-10 years	10% - 33.3%

### 1.13 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependant on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus or deficit.

### 1.14 CREDITORS AND OTHER PAYABLES

Creditors and other payables are recognised at fair value and subsequently measured at amortised cost.

### 1.15 BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless Bay Venues Limited has an unconditional right to defer settlement of the liability for at least 12 months after balance date, or if the borrowings are expected to be settled within 12 months of balance date.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### 1.16 EMPLOYEE ENTITLEMENTS

#### Short term Employee Entitlements

Salaries, wages and annual leave, that are due to be settled within 12 months after the end of the period in which the employee renders the related service, are measured at nominal values based on accrued entitlements at current rates of pay.

A liability and an expense are recognised for bonuses where Bay Venues Limited has a contractual obligation or where there is a past practice that has created a constructive obligation.

#### Long term employee entitlements

Employee entitlements are those entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

#### Superannuation schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Annual leave and long service leave, expected to be settled within 12 months or balance date, are classified as a current liability. All other employee entitlements are classified as a non current liability.

### 1.17 PROVISIONS

Bay Venues Limited recognises a provision for future expenditure of an uncertain amount or timing when there is a present obligation, (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Provisions are not recognised for future operating losses.

### 1.18 EQUITY

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Share Capital

- Retained Earnings
- Property, Plant and Equipment Revaluation Reserve
- Other reserves

#### Property revaluation reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

The revaluation reserve will be realised when the assets within the class of property, plant and equipment to which the surplus relates to, are retired or disposed of.

#### Other reserves

This reserve relates to the Trustpower naming rights reserve.

### 1.19 GOODS & SERVICES TAX

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables, which are stated with GST included. When GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

### 1.20 BUDGET FIGURES

The budget figures are those adopted by Bay Venues Limited and approved by Tauranga City Council in its 2021/22 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by Bay Venues Limited for the preparation of the financial statements.

### 1.21 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

In preparing these financial statements, Bay Venues Limited has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### Property revaluations

Note 14 provides information about the estimates and assumptions exercised in the measurement of revalued land and buildings, and equipment.

### 1.22 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Note 27 provides explanations of major variances against budget.

### NOTE 2: REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

	2022 (\$000's) Actual	2022 (\$000's) Budget	2021 (\$000's) Actual
<b>Non-Exchange</b>			
TCC Operational Grant	3,256	2,916	2,887
TCC Debt Serving Grant	452	452	1,285
TCC Renewal Funding	3,142	6,782	3,433
Aquatics	3,238	4,325	3,846
Indoor Facilities	1,344	1,565	560
Childcare	-	-	120
Memberships	201	239	208
Rehabilitation Expense Funding	324	-	197
COVID-19 Wage Subsidy	38	-	1,046
<b>Total non-exchange</b>	<b>11,995</b>	<b>16,279</b>	<b>13,582</b>
<b>Exchange</b>			
Memberships	1,860	2,166	2,094
Events and Catering	8,383	10,324	10,068
Other User Fees and Charges	1,638	2,797	1,939
<b>Total Exchange</b>	<b>11,881</b>	<b>15,287</b>	<b>14,101</b>
<b>Total Exchange and Non-Exchange</b>	<b>23,876</b>	<b>31,566</b>	<b>27,683</b>

### NOTE 3: OTHER REVENUE

	2022 (\$000's) Actual	2022 (\$000's) Budget	2021 (\$000's) Actual
Rental	39	43	28
Dividends	11	43	43
Interest Received	-	-	-
Sponsorship	10	69	77
<b>Total Other Revenue</b>	<b>60</b>	<b>155</b>	<b>148</b>

### NOTE 4: EMPLOYEE EXPENSES

	2022 (\$000's) Actual	2022 (\$000's) Budget	2021 (\$000's) Actual
Salaries and Wages	12,800	13,505	11,722
Defined Contribution Plan Employer Contributions (KiwiSaver)	261	-	289
Other Personnel Expense	369	477	318
<b>Total Employee Expenses</b>	<b>13,430</b>	<b>13,982</b>	<b>12,329</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 5: CONSULTING & GOVERNANCE EXPENSES

	2022 (\$000's) Actual	2022 (\$000's) Budget	2021 (\$000's) Actual
Audit Fees	96	97	93
Consulting	639	249	279
Director Fees	206	243	260
TCC Shared Services	21	22	20
Tax Advisory	23	26	25
<b>Total Consulting Governance Expenses</b>	<b>985</b>	<b>637</b>	<b>676</b>

### NOTE 6: OPERATING EXPENSES

	2022 (\$000's) Actual	2022 (\$000's) Budget	2021 (\$000's) Actual
Cost of Goods Sold	2,385	3,472	2,461
Electricity	991	1,013	977
Insurance	490	485	407
Other*	2,216	2,143	2,113
Events Expenses	5	30	202
Marketing	371	346	332
<b>Total Operating Expenses</b>	<b>6,458</b>	<b>7,489</b>	<b>6,492</b>

\*Other Operating Expenditure includes such items as: (i) Cleaning (ii) Rates (iii) Recoverable Expenses

### NOTE 7: DEPRECIATION & AMORTISATION EXPENSE

	2022 (\$000's) Actual	2021 (\$000's) Actual
Buildings and Improvements *	2,926	2,912
Intangibles	216	153
Office Furniture and Equipment	678	552
Plant and Equipment	1,865	2,030
Motor Vehicles	71	70
<b>Total Depreciation &amp; Amortisation Expense</b>	<b>5,756</b>	<b>5,717</b>

### NOTE 8: ADMINISTRATIVE EXPENSES

	2022 (\$000's) Actual	2021 (\$000's) Actual
Operating Lease Costs	95	124
Other Administrative Expenses	1,038	1,132
<b>Total Administrative Expenses</b>	<b>1,133</b>	<b>1,256</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 9: INCOME TAX EXPENSE / (BENEFIT)

	Actual 2022 (\$000's)	Actual 2021 (\$000's)			
<b>A) Operational Surplus /(Deficit) before Taxation</b>	(5,671)	(542)			
Prima Facie Taxation at 28% (2021: 28%)	(1,588)	(152)			
Nondeductible Expenditure	1,159	1,246			
Non Taxable Income	(2,042)	(2,219)			
Deferred Tax Adjustment	875	(911)			
Recognition of Buildings Tax Base	-	-			
<b>Tax expense</b>	<b>(1,595)</b>	<b>(2,036)</b>			
Components of Tax Expense					
Current Taxation	-	-			
<b>Deferred Taxation Expense/(Benefit)</b>	<b>(1,595)</b>	<b>(2,036)</b>			
<b>B) Deferred Tax Asset (Liability)</b>					
	Property, Plant and Equipment (\$000's)	Employee Entitlements (\$000's)	Other Provisions (\$000's)	Tax Losses (\$000's)	Total (\$000's)
<b>Balance at 30 June 2020</b>	<b>(20,119)</b>	<b>196</b>	<b>26</b>	<b>9,865</b>	<b>(10,032)</b>
Charged to Surplus or Deficit	1,335	(24)	(1)	727	2,037
Charged to Other Comprehensive Income	(680)	-	-	-	(680)
<b>Balance at 30 June 2021</b>	<b>(19,465)</b>	<b>172</b>	<b>25</b>	<b>10,592</b>	<b>(8,675)</b>
charged to surplus or deficit	(179)	28	(6)	1,752	1,595
Charged to Other Comprehensive Revenue and Expense	(1,806)	-	-	-	(1,806)
<b>Balance at 30 June 2022</b>	<b>(21,450)</b>	<b>199</b>	<b>20</b>	<b>12,345</b>	<b>(8,886)</b>

### NOTE 10: CASH AND CASH EQUIVALENTS

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Cash at Bank	713	377
Cash in Hand	20	22
<b>Total Cash &amp; Cash Equivalents</b>	<b>733</b>	<b>399</b>

The carrying value of cash at bank or till floats approximates their fair value. There is no restriction on their use.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 11: INVENTORIES

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
<b>Held for Distribution Inventories</b>		
Chemicals at Cost	13	10
<b>Held for Commercial Inventories</b>		
Merchandise at Cost	130	172
Food & Beverages	225	219
<b>Total inventory</b>	<b>368</b>	<b>401</b>

There is no write down of inventory during the year. No inventory is pledged as security for liabilities (2021 \$nil).

### NOTE 12: DEBTORS AND OTHER RECEIVABLES

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Trade Debtors	552	1,114
Accruals	31	79
Provision for Doubtful Receivables	(17)	(25)
Prepayments	269	181
<b>Total Debtors &amp; Other Receivables</b>	<b>835</b>	<b>1,349</b>
Receivables from Non-Exchange Transactions	67	1,275
Receivables from Exchange Transactions	768	74
<b>Total Debtors &amp; Other Receivables</b>	<b>835</b>	<b>1,349</b>

	2022 Gross (\$000's)	Impairment (\$000's)	2022 Net (\$000's)	2021 Gross (\$000's)	Impairment (\$000's)	2021 Net (\$000's)
<b>Trade &amp; Related Parties Debtors</b>						
Not Past Due	475	-	475	891	-	891
Aged Receivables: 31-60 days	67	(13)	54	207	(12)	196
Aged Receivables: 61-90 days	2	-	2	4	(3)	1
Past due > 90 days	7	(3)	4	13	(11)	2
<b>Total</b>	<b>552</b>	<b>(17)</b>	<b>535</b>	<b>1,114</b>	<b>(25)</b>	<b>1,089</b>

#### FAIR VALUE

Debtors and other receivables are non interest bearing and receipt is normally 30 day term. Therefore, the carrying amount of debtors and other receivables approximates to their fair value.

#### IMPAIRMENT

An impairment of \$16,805 was provided for doubtful debt at 30 June 2022 (2021: \$25,554 ).

No debtor is pledged as security for liabilities (2021: \$nil)



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 13: INTANGIBLE ASSETS

	Computer Software (\$,000's)	Total (\$,000's)
<b>Cost</b>		
Balance as at 1 July 2020	1,686	1,686
Additions	185	185
Disposals	(4)	(4)
Work in Progress	255	255
<b>Balance as at 30 June 2021</b>	<b>2,122</b>	<b>2,122</b>
Balance as at 1 July 2021	2,122	2,122
Additions	215	-
Disposals	(255)	-
Work in Progress	60	-
<b>Balance as at 30 June 2022</b>	<b>2,142</b>	<b>2,122</b>
<b>Accumulated Amortisation and Impairment</b>		
Balance as at 1 July 2020	(1,243)	(1,243)
Amortisation Charge	(153)	(153)
<b>Balance as at 30 June 2021</b>	<b>(1,396)</b>	<b>(1,396)</b>
Balance as at 1 July 2021	(1,396)	(1,396)
Amortisation Charge	(216)	(147)
<b>Balance as at 30 June 2022</b>	<b>(1,612)</b>	<b>(1,543)</b>
<b>Carrying Amounts</b>		
As at 1 July 2020	443	443
As at 30 June 2021	727	727
As at 30 June 2022	531	325

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 14: PROPERTY PLANT AND EQUIPMENT

	2021 Cost / Valuation (\$,000's)	2021 Accum Deprn (\$,000's)	Opening Book Value (\$,000's)	2021 Asset Additions (\$,000's)	2021 Asset Disposals (\$,000's)	Current Deprn (\$,000's)	2022 Revaluation (\$,000's)	Cost Reval (\$,000's)	2022 Accum Deprn (\$,000's)	2022 Closing Book Value (\$,000's)
<b>At cost &amp; valuation</b>										
Land	975	-	975	-	-	-	1,525	2,500	-	2,500
Buildings & Improvements	107,299	(2,912)	104,387	177	-	(2,926)	6,453	108,091	-	108,091
Plant & Equipment	17,777	(669)	17,108	1,396	(4)	(1,865)	-	19,169	(2,534)	16,635
Office Furniture & Equipment	4,379	(2,064)	2,315	1,044	(2)	(678)	-	5,420	(2,742)	2,679
Motor Vehicles	719	(218)	501	66	-	(71)	-	785	(289)	495
<b>Subtotal</b>	<b>131,149</b>	<b>(5,863)</b>	<b>125,286</b>	<b>2,684</b>	<b>(6)</b>	<b>(5,540)</b>	<b>7,978</b>	<b>135,965</b>	<b>(5,565)</b>	<b>130,400</b>
Work in Progress	1,061	-	1,061	4,505	(2,684)	-	-	2,882	-	2,882
<b>Total</b>	<b>132,210</b>	<b>(5,863)</b>	<b>126,347</b>	<b>7,189</b>	<b>(2,690)</b>	<b>(5,540)</b>	<b>7,978</b>	<b>138,847</b>	<b>(5,565)</b>	<b>133,282</b>

Work in Progress: additional work is shown within the New Assets column and any capitalised assets are shown in Assets Disposed column.

	2020 Cost / Valuation (\$,000's)	2020 Accum Deprn (\$,000's)	Opening Book Value (\$,000's)	2021 Asset Additions (\$,000's)	2021 Asset Disposals (\$,000's)	Current Deprn (\$,000's)	Revaluation 2021 (\$,000's)	Cost Reval (\$,000's)	2021 Accum Deprn (\$,000's)	2021 Closing Book Value (\$,000's)
<b>At cost &amp; valuation</b>										
Land	975	-	975	-	-	-	-	975	-	975
Buildings & Improvement	106,285	-	106,285	1,014	-	(2,912)	-	107,299	(2,912)	104,387
Plant & Equipment	19,729	(4,192)	15,537	1,318	(26)	(2,030)	2,309	17,777	(669)	17,108
Office Furniture & Equipment	2,750	(1,512)	1,239	1,636	(7)	(552)	-	4,379	(2,064)	2,315
Motor Vehicles	473	(148)	324	287	(41)	(70)	-	719	(218)	500
<b>Sub Total</b>	<b>130,212</b>	<b>(5,852)</b>	<b>124,360</b>	<b>4,254</b>	<b>(74)</b>	<b>(5,564)</b>	<b>2,309</b>	<b>131,149</b>	<b>(5,863)</b>	<b>125,285</b>
Work in Progress	1,234	-	1,234	4,081	(4,254)	-	-	1,062	-	1,062
<b>Total</b>	<b>131,446</b>	<b>(5,852)</b>	<b>125,594</b>	<b>8,335</b>	<b>(4,328)</b>	<b>(5,564)</b>	<b>2,309</b>	<b>132,211</b>	<b>(5,863)</b>	<b>126,347</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### VALUATION

#### Land & Buildings

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or use of the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

Specialised buildings are valued at fair value using Depreciated Replacement Cost (DRC) because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to overdesign or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straightline depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non specialised buildings (for example, residential buildings) are valued at fair value using market based evidence. Market rents and capitalisation rates were applied to reflect market value.

The building valuation was performed by a registered independent valuer, Mairi Macdonald of the firm Quotable Value Limited, and the valuation is effective 30 June 2022.

#### Restrictions

Bay Venues Limited does not own any of the land that Building and Improvements are located on, except for a house at Miro Street. All land is owned by Tauranga City Council, with some of this land being reserve land. As such there are restrictions on both use and disposal of these Buildings and Improvements.

There is no restriction on the other classes of asset in the account and no amount of any property, plant and equipment was pledged as security for liabilities.

#### Plant

The approach utilised is a "fair" or "equitable" value which is reflected as market value for the existing use. Market value being defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Generally values have been calculated utilising either a comparable sales approach or on a depreciated replacement cost basis, whichever was more appropriate. Depreciated replacement cost is defined as the gross current replacement cost reduced by factors providing for age, physical depreciation and technical and functional obsolescence taking into account the assets total estimated useful life and anticipated residual value.

The age of each asset has been established utilising:

- Data provided;
- Research;
- Onsite assessment;
- Assessment based on the assets being combined with other fixtures.

The most recent plant valuation was undertaken by Forbes Valuation, on behalf of Quotable Value Limited during May 2021, and the valuation is effective 30 June 2021.

### WORK IN PROGRESS

The total amount of property, plant, and equipment in the course of construction is \$2,882,211 (2021 \$1,061,328).



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 15: OTHER INVESTMENTS – NON CURRENT PORTION

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
<b>Related Party Investments</b>		
Depreciation Investment	3,425	2,613
<b>Total Other Investments – Non-Current Portion</b>	<b>3,425</b>	<b>2,613</b>

Bay Venues Limited transfer funds to Tauranga City Council to be held in a depreciation reserve to fund future renewals capital for Bay Venues Limited.

### NOTE 16: EMPLOYEE ENTITLEMENT LIABILITIES

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Accrued Pay	169	190
Annual Leave	711	613
ACC Employer Contribution	70	91
Payroll Taxes	107	269
<b>Total Employee Entitlements</b>	<b>1,057</b>	<b>1,163</b>

### NOTE 17: CREDITORS AND OTHER PAYABLES

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Income in Advance	2,652	605
Trade & Other Payables	493	384
Accrued Expenditure	2,823	1,984
Deposits & Bonds	17	21
Other Payables	1	-
GST Payable	(3)	93
<b>Total Creditors &amp; Other Payables</b>	<b>5,983</b>	<b>3,087</b>
Payables from Non Exchange Transactions	3,802	1,041
Payables from Exchange Transactions	2,181	2,046
<b>Total Creditors &amp; Other Payables</b>	<b>5,983</b>	<b>3,087</b>

Trade and other payables are non interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their value.

There is a liability calculated by ASB Bank for our Credit Card Clearing account \$14,255 (2021: \$19,603).



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 18: BORROWINGS

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
<b>Current Borrowings</b>		
University of Waikato Adams Centre for High Performance	1,000	1,000
<b>Total Current Portion</b>	<b>1,000</b>	<b>1,000</b>
<b>Non-Current Borrowings</b>		
Loan from Tauranga City Council	20,537	18,273
<b>Total Non-Current portion</b>	<b>20,537</b>	<b>18,273</b>

### SECURITY

Tauranga City Council (TCC) loan is unsecured.

TCC has agreed to guarantee the University of Waikato Adams Centre for high performance loan on the terms contained in the agreement.

### FINANCE COSTS

Tauranga City Council charge interest at 3%. (2021 : 3.5%)

University of Waikato charge interest to the value of 55% of the total rental fee for the High Performance Centre.

### NOTE 19: SHARE CAPITAL

#### Fully Paid Ordinary Shares

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Balance at Beginning of Financial Year	84,232	84,232
Reclassification of Capital	-	-
<b>Closing Balance of Ordinary Shares Issued</b>	<b>84,232</b>	<b>84,232</b>

- Fully paid ordinary shares carry one vote per share and carry the right to dividends.
- No ready market for these shares so recognised at cost.
- Shares have no par value.
- Bay Venues Limited also holds \$18,000,000 uncalled shares of \$1 per share.
- 84,232,000 ordinary shares at \$1 per share are fully paid out and carry the right to dividends per share.

### NOTE 20: RETAINED EARNINGS

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
<b>Accumulated Funds</b>		
Balance at 1 July	(23,263)	(24,556)
Surplus/(Deficit) for the Year	(4,076)	1,494
Transfer to Trustpower Reserve	(200)	(200)
Disposal of Property, Plant and Equipment	-	-
<b>Balance 30 June 2022</b>	<b>(27,539)</b>	<b>(23,262)</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 21: REVALUATION RESERVE

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Balance at 1 July	38,134	36,505
Net Revaluation Gains	6,151	1,629
<b>Balance at 30 June</b>	<b>44,285</b>	<b>38,134</b>

### NOTE 22: OTHER RESERVES

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Naming Rights	733	533
<b>Total reserves</b>	<b>733</b>	<b>533</b>

The Naming Rights reflects the Trustpower naming rights arrangement for Trustpower Baypark.

### NOTE 23: CONTINGENCIES

Bay Venues Limited has no contingent liabilities at 30 June 2022 (2021: nil).

Bay Venues Limited has no contingent assets at 30 June 2022 (2021: nil).

Bay Venues Limited has no contingent rent recognised during the year. (2021: nil).

### NOTE 24: RECONCILIATION OF NET SURPLUS / (DEFICIT) AFTER TAX TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
<b>Net Surplus / (Deficit) from Statement of Comprehensive Income</b>	<b>(4,076)</b>	<b>1,494</b>
Add/(Deduct) Non Cash Items		
Depreciation/Amortisation + Loss on Disposal + Reval Gain	3,953	5,734
Add/(Deduct) Movements in Working Capital		
Movement in Trade and Other Receivables	511	(685)
Movement in Inventories	34	(56)
Movement in Employee Entitlements	(105)	(266)
Movement in Trade and Other Payables	2,993	(283)
Movement in GST Payable	(97)	(13)
Movement in Deferred Tax Asset	210	(2,036)
<b>Net cash inflow/(Outflow) from operating activities</b>	<b>3,423</b>	<b>3,889</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 24 (A): RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the statement of cash flows.

	Loan from Tauranga City Council 2022 (\$000's)	Loan from Tauranga City Council 2021 (\$000's)
Balance as at 1 July 2021	18,273	17,112
Cash inflows	7,764	7,662
Cash outflows	5,500	6,500
Non-cash changes	-	-
<b>Balance as at 30 June 2022</b>	<b>20,537</b>	<b>18,273</b>

### NOTE 25: CAPITAL COMMITMENTS AND OPERATING LEASES CAPITAL COMMITMENTS

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Elevated Work Platform	58	-
Catering Combi Oven	-	39
Healthy School Lunches Plumbing & Drainage	-	10
<b>Total capital commitments</b>	<b>58</b>	<b>49</b>

### OPERATING LEASES AS LESSEE

The Company leases equipment in the normal course of its business for a range of terms from 1 – 60 months. The future aggregate minimum lease payments payable under non cancellable operating leases are as follows:

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Not Later than One Year	62	74
Later than One Year and Not Later than Five Years	127	214
Later than Five Years	-	-
<b>Total Non Cancellable Operating Leases</b>	<b>189</b>	<b>288</b>

### OPERATING LEASES AS LESSOR

The Company provides leased office spaces in the normal course of its business. Signed lease agreements are in place for periods from 12 to 180 months.

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
Not Later Than One Year	497	461
Later Than One Year and Not Later Than Five Years	1,239	925
Later Than Five Years	460	581
<b>Total Non Cancellable Operating Leases</b>	<b>2,196</b>	<b>1,966</b>

No contingent rents have been recognised during the year (2021: nil).



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 26: RELATED PARTY TRANSACTIONS

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Company would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with Council (such as funding), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
<b>Transactions with Key Management Personnel</b>		
Salaries and other Short Term Employee Benefits	934	1,070
Directors Fees and Travel	206	256
<b>Total Key Management Personnel Remuneration</b>	<b>1,140</b>	<b>1,326</b>
<b>Total Full Time Equivalent Personnel</b>	<b>7</b>	<b>7</b>

### NOTE 27: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Company's budget figures in the 2021-22 Financial Statements are as follows:

#### Statement of Comprehensive Revenue and Expense

User Revenue was \$4.7m below budget due to Covid related restrictions impacting Events & Catering, Healthy School Lunches, Clubfit and Aquatics.

TCC Renewal Funding was \$3.6m below budget mainly due to the Greerton Renewals project completion being delayed until FY23.

Operational Expenses were \$1.0m lower than budget, and Employee Expenses were \$0.6m lower than budget, as expenses were minimised where possible throughout the year.

Key management personnel include the Board of Directors, Chief Executive, Chief Financial Officer, Commercial Manager, Venues & Programmes Manager, Human Resources Manager and Strategic Marketing and Communications Manager.

Directors fees and travel excludes meeting costs such as catering. Due to the difficulty in determining the full time equivalent for all Directors, the full time equivalent is taken as one.

### NOTE 28: FINANCIAL INSTRUMENTS

#### Financial Instrument Categories

	Actual 2022 (\$000's)	Actual 2021 (\$000's)
<b>FINANCIAL ASSETS</b>		
Loans & Receivables		
Cash and Cash Equivalents	733	399
Debtors and Other Receivables	539	1,090
<b>Total Financial Assets</b>	<b>1,272</b>	<b>1,489</b>
<b>FINANCIAL LIABILITIES</b>		
Financial Liabilities at Amortised Cost		
Creditors and Other Payables	510	404
Borrowings – UoW Adams Centre Loan	1,000	1,000
Borrowings – TCC Loan	20,537	18,273
<b>Total Financial Liabilities</b>	<b>22,047</b>	<b>19,677</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### Financial Instrument Risks

Bay Venues Limited complies with Tauranga City Council's policies to manage the risks associated with financial instruments. Bay Venues Limited is risk averse and seeks to minimize exposure from its financial instruments. Bay Venues Limited complies with Tauranga City Council's established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

#### (a) Market Risk

##### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. All current borrowings are from Tauranga City Council. The interest rates are fixed annually on 1 July each year.

##### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Bay Venues Limited only borrows, or invests, with Tauranga City Council.

##### Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates.

Bay Venues Limited purchases events from overseas event promoters, which require it to enter into transactions dominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is Bay Venues Limited's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above \$20,000 by entering into forward foreign exchange contracts to manage the foreign currency risk. This means that Bay Venues Limited is able to fix the New Zealand dollar amount payable for the delivery of these events.

#### (b) Credit Risk

Credit risk is the risk that a third party will default on its obligations to Bay Venues Limited, causing the company to incur a loss. In the normal course of business, Bay Venues Limited incurs credit risk from accounts receivables only.

The carrying value of financial instruments in the Statement of Financial Position reflects their credit risk exposure. The exposures are net of any recognised provisions for losses on these financial instruments. No collateral is held.

Bay Venues Limited complies with Council's Treasury Policy which permits a minimum credit rating of A for registered banks and other organisations. At 30 June 2022 all financial instruments were held with the New Zealand registered trading banks which are rated AA.

#### (c) Liquidity Risk

Liquidity risk is the risk that Bay Venues Limited will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, in Bay Venues Limited case, via funding through Tauranga City Council. Bay Venues Limited mostly manages liquidity risk by continuously monitoring forecast and actual cashflow requirements.





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### NOTE 29. EMPLOYEES REMUNERATION EXCEEDING \$100,000

	Actual Number of Employees	
	2022	2021
\$100,001 - \$110,000	3	-
\$110,001 - \$120,000	2	2
\$120,001 - \$130,000	2	2
\$130,001 - \$140,000	1	-
\$140,001 - \$150,000	1	-
\$150,001 - \$160,000	-	2
\$160,001 - \$170,000	1	1
\$180,001 - \$190,000	1	-
\$200,001 - \$210,000	1	1
\$210,001 - \$220,000	1	-
\$360,001 - \$370,000	-	1
<b>Total Employees</b>	<b>13</b>	<b>9</b>

Remuneration includes paid and payable at 30 June 2022.

### NOTE 30: EVENTS OCCURRING AFTER BALANCE DATE

There were no significant events after the balance date.

### NOTE 31: COVID-19 IMPACT DISCLOSURE

During August 2021 all of New Zealand moved into Alert Level 4. In September Auckland moved to Alert Level 3, while the rest of the country moved to Alert Level 2. In December the country moved to the Traffic Light system. Bay of Plenty was under Red Traffic light settings from January 2022 to April 2022, which required capacity limits on venues resulting in lowered patronage at community facilities such as the swimming pools, gyms, and use of community halls, and Trustpower Arena. Limits on gatherings were enforced, meaning medium to large events were not possible under the Red setting.

In April 2022 the Bay of Plenty dropped to the Orange Traffic light setting allowing business to return to normal for the remainder of the financial year.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2022

### STATUTORY DISCLOSURES

#### NATURE OF BUSINESS

There have been no changes to the nature of the business of the company.

#### CHIEF EXECUTIVE REMUNERATION

Total Remuneration Paid or Payable	2022	2021
\$260,001 – \$270,000	1	-
\$360,001 – \$370,000 *	-	1

\*Includes one off payment and accrued annual leave

Directors during the year and directors fees paid and accrued were as follows:

Director	Appointed Date	Resigned Date	Director Fees 2022	Travel and Accommodation 2022	Director Fees 2021	Travel and Accommodation 2021
Nick Lowe	01/07/17	N/A	33,000	-	32,420	-
Gareth Wallis	10/05/21	N/A	-	-	-	-
Simon Clarke (Chair)	01/07/21	N/A	66,000	-	-	-
Julie Hardaker (Deputy Chair)	01/07/21	N/A	41,250	-	-	-
Adam Lynch	01/07/21	N/A	33,000	-	-	-
Jeremy Curragh	01/07/21	N/A	33,000	-	-	-

There were no Director Remuneration benefits paid in excess of \$100,000.

#### DONATIONS

There were no donations made by the company during the period.

#### INTEREST REGISTER

There have been no disclosures of self interest during the year.



# STATEMENT OF INTENT PERFORMANCE

Activity	Target	Status	Commentary
Health and Safety	Declining trend in facility related incidents measured from previous year.		FY22 saw 35% decrease in facility related incidents with a drop from 152 to 99 incidents. An incident is an event that has resulted in injury or illness and/or property and equipment damage.
Asset Management Performance	Rated on zero major service disruptions under 4 hours due to asset maintenance or operational deficiencies.		We had one significant service disruption (greater than 4 hours). Greerton Aquatics Centre had incorrect pool lines painted by a sub-contractor, resulting in the pool being closed for 7 days to correct the issue. Audit of pool painting is now required on all future closures.
Staff Engagement	Improve staff survey results over previous year as measured by average variance percentage across all key teams surveyed.		Overall survey average for FY22 was 69%, up from 63% prior year. The improvement was due progress on our rewards and recognition strategy (including becoming a living wage employer), and improvements in our systems and processes through IT investment.
Customer Satisfaction	85% of respondents in customer survey/s are satisfied or higher with the overall customer experience received.		1,598 survey responses received. 1,445 rated their overall experience as Satisfied or Very Satisfied, equating to 90% of respondents.
Community Outputs	Provide 13 points of evidence required by TCC as per SOI Schedule 3.		11/13 or 85% of targets in community access and levels of service were met (note: information just has to be provided to council to meet this KPI).
Financial Sustainability	Achieve budgeted EBITDA. Non-funded network achieves positive result at NPBT (net profit before tax) level to help subsidise the funded network.		FY22 EBITDA result -\$2.9M, significantly below budget due to Covid related restrictions on business throughout the year. The non-funded network EBITDA result was -\$1.5M.
Strategic Plan Implementation Plan	85% of FY22 actions from strategic implementation plan (listed in section 4 as key areas of focus for the 2021/2022 year) are completed.		Achieved 14 out of 16 (88%) actions from the FY22 strategic implementation plan.

#### Traffic Light Status Key



On track and remaining so



Off track and needing further monitoring

Refer to the Statement of Intent for Individual Weightings of Balanced Scorecards Measures



# STATEMENT OF INTENT PERFORMANCE

## FINANCIAL

	21/22 Actual (\$,000's)	21/22 Budget (\$,000's)	20/21 Actual (\$,000's)
Revenue	20,282	24,332	22,964
Less Cost of Goods Sold	2,385	3,472	2,461
<b>Gross Profit</b>	<b>17,898</b>	<b>20,861</b>	<b>20,503</b>
Less Operating Expenditure	20,789	20,860	19,359
<b>EBITDA Surplus</b>	<b>(2,891)</b>	<b>1</b>	<b>1,144</b>

### Notes:

- Includes TCC Operational Grant, excludes TCC funding for depreciation, debt servicing and renewals.
- Excludes expenditure related to depreciation and debt servicing.
- Revenue includes user fees and charges, other sundry revenue earned and COVID-19 wage subsidy & Leave Support Scheme.
- Operating expenditure includes costs relating to employees, administration, marketing, governance, normal business operations and repairs and maintenance.
- Details on the results and variances to budget are reported within the Annual Financial Statements and notes.



# INDEPENDENT AUDITOR'S REPORT

## TO THE READERS OF BAY VENUES LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2022

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

The Auditor-General is the auditor of Bay Venues Limited (the company). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

### OPINION

We have audited:

- the financial statements of the company on pages 10 to 31, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 33 to 34. In our opinion:
- the financial statements of the company on pages 10 to 31:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2022; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
  - the performance information of the company on pages 33 to 34 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2022.

Our audit was completed on 22 November 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in

New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.



# INDEPENDENT AUDITOR'S REPORT

## RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



# INDEPENDENT AUDITOR'S REPORT

## OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 9 and 32, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENCE

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

**Clarence Susan**

Audit New Zealand

On behalf of the Auditor-General

Tauranga, New Zealand



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