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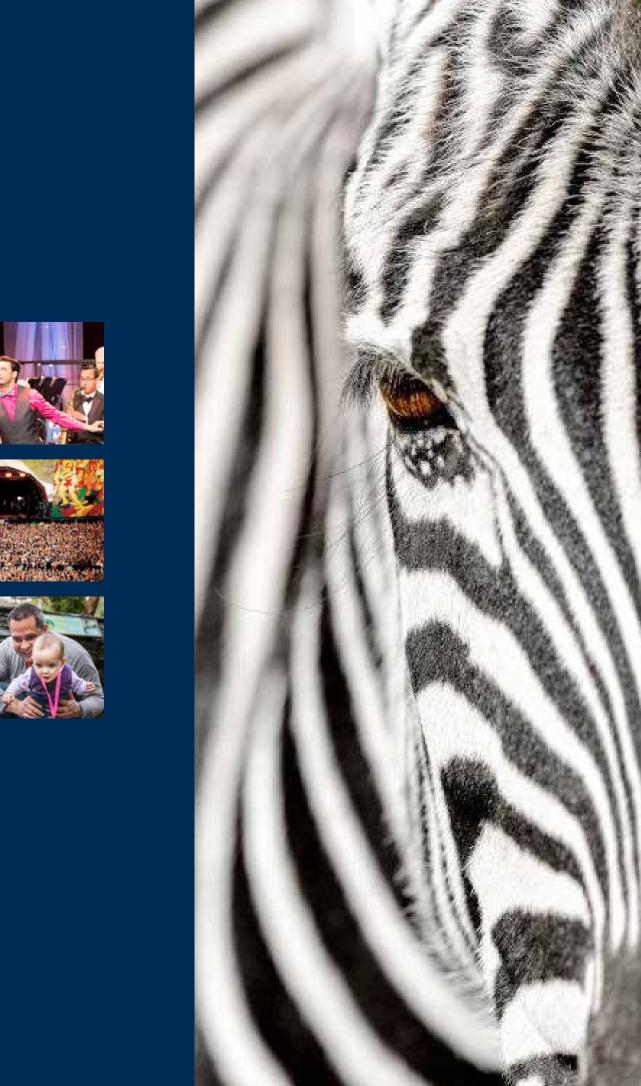
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LEFT: COLDPLAY, MT SMART STADIUM RFA ANNUAL REPORT 2013 I 1











Vision

Auckland Live! Providing places and experiences of irresistible, enriching discovery

REGIONAL FACILITIES AUCKLAND

Regional Facilities Auckland (RFA) was established on 1 November 2010 as part of the new Auckland Council.

One of six council-controlled organisations, RFA is a charitable trust governed by its Board.

We manage more than \$957-million worth of major regional facilities and stunning venues across the city, including Auckland Art Gallery, Auckland Zoo, Viaduct Events Centre, The Civic, Aotea Centre, Auckland Town Hall, Mt Smart Stadium and Western Springs Stadium. The Centre for Performing Arts (formerly THE EDGE), Auckland Conventions and Auckland Stadiums also form part of the RFA group.

Our purpose

• We work in partnership with Auckland Council and key stakeholders to achieve the vision of making Auckland the most liveable city in the world by 2040.

We aim to:

- Offer experiences to improve the cultural, economic and social wellbeing of residents and visitors
- · Contribute to the economic wellbeing of businesses and residents
- · Operate as a successful business utilising sound business practice and commercial acumen to make sure Aucklanders receive value for investment in regional facilities.

Our approach

We provide a regional approach to running and developing Auckland's vibrant arts, culture and heritage, leisure, sport and entertainment sectors through our landmark venues, business units and strategic partnerships.











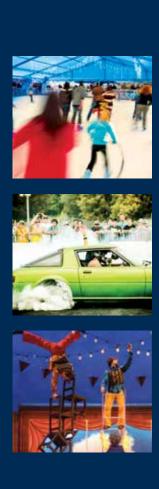


Mission

Our venues and collections will be irresistible, enriching and accessible; we will grow the economy of the region, advance the social and cultural wellbeing for the people of the region, and be the trusted stewards of the assets

We do this by:

- Maintaining existing collections to a high standard and developing future collections
- Nurturing region-wide arts, cultural and heritage activities and organisations
- Encouraging greater participation in arts, cultural and heritage activities
- Planning for and implementing regionally identified projects/functions
- Acting as a regional voice for arts, cultural, heritage, leisure, sport and entertainment issues
- Growing the market for facilities through an events strategy developed in partnership with Auckland Tourism, Events and Economic Development (ATEED)
- Advocating, coordinating and leading strategic thinking for investing in new collections and arts, cultural, heritage, leisure, sport and entertainment facilities for Auckland
- Developing, with a regional perspective, a range of fit-for-purpose arts, cultural, heritage, leisure, sport, entertainment and events venues that are attractive to the residents and businesses of the region, and to its visitors.













OUR BUSINESS UNITS

- Auckland Art Gallery
- Auckland Conventions
- Auckland Zoo
- Centre for Performing Arts (trading as THE EDGE)
- Auckland Stadiums

OUR VENUES

The regional venues owned by RFA all work to support sector development.

They are:

- Aotea Centre
- Auckland Art Gallery
- Auckland Zoo
- Mt Smart Stadium
- The Civic
- Viaduct Events Centre
- Western Springs Stadium.

RFA PLUS FACILITIES

RFA manages the funding of, and property relationships with:

- North Harbour Stadium
- North Shore Events Centre
- Vodafone Events Centre (formerly TelstraClear Pacific Events Centre)
- Bruce Mason Centre
- The Trusts Arena
- Stardome Observatory and Planetarium
- Voyager Maritime Museum.

RFA also advises Auckland Council on levy setting and governance for:

- Auckland War Memorial Museum
- MOTAT.

While these entities do not have a direct operational connection to RFA, they may choose to collaborate with RFA for mutual benefit.

In addition, RFA:

Holds contractual interests in Vector Arena and has the management rights for Auckland Town Hall (south) and Aotea Square.





THE MULTI-AWARD-WINNING TELEVISION SHOW, THE ZOO, RETURNED TO NEW ZEALAND SCREENS IN JULY 2012; THE PROGRAMME NOW SCREENS IN MORE THAN 35 COUNTRIES









VISITOR QUOTE:

"I am so proud of this place; it is absolutely beautiful. It's a place I can bring visitors and feel proud of our city."





Auckland Art Gallery

Established in 1888, Auckland Art Gallery Toi o Tāmaki, is a major cultural facility as well as an internationally recognised public gallery. It holds the country's most extensive and pre-eminent collection of national and international art, with over 15,500 works in its collections. Through the presentation of temporary exhibitions and public programmes, the gallery aims to broaden knowledge and experience of art. The gallery is a heritage-listed building, and its recent development has transformed its place in the city; the renovation has been recognised with 14 national and three international awards.

HIGHLIGHTS

VISITOR EXPERIENCE

In September 2012, the gallery marked the first year in its restored and expanded building, celebrating record visitor numbers of 677,052 for its first 12 months of operation.

WORLD-CLASS EXHIBITIONS

The gallery staged a diverse and highly successful exhibition programme during the year.

The international exhibition *Who Shot Rock & Roll: A Photographic History, 1955 – Present* attracted 53,600 visitors, making it the fourth most visited of the gallery's exhibitions in almost 20 years. The exhibition reached new audiences, with 51% of visitors making their first visit to the gallery and the highest proportion of visitors in the 17 – 34 age bracket. Other notable exhibitions included: *Home AKL*, the first major group exhibition

of contemporary Pacific art developed by the gallery; *The Walters Prize 2012*; and *The 5th Auckland Triennia*l, New Zealand's premier international contemporary art exhibition. The first exhibition to bring together early European art from across New Zealand's public gallery collections, *Angels & Aristocrats*, attracted more than 31,000 visitors following successful seasons at Dunedin Public Art Gallery and Te Papa, while the renowned exhibition *California Design, 1930 – 1965: Living in a Modern Way* was secured for display from July 2013.

LEARNING AND INNOVATION

A range of successful school, weekend and holiday programmes were held over the year, as well as four Big Day Arts, which were packed with art-related programmes to encourage families and young children to explore and engage with art. Overall, 69,489







69,489 PEOPLE VISITED THE GALLERY'S CREATIVE LEARNING CENTRE AND FAMILY DROP-IN



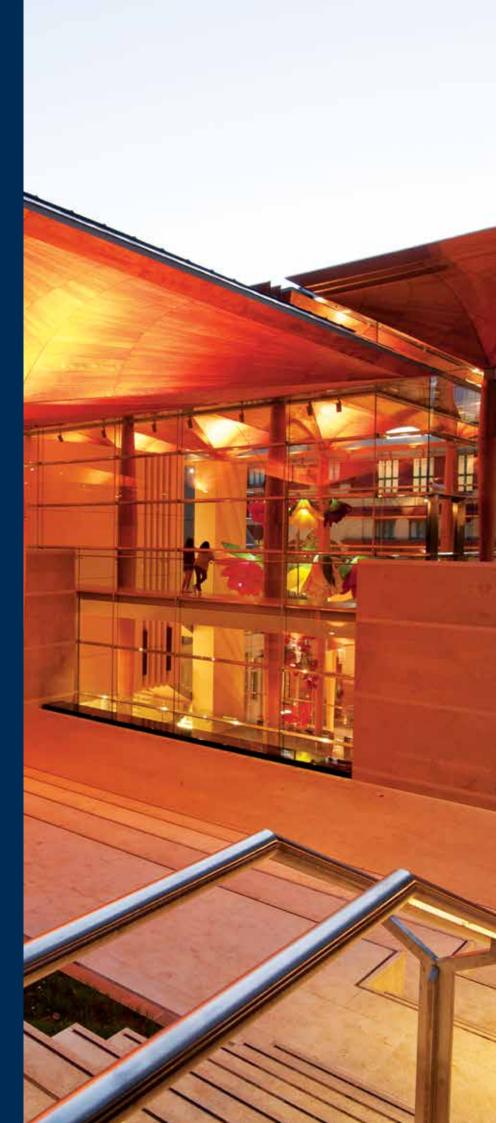






VISITOR QUOTE:

"Wow, just go there!"







people visited the gallery's Creative Learning Centre and Family Drop-In. The gallery also ran its popular education programmes, benefitting 24,283 schoolchildren.

The gallery launched a number of new initiatives including: the Community Partnerships Pilot with Sir Edmund Hillary Collegiate Middle School, which seeks to support access to the arts by partnering with low-decile schools and organisations (the programme will be expanded in the coming year); the Youth Media Internship Programme, which takes 12 secondary school students and partners them with gallery educators and AUT University student mentors for a week of learning through film; and free studio workshops for community groups.

GENEROUS SUPPORT

The Patrons of Auckland Art Gallery gifted Eden to Ohaeawai, one of Shane Cotton's seminal paintings, and the Friends of the Auckland Art Gallery gifted Portrait of Don Binney at Te Henga by Ian Scott. Other generous gifts from private benefactors included: No Ordinary Sun by Ralph Hotere, Genealogy 5 by Gordon Walters, Girl Acrobat: Showgirl Series and Home by Pat Hanly. In all, 24 works were gifted to the gallery.

MAJOR NEW ACQUISITIONS

Forty-four artworks were purchased, four to be added to the international collection and 40 to the New Zealand collection. Key works acquired for the international collection included: Amie Siegel's Winter and Albrecht Dürer's The Virgin and Child with a Monkey. Key works acquired for the New Zealand collection included: Simon Denny's Freeview Passport and Buck Nin's This Land is Ours.

CONSERVATION AND PRESERVATION

A number of major collection treatments were carried out, both on collection works and for external clients. A highlight was the treatment of a large 17th-century print The Mocking of Christ by François Langot. The process of research, testing and treatment for this work was funded by the Auckland Decorative & Fine Arts Society.







THE GALLERY'S POPULAR **EDUCATION PROGRAMMES** BENEFITED MORE THAN 24,000 SCHOOLCHILDREN









CLIENT QUOTE:

"I really cannot say thank you enough to the Auckland Conventions team for all your efforts in making our function such a success."

Angela Mills
General Manager Operations
Travel Managers Group Limited





Auckland Conventions

Auckland Conventions offers New Zealand's largest portfolio of unique and versatile venues for a wide range of events from large-scale exhibitions and conventions to business meetings and glamorous corporate functions. Its venues are iconic Auckland landmarks and include the Viaduct Events Centre, Aotea Centre, Auckland Town Hall and The Civic.

HIGHLIGHTS

EXPANDED OFFERINGS

In line with RFA's Strategic Framework objectives, Auckland Conventions broadened its portfolio during the year to include Auckland Art Gallery, Auckland Zoo and Mt Smart Stadium function spaces. The success of this initiative was evidenced in a 47% increase in events business over the previous year and record external revenue of \$13.8 million – a significant leap from \$4.2 million in 2010 when RFA was in its first year of operation.

SECTOR LEADERSHIP

Repeat business and growing attendance figures positions Auckland Conventions as a leading player in the Meetings, Incentives, Conventions and Exhibitions (MICE) market. More than 326,000 people attended 650 events across RFA's venues, including 10 international conferences.

PREMIUM FACILITY

The Viaduct Events Centre continues to prove that it is a world-class, sustainable venue. High-profile companies such as Fonterra, Vodafone and Vero hosted events at the venue. Large-scale events included the popular Auckland Seafood Festival, New Zealand Fashion Week, the Pacific Energy Summit, Convene, the Mayoress' Ball and the Auckland Boat Show. The Viaduct Events Centre also attracted key sporting events such as the Auckland Marathon, Team New Zealand's America's Cup boat launch and Ironman.

Overall, events hosted at the Viaduct Events Centre showed an increase of 26% over the previous year, with the venue attracting 157,000 visitors across 234 events.







A WORLD-CLASS VENUE, THE VIADUCT EVENTS CENTRE HOSTED A RECORD NUMBER OF EVENTS





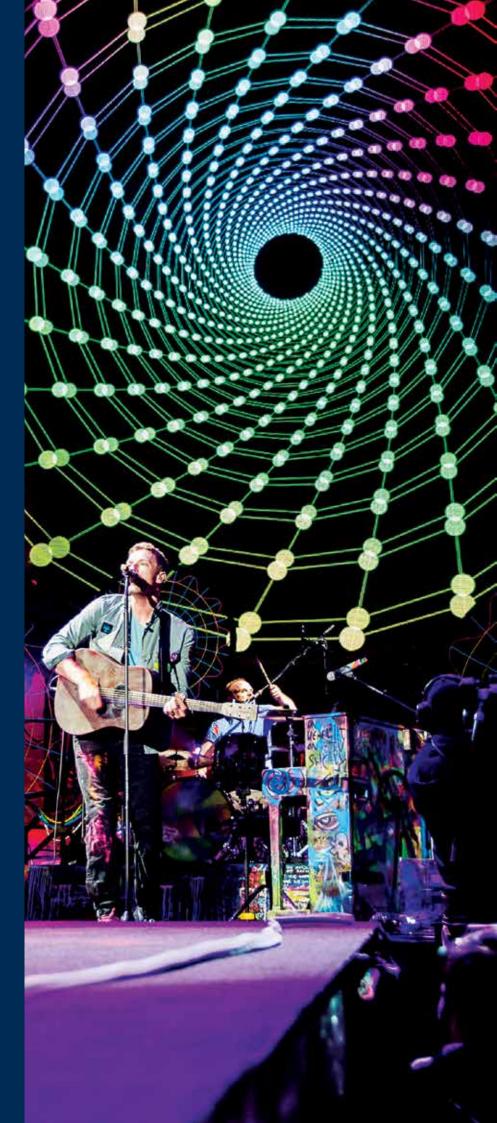




VISITOR QUOTE:

"Best concert I've been to in New Zealand!

Amazing venue, amazing transport to and from the venue, and best of all, an amazing show."









AUCKLAND STADIUMS

Auckland Stadiums is RFA's new business unit charged with developing and delivering the stadiums strategy for Auckland. The overarching goal is to transform Auckland's stadium landscape to deliver sustainable, fit-for-purpose facilities that provide improved customer experiences. Auckland Stadiums directly manages, operates and promotes Mt Smart and Western Springs Stadiums. It also works collaboratively with many of Auckland's major facilities including North Harbour Stadium, The Trusts Arena, Vodafone Events Centre, North Shore Events Centre, Vector Arena, ASB Tennis Centre and Eden Park.

HIGHLIGHTS

STRATEGIC PARTNERSHIPS

Auckland Stadiums continues to work with its partners including North Harbour Stadium, Eden Park and Auckland Council to realise the operational and financial benefits that occur from a more integrated approach to managing and developing the Auckland stadiums network.

Plans to develop an elite player facility at Mt Smart, in partnership with Oceania Football Confederation (OFC), are on track. This initiative is part of RFA's vision to develop improved high-performance sport training facilities in Auckland.

Auckland Stadiums and Auckland Council are partnering in the provision of artificial sports fields at North Harbour, Mt Smart and Western Springs Stadiums. This initiative will help deliver against Council's plan to improve community sports field provision across the city. It will also assist Auckland Stadiums to improve high-performance facilities at its network of venues.

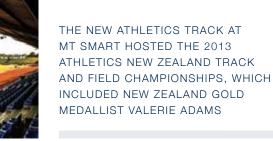
OUTSTANDING EVENTS

The RFA network of facilities delivered a wide range of events throughout the year.

Global rock band Coldplay played to a sold-out audience at Mt Smart Stadium in November, bringing nearly \$4.0 million in economic benefits to the region. Mt Smart also hosted a range of other events including the OUR:HOUSE Festival, the Auckland Super Show, the Pacific Cup football tournament, televised NZRL Monday-night rugby league and the Japanese Spec Car Show. Many of these events attracted new audiences. Key sporting events included 11 Vodafone Warriors home games, the























Oceania Champions League final and the 2013 Athletics New Zealand Track and Field Championships. In total, more than 309,000 people attended events at the stadium.

Western Springs Stadium staged another successful speedway season and hosted some of the world's best motorbike speedway riders at the New Zealand speedway Grand Prix for solo riders. The annual Pasifika event at Western Springs once again provided a fantastic showcase for Pacific cultures in the world's biggest Pacific city. Western Springs will also host Big Day Out in January 2014 as part of a five-year deal.

In other highlights: Nitro Circus entertained 20,000 people at North Harbour Stadium with their daredevil antics: the New Zealand Breakers continued their successful campaign securing a third ANBL championship at Vector Arena and North Shore Events Centre; and Vector Arena continued to attract the world's best acts

to New Zealand. The Trusts Arena hosted a fundraising fireworks event for the local Lions club which attracted 10,000 spectators. It was also the venue for the World Roller Figure Skating Championships, which brought almost \$600,000 into the Auckland economy.

ASSET INVESTMENT

Auckland Stadiums delivered a \$3.0-million capital-renewal programme during the year. The new athletics track at Mt Smart hosted the 2013 Athletics New Zealand Track and Field Championships, which included New Zealand Gold medallist Valerie Adams. Other key improvements at Mt Smart included: the renewal of all corporate suites in the Colin Kay Stand: the installation of a new 2.000seat temporary stand at the northern end of Arena 1; new weather ends on the Colin Kay Stand; two new replay screens in Arena 1; and training field developments to support the training activity of key stakeholders including the Vodafone Warriors, Oceania Football Confederation, Auckland Football Federation and Auckland Rugby League.







NITRO CIRCUS ENTERTAINED 20,000 PEOPLE AT NORTH HARBOUR STADIUM





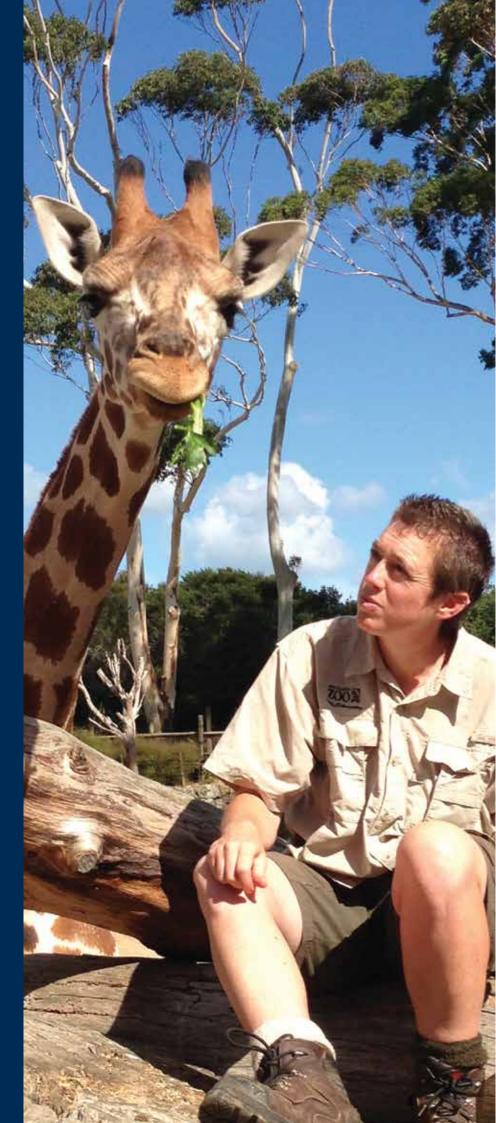




VISITOR QUOTE:

"Auckland is so lucky to have this amazing zoo in the middle of the city. The grounds are absolutely beautiful.

Be prepared to spend an entire day there visiting all of the animals and exploring."









Auckland Zoo

Auckland Zoo cares for and exhibits the largest collection of wildlife in New Zealand. As well as being a leading centre for wildlife conservation, the zoo provides its visitors with high-quality experiences that inspire them to care for wildlife and to act positively for the environment. Since the zoo opened 90 years ago in 1922, it has become an intrinsic part of the city. It has helped make Auckland a vibrant and exciting place in which to live and visit, while engaging Aucklanders in the protection and care of wildlife.

HIGHLIGHTS

VISITOR EXPERIENCE

Auckland Zoo enjoyed its second successive year of record visitation, welcoming 716,327 visitors, with a 30% increase in international visitors and a visitor satisfaction rating of 95%. The zoo's volunteers also had a record-breaking year, contributing 36,253 hours of service, a 15% increase over 2011/12.

INNOVATIVE PARTNERSHIPS

Auckland Zoo and the Rotoroa Island Trust developed a world-first partnership to create a wildlife sanctuary on the Hauraki Gulf island – a partnership that will see school students and the wider community experience the island's restoration firsthand. The Warehouse and Ritchies Transport entered into an innovative partnership to provide a free zoo experience to more than 10,000 children from low-decile schools over a three-year period.

WILDLIFF CONSERVATION

The Auckland Zoo Conservation Fund contributed over \$340,000 to help further wildlife conservation projects in New Zealand and around the world. This included skilled zookeepers and veterinary staff dedicating over 3000 hours of conservation fieldwork in 27 locations around New Zealand, helping to monitor, manage and protect populations of species such as the Otago skink, brown kiwi, New Zealand sea lion, kea and Bryde's whale.

CONSERVATION RESEARCH

The zoo's New Zealand Centre for Conservation Medicine completed important research on an emerging new disease affecting kākāpō, including the successful treatment and release of two of the critically endangered birds. Other research included studies on the health and disease of kākāriki in the Hauraki Gulf. In addition,







AN INNOVATIVE PARTNERSHIP WITH THE WAREHOUSE AND RITCHIES TRANSPORT WILL ENABLE MORE THAN 10,000 CHILDREN FROM LOW-DECILE SCHOOLS TO ACCESS THE ZOO'S EDUCATION PROGRAMMES









VISITOR QUOTE:

"Auckland is so lucky to have this amazing zoo in the middle of the city. The grounds are absolutely beautiful.

Be prepared to spend an entire day there visiting all of the animals and exploring."





the zoo helped create a world-first manual for disease risk analysis that will play a key role in assisting conservation management worldwide.

CELEBRATING SUCCESS

There were a number of notable births at the zoo during the year including a Nepalese red panda born on Christmas Eve, the successful breed for release of 1,600 endangered wētā punga, and 15 kiwi chicks raised and released as part of Operation Nest Egg. In a world first, the zoo also bred the critically endangered Archey's frog (the planet's mostevolutionarily distinct amphibian) from a longterm captive population. Operational success included the zoo's Wildzone gift shop winning the 2012 Top Shop Retail Excellence Award for Sustainability.





IN A WORLD FIRST, THE ZOO BRED THE CRITICALLY ENDANGERED ARCHEY'S FROG









CLIENT QUOTE:

"Our experience at THE EDGE
exceeded every expectation.
From world-class marketing and
PR support, to expert production
management and logistics, the
whole team made it an easy
decision to choose Auckland as a
major stop on our world tour."
Simon Painter
Creative Producer
The Illusionists:
Witness the Impossible





Centre for Performing Arts

Trading as THE EDGE, the Centre for Performing Arts (CPA) is the home of performing arts and entertainment in Auckland. It manages and programmes Aotea Centre, The Civic, Auckland Town Hall and Aotea Square. This year, as part of RFA's Strategic Framework, CPA began to programme non-sporting events at Mt Smart and Western Springs Stadiums. CPA is committed to delivering experiences that delight, inspire, educate, entertain and inform. It presents the best of national and international performing arts and entertainment, as well as a range of community-focused programmes that all contribute towards a culturally rich Auckland.

HIGHLIGHTS

GREAT EXPERIENCES

CPA secured a number of large-scale international shows and delivered a diverse and innovative programme of communityfocused events throughout the year, attracting a record 902,878 people to its venues. The top shows for the year included the smashhit musical Mary Poppins, which was seen by audiences totalling 160,000 people over 91 performances. More than 42,600 tickets were sold to people from outside Auckland, bringing \$12.9 million into the local economy through visitor nights and spend. The CPA-produced international magic show The Illusionists: Witness the Impossible sold 21,043 tickets over 15 performances, attracting 59% of first-time attendees. An international line-up of artists included Melissa Etheridge, Bryan Adams, Bill Bailey,

Danny Bhoy, Julie Andrews, Ben Harper, Barry Humphries, Rufus Wainwright, Alan Davies, The Waterboys and alt-rock group Wilco.

Family-friendly entertainment included: the *Pick & Mix* series for 2012 and 2013, which offered free performances and workshops for all ages; *The Magic Chicken* show; and the three-week *Unwrapping Christmas* programme which attracted more than 40,000 participants. The Aotea Square ice rink, as part of the *Winter Showtime* programme, saw 29,000 people ice skating in the heart of the city.

NEW ZEALAND PERFORMING ARTS

Major presenters and festivals continue to be key partners for CPA as it works with New Zealand's performing arts companies







THE TOP SHOWS FOR THE YEAR INCLUDED THE SMASH-HIT MUSICAL MARY POPPINS, WHICH WAS SEEN BY AUDIENCES TOTALLING 160,000 PEOPLE











to deliver successful performances and seasons in its venues. Our venues hosted popular annual festivals including the New Zealand International Comedy Festival, the New Zealand International Film Festival, and the Auckland Writers and Readers Festival. Notable highlights included New Zealand Opera's sell-out season of Madame Butterfly, and Silo's hit Brel, co-presented with CPA, which is now booked for the Taranaki and Christchurch Arts Festivals.

The premier festival of New Zealand and international arts, the Auckland Arts Festival, was a major success, doubling attendance figures and recording the largest box office income in the festival's history. Coordinated by CPA, Auckland Arts Festival's partner programme, the Auckland Fringe festival, also enjoyed significant

success, with 109 events hosted across 44 Auckland venues and attendance figures of more than 60.000.

National companies including the Royal New Zealand Ballet, Chamber Music New Zealand and the New Zealand Symphony Orchestra staged successful performances throughout the year, while the Auckland Philharmonia Orchestra continued to delight audiences with its regular performances at Auckland Town Hall.

ENHANCING THE VISITOR EXPERIENCE

The major refurbishment of the ASB Theatre was completed on time and on budget, making it New Zealand's premier lyric theatre. CPA also worked with accessibility groups on improving the ease of access into venues and events - both physically and via the Signal programme for deaf and vision-impaired people.





THE MAJOR REFURBISHMENT OF THE ASB THEATRE WAS COMPLETED MAKING IT NEW ZEALAND'S PREMIER LYRIC THEATRE



CHAIR'S REVIEW

RT HON SIR DON MCKINNON

E mihi ana ki te rangi e mihi ana ki te whenua e mihi hoki tēnei ki a koutou ngā Kaitiaki o Tāmaki Makaurau tēnā koutou katoa



Regional Facilities Auckland (RFA) was established as part of the visionary 'One Auckland' to unify our city. Within only three years, we are seeing the many positive outcomes this ambitious vision for our city sought to achieve.

As a council-controlled organisation (CCO), RFA is tasked to operate as a sustainable organisation, while delivering on our three overarching strategic priorities: Operating as trusted stewards of our venues and collections; Advancing the social and cultural wellbeing of Auckland; and, Growing the economy of Auckland.

These priorities are supported by our *Auckland Live!* vision, which reflects our intent to create venues, collections and experiences that are irresistible, enriching, accessible and relevant to the people of Auckland and to visitors to our region. Underpinning this is on-the-ground organisational and transformational change, as guided by our Strategic Framework.

Delivering on strategic priorities

This year we have continued to support Auckland Council's vision of making Auckland the world's most liveable city by 2040 through close alignment to Council's strategic priorities.

During the 2012/13 year, we saw more than six million people visiting Auckland's regional facilities, demonstrating the invaluable role arts, culture and sports play in enhancing the social and cultural wellbeing of our city.

The number of children and young people visiting our venues is outstanding. More than 330,000 children visited Auckland Zoo, 186,000 children experienced the performing arts at RFA venues, 78,000 children participated in education programmes at Auckland Zoo and Auckland Art Gallery and more than 36,000 children participated in sporting activities at Mt Smart Stadium. This level of engagement is firmly in line with Council's commitment to provide support, education and enriching experiences to our city's children and young people.

Our commitment to environmental action and green growth continues, with many successes

recorded around Auckland Zoo's conservation and partnership efforts with organisations such as the Department of Conservation and the Rotoroa Island Trust. RFA is also implementing 'green' operational improvements and energy-efficiency programmes throughout the organisation.

RFA has played a significant role in growing the Auckland economy. Our arts, culture and entertainment events attracted more than half a million visitors to the region, which brought \$103.0 million into the local economy.

Another key strategic priority has been to increase commercial revenue to support public-good activities. In the 2012/13 financial year, 62% of RFA's operating costs were met by external trading, which, in a challenging operating environment, has enabled us to deliver increased events and experiences.

Our work around creating a financially sustainable stadiums sector for Auckland is progressing well. Driven by our new business unit, Auckland Stadiums, RFA is playing a leadership role in the realisation of an integrated management model which will see Auckland's regional stadiums operating on a far more sustainable footing and which facilitates strategic investment in the creation of world-class, fit-for-purpose facilities, including high-performance training facilities.

Teamwork

I must acknowledge RFA's people, business directors and leadership team for their hard work and excellent commitment to our organisation and its goals.

I would also like to thank my fellow Board members. Their wise counsel, passion for RFA and the sectors it represents, along with their pride as Aucklanders, has enabled us to support this vibrant organisation and its people.

Together we have achieved significant successes and milestones. I look forward to another positive year and being able to further support Council's vision of making Auckland the world's most liveable city by 2040.



CEO'S REPORT

ROBERT DOMM



"... helping to position Auckland as a world-class place to live, work, visit and invest."

Regional Facilities Auckland (RFA) has a vital role to play in realising the vision of making Auckland the world's most liveable city by 2040. Through RFA's regional and collaborative approach, building on what we have and working in partnership with Council and our many stakeholders, we are helping to position Auckland as a world-class place to live, work, visit and invest.

Our organisation

Not only is our organisation exceeding expectations and delivering outstanding experiences, we are seeing positive outcomes from our enhanced collaboration and sector leadership. These results are driven by our Strategic Framework, which has put us in the best position to deliver on Council's vision for the city.

The Framework also steers us to deploy our resources to best advantage to benefit the communities we serve through transformational change and innovative ways of working. In line with this, we have implemented a number of initiatives to enhance operational and financial performance. These initiatives ensure our services, venues and offerings are both relevant and accessible to the communities we serve whilst minimising the cost to ratepayers.

Our successes

Over the year, we have hit record visitor numbers and high levels of satisfaction from our patrons and visitors. Across RFA we attracted new audiences to our venues through a myriad of diverse and successful activities. Worthy of mention is the fact that a great number of these attendees came from outside the Auckland region.

Celebrating its 125th year, Auckland Art Gallery further enhanced its position as one of New Zealand's top cultural institutions, delivering a very successful and diverse exhibition

programme and innovative education and outreach programmes. Its internationally significant collection grew with 24 gifted artworks and 44 acquisitions, and important conservation and preservation work was carried out.

In line with RFA's Strategic Framework objectives, Auckland Conventions broadened its portfolio to include Auckland Zoo, Auckland Art Gallery and Mt Smart Stadium function spaces. This has proved very successful, with 650 events secured and staged across all of RFA's venues and record external revenue of \$13.6 million.

Auckland Zoo achieved record visitation for the second consecutive year, attracting 716,327 visitors, a 30% increase in international visitors, and an overall satisfaction rating of 95%. Its innovative partnerships, which were initiated to advance its critically important conservation work and to enable socially disadvantaged children to access its education programmes, are worthy of particular note.

In our performing arts and entertainment sector, Auckland-exclusive international shows such as Mary Poppins and Coldplay brought significant economic benefit to the city, with over 35% of tickets sold to people from outside the region. The RFA-promoted international magic show The Illusionists: Witness the Impossible was also a huge hit, with over 21,000 tickets sold during the two-week season. Of significance, 59% of attendees were first-time visitors to our theatres.

An important initiative has been the establishment of the Auckland Stadiums business unit. The team is working hard to deliver the goal of integrated stadium management to support the sector's long-term sustainability. We are seeing good progress around this work and, as a result, look forward to delivering tangible outcomes over the coming period.



Another notable highlight has been the work RFA is doing with the Counties Manukau Pacific Trust to further develop the Vodafone Events Centre. This was earmarked in 2012 as a transformational project under our Board's Strategic Framework and it is rewarding to see this exciting initiative gaining ground after years of planning and discussion.

Investment in our assets has generated positive feedback. A key project during the year was the \$3.0-million renewal programme at Mt Smart Stadium which saw the new athletics track being opened as part of the 2013 Athletics New Zealand Track and Field Championships. The ASB Theatre refurbishment project was also completed on time and on budget, making it New Zealand's premier lyric theatre.

Our finances

Initiatives designed to best position RFA to deliver services, venues and offerings that are both relevant and accessible to the communities it serves at minimum cost to ratepayers have been effective. In a challenging operating environment, the organisation has increased revenue and decreased costs resulting in a significantly improved financial position over the previous year, while also increasing public-good outputs.

RFA finished the year with an operational surplus of \$6.8 million, representing a favourable variance of \$0.7 million against a budgeted surplus position of \$6.1 million. This is a significant turnaround from the 2011/12 year where the operational surplus was \$3.5 million unfavourable to budget, and represents significant value for ratepayers.

The overall deficit position, which includes nonoperating items, is \$15.8 million unfavourable to a budgeted surplus position of \$22.4 million. This is primarily due to Auckland Council group-wide revaluation assumptions, unbudgeted asset write-downs, and under-budgeted depreciation. These non-operating items have no impact on business operations and are for accounting and statutory reporting purposes only.

Our people

Operating in a very challenging environment, we have significantly improved our financial performance over the previous year while increasing our public-good activities. This is no mean feat and I thank and acknowledge our staff for their significant contribution towards the organisation's success over these past 12 months.

Our people continue to deliver incredible experiences to our customers and should be proud of their achievements for the year. It is always with great appreciation that I note our staff's commitment to consistently innovate and identify fresh opportunities.

I wish to acknowledge our former Auckland Art Gallery Director, Chris Saines, who resigned during the year to take up a new role as Director of Queensland Art Gallery. Director for over 17 years, Chris helped shape and influence the New Zealand visual arts landscape and was instrumental in building Auckland Art Gallery's national and international reputation as an iconic Auckland destination.

I am delighted to welcome the new Auckland Art Gallery Director, Rhana Devenport, who took up her role at the end of July 2013. Also acknowledged is former Executive Director of Auckland Stadiums, Geoff Williams, who departed to take up the role of CEO at Rotorua District Council.

I also thank our Board, led by Chair Sir Don McKinnon. The Board has governed us very well over the year and continues to both challenge and support our organisation to aim as high as we can to deliver the best results possible.

Our year ahead

I am confident that RFA, supported by its people and guided by its Board, will continue to build on these results. Through this, we will keep delivering outstanding events at our venues to make those who live in Auckland proud, while providing those who visit our city with memorable experiences.



BOARD OF DIRECTORS



Rt Hon Sir Don McKinnon onz gcvo - Chair

A former Deputy Prime Minister of New Zealand and Minister of Foreign Affairs, Sir Don spent eight years as the Commonwealth Secretary-General. He was recently appointed Chairman of The Queen Elizabeth II Diamond Jubilee Trust in New Zealand and foundation Chair of The New Zealand China Council. Sir Don is also a trustee of a number of not-for-profit organisations.



Dame Jenny Gibbs DNZM - Deputy Chair

Dame Jenny is well known as a patron of the arts, having served as a trustee on the Arts Foundation New Zealand, the Auckland Art Gallery Foundation and the Auckland Contemporary Art Trust, and on the boards of the Museum of Te Papa Tongarewa New Zealand and NBR New Zealand Opera. In addition to her work in the arts, Dame Jenny served on The University of Auckland Council almost continuously from 1975 to 2009, including two terms as Pro Chancellor.



John Avery

John is a full-time director. Current directorships include Spider Tracks Limited, Fund Managers Auckland Limited, Signify Limited, the New Zealand School of Dance, the New Zealand Local Government Funding Agency Limited, Strategic Pay Limited and Office Product Depot Limited. John was previously a commercial lawyer for 35 years and a long-standing partner in law firm Hesketh Henry.



Lisa Bates

Lisa has worked in the New Zealand arts sector for over 25 years, including in senior roles such as producing Shortland Street for South Pacific Pictures. She supports the not-for-profit sector and has contributed to fundraising strategies for most major arts organisations. Lisa achieved Fundraiser of the Year award for her Q theatre work in 2010. She is an independent company director and a member of the Institute of Directors. Lisa has been appointed by the Crown to the New Zealand Symphony Orchestra Board and is also a trustee of The Big Idea/Te Aria Nui Charitable Trust. Lisa works in the field of marketing and communications as executive director of the design and brand agency Hawkins&Co.





Derek Dallow

Derek is a former commercial law specialist, lawyer and mediator, with an extensive background in acting on major property developments, consulting to company directors on business structuring, director duties and acting for a number of major trusts. Derek has been senior legal advisor to the North Harbour Stadium, The Trusts' Stadium, the Bruce Mason Centre and Massey University. He was appointed one of North Harbour Stadium's foundation trustees, and was North Harbour Rugby Union's solicitor from 1989 to 2012. Derek is a Crown appointee to the Eden Park Trust Board.



John Robertson

John is an accredited company director and chartered accountant. He is the Chairman of Commissioners, Kaipara District Council, and Chairman of e-retailer Fishpond Limited. His public service has included Member of Parliament for Papakura, Chairman of Infrastructure Auckland and Mayor of Papakura. He is a former Chairman of Counties Manukau Sports Foundation and Great Potentials Foundation. John is Chairman of the RFA Audit and Risk Committee.



Rukumoana Schaafhausen

Rukumoana has practised as a lawyer for a number of years, specialising in the area of governance. She previously worked for a large-scale property development company. Rukumoana serves as a director/trustee on a number of boards including Waikato-Tainui Te Kauhanganui Incorporated and Genesis Energy.



Peter Stubbs

Peter is a leading New Zealand marketing lawyer and the head of the Sports, Entertainment and Marketing practice of Simpson Grierson. Previously, Peter was Deputy Chairman (then Chairman) of THE EDGE and Deputy Chairman of Tourism New Zealand. He was a long-term member (then Chairman) of the Hamilton City Council Events Sponsorship Subcommittee and was a founding member and later President of the New Zealand Events and Sponsorship Association. Peter is Deputy Chairman of Dunedin Venues Management Limited and a member of the Institute of Directors.



Gary Troup

Gary brings not only a business and sporting backgrounds but strong community and local government involvement. He was previously Deputy Mayor of Manukau City Council and prior to that spent 12 years on the Papatoetoe Community Board, six as Chairman. Actively involved with many local community groups, Gary, a former New Zealand cricketer, has continued his involvement in cricket and is now President of Auckland Cricket. Gary is a trustee on the John Walker Find Your Field of Dreams Foundation and Chairman of Camp Quality New Zealand (for children living with cancer).



EXECUTIVE TEAM



Robert Domm - Chief Executive Officer

Robert was appointed Chief Executive Officer in November 2011. He previously served as CEO at the City of Sydney and as a CEO for the New South Wales Government at the Redfern-Waterloo Authority and the Sydney Harbour Foreshore Authority, as well as Managing Director of the Australian Technology Park. He has served on the boards of a number of organisations, including the highly acclaimed Sydney Festival. He has an extensive background in urban renewal and planning and managing public infrastructure and tourism precincts including The Rocks, Darling Harbour, Sydney Convention and Exhibition Centre and the Sydney Entertainment Centre. A qualified lawyer, Robert holds Master of Business Administration, Master of Labour Law and Relations, Bachelor of Laws and Bachelor of Arts degrees, and has a Graduate Diploma in Legal Practice.



Paul Brewer Lvo - Director, External Relations

Paul has held a variety of corporate communications and marketing roles in New Zealand's cultural, financial and political sectors. He was the founding Director of Marketing, Communications and International Tourism at the Museum of New Zealand Te Papa Tongarewa. Most recently, Paul was External Relations Director at THE EDGE. Paul is currently a trustee of the Kiri Te Kanawa Foundation and the Queen Elizabeth II Diamond Jubilee Trust and a past trustee of the Auckland War Memorial Museum Board.



Patrick Cleaver - Chief Financial Officer

Patrick has a strong financial and consulting background and has worked in retail, trucking, property, insolvency and managing business change functions in the public sector and as a consultant or finance professional within health and local government. He has been involved in asset management planning over the past 15 years particularly in areas integrating strategic planning with the financial arrangements to fund infrastructural outcomes. He was responsible for leading the finance division at Taupo District Council and was Group Manager Development Initiatives at North Shore City Council. Patrick is a trustee for the Queen Elizabeth II Diamond Jubilee Trust.





Kym Fell - Director, Business and Commercial Performance

Kym was appointed Director, Business and Commercial Performance in December 2012. He has an extensive background managing multinational corporations across the hospitality, tourism, convention and facilities management sectors throughout Australia and New Zealand. Kym's former roles include: General Manager for Next Generation Clubs; General Manager of Hotel Grand Chancellor; and General Manager of Scenic Hotels. His areas of expertise include facilitating change management, strategy and business planning, revenue optimisation and driving operational efficiencies.



Vicki Johnson - Director, Marketing and Communications

Vicki has over 20 years' experience in senior marketing and communications roles in the health, education and performing arts sectors. Most recently Associate Director, Marketing at THE EDGE, Vicki brings expertise in integrated marketing and communications, brand, customer experience, and corporate and digital communications.



Geoff Williams - Executive Director, Auckland Stadiums

Geoff is a professional executive with 18 years' experience in leading highly complex multi-site service organisations. Geoff has held a range of senior roles in both the central and local government sectors. Prior to his role with Regional Facilities Auckland, he worked as a member of the Auckland Transition Agency where his focus was the establishment of the new CCOs. Geoff holds masters and postgraduate qualifications in Education, Psychology and Management.



BUSINESS DIRECTORS



Chris Saines CNZM - Director, Auckland Art Gallery

Chris was appointed Director in 1996, having worked previously as an educator, curator and collections manager. He was foundation Chair of Museums Aotearoa and is an alumnus of the Getty's Museum Management Institute. In 2009, he secured the largest-ever art gift to an Australasian art museum, the Robertson Collection. Chris led the Auckland Art Gallery's award-winning development project from its inception and was made a Companion of the New Zealand Order of Merit for services to the arts. In April 2013, Chris took up a new role as Director of Queensland Art Gallery.



Mohamed Mansour - Director, Auckland Conventions

Mohamed has over 20 years of international experience in hospitality, convention and conference management and marketing. His previous roles include Head Director, International Business and Marketing for Heritage Hotels, and Director, Operations, Conventions and Business Events Sales for THE EDGE. Mohamed is responsible for driving all conventions and business event sales activities across the RFA group. He also leads and engages with key stakeholder and sector groups to drive tourism to Auckland and New Zealand. Mohamed is on several industry boards.



Jonathan Wilcken - Director, Auckland Zoo

Jonathan has a background in the work of zoological institutions, having worked previously in zoos in the United Kingdom and Australia and in the Natural History Museum in London. His previous roles include Executive Director of the Australasian Zoo Association, representing over 70 zoological institutions across Australasia. He has degrees from London University and Macquarie University (Sydney) and sits on the boards of the Australasian Zoo and Aquarium Association, the International Species Information System and the advisory committee of the International Union for Conservation of Nature's Conservation Breeding Specialist Group.



Robbie Macrae - Director, Centre for Performing Arts

Robbie has held a variety of roles in the performing arts sector including technical production, visitor experience, employee relations, artist management and programming. He has also held positions in strategic planning and revenue management in Australia's airline industry. Robbie's previous roles include Business Programming Manager with the Victorian Arts Centre in Melbourne and Director, Theatre Programming and Development at THE EDGE. He has broad experience in the full range of performing art forms from classical to contemporary, combined with commercial acumen within the broader entertainment industry with a Bachelor of Commerce from The University of Western Australia.





Paul Nisbet - Director, Stadium Management

Paul has a 25-year record of achievement and demonstrated success across several major facilities in New Zealand and Australia. He is an experienced senior executive, and his previous roles include General Manager of Event Operations at Sydney Cricket and Sports Ground Trust, and Manager Venues and Rugby World Cup at New Plymouth District Council. In his current role, Paul is responsible for the leadership and operational management of Auckland Stadiums, currently comprising Mt Smart and Western Springs Stadiums. He is tasked with creating greater utilisation of the facilities through events and future development of high-performance spaces to ensure they provide maximum benefit to the community, while enhancing Auckland Stadiums' reputation as a leading international outdoor sport and entertainment management entity.



Doug Cole - Director, Stadium Partnerships

Doug has 30 years' experience working predominantly in local government and the not-for-profit sector. His work has focused on developing and enhancing organisational strategic and operational capability. He has substantial experience in developing, leading and managing teams, and managing facilities and complex projects. As Director, Stadium Partnerships, Doug manages RFA's interests in Auckland's wider network of stadiums and venues. He also manages RFA's relationships with key local, regional and national sport and recreation organisations.

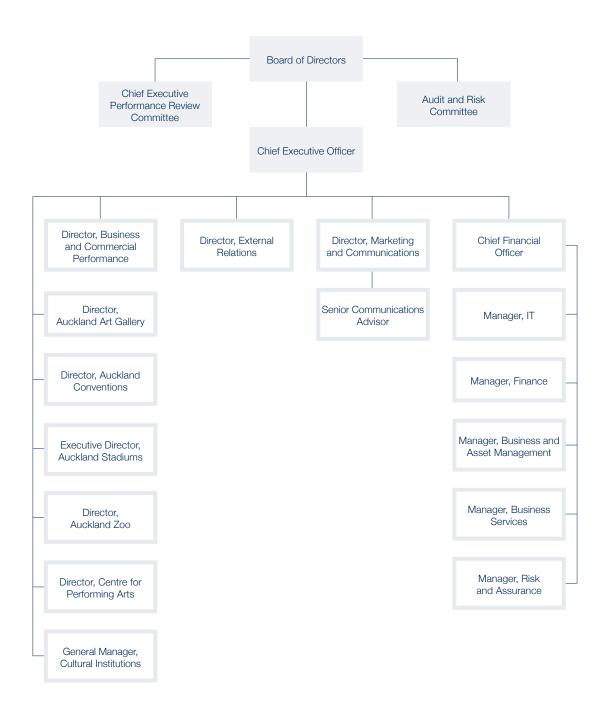


Maree Laurent - General Manager, Cultural Partnerships

Maree joined RFA in 2010, following her role at Auckland Council as Business Analyst. With a strong background in local government, Maree has also worked in senior policy advisory and financial analyst roles. Maree manages RFA's strategic objectives in the arts and cultural sector and ensures stakeholder relationships are maintained and developed across a diverse range of major cultural entities throughout Auckland. This includes ensuring connections are established for the broader major regional facilities group, such as Auckland Council and other council organisations.



ORGANISATIONAL STRUCTURE





STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The trustee is responsible for the preparation of Regional Facilities Auckland (RFA) financial statements and statement of service performance, and for the judgements made in them.

The trustee of RFA has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service reporting.

In the trustee's opinion, these financial statements and statement of service performance fairly reflect the financial position, operations and service performance of RFA for the year ended 30 June 2013.

SIGNED

Sir Don McKinnon

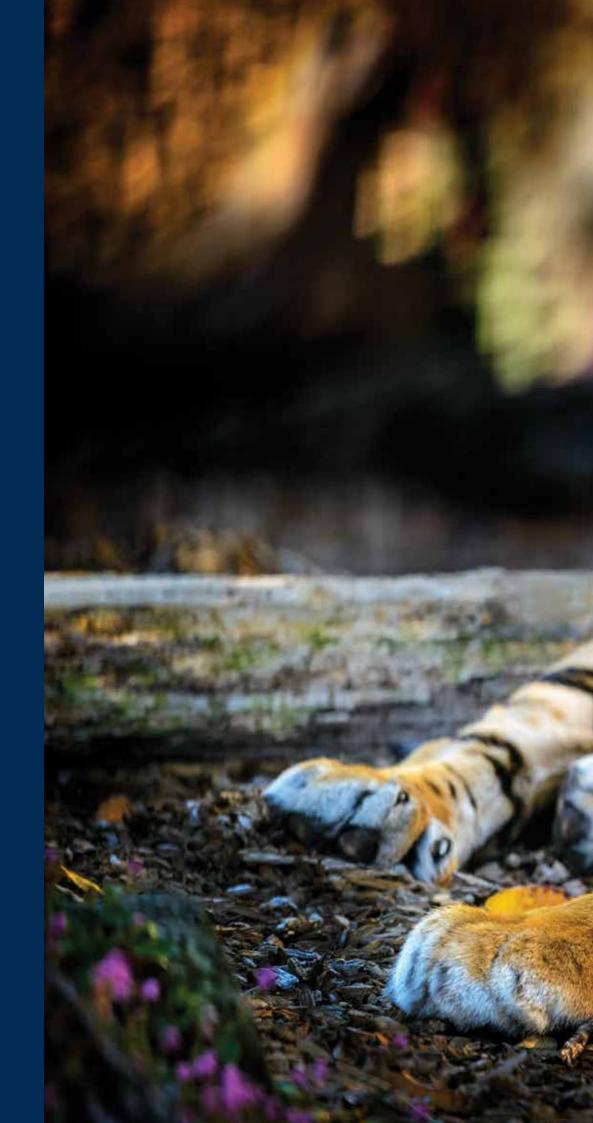
Chair

Regional Facilities Auckland Limited on behalf of Regional Facilities Auckland

SIGNED

Robert Domm

Chief Executive Officer Regional Facilities Auckland

















"... RFA has had a successful year of operation in achieving the target visitation and satisfaction results."

This section reports RFA performance measured against the Statement of Intent measurement framework. The framework describes the intended outcomes and outputs of RFA for the 2012/13 financial year presented in context with RFA's Strategic Framework.

The RFA Strategic Framework has been developed to articulate the key drivers for our business and provide for our shareholder clear linkages to the Auckland Plan. This is shown in the following table.

In reading the performance against Statement of Intent results for 2012/13, the following should be noted:

- 2012/13 was the first full year that Auckland Art Gallery and Viaduct Events Centre operated and, as such, will form a baseline for future comparisons.
- Where available, a target has been specified and we have indicated with:
 - Achieved
 - Almost achieved
 - Not achieved
- The basic level of service for RFA was set in the Auckland Council Annual Plan 2012/13. This covers visitation levels and satisfaction across the five areas of RFA businesses¹:
 - Regional event facilities
 - Art services
 - Art gallery
 - Museums¹
 - Zoo.
- We have maintained the Auckland Council activity structure to aid comparisons
 for those reading both Auckland Council and RFA annual reports. Within the
 activities, we have represented each of the RFA business units' achievements
 against the targets.

In general, RFA has had a successful year of operation in achieving the target visitation, satisfaction and other performance results. The operational surplus is favourable to budget.

While the trading results are strong, RFA is still learning about the operational and capital requirements of the new Viaduct Events Centre and the redeveloped Auckland Art Gallery. Both these facilities have required more operational and capital resources than was originally envisaged.

Traditionally, the funding for asset renewals at Auckland Zoo has not been at an appropriate level; therefore, asset renewals have tended to be more of a reactive rather than a preventative nature. While the visitor spaces have been improved to better meet visitors' needs, the key infrastructure of the zoo is over 90 years old and will require further investment.

^{1.} Museums are now funded directly by Auckland Council, therefore, they will no longer be reported as part of this annual report from 2014.

AUCKLAND COUNCIL OU Auckland Plan	TCOMES		IMPACT What difference RFA outputs	OUTPUTS What RFA customers receive
PRIORITY	TRANSFORMATIONS	OUTCOMES	make RFA STR	ATEGIC FRAMEWORK RFA OUTPUTS
STRATEGIC DIRECTION 6 Contribute to tackling climate change and increasing energy resilience Priority 1: Mitigate climate change STRATEGIC DIRECTION 5 Acknowledge that nature and people are inseparable Value our natural heritage Treasure our coastline, harbours, islands and marine areas Sustainably manage our natural resources STRATEGIC DIRECTION 8 Create a stunning city centre, with well-connected quality towns, villages and neighbourhoods Demand good design in all development Realise a quality, compact city	Strongly commit to environmental action and green growth	A culturally rich and creative Auckland	Trusted stewards of our venues and collections	1. Terrific customer experience through designing and delivering programmes and experiences that continue to delight by being accessible, enriching and irresistible 2. Our venues and collections are properly cared for and fit for purpose for every generation 3. A good corporate citizen through being acknowledged as a good employer, good business partner and good neighbour
STRATEGIC DIRECTION 4 Develop an economy that delivers opportunity and prosperity for all Aucklanders and New Zealand Enhance investment in people to grow skills and a local workforce Grow a business-friendly and well-functioning city	Substantially raise living standards for all Aucklanders and focus on those most in need Dramatically accelerate the prospects of Auckland's children and young people	An Auckland of prosperity and opportunity	Grow the economy of Auckland	4. Greater spend by people from outside Auckland through growing the customer base and raising the spend per head 5. Assist our industry sectors to contribute greater value to the Auckland economy through working with our partners to build capacity and output 6. RFA's use of resources is efficient resulting in the demand by RFA on the Council rates decreasing over time
STRATEGIC DIRECTION 1 Creating a strong, inclusive and equitable society that provides opportunity for all Aucklanders Put children and young people first Strengthen communities Improve the education, health and safety of Aucklanders STRATEGIC DIRECTION 2 Enable Māori aspirations through recognition of the Treaty of Waitangi and customary rights Explore partnerships and mana whenua to protect, identify and manage waahi tapu sites Support sustainable development of Māori outcomes, leadership and community partnerships STRATEGIC DIRECTION 3 Integrate arts, culture, heritage and lifestyle into our everyday lives: all priorities STRATEGIC DIRECTION 10 Plan, deliver and maintain quality infrastructure to make Auckland liveable and resilient Social and community infrastructure: protect, enable, align, integrate and provide social and community infrastructure	Radically improve the quality of urban living	A fair, safe and healthy Auckland	Advance the social and cultural wellbeing of Auckland	 People living positive, healthy lifestyles through more people participating in cultural, recreational and sporting experiences Supporting resilient families through encouraging more families to spend enjoyable social time together Strong cohesion through connection, knowledge and understanding through our people coming together more to learn, meet and celebrate

STATEMENT OF SERVICE PERFORMANCE

RFA WIDE

			HOW WE V	VILL KNOW IF WE ARE	SUCCESSFUL	
What we do (level of service)	RFA Output	How we will measure success (performance measure)	ACTUAL 2012	ACTUAL 2013	TARGET 2013	
	3	All Council accountability requirements met	N/A	100%	100%	•
RFA Statement	3	Staff satisfaction	67%	72%	70%	
of Intent RFA Corporate	4	Number of visits to RFA and RFA+ facilities	5,659,313	6,125,528	5,800,000	
	6	Share of non-council-generated revenue (excluding statutory levies)	56%	47%	51%	[1]
	2	Reduction in level of water use at RFA facilities from 2012 levels	N/A	[2]	-1%	
	2	Reduction in level of electricity use at RFA facilities from 2012 levels	N/A	[2]	-5%	
	2	Reduction in level of waste generated at RFA facilities from 2012 levels	N/A	[2]	-6%	
	4	Total number of event days at regional event facilities: North Harbour Stadium, North Shore Events Centre, Vodafone Events Centre, Bruce Mason Centre, The Trusts Arena	1,365	1,575	1,375	[3]
	4	Total number of attendances at regional event facilities: North Harbour Stadium, North Shore Events Centre, Vodafone Events Centre, Bruce Mason Centre, The Trusts Arena	1,395,191	1,972,035	1,750,000	[3]
			Achieved	Almost achieve	ed Not achi	eved

- 1. Council changed the basis of capital funding from partially debt to fully funded during the year.
- 2. Systems and processes currently being implemented to enable reporting in the 2013/14 year.
- 3. Vector Arena is independently operated and service figures included in the Statement of Intent are not available in this result.

Summary of performance

RFA has continued to offer a diverse and exciting range of activities to the Auckland community, attracting over \$103.0 million of visitor spend to the local economy.

RFA has continued to diversify its offering to attract new audiences. Recent examples include the Who Shot Rock and Roll photographic exhibition at Auckland Art Gallery, The Illusionists: Witness the Impossible at The Civic, and the OUR:HOUSE Festival and Japanese Spec Car Show at Mt Smart Stadium.

The following tables illustrates how each of RFA's businesses has contributed to the Auckland Plan outcomes of advancing the

social and cultural wellbeing of Auckland, providing opportunities for Auckland's children and young people, growing the Auckland economy, and environmental action and green growth.

These have been achieved with the financial objective of minimising costs to the ratepayers. A measure of this is the share of non-Council-generated revenue, however during the year the treatment of renewal funding from Council changed from debt funded to grant funding. As a result, a better representation of this outcome is that the commercial external revenue achieved met more than 62% of RFA's operational costs compared to 60% in 2011/12.

REGIONAL EVENT FACILITIES

			HOW WE V	VILL KNOW IF WE AF	RE SUCCESSFUL	
What we do (level of service)	RFA Output	How we will measure success (performance measure)	ACTUAL 2012	ACTUAL 2013	TARGET 2013	
Auckland Council Annual Plan	7	Total number of event days held at regional event facilities: Western Springs, Mt Smart	339	997[4]	300	•
Provide regional event facilities	7	Total number of attendances at regional event facilities: Western Springs, Mt Smart	262,570	309,110[4]	260,000	•
RFA Corporate	1	Satisfaction of users with facilities and collections	74%	72%	80%	•
Mt Smart Stadium	2	Special place evaluation of the precinct/entrance/ facility and service experience for a visitor	70%	75%	80%	•
	2	Percentage of planned time available for use	87%	58%	99%	[1]
	2	Satisfaction of users with access to facilities	73%	80%	80%	
	3	Business partner satisfaction	80%	100%	80%	
	8	Percentage of visits to RFA facilities that are with families or friends	N/A	88%	New Measure	
	8	Percentage of families and friends whose experience of RFA facilities provide positive social outcomes	78%	67%	80%	[2]
	1	Level of reach across (usage by) Auckland communities [visits/resident population]	North 9% West 8% Central 26% East 22% South 11%	North 14% West 15% Central 19% East 15% South 17%	North 9% West 8% Central 26% East 22% South 11%	•
	3	Preparedness of customers to promote the experience to others	10%	21%	10%	•
	7	Number of non-Aucklanders visiting RFA facilities	34,643	42,633	39,000	•
	4	Total visitor spend of non-Aucklanders whilst in Auckland	\$6.44m	\$7.90m	\$7.30m	•
	8	Average spend at RFA facilities per visitor (excluding RFA ⁺)	\$18.44	\$13.89	\$14.56	•
	6	Average cost at RFA facilities per visitor (excluding RFA ⁺)	\$20.52	\$15.60	\$16.36	•
	9	Repeat visitation within one year	N/A	79%	80%	

- 1. Measure not met due to track renewal and field revitalisation.
- 2. Changes in survey methodology to ensure consistency across the RFA group have resulted in differences shown above.
- 3. Event days now are determined as the number of events held at the facility rather than the number of days in which events occurred.

■ Achieved ■ Almost achieved ■ Not achieved

4. Includes RFA lead events held at Western Springs Stadium.

CENTRE FOR PERFORMING ARTS

			HOW WE V	VILL KNOW IF WE AF	RE SUCCESSFUL	
What we do (level of service)	RFA Outputs	How we will measure success (performance measure)	ACTUAL 2012	ACTUAL 2013	TARGET 2013	
Auckland Council Annual Plan	7	Number of event days held at regional event facilities: THE EDGE facilities	850	1,342	1,100	
Provide regional event facilities	7	Number of attendances at regional event facilities: THE EDGE	579,705	902,878	590,000	•
RFA Statement of Intent	1	Satisfaction of users with facilities and collections	91%	89%	90%	•
Centre for Performing Arts	2	Special place evaluation of the precinct/entrance/ facility and service experience for a visitor	74%	84%	75%	
	2	Percentage of planned time available for use	89%	84%	99%	•
	2	Satisfaction of users with access to facilities	88%	87%	80%	•
	3	Business partner satisfaction	93%	100%	80%	•
	8	Percentage of visits to RFA facilities that are with families or friends	N/A	86%	New Measure	
	8	Percentage of families and friends whose experiences of RFA facilities provide positive social outcomes	65%	75%	65%	•
	1	Level of reach across (usage by) Auckland communities [visits/resident population]	North 45% West 45% Central 67% East 35% South 20%	North 51% West 34% Central 73% East 39% South 23%	North 45% West 45% Central 67% East 35% South 20%	
	3	Preparedness of customers to promote the experience to others	37%	31%	40%	[1]
	7	Number of non-Aucklanders visiting RFA facilities	90,930	245,940	118,000	•
	4	Total visitor spend of non-Aucklanders whilst in Auckland	\$16.91m	\$45.70m	\$21.95m	•
	8	Average spend at RFA facilities per visitor (excluding RFA+)	\$10.15	\$15.17	\$22.77	•
	6	Average cost at RFA facilities per visitor (excluding RFA*)	\$16.00	\$21.61	\$32.65	•
	9	Repeat visitation within one year	N/A	32%	20%	

^{1.} Changes in survey methodology to ensure consistency across the RFA group have resulted in differences shown above.

■ Achieved ■ Almost achieved ■ Not achieved

			HOW WE W	ILL KNOW IF WE ARE SU	CCESSFUL
What we do (level of service)	RFA Outputs	How we will measure success (performance measure)	ACTUAL 2012	ACTUAL 2013	TARGET 2013
Auckland Council Annual Plan	7	Number of event days held at regional event facilities: Viaduct Events Centre	N/A	333	300
	7	Number of attendances at regional event facilities: Viaduct Events Centre	N/A	157,248	250,000
RFA Statement	1	Satisfaction of users with facilities and collections	80%	83%	90%
of Intent Auckland	2	Percentage of planned time available for use	100%	100%	99%
Conventions	3	Business partner satisfaction	87%	100%	80%
	8	Average spend at RFA facilities per visitor (excluding RFA+)	\$19.00	\$42.21	\$51.40
	6	Average cost at RFA facilities per visitor (excluding RFA+)	\$13.00	\$30.16	\$37.15
	9	Repeat visitation within one year	N/A	83%	75%
	3	Preparedness of customers to promote the experience to others	N/A	1%	80%
	9	Percentage of non-commercial event days	N/A	2%	4% ■[1]
			Achieved	Almost achieved	■ Not achieved

Changes in survey and collection methodology to ensure consistency across the RFA group have resulted in the differences shown above.

Summary of performance

This activity has had another very solid year. These facilities are the cornerstone of regional event provision in Auckland and touch the lives of most Aucklanders and many visitors to the city. The facilities included here are RFA-owned-and-operated Mt Smart Stadium, Aotea Centre, The Civic and Viaduct Events Centre, as well as the independently governed North Harbour Stadium, North Shore Events Centre, Bruce Mason Centre, The Trusts Arena, and Auckland Councilowned Auckland Town Hall. Not included are the fully leased out Western Springs Stadium and Vector Arena, which are both independently operated with limited report-back requirements.

Mt Smart Stadium has had a good year with over 309,000 attendees, including 35,000 (45% from outside Auckland) at the highly successful Coldplay concert, a number of inaugural events staged to improve utilisation, and the hosting of NZ Warriors home games. Alongside the sporting and commercial focus, the stadium offers facilities to over 997 community events a year. The site is utilised by NZ Police for dog training, and by various charitable and community organisations for their activities, meetings and conferences.

The capital investment continues at Mt Smart Stadium to meet tenants' contractual requirements and to ensure that the visitor experience meets the needs of patrons. This includes the upgrade of the athletics track, which hosted the 2013 Athletics New Zealand Track and Field Championships in March.

The Viaduct Events Centre continued to build on its success since opening in August 2011, hosting over 157,000 people

across 234 events including high-profile events such as New Zealand Fashion Week, Auckland Marathon and the Seafood Festival, all of which have showcased Auckland.

Trading as THE EDGE, the Centre for Performing Arts (CPA) is the home of performing arts and entertainment in Auckland. It is focused on delivering experiences to engage, delight, inspire, educate and inform its patrons and the Auckland community. It offers the best of national and international performing arts and entertainment, as well as a range of community-focused programmes that contribute towards a culturally rich Auckland.

During the year, CPA offered over 1,300 events days attracting over 900,000 attendees to a range of programmes which underpin the organisation's long-term priority to: engage the community in the performing arts through theatre for children, school programmes and free family events; support emerging and developing artists; and support established companies through international and Auckland festivals, and New Zealand companies such as the NZSO, Royal New Zealand Ballet and NZ Opera.

Other significant contributions:

- Mary Poppins and The Illusionists staged at The Civic
- The Blues v France at North Harbour Stadium
- Family-friendly events in Aotea Square, including Unwrapping Christmas, the Aotea Square Ice Rink, Auckland Arts Festival Garden, Diwali Festival of Lights
- Auckland Fringe.

AUCKLAND ART GALLERY

			HOW WE V	VILL KNOW IF WE AF	RE SUCCESSFUL	
What we do (level of service)	RFA Outputs	How we will measure success (performance measure)	ACTUAL 2012	ACTUAL 2013	TARGET 2013	
Auckland Council Annual Plan Provide the opportunity to access, learn and experience visual arts	7	Number of visitors to Auckland Art Gallery Toi o Tāmaki	618,312	440,942	450,000	•
	1	Percentage of visitors satisfied with their visit to Auckland Art Gallery Toi o Tāmaki	98%	92%	90%	•
	9	Number of participants in education and public programmes at the Auckland Art Gallery Toi o Tamaki	13,968	24,823	40,000	•
RFA Statement	1	Satisfaction of users with facilities and collections	N/A	94%	90%	
of Intent Auckland Art Gallery	2	Special place evaluation of the precinct/entrance/ facility and service experience for a visitor	85%	87%	85%	•
7 ii Cullery	2	Percentage of planned time available for use	100%	100%	99%	•
	2	Satisfaction of users with access to facilities	N/A	87%	80%	
	3	Business partner satisfaction	100%	100%	80%	
	8	Percentage of visits to RFA facilities that are with families or friends	32%	83%	40%	•
	8	Percentage of families and friends whose experiences of RFA facilities provide positive social outcomes	62%	80%	65%	•
	1	Level of reach across (usage by) Auckland communities [visits/resident population]	North 23% West 11% Central 41% East 21% South 4%	North 26% West 15% Central 46% East 6% South 7%	North 23% West 11% Central 41% East 21% South 4%	•
	3	Preparedness of customers to promote the experience to others	89%	51%	90%	[1]
	7	Number of non-Aucklanders visiting RFA facilities	264,307	110,248	180,000	•
	4	Total visitor spend of non-Aucklanders whilst in Auckland	\$49.16m	\$20.10m	\$33.48m	
	8	Average spend at RFA facilities per visitor (excluding RFA+)	\$5.02	\$8.13	\$8.35	•
	6	Average cost at RFA facilities per visitor (excluding RFA+)	\$22.60	\$26.66	\$29.86	•
	9	Repeat visitation within one year	24%	76%	25%	
	9	Percentage of non-commercial days	N/A	N/A	New Measure	[2]

- 1. Changes in survey methodology to ensure consistency across the RFA group have resulted in the differences shown above.
- 2. Systems and processes currently being implemented to enable reporting in the 2013/14 year.

Summary of performance

Auckland Art Gallery is a public art gallery that holds, and makes freely accessible, New Zealand's largest visual arts collection. Heralded in 1888 as 'the first permanent art gallery in the Dominion', Auckland Art Gallery Toi o Tamaki celebrated its 125th year in February 2013 and remains the largest art institution in New Zealand with a collection numbering over 15,000 works. Artworks include major holdings of New Zealand historic, modern and contemporary art, and outstanding works by Māori and Pacific Island artists, as well as European painting, sculpture and print collections ranging in date from 1376 to the present day.

The visitation number of 440,942 for the 2012/13 year is more reflective of normal gallery operations following record visitation of 618,312 in the first year, 12 months since reopening in September 2011.

Achieved

In addition to the major art collection, the gallery has also hosted a number of very successful exhibitions, including Home AKL, Who Shot Rock and Roll, The Walters Prize and the 5th Auckland Triennial. These exhibitions have attracted a wide range of audiences and showcased the best of New Zealand and overseas art.

The gallery continues to develop, care for, research and interpret its extensive collection. Its reputation as a world-class gallery is represented through a growing education programme, the staging of international exhibitions, its important conservation and preservation work. Its position as New Zealand's leading gallery is further enhanced through generous gifts of artworks (\$1.60m in 2013 alone).

■ Almost achieved ■ Not achieved

			HOW WE W	ILL KNOW IF WE AF	E SUCCESSFUL	
What we do (level of service)	RFA Outputs	How we will measure success (performance measure)	ACTUAL 2012	ACTUAL 2013	TARGET 2013	
Auckland Council Annual Plan Residents and visitors to Auckland are	7	Number of visitors to museums	1,342,801	1,308,700	1,300,000	•
given the opportunity to experience, learn and access our heritage and culture through museums	1	Percentage of visitors satisfied with their visit to museums	97%	95%	90 %	•
			Achieved	Almost achie	ved Not achi	ieved

Summary of performance

Over 840,000 people visited Auckland War Memorial Museum during the year. The first museum in the world accredited under the Certified Emissions Measurement and Reduction Scheme (CEMARS), it won a coveted 2013 Green Ribbon award from the Ministry for the Environment for its 31% reduction in carbon emissions over the last two years. The museum confirmed plans to add alternative energy generation to its on-site sustainability programme, and expects by 2015 to achieve the Auckland Plan carbon emission reduction target of 40%.

Auckland Museum's region-wide youth engagement project Urbanlife was recognised when it won a major category in the 2013 Museums Aotearoa Awards. Urbanlife equipped six groups of youth from around the city to express their visions for tackling Auckland's big issues: employment, housing, culture, education, economic wellbeing, and the environment. The project successfully gave youth an opportunity to learn new skills, work with community mentors and describe the Auckland in which they would like to live in via exhibitions online, in the community or at the museum.

Voyager had another busy year, attracting over 130,000 visitors, including hosting the official launch function of the 2012 Auckland Heritage Festival. Voyager's ground-floor galleries came to life with actor performances, hosts in character, traditional Māori music and a sea-shanty folk band. Over 180 people from Auckland's heritage, arts and culture sector attended the event; all of them were contributors to the festival through their own venues, programmes and events. The heritage festival event provided visitors with not only the chance to explore Voyager's galleries and meet a variety of historical characters on the way,

they could also climb aboard a variety of heritage sailing and steam vessels. A number of vessels also operated trips on the harbour and Kaitiaki Tours took visitors for 15 minute doublehulled waka paddle trips. Over 2,600 people visited over the weekend and 327 passengers went on sailing or steam trips. This event will now be an annual event on the museum's calendar.

MOTAT was visited by over 240,000 people and had a successful year with many positive success stories to celebrate, including: the millionth tram passenger; visitor donations of more than 6,000 Christmas gifts in lieu of entrance fees for under-privileged families; and the display of New Zealand's first vehicle to be crushed under government legislation against boy-racers. This new exhibit leveraged the significant media coverage and public debate surrounding the crushed car to emphasise MOTAT's relevance to society and record the social commentary on transport in today's world. MOTAT also celebrated the first birthday of its multi-award-winning Aviation Display Hall which is now home to 32 aircraft. The Aviation Display Hall has won numerous architecture and design awards since its opening. Over 83,000 visited Stardome during the year, with 94% of them very satisfied with the museum. Events included the world's first ever planetarium version of the War of the Worlds musical, which was enjoyed by over 3,000 customers (sell out); and the opening of Council's Matariki festival with a dawn karakia at the summit of Maungakiekie. Stardome's own updated Matariki Dawn planetarium show was also highly successful, with record audiences at both public and education shows. These were not only commercially successful but also represented a growing partnership with Auckland Council.

AUCKLAND ZOO

			HOW WE V	VILL KNOW IF WE A	RE SUCCESSFUL	
What we do (level of service)	RFA Outputs	How we will measure success (performance measure)	ACTUAL 2012	ACTUAL 2013	TARGET 2013	
Auckland Council Annual Plan	7	Number of visitors to the zoo	710,613	716,327	650,000	ľ
Provide memorable, inspirational, leisure and learning experiences with wildlife	1	Percentage of visitors satisfied with the zoo	98%	95%	90%	•
Support wildlife conservation in the Auckland Region and in the wild	2	Number of species at Auckland Zoo in wildlife conservation programmes	49	49	49	•
Deliver educational and interpretive programmes	9	Number of participants in education programmes	33,769	53,686	50,000	•
to increase understanding and encourage wildlife conservation	9	Percentage of participants satisfied their learning outcomes were achieved	49	49	49	•
FA Statement	2	Satisfaction of users with facilities and collections	91%	93%	90%	
of Intent Auckland Zoo	2	Special place evaluation of the precinct/entrance/ facility and service experience for a visitor	80%	88%	80%	ŀ
	2	Percentage of planned time available for use	100%	100%	99%	
	2	Satisfaction of users with access to facilities	89%	93%	80%	
	3	Business partner satisfaction	100%	100%	80%	
	8	Percentage of visits to RFA facilities with families or friends	89%	95%	90%	ŀ
	8	Percentage of families and friends whose experiences of RFA facilities provide positive social outcomes	92%	95%	90%	ľ
	1	Level of reach across (usage by) Auckland communities [visits/resident population]	North 30% West 37% Central 61% East 10% South 10%	North 25% West 25% Central 24% East 9% South 18%	North 30% West 37% Central 61% East 10% South 10%	•
	3	Preparedness of customers to promote the experience to others	52%	57%	50%	ľ
	7	Number of non-Aucklanders visiting RFA facilities	212,014	158,873	130,000	
	4	Total visitor spend of non-Aucklanders whilst in Auckland	\$39.43m	\$29.6m	\$24.18m	ľ
	8	Average spend at RFA facilities per visitor (excluding RFA+)	\$16.38	\$15.09	\$16.13	ľ
	6	Average cost at RFA facilities per visitor (excluding RFA+)	\$15.13	\$17.74	\$25.27	ľ
	9	Repeat visitation within one year	53%	67%	50%	
	9	Percentage of non-commercial days	N/A	TBA	New Measure	

AUCKLAND ZOO

Summary of performance

Auckland Zoo houses, manages and exhibits the largest collection of wildlife in New Zealand. The zoo's mission is 'To bring people together to build a future for wildlife'. It seeks to achieve this mission through delivery of its five strategic intents which are:

- · Managing wildlife exceptionally
- · Inspiring the community to value wildlife
- · Building understanding of wildlife
- · Galvanising action for wildlife
- · Conserving wildlife in wild places.

Auckland Zoo's ability to deliver on these objectives relies on a successful relationship with the Auckland community, meeting their expectations of a modern zoo and providing unique and varied high-quality experiences for visitors to enjoy. Critically, it relies on the community trusting the zoo to benefit wildlife through its operations. This includes demonstrating:

- · A clear, non-exploitative approach to the wildlife in its care
- · A commitment to the welfare of wildlife at the zoo
- · An ongoing contribution to conserving wildlife in the wild.

Auckland Zoo continues to deliver exceptional experiences through its commitment to providing high-quality environments for both visitors and animals, and a commitment to an ongoing programme of exhibit regeneration. This has resulted in record visitation numbers of over 716,000 and more than 53,000

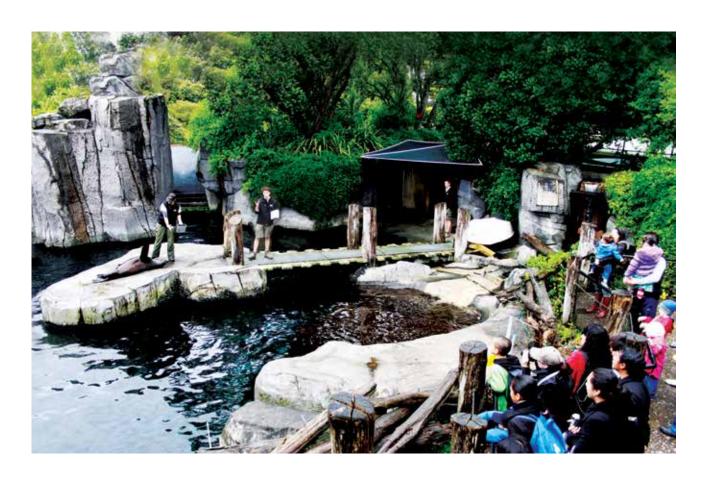
children participating in its education programmes during the year to support the core focus of wildlife management and conservation.

The income received from visitation and ratepayer funding supports the zoo's primary objectives of managing the wildlife and conservation. This includes specialist veterinary care, animal food and medicines, veterinary care, research, breeding and husbandry, procurement and transfer of animals with other zoos, and the management of the conservation fund and field conservation programme.

Auckland Zoo, in partnership with Rotoroa Island Trust, commenced a unique restoration initiative for endangered species to establish a wildlife sanctuary in Auckland's Hauraki Gulf. The sanctuary will eventually be home to many of New Zealand's endangered species and will include a unique schools programme to encourage students to become directly involved in ecological restoration.

The year was also highly successful for the zoo's breeding programmes for threatened species, including the Nepalese red panda, Wetapunga and the world's first successful breeding of Archey's frog.

Through exemplary practice and intensive management of the animal collection and an appropriate level of capital investment, the zoo will ensure its visitors are immersed in environments that give a sense of the species the zoo holds and the habitats they live in.



RFA MAJOR ASSETS

Assets	Management	Condition	Issues/Risks
AUCKLAND ART GALLERY – Building	RFA owned and operated	New 2011	Operationalising a new building has its own challenges but generally any failures will be under warranty
AUCKLAND ART GALLERY – Collection	RFA owned and operated	Good	Providing proper security, climate control to ensure safety of collection
AUCKLAND ZOO - Building	RFA owned and operated	Average	The zoo has a rolling upgrade programme to ensure maintenance of service levels. While the public facing assets are in very good condition, the ancillary assets are 90 years old in some cases therefore are considered only in average condition
MT SMART STADIUM	RFA owned and operated	Average	Mt Smart renewal programme currently being delivered in accordance to asset management plans and contractual obligations
WESTERN SPRINGS STADIUM	RFA owned and operated	Average	Generally in good condition
AOTEA CENTRE	RFA owned and operated	Good	ASB Theatre stalls have been refurbished and the acoustics improved. Further refurbishment of the foyers is planned to be completed in 2013/14. Some weather tightness issues being addressed
THE CIVIC	RFA owned and operated	Good	The Civic is an old iconic Auckland building. Changes to the building are difficult and costly due to the status of the building
VIADUCT EVENTS CENTRE	RFA owned and operated	New 2011	Operationalising a new building has its own challenges but generally any failures will be under warranty
VECTOR ARENA	50% RFA owned and operated by a third party	Very Good	Public private partnership not operated by RFA
NORTH HARBOUR STADIUM NORTH SHORE EVENTS CENTRE THE TRUSTS ARENA VODAFONE EVENTS CENTRE	Independently owned and RFA relationship management only	Various ¹	Some of these assets sit on RFA/Council land and operations or failure will affect RFA/Council
BRUCE MASON CENTRE	RFA owned and operated by Bruce Mason Theatre Board	Good	Responsibilities shared with tenant for the maintenance of the assets

^{1.} All these facilities are independently owned and governed. The assets are not RFA's responsibility nor do we have access to the condition data for these facilities.











			Parent		Grou	р
	Notes	Actual 2013 \$000s	Budget 2013 \$000s	Restated Actual 2012 \$000s	Actual 2013 \$000s	Restated Actual 2012 \$000s
Income	-					
Revenue	3	42,302	39,377	42,072	45,359	46,620
Auckland Council operating subsidy	3	36,665	36,665	35,127	36,665	35,127
Auckland Council capital subsidy	3	9,276	7,839	-	9,276	-
Other grants and subsidies	3	3,513	1,759	12,126	3,522	11,779
Finance income	5	476	180	596	702	856
Other income	4	2,710	4,349	2,018	3,115	2,256
Other gains/(losses)	4	2,7 10	-	325	-	325
Total income	, –	94,942	90,169	92,264	98,639	96,963
Expenditure						
Employee benefits	6	33,638	29,205	32,390	35,249	34,376
Depreciation of property, plant and equipment	12	16,438	12,070	11,943	18,724	13,828
Amortisation of intangible assets	13	493	341	460	493	487
Finance costs	5	5,152	6,868	5,128	5,158	5,248
Impairment of property, plant and equipment	12 & 30	353	-	34,906	353	20,041
Other expenses	7	45,574	47,049	44,782	46,703	46,003
Total operating expenditure	· <u> </u>	101,648	95,533	129,609	106,680	119,983
Surplus/(Deficit) before tax from continuing operations	_	(6,706)	(5,364)	(37,345)	(8,041)	(23,020)
Income tax expense/(credit)		_	_	-	_	_
Surplus/(Deficit) after tax from continuing operations	_	(6,706)	(5,364)	(37,345)	(8,041)	(23,020)
Discontinued operations Surplus/(Deficit) from discontinued operations	29					(A E AO)
Surplus/(Deficit) after income tax	29	-	-	-	-	(4,548)
Surplus/(Deficit) after income tax is attributable to:		(6,706)	(5,364)	(37,345)	(8,041)	(27,568)
Regional Facilities Auckland		(6,706)	(5,364)	(37,345)	(8,041)	(27,568)
Non-controlling interest		-	-	-	-	-
Other comprehensive income						
Gain/(Loss) on property, plant and equipment revaluation	12	(9,112)	27,754	21,501	(9,112)	21,501
Other comprehensive income for the year net of tax	_	(9,112)	27,754	21,501	(9,112)	21,501
Total comprehensive income for the year	_	(15,818)	22,390	(15,844)	(17,153)	(6,067)

Explanations of significant variances against budget are detailed in note 28.

			Parent		Gro	qu
				Restated		Restated
		Actual 2013	Budget 2013	Actual 2012	Actual 2013	Actual 2012
	Notes	\$000s	\$000s	\$000s	\$000s	\$000s
Assets						
Current assets						
Cash and cash equivalents	8	10,120	4,157	7,536	11,242	10,216
Trade and other receivables	9	7,884	49,421	21,375	8,536	22,378
Non current assets held for sale	12	21,190	-	-	21,190	-
Other financial assets	10	263	-	1,085	5,021	5,450
Prepayments		18	-	395	38	523
GST receivable/(payable)		290	-	415	277	352
Inventories	11	840	-	770	840	770
Total current assets	_	40,605	53,578	31,576	47,144	39,689
Non-current assets						
Property, plant and equipment	12 & 30	884,739	946,241	914,890	957,058	1,022,317
Intangible assets	13	73,925	76,667	74,190	73,925	74,203
Biological assets	*	-	-	-	-	-
Other financial assets	10	2,927	-	2,393	2,927	2,393
Total non-current assets	_	961,591	1,022,908	991,473	1,033,910	1,098,913
Total assets	_	1,002,196	1,076,486	1,023,049	1,081,054	1,138,602
Liabilities						
Current liabilities						
Creditors and other payables	14	24,789	46,347	34,667	26,160	37,308
Borrowings	15	=	-	-	19	120
Employee entitlements	16	2,626	2,962	2,700	2,724	2,848
Provisions	17	115	-	137	115	137
Total current liabilities		27,530	49,309	37,504	29,018	40,413
Non-current liabilities						
Other non current liabilities	14	-	167	-	-	323
Borrowings	15	791	174,057	170,673	2,166	172,078
Employee entitlements	16	87	-	113	87	113
Provisions	17 _	55	-	-	55	-
Total non-current liabilities		933	174,224	170,786	2,308	172,514
Total liabilities	_	28,463	223,533	208,290	31,326	212,927
Equity						
Contributed capital	18	998,171	823,233	823,233	1,061,186	925,427
Retained surpluses	18 & 30	(44,690)	(5,615)	(37,741)	(31,710)	(29,019)
Restricted equity	18	1,646	-	1,549	1,646	1,549
Asset revaluation reserve	18	18,606	35,335	27,718	18,606	27,718
Total equity	_	973,733	852,953	814,759	1,049,728	925,675
Total equity and liabilities		1,002,196	1,076,486	1,023,049	1,081,054	1,138,602

^{*} Carrying value is \$1

Explanations of significant variances against budget are detailed in note 28.

		Pai	rent	Gro	oup
	Notes	Actual 2013 \$000s	Restated Actual 2012 \$000s	Actual 2013 \$000s	Restated Actual 2012 \$000s
Opening balance					
Contributed capital		823,233	823,233	925,427	925,427
Retained surpluses		(37,741)	(265)	(29,019)	(1,322)
Restricted equity		1,549	2,054	1,549	2,054
Asset revaluation reserve		27,718	6,217	27,718	6,217
Total opening equity		814,759	831,239	925,675	932,376
Contributed capital					
Deconsolidation of Counties Manukau Pacific Trust (subsidiary)		-	-	(39,179)	-
Set off against debt		174,938	-	174,938	-
Total changes in contributed capital for the period		174,938	-	135,759	-
Retained surpluses					
Surplus/(Deficit) previously reported		(6,706)	(33,056)	(8,041)	(16,408)
Effect on Surplus/(Deficit) due to restatement	30	-	(4,289)	-	(11,160)
Surplus/(Deficit) as restated		(6,706)	(37,345)	(8,041)	(27,568)
Deconsolidation of Counties Manukau Pacific Trust (subsidary)				5,247	-
Acquisition of donated artworks		(146)	-	-	-
Other transfers					
- Transfers from restricted equity		(97)	(131)	103	(129)
Total changes in retained surpluses for the period		(6,949)	(37,476)	(2,691)	(27,697)
Restricted equity					
Movements in restricted equity		97	(505)	97	(505)
Total changes in restricted equity for the period		97	(505)	97	(505)
Asset revaluation reserve					
Revaluation gains/(losses) through other comprehensive income		(9,112)	21,501	(9,112)	21,501
Total changes in asset revaluation reserve for the period		(9,112)	21,501	(9,112)	21,501
Closing balances					
Contributed capital		998,171	823,233	1,061,186	925,427
Retained surpluses	30	(44,690)	(37,741)	(31,710)	(29,019)
Restricted equity		1,646	1,549	1,646	1,549
Asset revaluation reserve		18,606	27,718	18,606	27,718
Total closing equity		973,733	814,759	1,049,728	925,675

Explanations of significant variances against budget are detailed in note 28.

		Parent		Group	
	Notes	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Cash flows from operating activities					
Receipts from grants and subsidies		45,461	37,616	45,572	38,194
Receipts from customers		43,914	47,275	46,822	56,213
Receipts from Auckland Council for statutory levies	*	-	49,674	· -	49,674
Net GST received/(paid)		234	9,589	198	9,582
Interest received		585	551	812	855
Payments to suppliers and employees		(77,270)	(65,025)	(80,286)	(73,357)
Payments to statutory entities for levies	*	-	(49,674)	-	(49,674)
Interest paid		(5,146)	(5,128)	(5,152)	(5,250)
Net cash inflows/(outflows) from operating activities	19	7,778	24,878	7,966	26,237
Cook flows from investing a stirities					
Cash flows from investing activities Proceeds from medium-term investments					570
Investment in subsidiaries		-	(4.055)	(000)	572
Loan repayments received		-	(1,055)	(392)	(1,055)
Purchase of property, plant and equipment		287	2,196	287	2,196
Purchase of intangible assets		(20,290)	(41,997)	(20,629)	(43,023)
•	-	(229)	(361)	(217)	(382)
Net cash inflows/(outflows) from investing activities	-	(20,232)	(41,217)	(20,951)	(41,692)
Cash flows from financing activities					
Proceeds from borrowings		15,038	19,601	15,267	19,601
Payments of finance lease principal		-	-	(38)	(24)
Net cash inflows/(outflows) from financing activities	-	15,038	19,601	15,229	19,577
N			0.000		
Net increase/(decrease) in cash and cash equivalents		2,584	3,262	2,244	4,122
Cash and cash equivalents at the beginning of the period	_	7,536	4,274	8,998	6,094
Cash and cash equivalents at the end of the period	8	10,120	7,536	11,242	10,216

The GST (net) component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes, and to be consistent with the presentation basis of the other primary financial statements.

^{*}The statutory levies are paid by Auckland Council for the 2013 year. In the prior year, these were paid by RFA.

1 REPORTING ENTITY

Regional Facilities Auckland (RFA, the parent) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. RFA was established by deed as a trust with a single corporate trustee, being Regional Facilities Auckland Limited (RFAL) and commenced operations on 1 November 2010.

The deed of trust states that the objectives of RFA are:

- To support the vision of Auckland as a vibrant city that attracts world-class events and promotes the social, economic, environmental and cultural wellbeing of its communities (and visitors to Auckland) in arts, culture, heritage, leisure, sport and entertainment activities
- To continue to develop, applying a regional perspective, a range of world-class arts, cultural, heritage, leisure, sport and entertainment venues that are attractive to both residents and visitors to Auckland
- To promote, operate, develop and maintain, and to hold and manage interests and rights in relation to regional facilities throughout Auckland, and to promote and coordinate strategic planning in relation to the development and operation of such facilities
- To provide and to promote the provision of high-quality amenities at regional facilities throughout Auckland that will facilitate and promote arts, cultural, heritage, education, sport, recreation and leisure activities and events in Auckland which attract and engage residents and visitors
- To administer and to promote the administration of regional facilities throughout Auckland on a prudent commercial basis, so that such facilities are operated as successful, financially sustainable community assets.

RFA is controlled by Auckland Council and is a council-controlled organisation (CCO) as defined by section 6 of the Local Government Act 2002 by virtue of Council's right to appoint the Board of Directors.

The group consists of RFA, the North Shore Domain and North Harbour Stadium Trust Board, the North Shore Events Centre Trust Board and the Bruce Mason Centre Board. All subsidiaries are incorporated and domiciled in New Zealand. The ultimate parent of RFA and the group is Auckland Council.

The primary objective of RFA and the group is to provide the optimum governance for use and direction of publicly funded regional facilities to ensure RFA achieves agreed public-good outcomes. Accordingly, RFA has designated itself and the group as public-benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of RFA and the group are for the year ended 30 June 2013. The financial statements were authorised for issue by RFA on 28 August 2013.

BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the opening statement of financial position and reporting period to 30 June 2013 unless otherwise stated.

Statement of compliance

The financial statements of RFA and the group have been prepared in accordance with the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements comply with NZ IFRS and other applicable financial reporting standards as appropriate for public-benefit entities.

Measurement base

These financial statements have been prepared on a historical cost basis modified by the revaluation of land and buildings, and art collections.

Going concern

The financial statements have been prepared on a going-concern basis as Auckland Council has confirmed an ongoing letter of comfort.

Budget figures

The budget figures are those approved in the Statement of Intent for 2013–2015. The budget figures have been prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted by Auckland Council in preparation of the financial statements.

Accounting judgements, estimates and assumptions

In preparing these financial statements, RFA and the group have 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 of 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 discussed below:

Estimating useful lives and residual values of property, plant and equipment

At each balance date, RFA and the group review the useful lives and residual values of their property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates requires RFA and the group to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by RFA and the group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciable amount of an asset, therefore affecting the depreciation expense recognised in the surplus or deficit and the asset's carrying amount. RFA and the group minimise the risk of this estimation uncertainty by:

- Physical inspection of assets
- Asset replacement programmes
- Analysis of prior asset sales.

RFA and the group have not made significant changes to past assumptions concerning useful lives and residual values.

Depreciated replacement cost

Critical assumptions in estimating depreciation replacement cost for the revaluation of certain property, plant and equipment are the estimated replacement cost of subject assets, estimated optimisation rates of subject assets and estimated remaining useful life of those assets.

Discount rates

A discount rate of 5.8% has been used to estimate the present value of long-service leave in employee benefits and a discount rate of 16.0% for community loans.

Functional and presentation currency

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

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Comparative information

Comparative information is provided for the period from 1 July 2011 to 30 June 2012. The June 2012 prior year numbers have been adjusted for the discontinued operations of Counties Manukau Pacific Trust which ceased to be a subsidiary of RFA on 1 July 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of consolidation

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis.

Subsidiaries

Subsidiaries are those entities over which RFA has control. Control is defined as the power to control the financing and operating policies of an entity so as to obtain benefits from the activities of the subsidiary.

This power exists in the case of any of the following:

- Where the parent controls the majority voting power on the governing body
- Where such policies have been irreversibly predetermined by the parent
- Where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Subsidiaries are consolidated from the date the parent gains control and cease to be consolidated from the date that control ends.

The consolidated financial statements incorporate all the assets and liabilities of all the subsidiaries of RFA at balance date and their results for the year ended 30 June 2013.

Counties Manukau Pacific Trust ceased to be a subsidiary of RFA from 1 July 2012. The following accounts reflect the discontinued operations of this subsidiary in accordance with NZ IFRS 5.

Investments in subsidiaries are carried at cost less impairment losses in the parent's financial statements.

2.2 Inter-company transactions

Inter-company transactions, balances and unrealised gains on transactions within the group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

2.3 Revenue

Revenue is measured at the fair value of consideration received or receivable, net of discounts and GST, when the amount of revenue can be reliably measured. The parent and group account for revenue for the major activities as follows:

2.3.1 Admission and ticket revenue

Admission and ticket revenue is recognised on an accrual basis in the period that the corresponding event occurs upon completion of that event.

2.3.2 Operational funding revenue

Operational funding is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

2.3.3 Grants and subsidies

Grants and subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

2.3.4 Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at reporting date based on the actual service provided as a percentage of the total services to be provided.

2.3.5 Donations

Revenue from donations is recognised when it is physically received or when it is probable that a reliably measurable amount will be receivable.

2.3.6 Sale of goods

Revenue from the sale of goods is recognised when the risks and rewards of the ownership of the goods pass to the purchaser.

2.3.7 Interest

Interest income is recognised on a time-proportion basis using the effective interest method.

2.4 Borrowing costs

All borrowing costs are recognised as an expense in the financial year in which they are incurred.

2.5 Advertising costs

Advertising costs are expensed when the related service has been rendered.

2.6 Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where RFA and the group have no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the decision.

2.7 Foreign currency transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2.8 Leases

2.8.1 Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the parent will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

2.8.2 Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.10 Trade and other receivables

Trade and other receivables are financial assets classified as 'Loans and other receivables.'

These amounts represent unpaid receivables for goods and services provided by RFA and the group before the end of the financial year. The amounts are unsecured and usually due for settlement within one year or less (or in the normal operating cycle of the business, if longer) of recognition.

Trade and other receivables are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any provision for impairment.

For information on impairment of trade and other receivables refer to note 9. Furthermore, when a trade receivable for which the provision for impairment has been recognised becomes uncollectable in a subsequent period, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited to 'other income' in the statement of comprehensive income.

2.11 Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost (using the first-in first-out (FIFO) method), adjusted, when applicable, for any loss of service potential.

Where inventory is 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 FIFO method.

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.

2.12 Property, plant and equipment

Operational assets

These include land, buildings, works of art, plant and machinery, computer equipment, furniture fittings and equipment, and motor vehicles.

Property held to meet service-delivery objectives

Property that is held to meet service-delivery objectives rather than to earn rentals or for capital appreciation (i.e. investment property) is recognised as land and buildings under property, plant and equipment.

As a result, properties leased to third parties under operating leases are not classified as investment property because one of the following is the case:

- The occupants provide services that are integral to the operation of the parent and group's business, or these services could not be provided efficiently and effectively by the lessee in another location
- The parent and group are together a public-benefit entity and the property is held to meet service-delivery objectives, rather than to earn rentals or for capital appreciation
- The property is being held for future delivery of services
- The lessee uses the parent and group's services and those services are integral to the reasons for their occupancy of the property.

Initial recognition

Property, plant and equipment are initially shown at cost or fair value in the case where an asset is acquired at no cost or for a nominal cost. Cost includes any costs that are directly attributable to the acquisition of the items. Note, in the case of the assets acquired by RFA and the group on establishment at 1 November 2010, cost was the carrying value of the assets by the previously owning council and CCO.

Subsequent measurement

Property, plant and equipment are measured at cost or fair value less accumulated depreciation and impairment losses.

Revaluation

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

Revalued classes of property, plant and equipment are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least once every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference then the off-cycle asset classes are revalued.

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 income.

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 the parent and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Each item of property, plant or equipment is 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.

Disposals

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

Depreciation

Land is not depreciated. Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Class	Useful Life	Rate
Buildings	3 - 100 years	(1.0% – 33%)
Plant and machinery	1 - 39 years	(2.6% – 100%)
Office equipment	1 - 25 years	(4.0% – 100%)
Computer equipment	3 - 8 years	(12.5% – 33%)
Motor vehicles	4 - 10 years	(10.0% – 25%)
Roading and civil structures	3 - 53 years	(1.9% – 33%).

The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.13 Intangible assets

Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is their fair value at the date of acquisition. The cost of an internally generated intangible asset represents expenditure incurred in the development phase only.

Subsequent to initial recognition, intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Assets with indefinite useful lives are not amortised but tested, at least annually, for impairment and are carried at cost less accumulated impairment losses.

Realised gains and losses arising from the disposal of intangible assets are recognised in the statement of comprehensive income in the period in which the disposal occurs.

When an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Impairment losses resulting from impairment are reported in the statement of comprehensive income.

2.14 Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

• Computer software, 1 – 8 years, 12.5% – 100%.

2.15 Biological assets

Zoo animals are valued at a nominal value of \$1, in line with international practice.

2.16 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 that are directly associated with the development of software for internal use are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Costs associated with development and maintenance of websites are recognised as expenses when incurred where the website is used solely for promoting RFA's services.

Alternatively, costs associated with development and maintenance of the website are capitalised as intangible assets where the website is capable of generating revenue through direct orders and sales for RFA.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as expenses when incurred.

2.17 Trade and other payables

Trade and other payables are financial liabilities classified as 'Other financial liabilities at amortised cost'.

These amounts represent unpaid liabilities for goods and services that have been provided to the group before the end of the financial year. The amounts are unsecured and usually paid within 30 days of recognition.

Trade and other payables are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are financial liabilities classified as 'Other financial liabilities at amortised cost'.

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

2.19 Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of the reporting date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to reporting date, annual leave earned to, but not yet taken at, balance date, retirement gratuities and long-service leave entitlements expected to be settled within 12 months of the reporting date and sick leave.

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at reporting date, to the extent it will be used by staff to cover those future absences.

A liability and an expense is recognised for bonuses where the parent or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits 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, have been calculated on the projected unit credit method, an actuarial basis. 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
- The present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Sick leave, annual leave, vested long-service leave, and non-vested long-service leave and retirement gratuities expected to be settled within 12 months of reporting date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

2.20 Provisions

Provisions are recognised when all of the following are true:

- The group has a present legal or constructive obligation due to past events
- It is more likely than not that an outflow of resources will be required to settle the obligation
- · The amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

2.21 Community loans

Loans to community organisations made at nil or below-market interest rates are initially recognised at their expected future cash flows discounted at the current market rate of return for a similar asset/investment. The difference between the face value and the present value of expected future cash flows of the loan is recognised in the statement of comprehensive income as a grant. Community loans are subsequently measured at amortised cost using the effective interest method less impairment, if any.

2.22 Superannuation schemes

Defined contribution schemes

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

2.23 Financial instruments

Initial recognition

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.23.1 Financial instruments: financial assets

Classification

For the purposes of measuring financial assets after recognition, financial assets are classified in the following four categories:

- Financial assets at fair value through surplus or deficit
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial assets.

The classification depends on the type of impairment and/or the reason behind acquiring the investment. The parent decides how to classify its financial instruments at the point of acquisition.

Initial measurement

Financial assets are initially recorded at fair value plus directly attributable transaction costs, unless they are carried at fair value through surplus and deficit, in which case the transaction costs are recognised in the surplus or deficit when incurred.

Purchases and sales of financial assets are recognised at the trade date: the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through surplus or deficit

A financial asset falls in this category if acquired principally to sell in the short term or if designated this way upon initial recognition.

After initial recognition these financial assets are measured at fair value. They are classified as current assets if they are held for trading or expected to be realised within 12 months of the reporting date.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market.

They arise when money, goods or services are provided directly to a debtor with no intention of selling the receivable asset.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment, if any.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans and receivables are included in current assets, except for those with maturities of greater than 12 months after the reporting date, which are classified as non-current assets.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument.

The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

2.23.2 Financial instruments: impairment of financial assets

Financial assets, except financial assets at fair value through surplus or deficit, are assessed for objective evidence of impairment at each reporting date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables, and held-to-maturity investments amounts due

Impairment is established when there is objective evidence that the amount due will not be able to be collected according to the original terms of the debt.

Significant financial difficulties of the debtor or counter-party, probability that the debtor will enter into bankruptcy and default in payments are considered to be indicators that the asset is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the original effective interest rate.

The carrying amount of debtors and other receivables is reduced through the use of an allowance account and the amount of the movement 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, local authority stock, government stock and community loans are recognised directly against the instrument's carrying amount.

Available-for-sale financial assets

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered to be objective indicators that the asset is impaired.

If impairment evidence exists for available-for-sale instruments, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.23.3 Financial instruments: derecognition of financial assets

RFA and the group derecognise a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the surplus and deficit.

On derecognition of a financial asset other than in its entirety (e.g. when the group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the group retains control), the group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in surplus and deficit.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.23.4 Financial instruments: financial liabilities

Initial measurement

Financial liabilities are initially recorded at fair value plus directly attributable transaction costs, unless they are carried at fair value through surplus and deficit, in which case the transaction costs are recognised in the statement of comprehensive income.

Classification

The parent and group classify their financial liabilities in the following categories:

- · Financial liabilities at fair value surplus and deficit
- Other financial liabilities at amortised cost.

Other financial liabilities at amortised cost

Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

2.23.5 Financial instruments: derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged or cancelled, or they expire.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in surplus or deficit.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative assets designated in this category or not classified in the other categories. After initial recognition, they are measured at fair value with gains and losses recognised in other comprehensive income except for impairment losses which are recognised in the surplus or deficit.

They are included in non-current assets unless there is an intention to dispose of the asset within 12 months of the year-end reporting period.

Available-for-sale financial assets comprise investments in quoted and unquoted shares and marketable securities, including:

- Investments that the group intends to hold long term but which may be realised before maturity
- · Shareholdings that it holds for strategic purposes.

Financial guarantee contracts

A financial guarantee contract is one that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value even if a payment under the guarantee is considered not probable. If a financial guarantee contract was issued in a standalone, arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that RFA or the group will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remained unrecognised prior to discounting to fair value is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee the provision for the guarantee is measured at the present value of the future expenditure.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the intention and ability to hold to maturity. After initial recognition, they are measured at amortised cost using the effective interest method less impairment. They are included in current assets, except for maturities greater than 12 months after reporting date, which are included in non-current assets.

2.24 Equity

Equity represents the shareholder's interest in the parent and group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Contributed capital
- Retained earnings
- Restricted equity
- Revaluation reserve.

Contributed capital

Contributed capital is equity instruments that evidence a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the group are recognised as the proceeds received net of direct issue costs.

Retained earnings

Retained earnings represent carried-forward undistributed surpluses that have not been designated or restricted.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the parent.

Restricted reserves are those subject to specific conditions accepted as binding by the parent and which may not be revised by the parent without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are those restricted by the parent decision. The parent may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the parent.

The parent and group's objectives, policies and processes for managing capital are explained in note 25.

Revaluation reserves

The revaluation reserve incorporates the revaluation increase arising on the revaluation of property, plant and equipment, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed.

A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

2.25 Goods and services tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (GST), except for trade and other receivables and trade and other payables which are presented on a GST-inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

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 the GST relating to investing and financing activities is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

2.26 Income tax

RFA is registered as a charity under the Charities Act 2005 and is not liable for income tax.

2.27 Changes to financial reporting standards

The External Reporting Board has introduced a revised Accounting Standards Framework. The revised framework intends to introduce Public Benefit Entity Accounting Standards (PAS) comprising International Public Sector Accounting Standards (IPSAS) modified as appropriate for New Zealand circumstances. This means that financial reporting requirements for public-benefit entities are frozen in the short term and that all new NZ IFRS and amendments to existing NZ IFRS with a mandatory effective date for annual reporting periods commencing on or after 1 January 2012 are not applicable to public-benefit entities. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public-benefit entities from their scope.

2.28 New and amended standards adopted

FRS 44: New Zealand Additional Disclosures prescribes New Zealand-specific disclosure requirements which have been relocated from existing NZ IFRS and retained because they are considered important in the New Zealand environment. The disclosure requirements of FRS 44 have been considered and where significant, the revised disclosure is included under the relevant note to the financial statements.

2.29 Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the parent and the group's accounting periods beginning on or after 1 July 2012 or later periods but which the parent and the group have not early adopted:

- NZ IFRS 9, 'Financial Instruments' - This standard will eventually replace NZ IAS 39 'Financial Instruments -Recognition and Measurement' and is expected to be adopted by the group in the consolidated financial statements for the year ending 30 June 2016. However, as the revised Accounting Standards Framework will apply before this date there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public-benefit entities.

3 REVENUE, GRANTS AND SUBSIDIES	Parent		Group		
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Revenue					
Entrance and admission fees	10,929	10,254	11,154	10,615	
Venue hire	11,060	12,270	12,468	14,092	
Food and beverages	10,465	8,045	10,758	8,159	
Other	9,848	11,503	10,979	13,754	
Total revenue	42,302	42,072	45,359	46,620	
Grants and subsidies					
Auckland Council operating subsidy	36,665	35,127	36,665	35,127	
Auckland Council capital subsidy	9,276	-	9,276	-	
Other grants and subsidies	3,513	12,126	3,522	11,779	
Total grants and subsidies	49,454	47,253	49,463	46,906	

Auckland Council operating subsidy

Auckland Council operating subsidy includes funding from the group's ultimate parent in relation to activities within the parent and group. This funding is for the parent and group to perform specified activities for the current reporting period. These activities are assessed against benchmarked KPIs that are assessed after the reporting date. The Directors believe that the parent and group have achieved the various KPIs for the current reporting period and have therefore recognised the funding as income in the reporting period.

Other grants and subsidies

Other grants and subsidies include funding from external third parties in relation to activities within the parent and group. While these grants and subsidies indicate that they are to fund particular projects within the parent and group, the terms of the funding do not preclude the recognition of these funds upon receipt of the grant. Other grants and subsidies are recognised as revenue when received.

Other grants and subsidies include:

Regional Facilities Auckland (parent)

- Gifted artwork to Auckland Art Gallery of \$1.6 million
- Grants to Auckland Art Gallery totalling \$1.2 million including various grants towards the 5th Auckland Triennial
- Grant received from ASB Community Trust of \$70,000 to assist with funding Auckland Fringe and Short + Sweet festivals.

4 OTHER INCOME AND GAINS/(LOSSES)	E AND GAINS/(LOSSES) Parent		Group		
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Other income					
Donations and bequests	3	-	3	-	
Sponsorship	687	397	755	631	
Other	2,020	1,621	2,357	1,625	
Total other income	2,710	2,018	3,115	2,256	
Other gains/(losses)					
Gain on revaluation of community loans	-	325	-	325	
Total other gains/(losses)	-	325	-	325	

5 FINANCE INCOME AND FINANCE COST	Parent		Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Finance income				
Interest income - financial assets classified as loans and receivables	225	282	451	542
Interest income – financial assets classified as fair value through profit or loss	243	314	243	314
Realised and unrealised foreign exchange gains	8	-	8	-
Total finance income	476	596	702	856
Finance expense				
Interest expenses – financial liabilities classified as amortised cost:				
Bank overdrafts	-	-	5	5
Borrowings	5,146	5,123	5,032	5,123
Finance leases	-	-	115	115
Realised and unrealised foreign exchange losses	6	5	6	5
Total finance expense	5,152	5,128	5,158	5,248

6 EMPLOYEE BENEFITS	Parent		Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Salaries and wages	33,238	31,219	34,849	33,196
Defined contribution plans – employer contributions	465	381	465	389
Other	9	9	9	13
Increase/(decrease) in employee entitlement accruals	(74)	781	(74)	778
Total employee benefits	33,638	32,390	35,249	34,376

 $\label{thm:local_equation} \mbox{Employer contributions to defined contribution plans include contributions to KiwiSaver.}$

	Parent		Group	
Remuneration	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Number of full-time employees	577	669	596	687
Full-time equivalent (FTE) number of all other employees	70.24	62.66	78.24	68.66
Number of employees receiving total annual remuneration of less than \$60,000	702	732	752	744

 $Note: The above numbers \ reflect \ full-time \ employees \ and \ casual \ employees \ as \ at \ 30 \ June \ 2013 \ and \ 30 \ June \ 2012.$

The full-time equivalent (FTE) numbers of all other employees are those casual and part-time employees who were contracted at 30 June 2013.

EMPLOYEE BENEFITS continued

Number of employees receiving total annual remuneration of \$60,000 or more in bands of \$20,000.

	Parent		Group		
Salary band	Actual 2013	Actual 2012	Actual 2013	Actual 2012	
\$60,000 - \$79,999	95	75	98	78	
\$80,000 - \$99,999	26	17	26	20	
\$100,000 - \$119,999	13	14	16	14	
\$120,000 - \$139,999	10	11	11	12	
\$140,000 - \$159,999	6	2	7	3	
\$160,000 - \$179,999	4	2	4	3	
\$180,000 - \$199,999	2	3	2	3	
\$200,000 - \$219,999	2	3	2	3	
\$220,000 - \$239,999	1	-	1	-	
\$240,000 - \$259,999	-	-	-	-	
\$260,000 - \$279,999	-	-	-	-	
\$280,000 - \$299,999	-	-	-	-	
\$300,000 - \$319,999	-	-	-	-	
\$320,000 - \$339,999	-	-	-	-	
\$340,000 - \$359,999	-	-	-	-	
\$360,000 - \$379,999	-	-	-	-	
\$380,000 - \$399,999	1	1	1	1	
Total number of employees who received > \$59,999	160	128	168	137	

7 OTHER EXPENSES	Pa	rent	Group		
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Other expenses include:					
Fees to principal auditor:					
Audit fees for financial statement audit (Audit New Zealand) – 2013	218	-	241	-	
Audit fees for financial statement audit (Audit New Zealand) – 2012	-	178	-	199	
Audit fees for financial statement audit (Audit New Zealand) – 2011	-	55	-	55	
Audit fees for financial statement audit (BDO - Auckland)	-	-	23	26	
 Audit fees for financial statement audit (Hayes Knight) 	-	-	18	18	
Grants and contributions (to RFA plus entities)	3,994	3,749	2,231	955	
Contractor and consultancy costs	1,523	3,040	1,573	3,090	
Insurance premiums	1,699	982	1,920	1,071	
Consultants' fees and legal fees	18	83	25	112	
Cost of goods sold	12,998	13,447	13,594	14,842	
Repairs and maintenance	2,669	2,096	3,439	3,724	
Loss/(Gain) on disposal	1,902	(7)	1,904	(7)	
Occupancy and utilities	5,944	5,151	6,526	8,431	
Shared services with Auckland Council	5,406	5,979	5,406	5,979	

Improved analysis of the classification of expenditure making up the cost of goods sold line has resulted in \$5,461,000 (parent) and \$5,686,000 (group) being reclassified from within other expenditure in the previously presented 2012 financial statements, from \$7,986,000 to \$13,447,000 for the parent and from \$9,156,000 to \$14,842,000 for the group.

8 CASH AND CASH EQUIVALENTS	Pa	Parent		Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Cash at bank and on hand	2,673	89	3,046	2,719	
Operating bank account	942	942	942	942	
Ticketing bank account	6,505	6,505	6,505	6,505	
Arts development fund	-	-	131	50	
Term deposits with maturities less than three months from date of acquisition	-	-	618	-	
Total cash and cash equivalents	10,120	7,536	11,242	10,216	

The carrying value of cash at bank and short-term deposits with original maturity dates of three months or less approximates their fair value.

Total cash comprises four bank accounts plus till floats, petty cash floats and a small foreign currency float.

Operating bank account

The operating bank account is part of the Auckland Council set-off arrangement and is set off for debt and interest purposes.

Ticketing bank account

RFA operates the ticketing accounts for the deposit of box office ticket sales from THE EDGE® ticketing service business. Funds are held in these bank accounts until settlement occurs for the performances of shows. These funds do not form part of the Auckland Council set-off arrangements.

Arts development fund

This represents cash funds held within an 'Arts Development Fund' which are treated and disclosed separately. Use of this fund is governed by an Arts Development Trust Deed and the discretion of Trustees.

Restricted cash balances

In accordance with the Local Government Act 2002, RFA operates two restricted bank accounts; a ticketing bank account and a short-term investment account under the name of 'Aotea Centre Trading as THE EDGE' on behalf of Auckland Council. These bank accounts are used for deposit of ticketing box office funds and thus are considered to be restricted funds.

TRADE AND OTHER RECEIVABLES Parent		Group		
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Current				
Trade receivables	2,233	2,402	2,992	3,391
Provision for impairment of trade receivables	(53)	(82)	(59)	(88)
Trade receivables - net	2,180	2,320	2,933	3,303
Related-party receivables	5,313	18,815	5,212	18,835
Accrued income	391	240	391	240
Total trade and other receivables	7,884	21,375	8,536	22,378

There is no concentration of credit risk with respect to trade receivables for the parent and group, as there is a large number of customers.

Related-party receivables are predominately with entities within the Auckland Council (ultimate parent) group structure, detailed in note 23.

The group does not hold any collateral or other credit enhancements over these balances as security.

Related-party receivables includes trusts and bequests of \$661,132 administered by Auckland Council for the benefit of RFA (2012: \$820,784).

Fair value

Trade receivables are non-interest bearing and receipt is normally on 30-day terms.

Related-party receivables are non-interest bearing and receipt is normally on 30-day terms.

Therefore, the carrying value of trade receivables and related-party receivables approximates their fair value.

Impairment

At each period, end all overdue receivables are specifically assessed for impairment. An allowance for impairment is recognised against individual receivable balances when it is determined by management that amounts due from counter-parties are irrecoverable based on ageing, past historical experience and the counter-party's current financial position.

TRADE AND OTHER RECEIVABLES continued

	Pa	rent	Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
The ageing profile of receivables at year-end is detailed below:				
Not past due	6,570	20,695	7,078	21,412
Past due one – 60 days	548	468	603	582
Past due 61 – 120 days	364	116	414	247
Past due >120 days	402	96	441	137
Total	7,884	21,375	8,536	22,378
All receivables greater than 30 days in age are considered to be past due.				
Age of impaired trade receivables				
Not past due	-	-	-	-
Past due one – 60 days	-	-	-	-
Past due 61 – 120 days	-	-	-	1
Past due >120 days	53	82	59	87
Total	53	82	59	88
Movements in the allowance for impairment of trade receivables				
Opening balance	82	117	88	123
Additional allowances made during the year	_	-	4	4
Allowance reversed during the year	(27)	(34)	(31)	(38)
Impaired receivables written off during the year	(2)	(1)	(2)	(1)
Closing balance	53	82	59	88

10 OTHER FINANCIAL ASSETS	Pai	rent	Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Current portion				
Community loans	263	1,085	263	1,085
Term deposits (maturing within four to 12 months)	-	-	4,757	4,365
Total current portion	263	1,085	5,021	5,450
Non-current portion				
Community loans	2,927	2,393	2,927	2,393
Total non-current portion	2,927	2,393	2,927	2,393
Total other financial assets	3,190	3,478	7,948	7,843

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Community loans

Community loans adjusted for fair value are \$3.19 million (2012: \$3.48 million). They have stated interest rates of 4.50% to 5.22% and mature in four to 60 years. The face value of community loans is \$4.91 million (2012: \$5.20 million).

Fair value on recognition has been determined using cash flows discounted at a rate based on the loan recipients' financial risk factors of 16.0%.

Impairment

There were no impairment expenses or allowances for other financial assets. None of the financial assets is either past due or impaired.

11 INVENTORIES	Parent		Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Commercial inventory				
Items held for resale	840	770	840	770
Total inventory	840	770	840	770

No inventories are pledged as security for liabilities.

Commercial inventory

The write-down of commercial inventory to net realisable value amounted to \$33,487 (2012: \$78,232).

12 PROPERTY, PLANT AND EQUIPMENT

		Parent 2013						
Cost or valuation	Opening balance 1 July 2012 \$000s	Additions \$000s	Revaluations/ (Impairment) \$000s	Disposals \$000s	Acquisitions through business combinations or disposal of businesses (incl transfers to held for sale) \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2013 \$000s	
Land	152,666	-	(9,660)	(51)	(21,190)	-	121,765	
Buildings	486,667	9,473	(319)	(3,366)	-	-	492,455	
Plant and equipment	7,781	2,902	-	(928)	-	-	9,755	
Office equipment, furniture and fittings	6,577	1,263	-	-	-	-	7,840	
Computer equipment	1,010	214	-	-	-	-	1,224	
Art	258,838	1,921	548	-	-	-	261,307	
Motor vehicles	104	76	-	-	-	-	180	
Roading and civil structures	1,357	517	-	(120)	-	-	1,754	
Other assets	-	-	-	-	-	-	-	
Under construction	4,773	3,460	-	-	-	-	8,233	
Total cost	919,773	19,826	(9,431)	(4,465)	(21,190)	-	904,513	

				Parent 2013				
Accumulated depreciation	Opening balance 1 July 2012 \$000s	Depreciation expense \$000s	Impairment expense \$000s	Depreciation on disposals \$000s	Write back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2013 \$000s	Net book value 30 June 2013 \$000s
Land	-	-	-	-	-	-	-	121,765
Buildings	238	13,244	(555)	(49)	(549)	555	12,884	479,571
Plant and equipment	2,369	1,704	-	(374)	-	(230)	3,469	6,286
Office equipment, furniture and fittings	1,681	978	-	-	-	(325)	2,334	5,505
Computer equipment	447	415	-	-	-	-	862	363
Art	-	-	-	-	-	-	-	261,307
Motor vehicles	28	21	-	-	-	-	49	131
Roading and civil structures	120	77	-	(21)	-	-	176	1,578
Other assets	-	-	-	-	-	-	-	-
Under construction	-	-	-	-	-	-	-	8,233
Total accumulated depreciation	4,883	16,438	(555)	(443)	(549)	-	19,774	884,739

	Group 2013						
Cost or valuation	Opening balance 1 July 2012 \$000s	Additions \$000s	Revaluations/ (Impairment) \$000s	Disposals \$000s	Acquisitions through business combinations or disposal of businesses (incl transfers to held for sale) \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2013 \$000s
Land	152,666	-	(9,660)	(51)	(21,190)	-	121,765
Buildings	590,242	9,623	(353)	(3,332)	(31,210)	-	564,970
Plant and equipment	12,602	2,967	-	(929)	-	-	14,640
Office equipment, furniture and fittings	12,353	1,457	-	-	(2,101)	-	11,709
Computer equipment	1,471	314	-	-	(170)	-	1,615
Art	259,267	1,921	548	-	(429)	-	261,307
Motor vehicles	133	76	-	(29)	-	-	180
Roading and civil structures	1,357	517	-	(120)	-	-	1,754
Other assets	-	5	-	-	-	-	5
Under construction	5,833	3,466	-	-	(1,026)	-	8,273
Total cost	1,035,924	20,346	(9,465)	(4,461)	(56,126)	-	986,218

				Group 2013				
Accumulated depreciation	Opening balance 1 July 2012 \$000s	Depreciation expense \$000s	Impairment expense \$000s	Depreciation on disposals \$000s	Write back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2013 \$000s	Net book value 30 June 2013 \$000s
Land	-						-	121,765
Buildings	238	14,447	(555)	(1,194)	-	555	13,491	551,479
Plant and equipment	6,082	1,820	-	(1,401)	-	(230)	6,271	8,369
Office equipment, furniture and fittings	6,272	1,188	-	-	_	(325)	7,135	4,573
Computer equipment	838	531	-	-	-	-	1,369	247
Art	-	-	-	-	-	-	-	261,307
Motor vehicles	57	23	-	-	-	-	80	100
Roading and civil structures	120	716	-	(21)	-	-	815	939
Other assets	-	-	-	-	-	-	-	5
Under construction	-	-	-	-	-	-	-	8,273
Total accumulated depreciation	13,607	18,724	(555)	(2,616)	-	-	29,160	957,058

				Parent 2012			
Cost or valuation	Opening balance 1 July 2011 \$000s	Additions \$000s	Revaluations/ (Impairment) \$000s	Disposals \$000s	Write back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2012 \$000s
Land	132,970	1,448	18,248	=	=	-	152,666
Buildings	330,968	200,154	(34,906)	(2)	(13,207)	3,660	486,667
Plant and equipment	8,046	1,319	-	(39)	-	(1,545)	7,781
Office equipment, furniture and fittings	6,673	3,614	-	(891)	-	(2,819)	6,577
Computer equipment	1,026	49	-	(65)	-	-	1,010
Art	254,012	1,573	3,253	-	-	-	258,838
Motor vehicles	104	-	-	-	-	-	104
Roading and civil structures	651	-	-	-	-	706	1,357
Other assets	8	-	-	-	-	(8)	-
Under construction	172,720	(167,947)	-	-	-	-	4,773
Total cost	907,178	40,210	(13,405)	(997)	(13,207)	(6)	919,773

				Parent 2012				
Accumulated depreciation	Opening balance 1 July 2011 \$000s	Depreciation expense \$000s	Impairment expense \$000s	Depreciation on disposals \$000s	Write back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2012 \$000s	*Restated net book value 30 June 2012 \$000s
Land	-	-	-	-	-	-	-	152,666
Buildings	4,832	8,934	-	-	(13,207)	(321)	238	486,429
Plant and equipment	943	1,429	-	(3)	-	-	2,369	5,412
Office equipment, furniture and fittings	383	1,143	-	(166)	-	321	1,681	4,896
Computer equipment	196	316	-	(65)	-	-	447	563
Art	-	-	-	-	-	-	-	258,838
Motor vehicles	11	17	-	-	-	-	28	76
Roading and civil structures	16	104	-	-	-	-	120	1,237
Other assets	-	-	-	-	-	-	-	-
Under construction	-	-	-	-	-	-	-	4,773
Total accumulated depreciation	6,381	11,943	-	(234)	(13,207)	-	4,883	914,890

				Group 2012			
Cost or valuation	Opening balance 1 July 2011 \$000s	Additions \$000s	Revaluations/ (Impairment) \$000s	Disposals \$000s	Write back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2012 \$000s
Land	132,970	1,448	18,248	-	-	-	152,666
Buildings	443,497	200,450	(23,648)	(2)	(35,332)	5,277	590,242
Plant and equipment	13,595	1,333	-	(39)	-	(2,287)	12,602
Office equipment, furniture and fittings	12,124	3,939	-	(891)	-	(2,819)	12,353
Computer equipment	1,455	81	-	(65)	-	-	1,471
Art	254,412	1,602	3,253	-	-	-	259,267
Motor vehicles	133	-	-	-	-	-	133
Roading and civil structures	651	-	-	-	-	706	1,357
Other assets	8	-	-	-	-	(8)	-
Under construction	174,230	(167,528)	-	-	-	(869)	5,833
Total cost	1,033,075	41,325	(2,147)	(997)	(35,332)	-	1,035,924

				Group 2012				
Accumulated depreciation	Opening balance 1 July 2011 \$000s	Depreciation expense \$000s	Impairment expense \$000s	Depreciation on disposals \$000s	Write back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2012 \$000s	*Restated net book value 30 June 2012 \$000s
Land	-	-	-	-	-	-	-	152,666
Buildings	24,279	11,612	-	-	(35,332)	(321)	238	590,004
Plant and equipment	4,446	1,639	-	(3)	-	-	6,082	6,520
Office equipment, furniture and fittings	4,585	1,532	-	(166)	-	321	6,272	6,081
Computer equipment	574	329	-	(65)	-	-	838	633
Art	-	-	-	-	-	-	-	259,267
Motor vehicles	36	21	-	-	-	-	57	76
Roading and civil structures	16	104	-	-	-	-	120	1,237
Other assets	-	-	-	-	-	-	-	-
Under construction	-	-	-	-	-	-	-	5,833
Total accumulated depreciation	33,936	15,237	-	(234)	(35,332)	-	13,607	1,022,317

^{*2012} comparative balances have been restated. Refer to note 30 for further information.

There are no restrictions over the title over any item of property, plant and equipment. No items of property, plant and equipment are pledged as security for liabilities.

Land held for sale and grant to Counties Manukau Pacific Trust

As at 30 June 2013, RFA has reclassified a piece of land as held for sale as per NZ IFRS 5. Auckland Council has passed a resolution in June 2013 allowing RFA to grant the net proceeds from the sale of the land to Counties Manukau Pacific Trust. The grant will be applied towards the stage two Wero project being developed by Counties Manukau Pacific Trust at Vodafone Events Centre following the Trust meeting certain funding preconditions.

Revaluation

In 2013, a portion of the art asset class has been revalued as per RFA's revaluation policy. The valuation of artwork is completed on a three-year cycle as follows:

- Items that are each worth up to \$9,999 were individually revalued by Auckland Art Gallery staff during the 2012/13 financial year. The revaluation methodology was externally verified by Webb's (Auckland).
- Items that are each worth from \$10,000 to \$99,999 were individually revalued by Auckland Art Gallery staff during the 2011/12 financial year. The revaluation methodology was externally verified by Webb's (Auckland).
- Items that are each worth over \$100,000 were individually revalued by Auckland Art Gallery staff, Sotheby's (London) and Webb's (Auckland) during the 2010/2011 financial year.

The fair value of artworks are determined by reference to observable prices in an active market and recent transactions on arm's-length terms.

A revaluation was performed by an independent valuer, Savills New Zealand, in May 2013 on the land in Manukau. The fair value was determined by reference to observable prices in an active market and recent transactions on arm's length terms. This piece of land has subsequently been reclassified as held for sale.

In 2012, land and buildings were revalued consistent with Auckland Council Group policy. In future land and buildings will be revalued on a three-year cycle with a portion of the portfolio valued at each period end unless the fair value assessment requires revaluation of the entire class ensuring the assets are revalued at least once in three years. The assets are valued at either market value or depreciated replacement cost.

Works of art - loan collection

Auckland Art Gallery has works of art that are on loan from third parties. In accordance with the agreements with the third parties, Auckland Art Gallery is responsible for the costs of maintaining the loan collection and other associated costs; however, it cannot sell or exhibit them elsewhere without permission. Thus RFA does not have sufficient control over the art for it to be recognised as an asset.

Impairment

Assets are assessed for indicators of impairment at each financial period. Where an asset's carrying value exceeds its recoverable value, being the greater of fair value less cost to sell or value in use, the asset is written down to its recoverable value with losses recognised in profit or loss.

Total write-down in assets this year has been \$9.98 million for the parent and \$10.01 million for the group.

In 2012, impairment losses of \$34.91 million for the parent and \$23.65 million for the group were recognised. (These balances were restated in 2013; refer note 30).

Fair value

The fair value for each asset class for both RFA and the group is represented by the net book value.

The fair value of assets not valued during the financial period has been assessed and is not materially different from the net book value.

Total fair value of property, plant and equipment valued by each valuer for the reporting period ending at 30 June:

Name of valuer 2013	Type of valuer	Date performed	RFA 2013 \$000s	Group 2013 \$000s
Webb's	Independent	June 2013	16,601	16,601
Savills	Independent	May 2013	21,490	21,490
Total			38,091	38,091
2012				
Beca	Independent	June 2012	594,207	689,498
Bayleys	Independent	June 2012	30,778	30,778
Darroch	Independent	June 2012		15,155
Webbs	Independent	June 2012	54,021	54,021
Total			679,006	789,452

Leased assets

The net carrying amount of property, plant and equipment held under finance leases is nil for the parent (2012: nil) and \$1.39 million for the group (2012: \$1.44 million).

у-обр (20.2. Ф. г. т.	Parent		Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Class				
Plant and equipment	-	-	1,394	1,412
Motor vehicles	-	-	-	23
Total	-	-	1,394	1,435

13 INTANGIBLE ASSETS	Parent				
	Acquired computer	Rights to			
	software \$000s	acquire \$000s	Total \$000s		
Cost	*****	7,500	*****		
Balance at 1 July 2011	1,762	71,385	73,147		
Additions	361	1,337	1,698		
Balance at 30 June 2012	2,123	72,722	74,845		
Balance at 1 July 2012	2,123	72,722	74,845		
Additions Disposals	195	-	195		
Balance at 30 June 2013	2,318	72,722	75,040		
			7 0,0 10		
Accumulated amortisation and impairment Balance at 1 July 2011	(162)		(160)		
Amortisation charge	(162) (460)	-	(162) (460)		
Impairment		=			
Balance at 30 June 2012	(622)	-	(622)		
Balance at 1 July 2012	(622)	-	(622)		
Amortisation charge	(493)	-	(493)		
Amortisation on disposals Other movements	-	-	-		
Impairment	-	-	-		
Balance at 30 June 2013	(1,115)	-	(1,115)		
Carrying amount					
Balance at 1 July 2011	1,600	71,385	72,985		
Balance at 30 June 2012	1,501	72,722	74,223		
Balance at 30 June 2013	1,203	72,722	73,925		
		Group			
	Acquired computer	Rights to			
	software	acquire	Total		
Cost	\$000s	\$000s	\$000s		
Balance at 1 July 2011	1,828	71,385	73,213		
Additions	381	1,337	1,718		
Disposals					
Balance at 30 June 2012	2,209	72,722	74,931		
Balance at 1 July 2012	2,209	72,722	74,931		
Additions	109	-	109		
Disposals		-	-		
Balance at 30 June 2013	2,318	72,722	75,040		
Accumulated amortisation and impairment					
Balance at 1 July 2011	(241)	-	(241)		
Amortisation charge	(487)	-	(487)		
Impairment 2010	- (700)	-	- (700)		
Balance at 30 June 2012	(728)	-	(728)		
Balance at 1 July 2012	(728)	-	(728)		
Amortisation charge	(493)	-	(493)		
Amortisation on disposals Other movements	400	-	- 100		
Impairment	106	-	106		
Balance at 30 June 2013	(1,115)	-	(1,115)		
Carrying amount			., -,		
Balance at 1 July 2011	1,587	71,385	72,972		
Balance at 30 June 2012	1,481	72,722	74,203		
Balance at 30 June 2013	1,203	72,722	73,925		

INTANGIBLE ASSETS continued

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

Rights to acquire

The right to acquire asset represents the former Auckland City Council's contribution to Vector Arena transferred to RFA.

Vector Arena was completed in March 2007. QPAM Limited will own and operate the Vector Arena for 40 years from this completion date, at which point the Arena will revert to RFA's ownership. During the 40-year period, RFA will review the recoverable amount of Vector Arena annually to ensure that there is no impairment of the value.

An impairment review was conducted on this right to acquire at period end and there were no indicators of impairment.

Robertson Art Collection

A binding agreement was established in 2009 for a donation of works of art by Julian and Josie Robertson (donors) to RFA for display in Auckland Art Gallery. The donors currently hold the artworks for their own and others' enjoyment; therefore, RFA will gain possession of the artworks on the contribution date specified in the agreement. No value is included in the above intangible assets.

14 CREDITORS AND OTHER PAYABLES	Parent		Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Current portion				
Trade creditors	3,718	4,673	4,355	5,968
Sundry payables	5,923	6,543	6,045	7,041
Amount due to related parties (note 23)	9,975	18,019	9,975	18,020
Revenue in advance	1,754	1,842	2,097	2,439
Accrued expenses	3,419	3,590	3,688	3,840
Total current portion	24,789	34,667	26,160	37,308
Non-current portion				
Trade creditors	-	-	-	-
Sundry payables	-	-	-	-
Other current liabilities	-	-	-	323
Total non-current portion		-	-	323
Total creditors and other payables	24,789	34,667	26,160	37,631

Current creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

15 BORROWINGS	Parent		Group		
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Current portion					
Bank overdraft	-	-	-	93	
Unsecured loans	-	-	-	-	
Finance leases	-	-	19	27	
Total current portion	-	-	19	120	
Non-current portion					
Unsecured loans - Auckland Council	-	98,800	-	98,800	
Unsecured capex advances - Auckland Council	791	71,873	791	71,873	
Finance leases	-	-	1,375	1,405	
Total non-current portion	791	170,673	2,166	172,078	
Total borrowings	791	170,673	2,185	172,198	

BORROWINGS continued

Unsecured loans - Auckland Council

At 1 November 2010, RFA was transferred a portion of debt from the Auckland dissolving entities, based on an allocation made by its parent, Auckland Council, using a prescribed formula set by the Auckland Transition Agency as part of the Auckland reorganisation legislation.

As at 28 June 2013, a Deed of Transfer was signed between Auckland Council and RFA to transfer \$175.0 million from borrowings to equity.

In 2012, the loan tranches from Auckland Council had a face value of \$98.8 million. These were issued at interest rates of 3.34% to 5.79% and matured between two to four years.

There are no loan covenants attached to the loans.

The loans from Auckland Council are unsecured.

Unsecured capex advances - Auckland Council

These balances relate to funding received from the ultimate parent (Auckland Council) in relation to capital expenditure projects undertaken by RFA. The face value of the advances as at 30 June 2013 is \$791,000 (2012: \$71,873,000). The terms of the advances are that they are non-interest bearing and that they will not be called on in the next 12 months. There are no covenants attached to the advances. The advances are unsecured.

A sum of \$791,000 represents funding from Auckland Council for transport and enclosure costs for elephants at Auckland Zoo.

Finance leases - material leasing arrangement

The North Shore Domain and North Harbour Stadium Trust Board (subsidiary) has a finance lease arrangement with Vector Ltd in relation to floodlighting and HT reticulation systems. The term of the finance lease arrangement is 40 years, terminating on 31 March 2037. The effective interest rate on the finance lease arrangement is 7.90%. The carrying value of the finance lease arrangement as at 30 June 2013 is \$1,394,054 (2012: \$1,411,613).

Ownership of the floodlighting and HT Reticulation System will transfer to the North Shore Domain and North Harbour Stadium Trust Board as at the termination date, subject to complying with the payment schedule and provisions under the finance lease agreement.

There are no restrictions in place regarding this finance leasing arrangement.

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Finance leases - total minimum lease payments payable

Parent

There were no finance leases held by the parent as at 30 June 2013.

Group 2013	Group		
Current	Future minimum lease payments 2013 \$000s	Interest 2013 \$000s	Present value of future minimum lease payments 2013 \$000s
Not later than one year	128	(109)	19
Total current	128	(109)	19
Non-current Non-current			
Later than one year and not later than five years	520	(418)	102
Later than five years	2,440	(1,168)	1,273
Total non-current	2,961	(1,586)	1,375

Group 2012		Group	
Current	Future minimum lease payments 2012 \$000s	Interest 2012 \$000s	Present value of future minimum lease payments 2012 \$000s
Not later than one year	139	(113)	27
Total current	139	(113)	27
Non-current			
Later than one year and not later than five years	537	(427)	110
Later than five years	2,567	(1,272)	1,295
Total non-current	3,104	(1,699)	1,405

16 EMPLOYEE ENTITLEMENTS	Parent		Parent Group		oup
Current portion	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Accrued salaries and wages	570	517	592	567	
Annual leave	1,953	1,945	2,029	2,032	
Bonuses	60	165	60	176	
Sick leave	20	49	20	49	
Long-service leave	23	24	23	24	
Total current portion	2,626	2,700	2,724	2,848	
Non-current portion					
Long-service leave	87	113	87	113	
Total current portion	87	113	87	113	
Total employee entitlements	2,713	2,813	2,811	2,961	

17 PROVISIONS	Parent		Group		
Current portion	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Restructuring	115	137	115	137	
Total current portion	115	137	115	137	
Non-current portion					
Restructuring	55	-	55	-	
Total current portion	55	-	55	-	
Total provisions	170	137	170	137	

Movements for each class of provision	Parent		Group	
2012	Restructuring \$000s	Total \$000s	Restructuring \$000s	Total \$000s
Balance at 1 July 2011	165	165	165	165
Additional provisions made	116	116	116	116
Amounts used	(144)	(144)	(144)	(144)
Unused amounts reversed	-	-	-	-
Discount unwind	-	-	-	-
Balance at 30 June 2012	137	137	137	137
2013				
Balance at 1 July 2012	137	137	137	137
Additional provisions made	115	115	115	115
Amounts used	(82)	(82)	(82)	(82)
Unused amounts reversed	-	-	-	-
Discount unwind	-	-	-	-
Balance at 30 June 2013	170	170	170	170

18 EQUITY AND RESERVES

Changes in the carrying values of the parent and group equity and reserve balances are shown in the statement of changes in equity. Details on the nature of specific equity and reserve balances are detailed below:

Contributed capital

Contributed capital represents the amount of net assets initially injected into the parent and group upon its incorporation on 1 November 2010 as a result of the disestablishment of the previous Auckland councils and council-controlled entities and establishment of Auckland Council and its newly created council-controlled entities. A Deed in relation to Auckland Council funding for RFA was signed on 28 June 2013. Auckland Council agreed to provide funding of \$175.0 million to Regional Facilities Auckland. The amount of \$175.0 million was transferred from borrowings to equity on 28 June 2013.

Retained surpluses

Retained surpluses represent surpluses earned by the parent and group that have been retained post its incorporation on 1 November 2010 plus this year's deficit and movement.

EQUITY AND RESERVES continued

Restricted equity

The parent and group set aside specific amounts of retained surpluses in relation to their operations at Auckland Zoo. Specifically, restricted equity has been set aside for Auckland Zoo's activities relating to the following:

- Animal transportation costs upon initial acquisition
- · Conservation initiatives.

As costs are incurred, they are recognised through profit or loss in the period in which they relate and the corresponding funds are transferred from restricted equity to retained earnings.

Restricted equity also includes trusts and bequest funds administered by Auckland Council for the benefit of Auckland Art Gallery for purchase of art and other specified purposes.

Asset revaluation reserve

The parent and group operate an asset revaluation reserve to hold movements upon the revaluation of items of property, plant and equipment.

Asset revaluation reserves have been identified by asset class below:	Parent		Gro	oup
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Land	8,588	18,248	8,588	18,248
Art	10,018	9,470	10,018	9,470
Total	18,606	27,718	18,606	27,718

The asset revaluation reserve is maintained by class of property, plant and equipment. Movements in the revaluation of items are restricted to the class of property, plant and equipment to which they are allocated, in accordance with NZ IAS 16.

Upon the exhaustion of the asset revaluation reserve of a particular class of property, plant and equipment, any further devaluation is taken to profit or loss and not offset against any remaining asset revaluation reserve of other classes of property, plant and equipment, in accordance with NZ IAS 16.

Land which was for sale at 30 June 2013 has been transferred to land for sale in current assets in accordance with NZ IFRS 5. This resulted in a write-down to the asset revaluation reserve.

19 RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		Par	ent	Gro	up
	Notes	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
Net surplus/(deficit) after tax	29	(6,706)	(37,345)	(8,041)	(23,020)
Add/(Less) for non-cash items					
Interest income - capitalised to community loans		-	(45)	-	(45)
Depreciation		16,438	11,943	18,724	15,237
Amortisation		493	460	493	487
Bad debts		2	1	2	1
Loss on disposal		1,902	(7)	1,905	(7)
Increase/(Decrease) in allowance for impairment of trade receivables		53	(35)	54	(35)
Impairment of assets – buildings	30	353	34,906	353	23,648
Income from vested assets		-	(925)	-	(925)
Movements in fair value of community loans		-	(325)	-	(325)
Discontinued operations		-	-	-	(4,548)
	-	19,241	45,973	21,531	33,488
Movement in working capital items	_				
(Increase)/Decrease in other receivables		39	(969)	369	(500)
(Increase)/Decrease in accrued income		(150)	4,154	(150)	4,154
(Increase)/Decrease in prepayments		377	315	485	187
(Increase)/Decrease in GST receivable		125	1,267	78	1,282
(Increase)/Decrease in inventories		(70)	(210)	(70)	(210)
Increase/(Decrease) in other payables		(1,481)	4,220	(2,224)	4,107
Increase/(Decrease) in revenue in advance		(88)	(278)	(342)	(197)
Increase/(Decrease) in accrued expenses		(171)	(2,310)	(153)	(2,350)
Increase/(Decrease) in provisions		(132)	(28)	(756)	(28)
Increase/(Decrease) in employee benefits		64	(34)	25	(42)
Increase/(Decrease) in capital expenditure accrual		1,394	-	1,859	_
(Increase)/Decrease in net related-party balances	_	(4,664)	10,123	(4,645)	9,366
	=	(4,757)	16,250	(5,524)	15,769
Net cash flow from operating activities		7,778	24,878	7,966	26,237

20 CAPITAL COMMITMENTS AND OPERATING LEASES	Parent		Gro	oup
Capital commitments	2013 \$000s	2012 \$000s	2013 \$000s	2012 \$000s
Property, plant and equipment	-	3,671	-	3,671
Total capital commitments	-	3,671	-	3,671

2013

There are no capital commitments as at 30 June 2013.

2012

As at 30 June 2012, RFA had an outstanding capital commitment for the ASB Theatre refurbishment project of \$3.7 million.

Operating leases as lessee

The parent and group lease property, plant and equipment in the normal course of their business. The majority of these leases have a non-cancellable term of 24 to 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Parent		Group	
	2013 \$000s	2012 \$000s	2013 \$000s	2012 \$000s
Not later than one year	132	130	183	778
Later than one year and not later than five years	159	140	176	320
Later than five years	-	-	2	9
Total non-cancellable operating leases as lessee	291	270	361	1,107

The total minimum future sublease amounts expected to be received under non-cancellable subleases at balance date is \$1. This relates to a sublease to Auckland Zoological Park.

Leases can be renewed at the parent and group's option; rents are set with reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the parent and group by any of the leasing arrangements.

Operating leases as lessor

The parent and group lease property, plant and equipment in the normal course of their business. The majority of these leases have a non-cancellable term of 24 to 60 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Parent		Gro	oup
	2013 \$000s	2012 \$000s	2013 \$000s	2012 \$000s
Not later than one year	20	8	150	180
Later than one year and not later than five years	67	-	146	206
Later than five years	-	-	135	-
Total non-cancellable operating leases as lessor	87	8	431	386

21 CONTINGENCIES

Contingent liabilities

2013

The land related to the intangible asset interest in Vector Arena is subject to a current arbitration process between Ngāti Whātua o Orakei as owner and lessor of the land and RFA as head lessee and QPAM Limited as sub-lessee of this land. An arbitration ruling has not been made and, as such, the parties are unable to advise the value of any rent arising from this process (2012: Same contingency existed as at 30 June 2012).

2012

At 30 June 2012, there were contingent liabilities of \$26,900 representing legal costs for a resolved personal grievance case from a previous employee and a deferred redundancy payment concerning a current employee's employment contract.

CONTINGENCIES continued

Contingent assets

2013

New Zealand Centre for Conservation and Medicine

Certain leases and subleases for land and a building between Auckland Zoo and the Auckland Zoological Park Charitable Trust (Inc) commenced on 6 July 2007 for 34 years and 363 days. The building, owned by the Trust, is used by Auckland Zoo as a national wildlife conservation and support facility providing specialist teaching, research and veterinary services and may revert at the end of the lease to RFA. Due to the current uncertainties as to the nature of the building's condition or use at the end of the lease, the fair value attributable to RFA's interest in the property cannot be determined and has not been recognised. (2012: Same contingency existed as at 30 June 2012).

22 SUBSIDIARIES

Details of the group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation
Bruce Mason Centre Board	Performing Arts	Auckland, New Zealand
North Shore Domain and North Harbour Stadium Trust Board	Recreation	Auckland, New Zealand
North Shore Events Centre Trust Board	Recreation	Auckland, New Zealand

The above entities are consolidated as subsidiaries of the group as the parent (RFA) has the power to govern the operation and financing policies of the entities so as to obtain benefits from their activities.

23 RELATED-PARTY TRANSACTIONS

RFA is the parent of the group. The ultimate parent of RFA is Auckland Council (100%). Transactions between related parties are conducted at arm's length.

Related-party transactions with ultimate parent, subsidiaries and other related parties	Parent		Group		
Controlled entities	2013 \$000s	2012 \$000s	2013 \$000s	2012 \$000s	
North Shore Events Centre Trust Board (subsidiary)					
Transactions during the period:					
Supply of services incurred by RFA (group)	335	336			
Balances outstanding at period end:					
Accounts payable owed by RFA (group)	168	-			
North Shore Domain and North Harbour Stadium Trust Board (subsidiary)					
Transactions during the period:					
Supply of services incurred by RFA (group)	1,068	1,640			
Balances outstanding at period end:					
Accounts payable owed by RFA (group)	=	279			
Bruce Mason Centre Board (subsidiary)					
Transactions during the period:					
Supply of services incurred by RFA (group)	392	617			
Balances outstanding at period end:					
Accounts payable owed by RFA (group)	15	-			
Other entities					
Auckland Council (ultimate parent)					
Transactions during the period:					
Revenue from services provided by RFA (group)	996	813	1,093	1,130	
Revenue from grants and subsidies provided to RFA (group)	45,941	35,814	45,941	35,820	
Rates expense incurred by RFA (group)	1,392	1,688	1,392	1,688	
Shared services expense incurred by RFA (group)	5,406	5,979	5,406	5,979	
Other services expense incurred by RFA (group)	360	1,776	360	1,811	
Interest expense incurred by RFA (group)	5,077	5,061	5,077	5,061	

RELATED-PARTY TRANSACTIONS contnued

Other entities continued	Parent		Group	
	2013	2012	2013	2012
	\$000s	\$000s	\$000s	\$000s
Balances outstanding at period end:				
Accounts receivable due to RFA (group)	5,249	18,661	5,250	18,661
Accounts payable owed by RFA (group)	9,895	17,489	9,895	17,489
Borrowings payable owed by RFA (group) Revenue received in advance	791 -	170,673	791	170,673 1
		-	-	'
Auckland Transport (controlled entity of ultimate parent)				
Transactions during the period:	0.0		=-	
Revenue from services provided by RFA (group)	66	8	72	11
Supply of services incurred by RFA (group)	113	32	115	33
Balances outstanding at period end: Accounts receivable due to RFA (group)	57	0.47	F-7	0.47
Accounts receivable due to ArA (group) Accounts payable owed by RFA (group)	57 8	247 2	57 8	247 2
	0		0	2
Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent)				
Transactions during the period:				
Revenue from services provided by RFA (group)	13	14	13	14
Supply of services incurred by RFA (group)	9	35	9	35
Balances outstanding at period end:				
Accounts payable owed by RFA (group)	-	521	-	521
Watercare Services Limited (controlled entity of ultimate parent)				
Transactions during the period:				
Revenue from services provided by RFA (group)	_	_	_	1
Supply of services incurred by RFA (group)	523	120	597	164
Balances outstanding at period end:				
Accounts payable owed by RFA (group)	47	30	47	-
Auckland Tourism, Events and Economic Development Agency				
(controlled entity of ultimate parent)				
Transactions during the period:				
Revenue from services provided by RFA (group)	78	347	145	743
Other services expense incurred by RFA (group)	19	6	23	15
Balances outstanding at period end:				
Accounts receivable due to RFA (group)	7	9	7	9
Accounts payable owed by RFA (group)	7	2	7	3
Auckland Council Property Limited (controlled entity of ultimate parent) Transactions during the period:				
Revenue from services provided by RFA (group)	_	_	_	_
Other services expense incurred by RFA (group)	-	9	_	9
Balances outstanding at period end:				J
Accounts receivable due to RFA (group)	_		_	
Accounts payable owed by RFA (group)	-	9	_	9
				3

All related-party transactions are on market terms and conditions.

No allowances for impairment have been required as at period end nor any expense recognised for impairment on receivables or any other loan balances to related parties during the period.

Related-party transactions with key management personnel

Key management personnel are those persons who either directly or indirectly have the authority and responsibility for planning, directing and controlling the activities of the entity.

Key management personnel of the parent and group entities include:

- Members of the governing body
- · Chief Executive Officer
- Senior management
- Any other applicable staff member.

RELATED-PARTY TRANSACTIONS contnued

There are close family members of key management personnel employed by the parent and group.

The terms and conditions of those arrangements are no more favourable than the parent and group would have adopted if there were no relationship to key management personnel.

Key management personnel and other entities with whom they may be involved as part of a standard customer relationship are likely to have been involved in minor transactions with the group.

Accordingly, the following key management personnel were members of the parent and group who may have had minor transactions of a standard customer nature in dealings with parent and group entities as part of its normal operations.

Regional Faciliti	es Auckland (parent)
Board of Directors	
Sir Donald McKinnon	Chairman
John Avery	Director
Lisa Bates	Director
Derek Dallow	Director
Dame Jennifer Gibbs	Director
John Roberston	Director
Rukumoana Schaafhausen	Director
Peter Stubbs	Director
Gary Troup	Director
Executive Management	
Robert Domm	Chief Executive Officer
Patrick Cleaver	Chief Financial Officer
Paul Brewer	Director, External Relations
Vicki Johnson	Director, Marketing and Communications
Geoff Williams	Director, Auckland Stadiums (resigned June 2013)
Kym Fell	Director, Business and Commercial Performance

Auckland Coun	cil (ultimate parent)
Len Brown	Mayor
Arthur Anae	Councillor
Cameron Brewer	Councillor
Dr Cathy Casey	Councillor
Sandra Coney, QSO	Councillor
Alf Filipaina	Councillor
Hon Christine Fletcher, QSO	Councillor
Michael Goudie	Councillor
Ann Hartley, JP	Councillor
Penny Hulse	Councillor
Mike Lee	Councillor
Desmond Morrison	Councillor
Richard Northey, ONZM	Councillor
Calum Penrose	Councillor
Noelene Raffills, JP	Councillor
Dick Quax	Councillor
Sharon Stewart, QSM	Councillor
Sir John Walker, KNZM, CBE	Councillor
Wayne Walker	Councillor
Penny Webster	Councillor
George Wood, CNZM	Councillor
Roger Blakeley	Chief Planning Officer
Wendy Brandon	General Counsel
Alan Brookbanks	Human Resources Director
Clive Manley	Manager Civil Defence and Emergency Manangement
Douglas McKay	Chief Executive Officer
Andrew McKenzie	Chief Financial Officer
Patricia Reade	Chief Operating Officer
Grant Taylor	Governance Director
Natalie Verdouw	Manager Risk and Assurance
Shelley Watson	Manager Communications and Public Affairs
Optimax Limited	Entity controlled by key management personnel
All Rural Fencing Limited	Entity controlled by key management personnel
Performance Printing	Entity controlled by key
Group Limited	management personnel
Segno	Entity controlled by key management personnel
Goldfields Print Limited	Entity controlled by key management personnel
Office Line Stationery (NZ) Limited	Entity controlled by key management personnel
Spire Investments	Entity controlled by key management personnel

RELATED-PARTY TRANSACTIONS contnued

Bruce Mason Centre Board (subsidiary)				
David Poppelwell	Chairman			
Angela Antony	Trustee			
Mike Atkinson	Trustee			
Tina Coombes	Trustee (appointed October 2012)			
Shane Cortese	Trustee			
Graeme Hitch	Trustee (retired October 2012)			
Ken McKay	Trustee			
Kevin Schwass	Trustee			
Andrew Scott	Chief Executive Officer			

North Shore Domain and North Harbour Stadium Trust Board (subsidiary)				
Reno Wijinstok	Chairman			
Matthew Bellingham	Trustee			
Elizabeth Darlow	Trustee			
Diane Hale	Trustee			
Kevin Mulcahy	Trustee			
Rob Picstock	Trustee			
Charles Roos	Trustee			
Patricia Schnauer	Trustee			
Peter White	Trustee			
Craig Goodall	Chief Executive Officer (resigned October 2012)			
Brian Doherty	Venue Manager			

North Shore Events Centre Trust Board (subsidiary)				
) A/ A ('I				
Wayne Miles	Chairman			
Rob Jay	Deputy Chair			
Richard Casutt	Trustee			
Terry Cornelius	Trustee			
Howard Johnston	Trustee			
Jeff Olsen	Trustee			
Lucy Ripia	Trustee			
Paddy Stafford-Bush	Trustee			
Michael Thomas	Trustee			
Barbara Wheadon	Trustee			
Richard Wood	Trustee			
Kenny Halliday	Advisory Trustee			
Donald Southee	Senior Management - Venue Manager			

Peter Stubbs, Director of Regional Facilities Auckland (RFA), is a partner with Simpson Grierson. RFA has directly sought legal services from Simpson Grierson totalling \$3,721 for the 2012/13 financial year.

Key management personnel compensation	Pa	Parent		Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s	
Salaries and other short-term employee benefits	2,385	1,715	3,049	2,253	
Post-employment benefits	42	-	49	-	
Other long-term benefits	-	-	-	-	
Termination benefits	-	-	-	9	
Total key management personnel compensation	2,427	1,715	3,098	2,262	

Key management personnel includes the directors of RFAL, the Executive Leadership Team and senior management.

Prior year numbers do not include senior management.

No provision has been required nor any expense recognised for impairment of receivables for any loans or other receivables to related parties.

24 SEVERANCE PAYMENTS

There were no severance payments for the period ended 30 June 2013.

For the period ended 30 June 2012, RFA made one severance payment to an employee totalling \$11,500.

In addition to this, other group entities made two severance payments to employees totalling \$13,000.

25 CAPITAL MANAGEMENT

The parent and group manage their capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consists of net debt (borrowings as detailed in note 15 offset by cash and cash equivalents) and equity, which comprises:

- Contributed equity
- Retained surpluses
- Restricted equity
- Asset revaluation reserve.

Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the parent to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The parent's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the parent. Intergenerational equity requires today's ratepayers to meet the costs of utilising the parent's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the parent has in place asset management plans for major classes of assets detailing renewal and maintenance programmes to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the ultimate parent (Auckland Council) to make adequate and effective provision in its Long-term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that the parent is required to consider when determining the most-appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the parent's LTP.

The parent has only one lender of debt, that being the ultimate parent (Auckland Council). The Auckland Transitional Authority established a single banking arrangement with BNZ and a debt arrangement with each CCO ratified by its board. The debt agreement precludes borrowing from any party other than Auckland Council.

26 FINANCIAL INSTRUMENTS 26A FINANCIAL INSTRUMENTS BY CATEGORY

Financial risk management objectives and policies

The principal financial instruments of the parent and group comprise cash and cash equivalents, trade and other receivables, bank deposits (term exceeding 90 days), fair value community loans, trade and other payables and borrowings.

The parent and group manage their exposure to key financial risks in accordance with the group's financial risk management policies. The objective of these policies is to support the delivery of the parent and group's financial targets whilst protecting future financial security.

The parent and group have a series of policies to manage the risks associated with financial instruments; they are risk averse and seek to minimise exposure from its treasury activities. The parent has established parent-approved Liability Management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

The main risks arising from the parent and group's financial instruments are credit risk, interest rate risk and liquidity risk.

The parent and group use different methods to measure and manage different types of risks to which they are exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk.

The Board reviews and agrees policies for managing each of these risks as summarised throughout the remainder of note 26.

Primary responsibility for identification and control of financial risks rests with senior management under the authority of the Board.

FINANCIAL INSTRUMENTS BY CATEGORY continued

Financial instruments by category	Parer	Parent		Group	
Financial assets	Loans and receivables \$000s	Total \$000s	Loans and receivables \$000s	Total \$000s	
As at 30 June 2013					
Cash and cash equivalents	10,120	10,120	11,242	11,242	
Trade and other receivables	7,884	7,884	8,536	8,536	
Other financial assets:					
- Term deposits	-	-	4,757	4,757	
- Community loans	3,190	3,190	3,190	3,190	
	21,194	21,194	27,726	27,726	
As at 30 June 2012					
Cash and cash equivalents	7,536	7,536	10,216	10,216	
Trade and other receivables	21,375	21,375	22,378	22,378	
Other financial assets:					
- Term deposits	-	-	4,365	4,365	
- Community loans	3,478	3,478	3,478	3,478	
	32,389	32,389	40,437	40,437	

	Parent		Group	
Financial liabilities	Amortised cost \$000s	Total \$000s	Amortised cost \$000s	Total \$000s
As at 30 June 2013				
Trade and other payables	24,789	24,789	26,160	26,160
Borrowings	791	791	2,185	2,185
	25,580	25,580	28,345	28,345
As at 30 June 2012				
Trade and other payables	34,667	34,667	37,631	37,631
Borrowings	170,673	170,673	172,198	172,198
	205,340	205,340	209,829	209,829

26B FINANCIAL INSTRUMENTS RISKS

The parent and group's activities expose them to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The parent and group have a series of policies to manage the risks associated with financial instruments and seek to minimise exposure from their treasury activities.

Market Risk

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The parent and group do not hold any financial instruments that fluctuate in fair value or future cash flows as a result of changes in market prices.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The parent and group do not hold any financial instruments that are susceptible to currency 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. Borrowings and investments issued at fixed rates of interest expose the parent and group to fair value interest rate risk. The parent and group have a series of policies to manage interest rate risks.

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. The parent and group do not have borrowings and investments that are issued at variable interest rates and hence are not exposed to cash flow interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its contractual obligations to the parent and group resulting in financial loss.

Credit risk arises from the financial assets of the group which comprise cash and cash equivalents, trade receivables and other financial assets (term deposits and fair value loans).

Due to the timing of its cash inflows and outflows, surplus cash is at times invested with New Zealand-domiciled registered banks in term deposits and/or high-interest savings accounts, this gives rise to credit risk.

The parent and group do not hold any credit derivatives to offset their credit exposure.

The parent and group trade only with recognised, creditworthy third parties and, as such, collateral is not requested nor is it the group's policy to securitise its trade and other receivables.

Trade receivables consist of a large number of customers spread across diverse industries. Ongoing credit evaluation is performed on the financial condition of customers and the ageing of their existing outstanding balances.

The parent and group invest surplus funds only with entities that have a Standard & Poor's credit rating of at least 'A'. The maturity of funds invested on term deposit are staggered so as to mitigate surplus funds held by counter-parties for extended periods of time.

The parent and group hold no other collateral or credit enhancements for financial instruments that give rise to credit risk.

	Parent		Group	
Maximum credit risk exposure for each class of financial instrument	2013 \$000s	2012 \$000s	2013 \$000s	2012 \$000s
Cash and cash equivalents	10,120	7,536	11,242	10,216
Trade and other receivables	7,884	21,375	8,536	22,378
Other financial assets:				
- Term deposits	-	-	4,757	4,365
- Community loans	3,190	3,478	3,190	3,478
Total credit risk	21,194	32,389	27,726	40,437

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counter-party default rates.

	Parent		Group	
	2013 \$000s	2012 \$000s	2013 \$000s	2012 \$000s
Counter-parties with credit ratings				
ash and cash equivalents				
A-	10,120	7,536	11,242	10,216
m deposits				
	-	-	4,757	4,365
ter-parties without credit ratings				
le and other receivables	7,884	21,375	8,536	22,378
nmunity loans	3,190	3,478	3,190	3,478
credit risk	21,194	32,389	27,726	40,437

Liquidity risk

Liquidity risk is the risk that the parent and group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The parent and group aim to maintain flexibility in funding by keeping committed credit lines available.

As the ultimate parent entity, Auckland Council manages its borrowings in accordance with its funding and financial policies which include a Liability Management policy. These policies have been adopted as part of the parent and group's Long-term Plan.

The maturities of funds invested on term deposit are staggered so as to mitigate surplus funds being held by counter-parties for extended periods of time.

	Parent							
2013	Weighted average effective interest rate	Total carrying value \$000s	Total contractual \$000s	On demand \$000s	Zero to six months \$000s	Six to 12 months \$000s	12-24 months \$000s	24+ months \$000s
Trade and other payables	0.00%	24,789	24,789	-	24,789	-	-	-
Borrowings	0.00%	791	791	-	-	-	791	-
Total		25,580	25,580	-	24,789	-	791	-
2012								
Trade and other payables	0.00%	34,667	34,667	-	34,667	-	-	-
Borrowings	5.20%	170,673	170,673	-	2,508	2,508	45,961	119,696
Total		205,340	205,340	-	37,175	2,508	45,961	119,696

	Group							
2013	Weighted average effective interest rate	Total carrying value \$000s	Total contractual \$000s	On demand \$000s	Zero to six months \$000s	Six to 12 months \$000s	12–24 months \$000s	24+ months \$000s
Trade and other payables	0.00%	26,160	26,160	-	26,160	-	-	-
Borrowings	0.00%	2,185	2,185	-		19	893	1,273
Total		28,345	28,345	-	26,160	19	893	1,273
2012								
Trade and other payables	0.00%	37,631	37,631	-	37,631	-	-	-
Borrowings	5.20%	172,198	172,198	93	2,578	2,578	46,229	120,720
Total		209,829	209,829	93	40,209	2,578	46,229	120,720

Contractual maturity analysis of financial assets

The table below analyses the parent and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Parent					
2013	Carrying amount \$000s	Contractual cash flows \$000s	Less than one year \$000s	One to two years \$000s	Two to five years \$000s	More than five years \$000s
Cash and cash equivalents	10,120	10,120	10,120	-	-	-
Trade and other receivables	7,884	7,884	7,884	-	-	-
Other financial assets:						
- Term deposits	-	-	-	-	-	-
- Community loans	3,190	8,024	427	442	2,260	4,896
Total	21,194	26,028	18,431	442	2,260	4,896
2012						
Cash and cash equivalents	7,536	7,536	7,536	-	-	-
Trade and other receivables	21,375	21,375	21,375	-	-	-
Other financial assets:						
- Term deposits	-	-	-	-	-	-
- Community loans	3,478	8,420	395	427	2,292	5,305
Total	32,389	37,331	29,306	427	2,292	5,305

	Group					
2013	Carrying amount \$000s	Contractual cash flows \$000s	Less than one year \$000s	One to two years \$000s	Two to five years \$000s	More than five years \$000s
Cash and cash equivalents	11,242	11,242	11,242	-	-	-
Trade and other receivables	8,536	8,536	8,536	-	-	-
Other financial assets:						
- Term deposits	4,757	4,757	2,566	2,191	-	-
- Community loans	3,190	8,024	427	442	2,260	4,896
Total	27,726	32,559	22,771	2,633	2,260	4,896
2012						
Cash and cash equivalents	10,216	10,216	10,216	-	-	-
Trade and other receivables	22,378	22,378	22,378	-	-	-
Other financial assets:		-				
- Term deposits	4,365	4,365	4,365	-	-	-
- Community loans	3,478	8,420	395	427	2,292	5,305
Total	40,437	45,379	37,354	427	2,292	5,305

Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements with all other variables held constant based on the parent and group's financial instrument exposures at balance date.

	Parent			
	2013	2013	2012	2012
	–50bps Surplus	+50bps Surplus	–50bps Surplus	+50bps Surplus
valents	42	(42)	32	(32)
	-	-	-	-
	-	-	-	-
	-	-	-	-
	42	(42)	32	(32)

	Group		
2013	2013	2012	2012
-50bps Surplus	+50bps Surplus	–50bps Surplus	+50bps Surplus
47	(47)	45	(45)
14	(14)	8	(8)
-	-	-	-
7	(7)	8	(8)
 68	(68)	61	(61)

Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates with all other variables held constant measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%.

The parent and group is exposed to interest rate risk because entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rates.

The sensitivity analysis above has been determined based on the exposure to interest rates of the above non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

27 EVENTS AFTER THE BALANCE DATE

There are no events after the balance date.

28 MAJOR BUDGET VARIANCES

Explanations for major variances from RFA's budgeted figures in the 30 June 2013 statement of intent are as follows:

Statement of Comprehensive Income	Parent
	2013 \$000s
Operating deficit per budget	(5,364)
Revenue is a favourable variance to budget due to record visitation at Auckland Zoo, record revenue in our Auckland Conventions business unit and the success of <i>The Illusionists</i>	2,925
Auckland Council capital subsidy	1,437
Other grants and subsidies with favourable variance due to Art Gallery grants received that were not budgeted	1,754
Other income unfavourable due to reclassification of other income into revenue in 2013 actual	(1,639)
Employee benefits unfavourable to budget partly due to wages recharges budgeted here but offset in other expenditure in actual and partly due to overspends in some business units with offset underspend in other expenditure	(4,433)
Depreciation was budgeted in accordance with Auckland Council group planning assumptions and therefore the unfavourable variance to budget is due to under-estimated capital expenditure resulting in the under-budgeting of depreciation for the year	(4,368)
Finance costs are favourable to budget due to better-than-budgeted interest rates	1,716
Impairment of buildings not budgeted	(353)
Other expenditure is favourable to budget due to underspends in other costs to offset unfavourable employee costs variance; there is also a \$1.9 million loss on disposal included in other expenditure	1,475
Other movements	144
Actual – operating deficit	(6,706)
Net other comprehensive income per budget	
Write-down of land held for sale at balance date *	(9,112)
Actual – other comprehensive income	(9,112)
Surplus/(deficit) before taxation	(15,818)

^{*} In accordance with Auckland Council Group Long-term Plan 2012–2022, revaluations are performed annually. The statement of intent included \$27.7 million as a revaluation gain. However, in accordance with RFA accounting policies, RFA revalues on a three-year basis only.

We define our operational surplus for the year as:			
	Actual 2013 \$000s	Budget 2012 \$000s	Variance 2013 \$000s
Deficit before tax from continuing operations	(6,706)	(5,364)	(1,342)
Auckland Council capital subsidy	(9,276)	(7,839)	(1,437)
Other grants and subsidy (capital portion gifted artworks. Note 3)	(1,600)	-	(1,600)
Depreciation of property, plant and equipment	16,438	12,070	4,368
Amortization of intangible assets	493	341	152
Finance costs	5,152	6,868	(1,716)
Impairment – property plant and equipment	353	-	353
Other expenses (loss on disposal. Note 7)	1,902	-	1,902
Operational surplus	6,756	6,076	680

Statement of Financial Position

Variance in cash and cash equivalents is due to a higher-than-anticipated cash balance in the Ticketing bank account used for advance sales of tickets. This includes events such as *Wicked* due to start in September 2013.

The variance in trade receivables and payables is due to the settlement in cash this year of the Auckland Council inter-company account.

Variance in property, plant and equipment is partly due to the transfer of land for sale to current assets and impairment and loss on disposal.

Variance in borrowings to budget is due to a \$175 million transfer of Auckland Council debt to equity.

Statement of Movements in Equity

The variance to budget is due mainly to the above \$175 million transfer of Auckland Council debt to equity.

29 DISCONTINUED OPERATIONS

	Paı	rent	Group	
	Actual 2013 \$000s	Actual 2012 \$000s	Actual 2013 \$000s	Actual 2012 \$000s
(a) Results of the discontinued operations				
Commercial revenue	-	-	-	4,469
Sponsorship revenue	-	-	-	561
Other non-operating revenue	-	-	-	43
Total revenue	-	-	-	5,073
Property rental expense	-	-	-	2,601
Repairs and maintenance	-	-	-	472
Office supplies	-	-	-	1,532
Depreciation	-	-	-	1,409
Impairment – property plant and equipment	-	-	-	3,607
Total expenditure	-	-	-	9,621
(Defeit) (Complete leaf and the formal instance of the continued on the co				(4.540)
(Deficit)/Surplus before tax from discontinued operations Income tax expense/(credit)	-	-	-	(4,548)
(Deficit)/Surplus after tax from discontinued operations	- -	-	-	(4,548)
AVE 5 10 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5 1 5				
(b) (Deficit)/Surplus after tax from discontinued operations attributable to: Regional Facilities Auckland	_		_	(4,548)
Non-controlling interest	-	-	-	(4,340)
(c) Cash flows from discontinued operations				
Cash flows from operating activities				84
Cash flows from financing activities	-	_	_	-
-	-	-	-	(81)
Cash flows from investing activities	_	-	-	-
Net cash inflows/(outflows) from discontinued operations	-	-	-	3

Counties Manukau Pacific Trust ceased to be a subsidiary of RFA, effective from 1 July 2012. The funding agreement which gave rise to RFA being deemed to have control of the Trust under NZ IAS 27: Consolidated and Separate Financial Statements expired on 30 June 2012 and was not renewed. Consequently, the Trust's financial statements for 2012/13 onwards will not be consolidated into the financial statements for the RFA group.

30 RETROSPECTIVE RESTATEMENT OF ERRORS

Parent

Prior to the revaluation of buildings in 2011/12, certain building assets had been incorrectly recorded within the plant and equipment asset class. As a consequence of this, when buildings were revalued in 2011/12 the carrying value of buildings prior to the revaluation was understated resulting in the understatement of the impairment of buildings by \$4,289,000 for the year ended 30 June 2012.

Group

North Harbour Stadium Trust Board, a subsidiary of RFA, performed a revaluation of its buildings in 2011/12. During the year, North Harbour Stadium Trust Board was advised by the independent valuers (Beca Group Limited) that the depreciated replacement cost valuation performed by them during the 2011/12 financial year contained a material error in the valuation of the stadium buildings. This was as a result of a calculation error in the valuer's underlying workings to which North Harbour Stadium Trust Board did not have access at the time the financial statements were authorised for issue. This resulted in an error which understated the impairment of buildings by \$6,870,995.

The financial statements for 2012, which are presented as comparative information in the 30 June 2013 financial statements have been restated to correct the above two errors. The effect of these restatements are summarised below in accordance to NZ IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

	Parent	Group
	Actual 2012 \$000s	Actual 2012 \$000s
Statement of Comprehensive Income		
Impairment of property, plant and equipment	30,617	8,881
Increase in impairment of property, plant and equipment	4,289	11,160
Restated impairment of property, plant and equipment	34,906	20,041
Total comprehensive income	(11,555)	5,093
Decrease in total comprehensive income	(4,289)	(11,160)
Restated total comprehensive income	(15,844)	(6,067)
Statement of Changes in Equity		
Retained surpluses	(33,452)	(17,859)
Decrease in retained surpluses	(4,289)	(11,160)
Restated retained surpluses	(37,741)	(29,019)
Statement of Financial Position		
Equity		
Retained surpluses	(33,452)	(17,859)
Decrease in retained surpluses	(4,289)	(11,160)
Restated retained surpluses	(37,741)	(29,019)
Total equity (restated)	814,759	925,675
Non-current assets		
Property, plant and equipment	919,179	1,033,477
Impairment of property, plant and equipment	(4,289)	(11,160)
Restated property, plant and equipment	914,890	1,022,317
Total non-current assets (restated)	991,473	1,098,913



AUDIT NEW ZEALAND

Mana Arotake Aotearoa

INDEPENDENT AUDITOR'S REPORT

To the readers of Regional Facilities Auckland and group's financial statements and statement of service performance for the year ended 30 June 2013

The Auditor General is the auditor of Regional Facilities Auckland (RFA) and group. The Auditor General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of RFA and group on her behalf.

We have audited:

- the financial statements of RFA and group on pages 62 to 103, that comprise the statement of
 financial position as at 30 June 2013, 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 statement of service performance of RFA and group on pages 49 to 58.

Opinion

In our opinion:

- the financial statements of RFA and group on pages 62 to 103:
 - · comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect RFA and group's:
 - financial position as at 30 June 2013; and
 - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of RFA and group on pages 49 to 58:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects RFA and group's service performance achievements measured against the performance targets adopted for the year ended 30 June 2013.

Our audit was completed on 28 August 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and we explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of RFA and group's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control 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 RFA and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the trustees;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. Also we did not evaluate the security and controls over the electronic publication of the financial statements and statement of service performance.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect RFA and group's financial position, financial performance and cash flows; and
- fairly reflect RFA and group's service performance achievements.

The Trustees are also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements and statement of service performance, whether in printed or electronic form.

The Trustee's responsibilities arise from the Local Government Act 2002 and RFA's Trust Deed.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in RFA or any of its subsidiaries.

Leon Pieterse

Audit New Zealand

On behalf of the Auditor General

Auckland, New Zealand

IMAGE CREDITS

COVER



■ PHOTO: CHRIS MCLENNAN

INSIDE FRONT COVER



■ Coldplay, Mt Smart Stadium PHOTO: AL RONBERG

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Angela Tiatia. Still from the videoHibiscus Rosa Sine 2010 courtesy of the artist

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■ Tiffany Singh. Fly Me Up to Where You Are
Auckland Arts Festival 2013, Aotea Square
PHOTO: AL RONBERG



The Sleeping Beauty, Royal New Zealand Ballet,
The Civic
PHOTO: EVAN LI

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■ The Glenn Miller Orchestra, Aotea Centre PHOTO: NONI CORRALL



PHOTO: CHRIS MCLENNAN

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Vodafone Warriors, Mt Smart Stadium
PHOTO: AL RONBERG



NZ Opera, *The Bartered Bride,* Aotea Centre

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■ The Illusionists: Witness the Impossible, The Civic PHOTO: MICHAEL BRADLEY



Who Shot Rock & Roll: A Photographic History,
 1955 – Present, Auckland Art Gallery Toi o Tāmaki

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Michael Lin /Atelier Bow-Wow with Andrew Barrie. Model Home 2013 (installation view) prototype of worker's house with acrylic wall painting, videos, sound. Auckland Art Gallery Toi o Tāmaki

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■ PHOTO: CHRIS MCLENNAN

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 One Man, Two Guvnors, Auckland Arts Festival 2013, Aotea Centre
 PHOTO: JOHAN PERSSON



The Illusionists: Witness the Impossible, The Civic PHOTO: MICHAEL BRADLEY

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■ *Mary Poppins,* The Civic PHOTO: DEEN VAN MEER

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 Madame Butterfly, NZ Opera, Aotea Centre PHOTO: MICHAEL BRADLEY

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The Illusionists: Witness the Impossible, The Civic



PHOTO: MICHAEL BRADLEY

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■ PHOTO: CHRIS MCLENNAN

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Anri Sala. 3-2-1, live saxophone player responding to the film The Long Sorrow (still), 5th Auckland Triennial PHOTO: SYLVAIN DELEU

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■ Aotea Square Ice Rink, Winter Showtime PHOTO: MICHAEL BRADLEY

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Mary Poppins, The Civic PHOTO: DEEN VAN MEER

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Tiffany Singh. May the Rainbow Always Touch Your Shoulder, Auckland Art Gallery Toi o Tāmaki PHOTO: LAURA FOREST

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PHOTO: CHRIS MCLENNAN

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■ The Illusionists: Witness the Impossible, The Civic PHOTO: MICHAEL BRADLEY

INSIDE BACK COVER



■ PHOTO: CHRIS MCLENNAN



