ANNUAL REPORT

For the year ended 30 June 2014



























CONTENTS

WELCOME	3
OUR BUSINESS	9
HIGHLIGHTS	11
OUR BUSINESS UNITS	17
CHAIR'S REVIEW	39
CHIEF EXECUTIVE OFFICER'S REPORT	41
BOARD OF DIRECTORS	44
EXECUTIVE TEAM	46
BUSINESS DIRECTORS	48
ORGANISATIONAL STRUCTURE	51
STATEMENT OF COMPLIANCE AND RESPONSIBILITY	53
STATEMENT OF SERVICE PERFORMANCE	55
FINANCIAL STATEMENTS	67
INDEDENDENT AUDITOD'S DEDODT	100









OUR VISION

Creating 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 a board.

We manage more than \$1-billion worth of major regional facilities and stunning venues across the city, including Auckland Art Gallery Toi o Tāmaki, Auckland Zoo, ANZ Viaduct Events Centre, The Civic, Aotea Centre, Auckland Town Hall, Mt Smart Stadium, Western Springs Stadium, Bruce Mason Centre and QBE Stadium. Auckland Live (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.





OUR 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
- 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 its visitors.





OUR BUSINESS

OUR BUSINESS UNITS

- Auckland Art Gallery Toi o Tāmaki
- Auckland Conventions
- Auckland Live (formerly THE EDGE)
- Auckland Stadiums
- Auckland Zoo
- Corporate Services

OUR VENUES

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

They are:

- ANZ Viaduct Events Centre
- Aotea Centre
- Auckland Art Gallery Toi o Tāmaki
- Auckland Zoo
- Bruce Mason Centre
- Mt Smart Stadium
- QBE Stadium (formerly North Harbour Stadium)
- The Civic
- Western Springs Stadium.

RFA PLUS (RFA+) FACILITIES

RFA manages the funding of, and property relationships with:

- North Shore Events Centre
- The Trusts Arena
- Vodafone Events Centre.

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

- Auckland War Memorial Museum
- MOTAT.

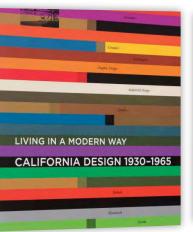
While these entities do not have a direct operational connection to RFA, they may choose to collaborate with RFA for mutual benefit.

In addition, RFA:

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



















JULY

International exhibition

California Design 1930–1965:

Living in a Modern Way

opened at Auckland Art Gallery

giant wētāpunga were successfully hatched at

More than 1600 endangered

Auckland Zoo as part of the national recovery programme

AUGUST

Aotea Square Ice Rink

provided winter entertainment for Aucklanders

New Zealand International Film

Festival wrapped up after three weeks of screenings at The Civic

Rare 17th-century engraving
by François Langot of *The Mocking of Christ* is completed
after a painstaking three-year
restoration by Auckland Art
Gallery conservators

SEPTEMBER

New Zealand Fashion Week

at ANZ Viaduct Events Centre attracted more than 13,000 people

Auckland Zoo gained

Silver Status from the

Be Accessible programme

and opened its doors to

guide dogs















OCTOBER

Auckland Art Gallery was awarded

World Building of the Year at the

prestigious World Architecture

Festival in Singapore

Auckland Zoo's new

Giraffe House won the Public Architecture award

at the 2013 New Zealand Architecture Awards

Diwali Festival of Lights in

Aotea Square attracted more than 30,000 people

Freedom Farmers: New Zealand
Artists Growing Ideas opened at
Auckland Art Gallery

NOVEMBER

Blockbuster Broadway musical

Wicked closed after delighting audiences of over 100,000 during its 10-week season at The Civic

David Guetta headlined

Our House festival at

Mt Smart Stadium

Choi Jeong Hwa's *Flower*Chandelier 'bloomed'

4.5 million times at Auckland

Art Gallery before coming down

DECEMBER

Unwrapping Christmas

brought live performances, markets and games to Aotea Square

Christmas at the Zoo

provided entertainment for the whole family

Auckland City Mission's

Christmas lunch was hosted at ANZ Viaduct Events Centre















JANUARY

Over 40,000 fans enjoyed

Big Day Out at Western

Springs Stadium

Auckland Seafood Festival

took place at ANZ Viaduct Events Centre and Wynyard Quarter

Auckland Zoo achieved a world first in successfully rearing a flamingo chick from an entirely hand-reared flock

FEBRUARY

Eminem headlined Rapture 2014 festival at

Western Springs Stadium, drawing 55,000 fans in Auckland's biggest weekend since the Rugby World Cup

Five Māori Painters opened,

celebrating Māori culture
and demonstrating Auckland
Art Gallery's continued
commitment to profiling
New Zealand's indigenous
art practice

MARCH

Bruce Springsteen and the

E Street Band performed two concerts at Mt Smart Stadium, with a combined audience of more than 72,000

My Country: Contemporary Art from Black Australia opened at Auckland

Art Gallery showcasing the largest and most significant exhibition of indigenous
Australian art ever seen in
New Zealand















APRIL

Viaduct Events Centre became

ANZ Viaduct Events Centre

through a new sponsorship

partnership with ANZ Bank

Tasmanian devils joined

Auckland Zoo as part of a

zoos-based insurance programme
for this endangered species

Opening round of the *World Speedway Grand Prix* hosted at

Western Springs Stadium

Rolling Stones concert at

Mt Smart Stadium announced
for November 2014

MAY

North Shore's Bruce Mason
Centre and QBE Stadium
became part of the RFA group

Auckland Writers Festival at
Aotea Centre drew record
attendee numbers of 50,000

Eagles concerts at Mt Smart Stadium announced for March 2015

Eighty native birds released onto Rotoroa Island, marking the start of Auckland Zoo and Rotoroa Island Trust's 25-year plan to create a wildlife reserve

JUNE

Auckland International
Cabaret Season launched
at Auckland Town Hall

Celebrated wildlife researcher **Dr Jane Goodall** hosted by

Auckland Zoo

QBE Stadium hosted
15 games of the IRB Junior
World Championship

Auckland Art Gallery
announced Light Show
for October 2014, the first
exhibition of international
light-based art to be seen
in New Zealand













AUCKLAND ART GALLERY TOLO TĀMAKI

Established in 1888, Auckland Art Gallery Toi o Tāmaki is a leading, internationally recognised cultural facility. It holds the country's most extensive and pre-eminent collection of national and international art, with more than 15,000 works in its collections, dating from the 11th century to the present day. Through the presentation of memorable exhibitions and public programmes, the gallery aims to act as a catalyst for creative practice and ideas, offering transformational experiences that strengthen and enrich our diverse communities.

HIGHLIGHTS

BUILDING OF THE YEAR

Auckland Art Gallery Toi o Tāmaki was awarded World Building of the Year 2013 at the prestigious World Architecture Festival in Singapore in October. Since the nine-year building redevelopment, completed in 2011, the gallery has received 22 national and international architectural and design-related awards.

Commemorating the expansion and restoration, the gallery published *Auckland Art Gallery Toi o Tāmaki:* A *Place for Art.* Surveying the history of the gallery from its origins in 1888 through the developments of the last century, the book takes readers on a visual journey of the internationally acclaimed project from start to finish.

NEW LEADERSHIP

In July, Auckland Art Gallery welcomed new Director, Rhana Devenport. Previously Director of the Govett-Brewster Art Gallery in New Plymouth for seven years following a career in Australia, Rhana brings a wealth of experience and demonstrated leadership in delivering innovative and relevant arts programming.

INTERNATIONAL EXHIBITIONS

The gallery staged a diverse and highly successful range of international exhibitions during the year. Led by internationally renowned curator Hou Hanru, The 5th Auckland Triennial: *If you were to live here...* was the most ambitious Auckland Triennial to date, providing a three-month programme of free contemporary art at eight venues city wide and attracting more than 92,000 visitors.

The international exhibition *California Design* 1930 –1965: *Living in a Modern Way* toured from Los Angeles, attracting an audience of over 26,000. This popular exploration of midcentury California style provided a firsthand overview of an aesthetic that has become globally influential.

A Puppet, a Pauper, a Pirate, a Poet, a Pawn and a King brought together works from the private collection of Australian entrepreneur and art collector Naomi Milgrom. With the exhibition, Auckland Art Gallery became the first public institution to display a selection of



22 works from Milgrom's adventurous collection of internationally acclaimed contemporary art.

SHOWCASING INDIGENOUS ART

As a leader in the exhibition of artworks from the Pacific region, the gallery has taken pride in delivering a rich programme of high-quality exhibitions throughout the year, introducing audiences to work from across the Pacific.

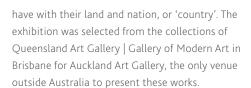
Freedom Farmers: New Zealand Artists Growing Ideas delivered a landmark exhibition of contemporary New Zealand art over the summer. The exhibition comprised the gallery's largest overview of contemporary New Zealand art in 25 years, with work specially commissioned and displayed for the first time. Freedom Farmers was presented alongside Toi Aotearoa, an exhibition from the collection that explores New Zealand's cultural, political and artistic history over the past 400 years. By displaying these exhibitions together, the gallery was able to cement its core commitment to showcasing the best of New Zealand art – a message that resonated with international audiences who visited the gallery in unprecedented numbers over the summer period.

Acknowledging New Zealand as a multicultural nation with a unique Māori heritage, the gallery presented Five Māori Painters which attracted 33,000 visitors. Five Māori Painters was part of a thematic approach over the autumn months that saw the gallery present multiple exhibitions dedicated to indigenous works, including the tribute exhibition Arnold Manaaki Wilson: Pou Ihi | Pou Whenua | Pou Tangata and My Country: Contemporary Art from Black Australia. My Country was the largest and most significant exhibition of indigenous Australian art ever seen in New Zealand. The exhibition showcased the breadth of recent work by Aboriginal and Torres Strait Islander artists, and the connections the artists

LEFT: California Design 1930 –1965: Living in a Modern Way installation view 2013

"I've waited my whole life for this show!"

- VISITOR TO CALIFORNIA DESIGN 1930-1965: LIVING IN A MODERN WAY



Complementing these exhibitions, indigenous Australian artist Jonathan Jones lit up Auckland Art Gallery Toi o Tāmaki's North Atrium with a work comprising more than 80 precisely spaced fluorescent lights. This up-scaled version of the Sydney-based artist's work, untitled (sum of the parts), refers to the traditional Aboriginal concerns of country and community, and extended the gallery's programming dedicated to indigenous practice in Australasia.

BRINGING ART TO LIFE

Auckland Art Gallery Toi o Tāmaki aims to inspire creativity among visitors to the gallery and encourages art-making in a playful, inclusive atmosphere. Several exhibitions this year succeeded in drawing visitors into engaging with artworks through activities, games and interactive elements.

Included with My Country was Kangaroo Crew, a family-friendly children's exhibition that invited young visitors to engage with the story of four kangaroos through an animated film and paintings, along with hands-on and multimedia activities. This extremely popular, free programme attracted more than 45,000 children and their families over its duration.

The playful What's It Doing? installation by Auckland artist Sean Kerr in the gallery's Creative Learning Centre was designed for all ages. An innovative 'Idea Machine' encouraged both young and old to explore and engage with art in a welcoming and participatory environment. The Creative Learning Centre has become a key feature of the gallery's family programming.







The Roots Collective's interactive installation for the Big Day Art family day celebrated the exhibition *Freedom Farmers* and allowed young visitors to become part of a dynamic sculpture. An array of simple, movable components acted as prompts for participants to collaborate with others to create complex structures in the gallery's North Atrium.

ACCESSING THE VISUAL ARTS

A new initiative, Art Connections, was launched during the year. Designed for people living with Alzheimer's disease, Art Connections has been developed in collaboration with Alzheimer's Auckland charitable trust in order to create a welcoming space within the gallery, make its collection more accessible to people living with Alzheimer's, and provide them with an expressive outlet and a forum for facilitated discussion within the gallery.

In an innovative partnership with Christchurch Art Gallery Te Puna o Waiwhetu, the gallery launched Find New Zealand Artists. This is a new website that makes it easier for both hobbyists and art professionals to research more than 17,000 New Zealand artists, past and present, in one place by accessing information held in 12 library databases, published sources and art society records.

FURTHERING RESEARCH

The gallery's role as a research hub was highlighted with the announcement of the Conservation Research Centre, a consolidation of decades of work achieved by the Conservation department at the gallery. The popular and explanatory exhibition *Modern Paints Aotearoa*, organised by Conservation, was held at the gallery during the year and showcased new collaborative research with Te Papa in Wellington and the Getty Conservation Institute in Los Angeles.









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: ANZ Viaduct Events Centre, Aotea Centre, Auckland Art Gallery, Auckland Town Hall, Auckland Zoo, Bruce Mason Centre, The Civic, Mt Smart Stadium and QBE Stadium Function Centre.

HIGHLIGHTS

ANOTHER RECORD YEAR

Auckland Conventions continued to exceed previous-year performance and revenue results, achieving record external revenue for the fourth consecutive year. Revenue for events at Auckland Zoo increased by 39% over the previous year and Auckland Art Gallery by 196% while Mt Smart Stadium showed an equally impressive 187% growth.

More than 740 events took place across Auckland Conventions venues during the year. This represents a 14% increase from last year's total of 650 events and a 17% increase in revenue.

AUCKLAND-WIDE PORTFOLIO

Auckland Conventions took over the conference sales function for North Shore venue Bruce Mason Centre in May following its integration into the RFA group. From July 2014, Auckland Conventions will manage the functions business at QBE Stadium also. With the addition of these two important regional facilities, Auckland Conventions now has a notable presence on the North Shore and is very well positioned to service the requirements of clients across a region-wide suite of venues. In addition, with the strengthened market position, the cost and

operating efficiencies afforded by this integrated approach will be of significant benefit.

MAJOR SPONSORSHIP

Auckland Conventions' waterfront venue, Viaduct Events Centre, changed its name to ANZ Viaduct Events Centre in April 2014 as a result of a sponsorship partnership with ANZ Bank. This sponsorship fits with the Auckland Conventions' strategy of working closely with the private sector and is an example of RFA leveraging its assets to bring in private sector investment to support Auckland's development.

POPULAR EVENTS

More than 360,000 people attended events hosted by Auckland Conventions during the year. Over 137,000 of those attended events at the ANZ Viaduct Events Centre, Auckland's premium waterfront venue that plays a significant role in showcasing the city's key events. Included in this year's line-up was New Zealand Fashion Week. This glamorous showcase of the fashion industry attracted more than 13,000 people and demonstrated the versatility of the ANZ Viaduct Events Centre. Auckland Marathon registrations



CLIENT QUOTE

"Auckland Conventions
provides the conference and
events industry such a variety
of venues, from intimate dining
for a dozen to an international
conference for thousands.
We have always found the team
to be responsive and keen to
ensure the client's requirements
are met. They 'get it' and really
do have a genuine desire to
ensure your event is a success."

JAMES CHATTERLEY

MANAGING DIRECTOR

EVENT DYNAMICS

Auckland Conventions achieved record revenue for the fourth consecutive year.







took place at the ANZ Viaduct Events Centre for the third consecutive year, with around 10,000 registrants from all over the world. Other successful large-scale events included IRONMAN 70.3, Auckland On Water Boat Show, Convene, the MEETINGS trade show gala dinner and the celebration of kai moana that is Auckland Seafood Festival. Always a celebratory highlight, 19 graduation ceremonies were attended by more than 64,000 people at Aotea Centre and Auckland Town Hall. New Zealand's largest design conference, Semi-Permanent, TEDxAuckland, Auckland Art and Craft Fair and the 2013 Cruise Expo are also worthy of note.

INTERNATIONAL CONVENTIONS

Convention business performed strongly, with 16 multi-day international conferences taking place over the year, including: Time Out for Women Seminar, Laser Group Conference, NZ Education Summit, NZ Healthcare Summit, 8th International Tinnitus Conference, 13th ITS Asia Pacific Forum and Exhibition, Retail Summit 2014 and the Transport NZ Summit 2014.

With each delegate spending an average of \$3,000 during their stay, in addition to conference costs, international events bring economic benefits for the city. Building on recent success, the international market will be a strong

area of focus for Auckland Conventions in the coming year.

INNOVATIVE OPPORTUNITIES

Consistently high service levels are a priority for Auckland Conventions, with a view to building long-term relationships with clients that maximise profitability. There are a number of additional ways in which market advantages are being leveraged, such as applying the benefit of economies of scale to reduce costs, and providing targeted services to niche markets.

Auckland Conventions has several new initiatives that will be rolled out over the coming year. These include a new catering arrangement for all Auckland Conventions venues. This will establish a new catering partnership model that will decrease operational costs and increase revenue while delivering the highest standards in food and beverage service to clients.

SUPPORTING THE COMMUNITY

Auckland Conventions hosted the Auckland City Mission's annual Christmas lunch at the ANZ Viaduct Events Centre for the third consecutive year, catering for more than 2000 people. Auckland Conventions staff members were among the hundreds of volunteers who contributed to making the day a success.









AUCKLAND LIVE

Formerly THE EDGE, Auckland Live is the home of live arts and entertainment for the city, programming an extensive range of live performing arts and entertainment at major venues across the region: Aotea Centre, The Civic, Auckland Town Hall, Bruce Mason Centre, Mt Smart Stadium, Western Springs Stadium, QBE Stadium and Aotea Square. Auckland Live champions Auckland internationally to secure big-name shows and concerts, collaborates with national and international arts companies and festivals to bring the best performances to our city, and introduces children and young people to the excitement of the stage and the magic of live performance.

HIGHLIGHTS

NEW NAME REFLECTS STRATEGIC DIRECTION

A significant milestone for the year was the renaming of THE EDGE to Auckland Live. The new identity, launched in May, reflects the organisation's expanded focus on live performing arts and entertainment across the city's major performing arts and stadium venues.

INSPIRING PROGRAMMING

A diverse and innovative range of world-class concerts and shows was secured by Auckland Live during the year, attracting a record 961,625 people to more than 1400 events and achieving a visitor satisfaction rating of 95%. The international line-up included James Blake, Jack Johnson, Elvis Costello, The Wiggles, Rhys Darby, Joan Baez, Sol3 Mio, Ed Sheeran, Dame Kiri Te Kanawa, and musicals *Wicked, Mamma Mia* and *Annie*.

Auckland Live also hosted popular annual festivals including the New Zealand International Comedy Festival, the New Zealand International Film Festival and Auckland Writers Festival which

experienced another record year. Major national and regional arts companies, including Chamber Music New Zealand, Auckland Philharmonia Orchestra and the New Zealand Symphony Orchestra, presented performances throughout the year at Auckland Town Hall and Aotea Centre. The first-ever Auckland International Cabaret Season was live at Auckland Town Hall in June and the Royal New Zealand Ballet celebrated 60 years with a popular season of Swan Lake in August.

In March, Takapuna venue Bruce Mason Centre came under the direct management of RFA with Auckland Live undertaking the programming and day-to-day management of this important arts and community hub. In the latter part of the financial year, QBE Stadium also joined RFA's portfolio of venues. The programming of high-profile performing arts events for the North Shore stadium has already begun with Christian rock music event, *Cloud Festival*, set to take place in January.

LEFT: 360, The Civic RFA ANNUAL REPORT 2014 **■ 27**



VISITOR QUOTE

"All the world may well be a stage, and most of us usually bit-part players: but I was surely given the VIP star treatment." Auckland Live attracted a record 961,625 people to more than 1400 events.







CONTRIBUTING TO AUCKLAND'S ECONOMY

Securing Auckland-exclusive international acts is a key strategy for RFA and Auckland Live. Over the summer period more than 176,000 fans, 79,000 from outside the Auckland region, experienced some of the world's top acts and festivals at RFA stadiums. The Big Day Out music festival in January drew 41,000 people to Western Springs Stadium. Global rapper Eminem staged his first-ever New Zealand concert at Western Springs Stadium in February to a capacity crowd of 55,000, and Bruce Springsteen and the E Street Band played to 80,000 fans over two nights at Mt Smart Stadium in March. These Auckland-exclusive international music events generated more than 126,000 visitor nights and made a contribution to regional GDP of \$14.60 million. In addition, the Broadway blockbuster musical Wicked generated 36,770 visitor nights and made a contribution to regional GDP of \$4.66 million over its ten-week season.

ACCESSING THE PERFORMING ARTS

Ensuring that children and young people have access to live performing arts experiences is a forward-looking strategy for Auckland Live. The success of events such as *The Wiggles, APO 4 Kids, The Thing from the Place, Aotea Square Ice Rink, The New Zealand Choral Federation: The Kids Sing* and the free family programme *Pick & Mix* illustrates how well this initiative is working.

Auckland Live also invested in talent development by supporting innovative shows created by emerging artists. Trygve Wakenshaw's sold-out *Squidboy* and *Kraken* Comedy Festival shows are examples of this in action, as are theatre shows *Black Faggot*, 360 and *Live Live Cinema*.

Demonstrating a continued commitment to accessibility, Auckland Live presented New Zealand's first theatre workshop for sign interpreters in association with the National Foundation for the Deaf in February.

LEFT: Wicked, The Civic RFA ANNUAL REPORT 2014 **29**









AUCKLAND STADIUMS

Championing an integrated approach to managing the region's stadiums network, Auckland Stadiums is transforming the stadiums' landscape to deliver outstanding customer experiences and sustainable, world-class and fit-for-purpose facilities. Auckland Stadiums directly manages Mt Smart Stadium, QBE Stadium and Western Springs Stadium.

HIGHLIGHTS

STRATEGIC PARTNERSHIPS

Auckland Stadiums welcomed more than 499,000 visitors across both Western Springs and Mt Smart Stadiums during the year. The line-up included ever-popular sporting events such as NRL Vodafone Warrior games, the New Zealand FIM Speedway Grand Prix, and international clashes with the All Whites versus South Africa, Football Ferns versus Brazil and Tonga versus the Pacific Barbarians.

With the aim of attracting Auckland-exclusive world-class entertainment events, Auckland Stadiums partnered with Auckland Live to secure and stage several large outdoor concerts with high-profile touring artists over the summer period. This strategic collaboration aptly demonstrated that big-stadium, Auckland-exclusive events are significant drivers of economic benefits for the city. Each of them also plays an important role in positioning Auckland as a world-class destination.

Fans began queuing at the gates of Mt Smart Stadium days before *Bruce Springsteen and the E Street* Band took the stage for two sold-out concerts. The hip-hop festival *Eminen Rapture 2014* sold out on Auckland's biggest weekend for events since the *Rugby World Cup*. The *Big Day*

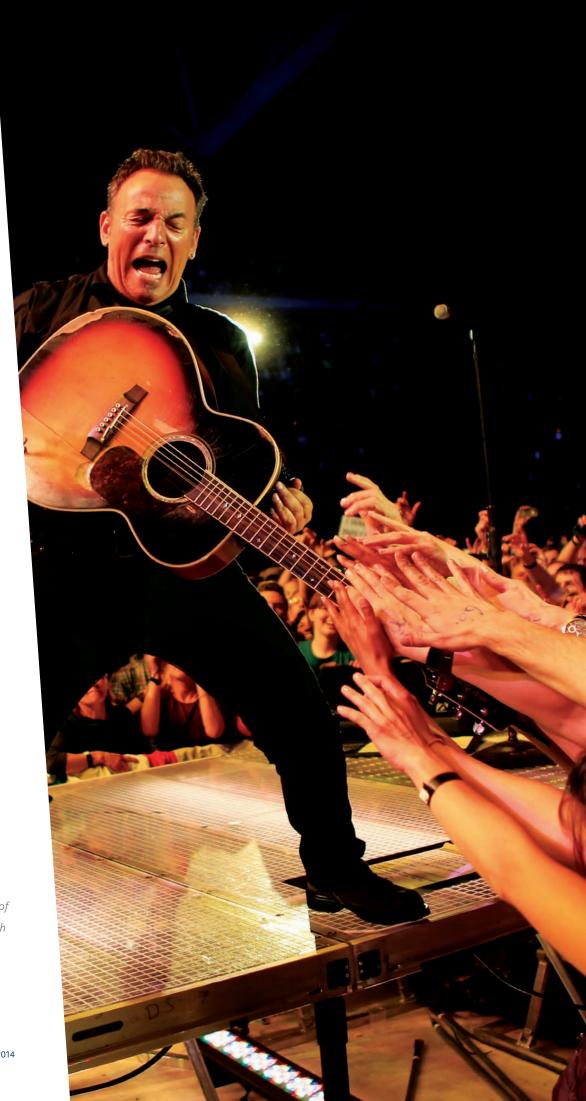
Out and Our House festivals were also near capacity.

Looking ahead, the 2014/15 summer music and festival season is shaping up as an even bigger one than was for 2013/14 for Auckland Stadiums venues. The scheduled line-up includes The Rolling Stones, Eagles, Cloud Festival, Our House, SoulFest and Taste of Auckland. These events will continue to bring strong economic gain for Auckland as fans are drawn from around the country.

STADIUM INTEGRATION

North Shore's QBE Stadium officially became the third stadium to come under the management of RFA and be operated by the Auckland Stadiums team following the formal transfer of the stadium's assets in May.

QBE Stadium is a \$58-million asset, seating up to 25,000 people. In addition to the main stadium, the complex includes two artificial-turf fields, two natural-turf rugby fields and a large oval which collectively host a significant volume of community-use activity. A \$20-million aquatic centre is to be built within the stadium complex and will form an integral part of the overall facility.



VISITOR QUOTE

"I was so impressed by the entire event: from the initial gate staff and friendly food vendors, to the organisation of transport options to finish. Oh yeah, and Bruce Springsteen was legendary!"

Big-stadium, Auckland-exclusive events delivered significant economic benefits for the city.







The integration of QBE Stadium is a milestone for the implementation of the Auckland Stadiums Strategy. QBE Stadium will benefit from the economies of scale that come from working across multiple venues and the Auckland Stadiums team's success in securing multi-event programming for its venues.

ASSET INVESTMENT

Auckland Stadiums invested almost \$3.0 million during the year to upgrade facilities at Mt Smart and Western Springs Stadiums. These developments are in line with a strategic Auckland Stadiums objective to enhance the overall experience for patrons, enhance training environments for professional sport, and deliver stadium environments for venue hirers and international concert promoters that will optimise their investments and see them return to Auckland.

Auckland Stadiums became directly involved in the management of Western Springs Stadium in July 2013 and promptly invested almost \$1.0 million in significant improvement works in time for the summer concert season. These

upgrades included additional lighting, the removal of pine trees, installation of fibre to support temporary event infrastructure, a new public address system and CCTV, improved access ways and new stairwells, walkways and emergency exits.

Mt Smart Stadium received almost \$2.0-million worth of upgrades during the year. The two biggest projects were the provision of improved access ways within the main arena to support large-capacity concert events and the development of a new floodlit training field for the NRL Vodafone Warriors, which will be completed in September 2014.

Additional works are in progress at all three stadiums for completion in the coming financial year. Resource consent has been approved for the development of a \$2.5 million grass terrace on the embankment in the main arena at Western Springs Stadium. The landscaped terracing will enhance patron comfort and safety by providing sufficient level ground on the embankment to accommodate up to 14,500 patrons for large-capacity concert events. Also, the terraces will feature removable crush barriers so they can be used in a seated mode for other events.









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.

HIGHLIGHTS

VISITOR EXPERIENCE

This year, Auckland Zoo enjoyed its third year of record visitation, welcoming 717,642 visitors through its gates and achieving a visitor satisfaction rating of 95%. The zoo's volunteers also had another record-breaking year, with its 253 volunteers contributing more than 40,000 hours – an 18% increase over the previous year. In addition, the number of families with Friends of the Zoo annual memberships grew by 10%.

CONSERVATION IN THE WILD

The Auckland Zoo Conservation Fund contributed over \$325,000 to important wildlife conservation projects in New Zealand and around the world during the year, as total funds raised topped \$2.4 million since its inception. The year's highlights included the translocation of 738 wētāpunga to safe offshore islands, supporting orangutan conservation in Sumatra and elephant education in Sri Lanka, surveying short-tailed bats on D'Urville Island and Dactylanthus (rare plant) in the Coromandel, and assisting conservation work on Kiribati island in the South Pacific. Zoo staff also contributed more than 6000 hours of conservation fieldwork in 22 locations around New Zealand.

CONSERVATION MEDICINE

With an increased capability through staff development, investments in equipment and

improved recording systems, Auckland Zoo's veterinary team, located in the New Zealand Centre for Conservation Medicine, managed a 20% increase in its clinical caseload. Highlights included digital X-ray imaging of giraffe feet, a root canal procedure performed on a male lion, working with the Birds team to develop a world-first hand-rearing protocol for the short-tailed bat, and partnering with Kelly Tarlton's on the rehabilitation and release of sea turtles. Also, the team has continued a long-standing collaboration with the Kakapo Recovery Group, successfully treating two sick adults and hand-rearing a chick – vital contributions to a population which numbers fewer than 130.

ROTOROA ISLAND

Auckland Zoo continued its involvement in the ground-breaking partnership with the Rotoroa Island Trust to restore the Hauraki Gulf island as a wildlife sanctuary. A milestone was reached in May with the translocation and release of 40 treke (saddleback) and 40 popokotea (whitehead) to Rotoroa Island from Little Barrier Island. The release of these first species followed extensive planting, monitoring and pest eradication on Rotoroa, and marks the start of an ambitious 25-year plan for the island that includes introducing up to 20 new species by 2018. Auckland Zoo's expertise in environmental



VISITOR QUOTE

"Auckland Zoo is a wonderful experience with so many exhibits and animals in natural settings. This is one of the best zoos I have visited around the world and well worth the day's visit if you are in Auckland."

More than 29 million people have visited Auckland Zoo since it opened in 1922.







education programmes has extended to Rotoroa Island, also, with zoo educators and school students participating in hands-on activities on the island based on current conservation fieldwork practices.

NEW ARRIVALS AND THE END OF AN ERA

Two world-first breeding achievements for short-tailed bats and flamingo chicks were among the many new arrivals at Auckland Zoo during the year. Other notable births included red panda cubs, otter pups, meerkat kits, giraffe, squirrel monkey, wētāpunga, Antipodes Island parakeet and kākā chicks. Auckland Zoo also welcomed a pair of takahē from Tiritiri Matangi Island, a new Sumatran tiger from Hamilton Zoo, two servals, as well as Grand skinks and jewelled geckos.

Four Tasmanian devils were introduced to their newly developed exhibit; they were transferred from Australia's Healesville Sanctuary as part of the global zoos-based Save the Tasmanian Devil Program, which is managing a healthy insurance population to help secure a future for this unique carnivorous marsupial.

Auckland Zoo also farewelled Janie the chimpanzee during the year. The much-loved and respected 60-year-old, who saw 57 of her years at the zoo, was among one of the oldest chimpanzees in any zoo in the world.

ZOO AND AQUARIUM ASSOCIATION ANNUAL CONFERENCE

Auckland Zoo hosted the highly successful 2014 Australasian Zoo and Aquarium Association Annual Conference, during which more than 140 delegates from around New Zealand, Australia and the world visited and contributed to a range of informative talks and discussions. The conference focused on exploring ways in which zoos and aquariums are further expanding the horizons of our ambitions and operations.

ACCESSIBILITY AND EDUCATION

Auckland Zoo has made important progress in improving accessibility, now welcoming assistance dogs as well as achieving accreditation from Be Accessible. The assistance dogs initiative followed eight months of on-site trials, working closely with both the Royal New Zealand Foundation of the Blind and the Assistance Dogs Trust New Zealand. Auckland Zoo also participated in Sign Language Week, working with Deaf Aotearoa to deliver encounters in New Zealand sign language as well as training for zoo staff.

Approximately 60,000 children enjoyed school visits to the zoo, with a significant majority participating in structured learning sessions led by our Discovery and Learning educators. The success of The Warehouse School Zoofari initiative continued – this three-year programme will enable more than 10,000 students from throughout the Auckland region to access a free Auckland Zoo education experience. More than 1200 visits were also gifted to charitable and community groups, including children and families in extended hospital stays, as well as many schools and kindergartens.

CONSERVATION ICONS

Auckland Zoo hosted a visit from world-renowned primatologist Dr Jane Goodall, which included a sold-out show at the Aotea Centre – reputedly the venue's fastest-selling non-music event in recent memory. Dr Goodall also met zoo staff, volunteers and New Zealand native wildlife during her time in Auckland.



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



Established four years ago as a council-controlled organisation, RFA is tasked with operating as a sustainable organisation and is required to deliver on its overarching priorities: trusted stewardship of our venues and collections; advancing the social and cultural wellbeing of Auckland; and growing the economy of Auckland. These priorities — driven by our intent to create venues, collections and experiences that are irresistible, enriching, accessible and relevant to the people of Auckland and visitors to our region — are guided by RFA's Strategic Framework.

VISION AND STRATEGY

During the 2013/14 year, we saw close to five 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 240,000 children visited Auckland Zoo, 115,000 children experienced the performing arts at RFA venues and 69,000 children participated in education and learning at Auckland Zoo and Auckland Art Gallery, while more than 38,000 children participated in sporting and community 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.

We continue to play a significant role in growing the Auckland economy through our success in securing Auckland-exclusive international entertainment and exhibitions to drive out-of-town visitation. In 2012/13, RFA's work contributed \$103.0 million* to Auckland's regional GDP. This year, \$118.0 million* was contributed – a leap of \$15.0 million.

Another strategic priority has been to increase commercial revenue to support public-good activities. In the 2013/14 financial year, 61% of

*Excluding Auckland Conventions



RFA's operating costs were met by external trading. This is a significant achievement as it demonstrates the success of RFA's strategic response to an increasingly challenging operating environment.

RFA's commitment to environmental action and green growth continues. We have had many successes recorded around Auckland Zoo's conservation efforts, such as the Rotoroa Island restoration project, which will provide a conservation legacy for the people of Auckland, and its world-leading breeding programmes for critically endangered species.

Demonstrating a regional approach in action is RFA's ongoing work around creating a financially sustainable stadiums sector for Auckland. Driven by its Auckland Stadiums business unit, RFA is leading the charge in the realisation of an integrated management model that will see Auckland's regional stadiums operating on a more sustainable footing and facilitates strategic investment in the creation of world-class, fit-for-purpose facilities, including high-performance training facilities.

TEAMWORK

Once again, I am delighted by the results RFA has achieved over the financial year. It is the organisation's people, business directors and leadership team, as led by Chief Executive Officer Robert Domm, who enable us to produce such encouraging results.

Supporting RFA's staff members are my fellow Board members. Their wise counsel and 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. I must thank each member for their invaluable contribution. A special thank-you is extended to retiring Director Derek Dallow who served on our Board until October 2013 – Derek's contribution to the Board's work is greatly valued and appreciated. A warm welcome is extended to our new Board member. Geoff Clews.

It is with confidence that I look forward to another successful year and being able to further support Auckland Council's vision of making Auckland the world's most livable city by 2040.



CHIEF EXECUTIVE OFFICER'S REPORT

ROBERT DOMM



RFA has achieved significant milestones and successes over the 2013/14 financial year, as our people continue to deliver outstanding events and experiences to those who live in and visit our dynamic city.

OUR ORGANISATION

smarter we have:

Driven by our Strategic Framework, RFA continues to make great strides towards supporting Auckland Council's vision for the region.

The framework steers RFA to deploy resources and expertise to best advantage to benefit the communities we serve through transformational change and innovative ways of working. During the year, we have implemented a raft of initiatives to enhance operational and financial performance. These ensure our services, venues and offerings are both relevant and accessible to the communities we serve whilst minimising the cost to ratepayers. Through our commitment to thinking and working

- Launched Auckland Live to replace THE EDGE.
 The exciting new brand represents a strategic shift for our performing arts and entertainment arm from focusing on venue management and
- event operations to being a leader in live arts and entertainment, and actively contributing to the vibrancy and creativity of the city

 Developed the Performing Arts Production
- Developed the Performing Arts Production Investment Fund to assist in securing events to enrich programming and drive revenue growth
- Established a \$1.0-million fund to support exhibitions at Auckland Art Gallery
- Enhanced collaborative activity between key internal and external partners to deliver outstanding concerts and festivals for Auckland, which, in turn, are delivering significant economic results for the city
- Secured a naming rights sponsorship agreement with New Zealand's largest bank, ANZ, for our premium waterfront venue, the Viaduct Events Centre. This partnership is an example of RFA's strategy to leverage its assets to bring in private sector investment to support Auckland's development

Helped to make the transformational Wero
project at the Vodafone Events Centre a reality;
this was earmarked in 2012 under our Board's
Strategic Framework. It was rewarding to
successfully negotiate the \$20-million-plus sale
of RFA land adjacent to the centre to fund
Stage 2 of the project as Counties Manukau
Pacific Trust works to bring New Zealand's first
artificial white-water-rafting and kayak facility
to Auckland.

Building upon the strong foundations laid in the previous year, we are continuing to see the benefits of venue integration, including increased collaboration across the stadiums' network, cost efficiencies and enhanced services.

This year, we welcomed North Shore venues, Bruce Mason Centre and QBE Stadium (formerly North Harbour Stadium), to the RFA group. We aim to ensure these important regional facilities operate in a financially viable manner, while increasing community activity from current levels.

OUR SUCCESSES

Across RFA, we attracted new audiences and record numbers of visitors to our venues through a myriad of successful activities. Standouts include the Big Day Out music festival staged for the first time at Western Springs Stadium, and global stage acts Eminem and Bruce Springsteen and the E Street band. With significant ticket sales from outside the region – 49% and 61% respectively for Eminem and Bruce Springsteen and 38% for Big Day Out this exciting summer line-up of Auckland-exclusive international music events generated more than 126,000 visitor nights and made a contribution to regional GDP of \$14.6 million. With more than 55% of the audiences for The Rolling Stones concert in November and the two Eagles concerts early next year coming from outside Auckland, these four acts alone look set to generate a further \$12.5 million in economic benefits for the city.

Auckland Conventions continued to deliver outstanding results. Achieving record external revenue in 2012/13, the team exceeded this in 2013/14 and delivered a record number of events – up from 650 in the previous year to 740. With its



portfolio broadening during the year to include the Bruce Mason Centre and QBE Stadium, Auckland Conventions now has a notable presence on Auckland's North Shore.

Auckland Live staged an exciting performing arts and commercial entertainment programme during the year, with record ticket sales of more than \$50.0 million. The world-class line-up included the blockbuster musical *Wicked*, a Kiri Te Kanawa 70th-birthday recital, Ed Sheeran, James Blake, Jack Johnson, Elvis Costello and Joan Baez as well as critically acclaimed seasons by New Zealand's major performing arts companies and festivals. In total, more than 960,000 people experienced some of the world's best live entertainment on our iconic stages.

Auckland Art Gallery continues to go from strength to strength under the leadership of new director Rhana Devenport. The international exhibition *California Design 1930–1965: Living in a Modern Way* achieved much critical acclaim and attracted 26,221 visitors. Also, gallery visitors were offered a unique insight into contemporary indigenous art with three exhibitions featuring art from New Zealand and Australia: *Five Māori Painters, Arnold Manaaki: Wilson Pou Ihi/Pou Whenua/Pou Tangata and My Country: Contemporary Art from Black Australia.*

One of New Zealand's most significant architectural buildings, the gallery was awarded World Building of the Year 2013 at the prestigious World Architecture Festival. Since the successful completion of the gallery's refurbishment in September 2011, this iconic Auckland landmark has been recognised with 14 national and six international awards.

The Auckland Stadiums team had a huge year, successfully staging three sell-out international stadium concerts and more than 1,195 other sporting, commercial entertainment and community events. In addition, the team has worked hard to deliver the goal of integrated stadium management to support the sector's long-term sustainability. In May, North Shore's QBE Stadium (formerly North Harbour Stadium) officially became the third Auckland stadium to come under RFA management – a milestone for RFA's Auckland Stadium Strategy.

Auckland Zoo achieved record visitation for the third consecutive year: in all, more than 29 million people have visited this iconic Auckland "This year has been one of hard work and a great many achievements."







institution since it first opened in 1922. The zoo's wildlife conservation initiatives produced important results, with several world firsts achieved for its breeding programmes and zoo staff contributing more than 6000 hours of conservation fieldwork in 22 locations around New Zealand. The groundbreaking partnership with the Rotoroa Island Trust to restore the Hauraki Gulf island as a wildlife sanctuary reached a significant milestone with the first release of species on the island following extensive planting and pest eradication. Progress with efforts to acquire companions for Asian elephant Burma continues. A formal Memorandum of Understanding with the Sri Lankan Government, signed in July 2013, provides for the transfer of two young female elephants to Auckland Zoo. The zoo, in turn, will provide support to Sri Lanka's National Zoological Gardens for the improvement and development of the animal collections and support in building staff capacity at the facilities it is responsible for managing.

OUR ASSETS

The experiences we offer within our venues are important. Of equal priority is the need to invest in and future-proof these valuable Auckland assets. This year, we completed a number of significant capital upgrade projects including: improvements at both Western Springs and Mt Smart Stadiums to enhance the visitor experience; Aotea Centre's Herald Theatre foyer and bar area were upgraded to complement a new approach to programming for the theatre; remedial work on the Auckland Town Hall roof commenced during the year; and the Bruce Mason Centre underwent a refurbishment of its bar and foyer spaces.

OUR FINANCES

In a challenging market where organisations like RFA are competing for the consumer discretionary spend, we have continued to increase commercial

revenue and decrease operational costs, and reduce the operational funding required from Auckland's ratepayers. A key revenue-generating strategy has been to grow our commercial partnerships with the private sector. These have included negotiating naming rights and sponsorship agreements, exclusivity premiums, innovative procurement outcomes, commercial initiatives with entertainment promoters and joint-venture production arrangements. Various cost-saving initiatives implemented over the past few years have also been effective. RFA finished the year with a favourable operational variance of \$0.3 million against budget*. RFA completed 96% of its programmed capital renewals for the year, all within budget.

OUR PEOPLE

This year has been one of hard work and a great many achievements. I thank and acknowledge the members of our staff for their contribution towards the organisation's success. Each and every one of them has contributed to these results.

I also thank our Board, as led by Chair Sir Don McKinnon. The Board has, once again, governed us very well over the year to help us deliver the best outcomes possible.

OUR YEAR AHEAD

Looking ahead, RFA is set to continue this momentum of success and innovation. Over the next 12 months, we will deliver an exciting programme of events and experiences at our venues and ensure, through a regional, collaborative and strategic approach, that we build on what we have. To this end, we will be working in partnership with Council and our many stakeholders as we all strive towards the common goal of positioning Auckland as a world-class place in which to live, work, visit and invest.

^{*}Excluding non-cash items, debt-funded expenses, capital funding and gifted artworks.

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 is foundation Chair of The New Zealand China Council. Sir Don is also a trustee of a number of not-for-profit organisations including the Waitangi National Trust and The Asia Foundation.



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, 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 fund-raising 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 Wellesley Studios. Lisa works in the field of marketing and communications as Executive Director of the design and brand agency Hawkins&Co.



GEOFF CLEWS (FROM 1 NOVEMBER 2013)

Geoff has a long involvement in the planning, establishment and governance of public arts facilities in Auckland. He was a principal proponent of the Rose Centre Community Theatre in Belmont and successfully led the campaign to establish the Bruce Mason Centre in Takapuna, which he chaired for the first 12 years of its operation. Geoff was a member of the Q Theatre board for six years, seeing that project to successful completion. Outside arts governance, Geoff holds degrees in law and jurisprudence and is a senior barrister specialising in contentious tax issues and trust law. He is a board member of the Auckland Communities Foundation and the Sir George Elliot Charitable Trust and an adjunct member of the Department of Commercial Law at The University of Auckland. He also sits as a member of the statutory tribunal which deals with complaints against financial advisers.



DEREK DALLOW (RETIRED 31 OCTOBER 2013)

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 and director duties, and acting for a number of major trusts. Derek has been senior legal advisor to the North Harbour Stadium, The Trusts Arena, 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.



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 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 the head of the Sports, Entertainment and Venues, and Sales and Marketing practices 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 Event 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, a board member of Rotorua International Airport Limited, chairs the Advisory Board of Jones Family Investments Limited and is a member of the Institute of Directors.



GARY TROUP

Gary brings not only a background in business and sports to the Board but a 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 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 in 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 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 a past trustee of the Auckland War Memorial Museum Board.



PATRICK CLEAVER - CHIEF FINANCIAL OFFICER (UNTIL 28 MARCH 2014)

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, CORPORATE SERVICES

Formally the Director of Business and Commercial Performance, Kym was appointed the Director of Corporate Services in mid-2013. As part of the Executive Leadership Team, the Director of Corporate Services is responsible for Financial Services, Information Services, Property Services and Risk and Assurance across the portfolio. With expertise in change management, strategy and business planning, revenue optimisation and driving operational efficiencies, Kym has a background managing multinational corporations across the hospitality, tourism, convention and facilities management sectors throughout Australasia.



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.



SIMON TRAN - CHIEF FINANCIAL OFFICER

In his role, Simon leads the accounting and finance operations of Regional Facilities Auckland, and supports the Director Corporate Services in the areas of Property, IT, and Risk and Assurance. Simon has held a range of senior roles in both the private and public sectors in the areas of business advisory, assurance and corporate insolvency. Prior to his role with Regional Facilities Auckland, Simon was a member of the audit team on the Auckland Local Government reorganisation and transition to the new Auckland Council structure. Simon is a fully qualified Chartered Accountant and holds a bachelor's degree in accounting and commercial law.

BUSINESS DIRECTORS



RHANA DEVENPORT – DIRECTOR, AUCKLAND ART GALLERY TOI O TĀMAKI

Rhana is a curator, writer and cultural producer whose career has spanned art museums. biennales, art festivals, private collections and cultural organisations. She is currently Director of Auckland Art Gallery Toi o Tāmaki. Most recently, Rhana was Director of Govett-Brewster Art Gallery in New Plymouth. Previous positions include Manager of Public Programs with the Biennale of Sydney (2005–2006), Curator in Residence with Artspace NZ in Auckland (2005), Visual Arts Manager with the Sydney Festival (2004) and Senior Project Officer with the Asia Pacific Triennial with the Queensland Art Gallery, Brisbane, Australia (1994–2004), playing a formative role in the Triennial's development. Her early background in education informs a fascination with audiences and the synergies that exist amongst artists, artworks and audiences.



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 the board of Conventions and Incentives New Zealand.



ROBBIE MACRAE - DIRECTOR, AUCKLAND LIVE

Robbie has held a variety of roles in the performing arts sector including technical production, visitor experience, employee relations, artist management and programming. Also, he has 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; he has a Bachelor of Commerce degree from The University of Western Australia.



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.



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, comprising Mt Smart, Western Springs and QBE 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 - DIRECTOR, 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 worked also in senior policy advisory and financial analyst roles. Her strong analytical and problem-solving skills enable her to decipher key drivers for a range of areas, such as financial and operational, to achieve results that meet all parties' requirements. In her role, 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.

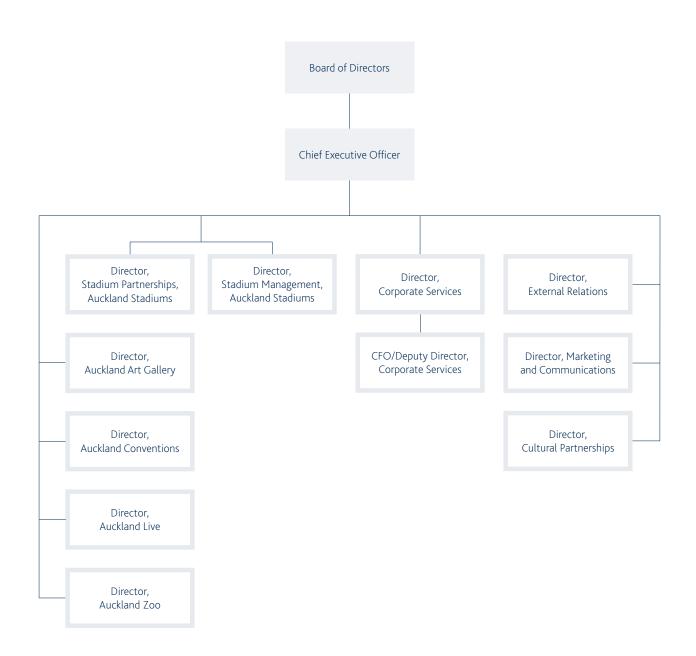


ORGANISATIONAL STRUCTURE











STATEMENT OF COMPLIANCE AND RESPONSIBILITY

The trustee is responsible for the preparation of the 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 2014.

SIGNED

Sir Don McKinnon

Chair

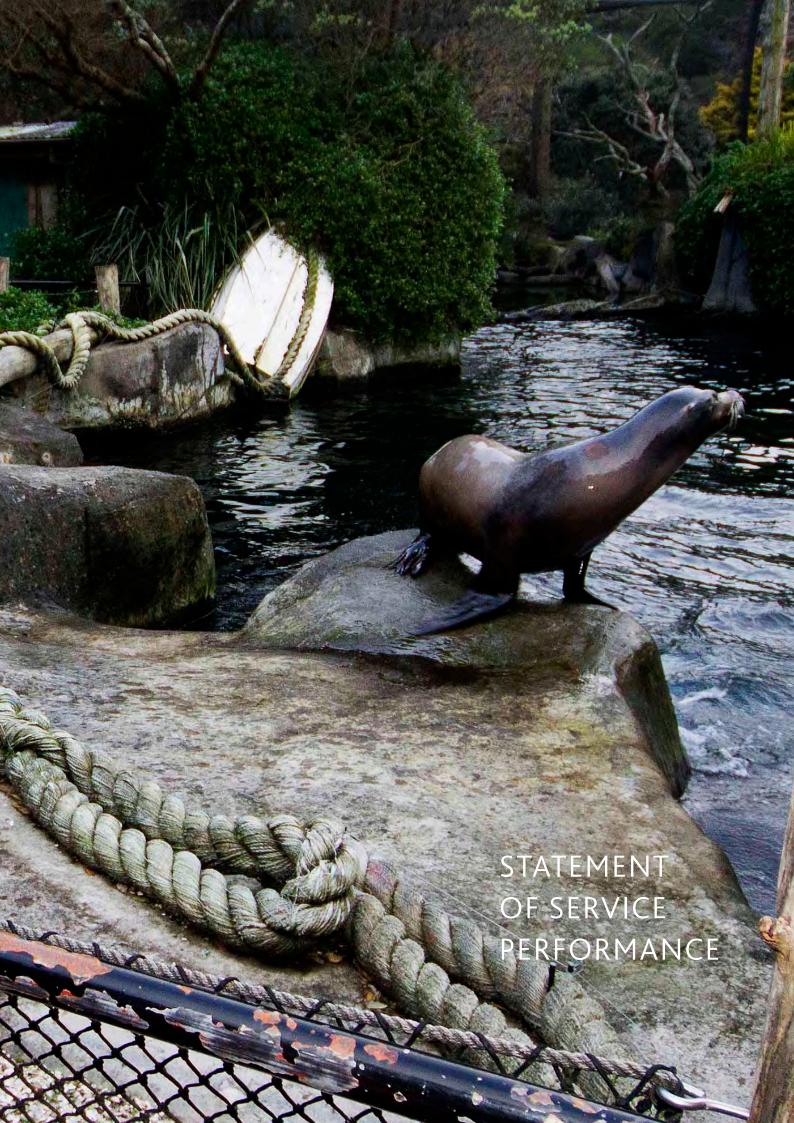
Regional Facilities Auckland Limited on behalf of Regional Facilities Auckland

SIGNED

Robert Domm

Chief Executive Officer Regional Facilities Auckland









STATEMENT OF SERVICE PERFORMANCE

Regional Facilities Auckland (RFA) is a wholly owned 'substantive' subsidiary of Auckland Council contributing to the 'Lifestyle and Culture' group of activities.

RFA manages more than \$1-billion worth of major regional facilities and landmark venues across the city, including Auckland Art Gallery Toi o Tāmaki, Auckland Zoo, ANZ Viaduct Events Centre, The Civic, Aotea Centre, Auckland Town Hall, Mt Smart Stadium, Western Springs Stadium, Bruce Mason Centre and QBE Stadium. Auckland Live (formerly THE EDGE), Auckland Conventions and Auckland Stadiums also form part of the RFA group.

In addition, RFA: manages funding and property relationships with North Shore Events Centre, Vodafone Events Centre and The Trusts Arena; advises Auckland Council on levy setting and governance for Auckland War Memorial Museum and MOTAT; holds contractual interests in Vector Arena; and has the management rights for Auckland Town Hall (south) and Aotea Square.

Against the performance measures contained in the 2013–16 Statement of Intent, RFA has made significant progress towards achieving the vision of "Creating places and experiences of irresistible, enriching discovery".

This section reports RFA's performance against criteria set out in the Statement of Intent. In general, RFA has had a successful year of operation in achieving the key measures of visitation, venue and customer satisfaction, and financial measures. Business unit performance is provided in detail.

LINKAGES TO THE AUCKLAND PLAN AND RFA STRATEGIC DIRECTION

As the council-controlled organisation charged with delivering high-quality venues and facilities, RFA has an important role to play in contributing to Auckland's liveability. RFA's overarching strategic priorities are to: advance the social and cultural wellbeing of Aucklanders; grow the Auckland economy; and provide trusted stewardship of Auckland's landmark venues and collections.

The following table provides clear linkages to the Auckland Plan:

auckland council outcomes Auckland Plan			IMPACT What difference RFA outputs make	OUTPUTS What RFA customers receive
PRIORITY	transformational shift	OUTCOMES	RFA S	TRATEGIC FRAMEWORK
Contribute to tackling climate change and increasing energy resilience Acknowledge that nature and people are inseparable Create a stunning city centre, with well connected quality towns, villages and neighbourhoods Plan, deliver and maintain quality infrastructure to make Auckland liveable and resilient	Strongly commit to environmental action and green growth	A culturally rich and creative Auckland	Operate as trusted stewards of our venues and collections	 Terrific customer experiences through designing and delivering programmes and experiences that continue to delight by being accessible, enriching and irresistible Our venues and collections are properly cared for and fit for purpose for every generation A good corporate citizen through being acknowledged as a good employer, good business partner and good neighbour
Develop an economy that delivers opportunity and prosperity for all Aucklanders and New Zealand	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	 Greater spend by people from outside Auckland through growing the customer base and raising the spend per head Assist our industry sectors to contribute greater value to the Auckland economy through working with our partners to build capacity and output RFA's use of resources is efficient, resulting in the demand by RFA on Council rates decreasing over time
Create a strong, inclusive and equitable society that provides opportunity for all Aucklanders Integrate arts, culture, heritage and lifestyle into our everyday lives: all priorities Enable Māori aspirations through recognition of the Treaty of Waitangi and customary rights	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 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 people coming together more to learn, meet and celebrate

STATEMENT OF SERVICE PERFORMANCE

In reading the performance against Statement of Intent results for 2013/14, the following should be noted:

- · Where available, a target has been specified and we have indicated with a
 - Me
 - Substantially met
 - Not met
- The basic level of service for RFA was set in the Auckland Council Annual Plan 2013/14 and the linkage to RFA's activities is provided in the RFA Statement of Intent for 2013–16.

RFA WIDF

OUTPUT	MEASURE	ACTUAL 2013	ACTUAL 2014	TARGET 2014	
3	All Council accountability requirements met	100%	100%	100%	
3	Staff satisfaction	72%	77%	70%	
7	Number of visits to RFA and RFA+ facilities	6,125,528	4,788,477	3,710,000	[1]
6	Share of non-Council-generated revenue (excluding statutory levies)	47%	59%	59%	٠
2	Reduction in level of water use at RFA facilities from 2012 levels	-	-	-2%	[2]
2	Reduction in level of electricity use at RFA facilities from 2012 levels	-		-10%	[2]
2	Reduction in level of waste generated at RFA facilities from 2012 levels	-	-	-12%	[2]
7	Total number of event days at regional event facilities: QBE Stadium, North Shore Events Centre, Vodafone Events Centre, Bruce Mason Centre and The Trusts Arena	1575	1533	1390	•
7	Total number of attendances at regional event facilities: QBE Stadium, North Shore Events Centre, Vodafone Events Centre, Bruce Mason Centre and The Trusts Arena	1,972,035	2,049,465	1,500,000	[3]

- 1. The total for 2013 included attendees of 1,308,700 to Auckland War Memorial Museum, Museum of Transport and Technology (MOTAT), Stardome and Voyager Museum. These entities are now funded directly from Council, therefore, they are not included in 2014 results.
- 2. Appropriate reporting measures and systems are being reviewed and implemented currently to reflect RFA's unquie and diverse operations (including integration of QBE Stadium and Bruce Mason Centre during the year). The level of water and electricity use and waste generated will fluctuate depending on the activities held across all venues. It is expected systems will be in place for 2014/15.
- 3. Includes non-ticketed attendees which are estimates based on physical counts, seating plans and information from hirers.

RFA achieved the majority of its performance targets and delivered a positive financial result for the year. This has continued the positive trend of reducing operational expenditure and increasing externally derived revenue to support public-good activities.

RFA continued to attract new audiences and make a significant contribution to the region's economy through visitor nights. Visitors from outside of Auckland attending RFA events and venues contributed approximately \$118.0 million* to the Auckland economy.

The following tables illustrate 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 achieving environmental action and green growth.

^{*}Excluding Auckland Conventions

AUCKLAND ART GALLERY TOI O TĀMAKI

OUTPUT	MEASURE	ACTUAL 2013	ACTUAL 2014	TARGET 2014	
7	Number of visitors to Auckland Art Gallery Toi o Tāmaki	440,942	423,327	455,000	•
1	Percentage of visitors satisfied with their visits to Auckland Art Gallery Toi o Tāmaki	92%	93%	88%	•
9	Number of participants in education and public programmes at Auckland Art Gallery Toi o Tāmaki	32,395	38,419	40,000	[1]
1	Satisfaction of users with service received at the facility	87%	88%	90%	•
2	Satisfaction of users with the condition of the facility	94%	94%	85%	
2	Venue availability	100%	99%	95%	
5	Percentage of users finding it easy to get to the facility	87%	90%	80%	
8	Percentage of visits of family events suitable for all ages	Not recorded	78%	No target set	[2]
5	Level of reach across (usage by) Auckland communities [visits/resident population]	Not recorded	-	No target set	[3]
7	Number of non-Aucklanders visiting RFA facilities	110,248	134,460	182,000	-
4	Total visitor spend of non-Aucklanders whilst in Auckland	\$20.10m	\$25.00m	\$33.85m	•
6	Average spend at RFA facilities per visitor (excluding RFA+)	-	-35%	+5%	[4]
6	Average cost at RFA facilities per visitor (excluding RFA+)	-	-8%	-2%	[4]

1. Education and public programmes include various programmes run and managed by Auckland Art Gallery to give students and others the opportunity to build knowledge, understanding and skills through meaningful engagement with art. A revised and more appropriate methodology was implemented during the year and the 2013 comparative result has been restated (previously 24,823).

■ Met ■ Substantially met ■ Not met

- 2. Measure defined as visitors to the gallery that were with family and friends. The refined definition will be reported on in future years with 2013/14 results being the baseline.
- $3. \ \ \textit{Measure currently being reviewed to provide a more meaningful and appropriate representation as to RFA's reach across the Auckland and Auckland and Auckland and Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation as to RFA's reach across the Auckland appropriate representation appropriate representation and the Auckland appropriate representation appropriate representation and the Auckland appropriate representation appropriate representation and the Auckland appropriate representation appropriate representation appropriate representation and the Auckland appropriate representation appropriat$ region. The revised measure and related systems will be implemented and reported on in 2014/15.
- 4. Average spend relates to the total external revenue generated by Auckland Art Gallery for each visitor. Average cost per visitor is the total operational cost for Auckland Art Gallery for each visitor.

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 15,600 works in its collections. Through the presentation of temporary exhibitions and associated learning programmes, the gallery aims to broaden knowledge and experience of art from beyond its walls. The gallery is a heritage-listed building and its recent development has transformed its place in the city and has been recognised with numerous national and international awards, including World Building of the Year 2013.

AUCKLAND CONVENTIONS

OUTPUT	MEASURE	ACTUAL 2013	ACTUAL 2014	TARGET 2014	
7	Number of event days held at regional event facilities: Viaduct Events Centre	333	272	300	[1]
7	Number of attendances at regional event facilities: Viaduct Events Centre	157,248	137,345	250,000	[1]
1	Satisfaction of users with service received at the facility	-	90%	85%	
2	Satisfaction of users with the condition of the Viaduct Events Centre	83%	95%	85%	•
2	Venue availability	100%	91%	95%	•
5	Percentage of users finding it easy to get to the facility	-	88%	80%	
6	Average spend at RFA facilities per visitor (excluding RFA+)	-	-24%	+5%	[2]
6	Average cost at RFA facilities per visitor (excluding RFA*)	-	+20%	-2%	[2]

- 1. The ANZ Viaduct Events Centre attracted a diverse range of events during the year. The lower-than-expected visitation is due to events which occur biennually.
- 2. Measure is recorded as met. Auckland Conventions has enjoyed record revenues during the financial year. The increase in costs represents increased activity and revenue. The baseline operational overheads have decreased during the year.

Auckland Conventions secures and hosts conventions, meetings, commercial exhibitions, functions and dinners across RFA's group of venues. In addition to generating external revenue in the MICE (Meetings, Incentives, Conventions and Exhibitions) sector, Auckland Conventions provides technical equipment to a number of hotels in Auckland.

The revenue generated by Auckland Conventions is applied to the community activities of RFA to minimise the financial cost to ratepayers and to contribute to public-good activities.

The business goes from strength to strength, delivering its fourth consecutive year of revenue growth. Auckland Conventions secured and delivered more than 740 events during the year – a 14% increase over the previous year.

■ Met ■ Substantially met ■ Not met

AUCKLAND LIVE

OUTPUT	MEASURE	ACTUAL 2013	ACTUAL 2014	TARGET 2014	
7	Number of event days held at regional event facilities: Auckland Live facilities include The Civic, Auckland Town Hall, Aotea Square, Aotea Centre	1342	1448	900	•
7	Number of attendances at regional event facilities: Auckland Live facilities include The Civic, Auckland Town Hall, Aotea Square, Aotea Centre	902,878	961,925	560,000	[1]
1	Satisfaction of users with service received at the facilities	89%	88%	90%	
2	Satisfaction of users with the condition of the facilities	84%	92%	75%	
2	Venue availability	84%	90%	95%	[2]
5	Percentage of users finding it easy to get to the facility	87%	90%	80%	
8	Percentage of family events suitable for all ages	Not recorded	82%	No target set	[3]
1	Level of reach across (usage by) Auckland communities [visits/resident population]	Not recorded	-	No target set	[4]
7	Number of non-Aucklanders visiting RFA facilities	245,940	211,355	112,000	
4	Total visitor spend of non-Aucklanders whilst in Auckland	\$45.70m	\$39.30m	\$20.83m	
6	Average spend at RFA facilities per visitor (excluding RFA*)	-	-5%	+5%	[5]
6	Average cost at RFA facilities per visitor (excluding RFA*)	-	-19%	-2%	[6]

1. Includes 364,330 (2013: 354,670) of non-ticketed attendees. These are estimates based on physical counts, seating plans and information

■ Met ■ Substantially met ■ Not met

- 2. Great Hall roof repair and Herald Theatre refit impacted venue availability.
- 3. Measure defined as visitors to Aotea Centre, Auckland Town Hall and The Civic that were with family and friends. The refined definition will be reported on in future years with 2013/14 results being the baseline.
- 4. Measure currently being reviewed to provide a more meaningful and appropriate representation as to RFA's reach across the Auckland region. The revised measure and related systems will be implemented and reported on in 2014/15.
- 5. Greater visitation numbers for free or subsidised non-ticketed events.
- 6. Average spend relates to the total external revenue generated by Auckland Live for each visitor. Average cost per visitor is the total operational cost for Auckland Live for each visitor.

During the year, RFA's performing arts arm, THE EDGE, was rebranded Auckland Live reflecting the organisation's expanded focus on live arts and entertainment programming across the city's major performing arts and stadiums venues. It also integrated the activities of Bruce Mason Centre into its operations and will continue to provide services to the North Shore community.

Auckland Live champions live arts and entertainment across the Auckland region and actively contributes to the vibrancy and creativity of the city. It attracts and presents live music, opera, ballet, dance, drama, physical theatre and festivals across RFA's venues. Auckland Live works closely with Auckland Stadiums to secure international touring concerts and provides events services expertise to Auckland Conventions. It supports the growth of Auckland's international reputation as a viable market for entertainment, as well as nurturing and developing New Zealand talent.

A diverse and innovative range of world-class concerts and shows was secured by Auckland Live during the year, attracting a record 961,625 people to more than 1400 events and achieving a visitor satisfaction rating of 95%.

AUCKLAND STADIUMS

OUTPUT	MEASURE	ACTUAL 2013	ACTUAL 2014	TARGET 2014	
7	Total number of event days held at regional event facilities: Western Springs Stadium, Mt Smart Stadium	997	1195	400	٠
7	Total number of attendances at regional event facilities: Western Springs Stadium, Mt Smart Stadium	309,110	499,198	265,000	•
1	Satisfaction of users with service at the facilities	72%	80%	80%	
2	Satisfaction of users with the condition of the facilities	75%	85%	75%	•
2	Venue availability	58%	67%	90%	[1]
5	Percentage of users finding it easy to get to the facility	80%	82%	80%	•
8	Percentage of family events suitable for all ages	Not recorded	80%	No target set	[2]
1	Level of reach across (usage by) Auckland communities [visits/resident population]	Not recorded	-	No target set	[3]
7	Number of non-Aucklanders visiting RFA facilities	42,633	83,924	39,750	
4	Total visitor spend of non-Aucklanders whilst in Auckland	\$7.90m	\$15.60m	\$7.39m	
6	Average spend at RFA facilities per visitor (excluding RFA+)	-	+7%	+5%	[5]
6	Average cost at RFA facilities per visitor (excluding RFA+)	-	+4%	-2%	[4][5]

- Met Substantially met Not met
- 1. Track resurfacing and field maintenance impacted revenue availability.
- 2. Measure defined as attendees at Mt Smart Stadium that were with family and friends. The refined definition will be reported on in future years with 2013/14 results being the baseline.
- 3. Measure currently being reviewed to provide a more meaningful and appropriate representation as to RFA's reach across the Auckland region. The revised measure and related systems will be implemented and reported on in 2014/15.
- 4. Additional repairs and maintenance were required on the Western Springs Stadium embankment for health and safety reasons.
- 5. Average spend relates to the total external revenue generated by Auckland Stadiums by each visitor. Average cost per visitor is the total operational cost for Auckland Stadiums for each visitor.

Auckland Stadiums manages Mt Smart Stadium, Western Springs Stadium and QBE Stadium in an integrated and cohesive manner so as to optimise the event and community programmes in each venue, and the financial outcomes for RFA.

As well as providing the facilities for sporting and entertainment events, Auckland Stadiums supports high-performance sport organisations through the provision of training and administration facilities and services. Furthermore, the stadiums provide facilities for a significant number of community sport programmes for local and regional clubs.

Auckland Stadiums had a very successful year. In addition to the regular Warriors home season, Auckland Stadiums staged three sell-out international concerts attracting more than 176,000 attendees including over 83,000 visitors from outside Auckland (contributing more than \$15.6 million to the Auckland economy), and six Junior Rugby World Cup games. The stadiums also hosted more than 61,000 community users.

During the year, QBE Stadium commenced integration into Auckland Stadiums in order to increase utilisation and provide a more stable financial platform for the long term.

AUCKLAND ZOO

OUTPUT	MEASURE	ACTUAL 2013	ACTUAL 2014	TARGET 2014	
7	Number of visitors to the zoo	716,327	717,642	680,000	
1	Percentage of visitors satisfied with the zoo	95%	95%	88%	
2	Number of species at Auckland Zoo in wildlife conservation programmes	49	49	49	•
9	Number of participants in education programmes	53,686	60,292	50,000	
9	Percentage of participants satisfied their learning outcomes were achieved	98%	98%	90%	•
1	Satisfaction of users with the service received at the facility	88%	91%	90%	
2	Satisfaction of users with the condition of the facility	93%	95%	80%	
2	Venue availability	100%	99%	99%	
5	Percentage of users finding it easy to get to the facility	93%	93%	80%	
8	Percentage of family events suitable for all ages	Not recorded	93%	No target set	[1]
5	Level of reach across (usage by) Auckland communities [visits/resident population]	Not recorded	-	No target set	[2]
7	Number of non-Aucklanders visiting RFA facilities	158,873	205,656	150,000	-
4	Total visitor spend of non-Aucklanders whilst in Auckland	\$29.6m	\$38.2m	\$27.9m	-
6	Average spend at RFA facilities per visitor (excluding RFA*)	-	+1%	+5%	[4]
6	Average cost at RFA facilities per visitor (excluding RFA*)	-	+11%	-2%	[3][4]

- 1. Measure defined as visitors to the zoo that were with family or friends. The refined definition will be reported on in future years with 2013/14 results being the baseline.
- 2. Measure currently being reviewed to provide a more meaningful and appropriate representation as to RFA's reach across the Auckland region. The revised measure and related systems will be implemented and reported on in 2014/15.
- ${\it 3. Repairs and maintenance on ageing facility have generated subtle increases in operational costs.}$
- 4. Average spend relates to the total external revenue generated by Auckland Zoo for each visitor. Average cost per visitor is the total operational costs for Auckland Zoo for each visitor.

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 through delivery of its five strategic intents: managing wildlife exceptionally; inspiring the community to value wildlife; building understanding of wildlife; galvanising action for wildlife; and conserving wildlife in wild places. Auckland Zoo's ability to deliver on these objectives relies on a successful relationship with the Auckland community, meeting its 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.

Auckland Zoo has continued 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. Visitation numbers reached a new record high of 717,642, with a visitor satisfaction rating of 95%.

Auckland Zoo had a number of firsts with its breeding programmes, with short-tailed bats and flamingo chicks among the many new arrivals to the zoo during the year. Other notable births included red panda cubs, otter pups, meerkat kits, giraffe, squirrel monkeys, wetāpunga, Antipodes Island parakeet and kākā chicks. Four Tasmanian devils were introduced to their newly developed exhibit, transferred from Australia's Healesville Sanctuary as part of the global zoos-based Save the Tasmanian Devil Program which is managing a healthy insurance population to help secure a future for this unique carnivorous marsupial. Auckland Zoo continued its partnership with the Rotoroa Island Trust on an innovative world-leading restoration project to establish a sanctuary on the island for endangered New Zealand species.

RFA MAJOR ASSETS

Assets	Management	Condition	Issues/Risks
AUCKLAND ART GALLERY – BUILDING	RFA owned and operated	Very Good	The new building opened in 2011, and failures are generally under warranty.
AUCKLAND ART GALLERY - COLLECTION	RFA owned and operated	Good	Providing the proper security and climate control is essential to ensure the 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, they are considered to be in average condition.
MT SMART STADIUM	RFA owned and operated	Average	The Mt Smart Stadium renewal programme is under review as part of the overall Auckland Stadiums Strategy.
WESTERN SPRINGS STADIUM	RFA owned and operated	Average	This stadiums is under contract to an independent operator until 2016.
AOTEA CENTRE	RFA owned and operated	Average	Aotea Centre has planned weather-tightness works to be carried out in the next three years.
			The building is subject to a proposal to Auckland Council as part of the LTP for a more holistic solution
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.
ANZ VIADUCT EVENTS CENTRE	RFA owned and operated	Good	The new building was opened in 2011 and failures are generally under warranty.
QBE STADIUM	RFA owned and operated	Very Good	Comprehensive Asset Management Plans are being developed to determine an appropriate capital programme.
BRUCE MASON CENTRE	RFA owned and operated	Very Good	The Bruce Mason Centre renewal programme is under review.
VECTOR ARENA	50% RFA owned	Average	This building is subject to a public private partnership and is not operated by RFA.
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/Auckland Council.

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





			Parent		Grou	р
	Note	Actual 2014 \$000s	Budget 2014 \$000s	Restated Actual 2013 \$000s	Actual 2014 \$000s	Restated Actual 2013 \$000s
Income						
Revenue	3	38,915	42,566	38,031	42,382	41,088
Auckland Council operating subsidy	3	28,659	27,878	36,665	28,659	36,665
Auckland Council capital subsidy	3	15,492	16,017	9,276	15,492	9,276
Other grants and subsidies	3	2,008	3,421	3,513	2,204	3,522
Finance income	5	880	388	476	1,132	702
Other income	4	2,907	-	2,710	3,643	3,115
Other gains/(losses)	4	6,276	-	-	8,442	-
Total income	_	95,137	90,270	90,671	101,954	94,368
Expenditure						
Employee benefits	6	35,120	32,149	33,638	36,542	35,249
Depreciation of property, plant and equipment	12	17,125	17,352	16,438	19,500	18,724
Amortisation of intangible assets	13	555	-	493	555	493
Finance costs	5	362	75	5,152	469	5,158
Impairment of property, plant and equipment and intangible assets	12	1,711	-	353	1,711	353
Other expenses	7	39,219	46,019	41,303	42,813	42,432
Total operating expenditure	_	94,092	95,595	97,377	101,590	102,409
(Deficit)/Surplus before tax from continuing operations	_	1,045	(5,325)	(6,706)	364	(8,041)
Income tax expense/(credit)	_	-	-	-	-	-
Surplus/(Deficit) after income tax		1,045	(5,325)	(6,706)	364	(8,041)
Surplus/(Deficit) after income tax is attributable to:						
Regional Facilities Auckland		1,045	(5,325)	(6,706)	364	(8,041)
Non-controlling interest		-	-	-	-	-
Other comprehensive income Gain/(Loss) on property, plant and equipment revaluation	12	14,005	27,527	(9,112)	14,005	(9,112)
Total other comprehensive income	-	,	,-	() /	,	(-, -,
Other movements (need to specify)						
Other comprehensive income for the year net of tax	_	14,005	27,527	(9,112)	14,005	(9,112)
Total comprehensive income for the year	-	15,050	22,202	(15,818)	14,369	(17,153)

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

The accompanying notes form part of these financial statements.

			Parent		Gro	an
				Restated		
		Actual 2014	Budget 2014	Actual 2013	Actual 2014	Actual 2013
	Notes	\$000s	\$000s	\$000s	\$000s	\$000s
Assets						
Current assets						
Cash and cash equivalents	8	30,047	-	10,120	30,593	11,242
Trade and other receivables	9	11,979	54,040	7,884	12,027	8,536
Non-current assets held for sale	12	20,350	-	21,190	20,350	21,190
Other financial assets	10	4,793	-	263	5,008	5,021
Prepayments		940	-	18	940	38
GST receivable/(payable)		(9)	-	290	(7)	277
Inventories	11	792	-	840	792	840
Total current assets		68,892	54,040	40,605	69,703	47,144
Non-current assets						
Property, plant and equipment	12	960,472	956,573	884,739	977,887	957,058
Intangible assets	13	73,514	73,925	73,925	73,514	73,925
Biological assets	*	-	-	-	-	-
Other financial assets	10	1,795	2,658	2,927	1,795	2,927
Total non-current assets	=	1,035,781	1,033,156	961,591	1,053,196	1,033,910
Total assets	_	1,104,673	1,087,196	1,002,196	1,122,899	1,081,054
Liabilities						
Current liabilities						
Creditors and other payables	14	51,120	34,667	24,789	51,244	26,160
Borrowings	15	1,526	-	-	1,526	19
Employee entitlements	16	2,753	2,837	2,626	2,775	2,724
Provisions	17	134	-	115	134	115
Total current liabilities	=	55,533	37,504	27,530	55,679	29,018
Non-current liabilities						
Borrowings	15	1,329	4,349	791	1,329	2,166
Employee entitlements	16	86	58	87	86	87
Provisions	17	55	55	55	55	55
Total non-current liabilities	_	1,470	4,462	933	1,470	2,308
Total liabilities	_	57,003	41,966	28,463	57,149	31,326
Equity						
Contributed capital	18	1,057,058	986,370	998,171	1,062,902	1,061,186
Retained surpluses	18	(43,742)	(32,930)	(44,690)	(31,507)	(31,710)
Restricted equity	18	1,743	-	1,646	1,744	1,646
Asset revaluation reserve	18	32,611	91,790	18,606	32,611	18,606
Total equity	_	1,047,670	1,045,230	973,733	1,065,750	1,049,728
Total equity and liabilities	_	1,104,673	1,087,196	1,002,196		

^{*} Carrying value is \$1

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

The accompanying notes form part of these financial statements.

	Pa	rent	Gro	oup
	7 6	Restated	S.I.	Restated
	Actual	Actual	Actual	Actual
Not	2014 e \$000s	2013 \$000s	2014 \$000s	2013 \$000s
NOU	9 \$0005	φυσος	\$000S	\$000S
Opening balance				
Contributed capital	998,171	823,233	1,061,186	925,427
Retained surpluses	(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 opening equity	973,733	814,759	1,049,728	925,675
Contributed capital				
Deconsolidation of Counties Manukau Pacific Trust (subsidiary)	-	-	-	(39,179)
Transfer of assets forming part of contributed capital	1,716	-	1,716	-
Gain on amalgamation of subsidiaries during the financial year 22	57,171	-	-	-
Set off against debt	-	174,938	-	174,938
Total changes in contributed capital for the period	58,887	174,938	1,716	135,759
Retained surpluses				
(Deficit)/Surplus previously reported	1,045	(6,706)	364	(8,041)
(Deficit)/Surplus as restated	1,045	(6,706)	364	(8,041)
Deconsolidation of Counties Manukau Pacific Trust (subsidiary)	-	-	-	5,247
Acquisition of donated artworks	-	(146)	-	-
Other transfers				
- Transfers from restricted equity	(97)	(97)	(161)	103
Total changes in retained surpluses for the period	948	(6,949)	203	(2,691)
Restricted equity				
Movements in restricted equity	97	97	97	97
Total changes in restricted equity for the period	97	97	97	97
Asset revaluation reserve				
Revaluation gains/(losses) through other comprehensive income	14,005	(9,112)	14,005	(9,112)
Total changes in asset revaluation reserve for the period	14,005	(9,112)	14,005	(9,112)
Clearing halances				
Closing balances Contributed capital	1 057 050	000 171	1 060 000	1.061.100
Retained surpluses	1,057,058	998,171	1,062,902	1,061,186
Restricted equity	(43,742)	(44,690)	(31,507)	(31,710)
Asset revaluation reserve	1,743	1,646	1,743	1,646
	32,611	18,606	32,611	18,606
Total closing equity	1,047,670	973,733	1,065,749	1,049,728

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

The accompanying notes form part of these financial statements.

		Par	ent	Gro	oup
	Note	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Cash flows from operating activities					
Receipts from grants and subsidies		43,904	45,461	43,999	45,572
Receipts from customers		64,820	43,914	68,562	46,822
NET GST received/(paid)		(281)	-	(270)	-
Interest received		230	234	931	198
Payments to suppliers and employees		(73,343)	585	(78,328)	812
Interest paid		(230)	(5,146)	(337)	(5,152)
Net cash inflows/(outflows) from operating activities	19	35,100	7,778	34,557	7,966
	_				
Cash flows from investing activities					
Proceeds towards medium-term investments		(4,276)	-	(4,276)	-
Loan repayments received		1,223	287	1,223	287
Purchase of property, plant and equipment		(14,972)	(20,290)	(15,005)	(20,629)
Purchase of intangible assets		(914)	(229)	(914)	(217)
Disposal of property, plant and equipment		3,053	-	3,053	-
Net cash inflows/(outflows) from investing activities	_	(15,886)	(20,232)	(15,919)	(20,951)
	_				
Cash flows from financing activities					
Proceeds from borrowings		713	15,038	713	15,267
Net cash inflows/(outflows) from financing activities	_	713	15,038	713	15,229
Net increase/(decrease) in cash and cash equivalents		19,927	2,584	19,351	2,244
Cash and cash equivalents at beginning of the period	_	10,120	7,536	11,242	8,998
Cash and cash equivalents at the end of the period	8	30,047	10,120	30,593	11,242

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 accompanying notes form part of these financial statements.

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 and the North Shore Events Centre Trust Board. The subsidiary is 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 2014. The financial statements were authorised for issue by RFA on 28 August 2014.

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 2014, 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 historicalcost 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 ongoing financial support.

Budget figures

The budget figures are those approved in the Statement of Intent for 2013–2016. 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 judgments, 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 2012 to 30 June 2013.

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 where one of the following is the case:

- The parent controls the majority voting power on the governing body
- Such policies have been irreversibly predetermined by the parent
- 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 2014.

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 eliminated also, 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 received physically 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 reporting-date 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 that 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 is 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 an intangible asset. 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 an expense when incurred where the website is used solely for promoting RFA's services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Alternatively, costs associated with development and maintenance of the website are capitalised as an intangible asset 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 an expense 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 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 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 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 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 is 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 related objectively 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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

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 made up of 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 Future changes to financial reporting standards

The External Reporting Board (XRB) has introduced a revised Accounting Standards Framework. The revised framework introduces Public Benefit Entity Accounting Standards largely based on International Public Sector Accounting Standards, modified as appropriate for New Zealand circumstances. These standards will apply for years beginning on or after 1 July 2014. The group will transition to the new standards in preparing its 30 June 2015 financial statements. The group has not assessed the full implications of the new Accounting Standards Framework at this time but, other than certain changes to disclosure requirements, the group does not expect the recognition and measurement of transactions to differ significantly from those prescribed in NZ IFRS.

Financial reporting requirements for public-benefit entities are frozen in the short term and 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

No new or amended standards have been adopted by the group.

3 REVENUE, GRANTS AND SUBSIDIES	Pai	rent	Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Revenue				
Entrance and admission fees	9,864	10,929	9,901	11,154
Venue hire	13,069	11,060	14,516	12,468
Food and beverages	6,994	6,194	7,739	6,487
Other	8,989	9,848	10,225	10,979
Total revenue	38,916	38,031	42,381	41,088
Grants and subsidies				
Auckland Council operating subsidy	28,659	36,665	28,659	36,665
Auckland Council capital subsidy	15,492	9,276	15,492	9,276
Other grants and subsidies	2,008	3,513	2,204	3,522
Total grants and subsidies	46,159	49,454	46,355	49,463

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 various KPIs for the current reporting period have been achieved and have, therefore, recognised the funding as income in the reporting period.

Auckland Council capital subsidy

Auckland Council funds the capital programme based on information derived from the asset management plans. The actual funding reflects the capital expenditure incurred during the year.

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 \$0.8 million
- Various grants to Auckland Art Gallery totalling \$0.6 million

4 OTHER INCOME AND GAINS/(LOSSES)	Par	rent	Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Other income				
Donations and bequests	8	3	8	3
Sponsorship	582	687	687	755
Other	2,316	2,020	2,948	2,357
Total other income	2,906	2,710	3,643	3,115
Other gains/(losses)				
Gain on revaluation of buildings	6,276	-	8,442	-
Total other gains/(losses)	6,276	-	8,442	-

5 FINANCE INCOME AND FINANCE COST	Pai	ent	Gro	Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s	
Finance income					
Interest income - financial assets classified as loans and receivables	603	225	855	451	
Interest income – financial assets classified as fair value through profit or loss	269	243	269	243	
Realised and unrealised foreign exchange gains	8	8	8	8	
Total finance income	880	476	1,132	702	
Finance expense					
Interest expenses - financial liabilities classified as amortised cost:					
Bank overdrafts	-	-	-	5	
• Borrowings	251	5,146	358	5,032	
Finance leases	109	-	109	115	
Realised and unrealised foreign exchange losses	2	6	2	6	
Total finance expense	362	5,152	469	5,158	

6 EMPLOYEE BENEFITS	Parent		Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2014 \$000s
Salaries and wages	34,364	33,238	35,778	34,849
Defined contribution plans – employer contributions	679	465	687	465
Other	10	9	10	9
Increase/(Decrease) in employee entitlement accruals	67	(74)	67	(74)
Total employee benefits	35,120	33,638	36,542	35,249

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

Salaries and wages include:				
Indirect salaries and wages	27,896	27,955	29,270	29,527
Direct salaries and wages (cost of sales)	5,331	4,478	5,331	4,478
Other	1,137	805	1,177	844
Total employee benefits	34,364	33,238	35,778	34,849

	Parent		Gro	oup
Remuneration	Actual 2014	Actual 2013	Actual 2014	Actual 2013
Number of full-time employees	331	322	333	341
Number of all other employees	486	452	506	452
Full-time equivalent (FTE) number of all other employees	87	70	90	78
Number of employees receiving total annual remuneration of less than \$60,000	680	702	681	752

Note: The above numbers reflect full-time employees and casual employees as at 30 June 2014 and 30 June 2013.

The full-time equivalent (FTE) numbers of all other employees are those casual and part-time employees who were contracted at 30 June 2014.

EMPLOYEE BENEFITS continued

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

	Pa	rent	Group	
Salary band	Actual 2014	Actual 2013	Actual 2014	Actual 2013
\$60,000 - \$79,999	93	95	93	98
\$80,000 - \$99,999	41	26	41	26
\$100,000 - \$119,999	13	13	14	16
\$120,000 - \$139,999	11	10	11	11
\$140,000 - \$159,999	7	6	7	7
\$160,000 - \$179,999	2	4	2	4
\$180,000 - \$199,999	3	2	3	2
\$200,000 - \$219,999	-	2	-	2
\$220,000 - \$239,999	-	1	-	1
\$240,000 - \$259,999	2	-	2	_
\$260,000 - \$279,999	1	-	1	-
\$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	174	160	175	168

7 OTHER EXPENSES	Pa	Parent		Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s	
Other expenses include:					
Fees to principal auditor;					
 Audit fees for financial statement audit (Audit NZ) 	213	182	213	204	
 Fees for review engagement (Audit NZ) 	19	26	19	26	
Audit fees for financial statement audit (BDO)	-	-	16	41	
 Audit fees for assurance engagement (BDO) 	19	-	19	-	
 Fees for other assurance services (internal audit) 	25	-	25	-	
Grants and contributions (to RFA Plus entities)	2,624	3,994	1,150	2,231	
Contractor and consultancy costs	1,721	1,523	1,759	1,573	
Insurance premiums	1,171	1,699	1,333	1,920	
Consultants' and legal fees	124	18	131	25	
Cost of goods sold (restated 2013)	8,878	8,727	10,782	9,323	
Repairs and maintenance	2,992	2,669	4,011	3,439	
Loss/(Gain) on disposal	339	1,902	339	1,904	
Occupancy and utilities	5,808	5,944	6,421	6,526	
Shared services with Auckland Council	5,440	5,406	5,440	5,406	

8 CASH AND CASH EQUIVALENTS	Pa	Parent		Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s	
Cash at bank and on hand	1,362	2,673	1,524	3,046	
Operating bank account	676	942	676	942	
Ticketing bank account	27,893	6,505	27,893	6,505	
Arts development fund	116	-	116	131	
Term deposits with maturities less than three months from date of acquisition	-	-	384	618	
Total cash and cash equivalents	30,047	10,120	30,593	11,242	

The carrying value of cash at bank and short-term deposits with original maturity dates of three months or less approximate 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 received from the ticket service provider. 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.

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.

9 TRADE AND OTHER RECEIVABLES	Parent		Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Current				
Trade receivables	2,968	2,233	3,016	2,992
Provision for impairment of trade receivables	(17)	(53)	(17)	(59)
Trade receivables - net	2,951	2,180	2,999	2,933
Related-party receivables	7,568	5,313	7,568	5,212
Accrued income	1,460	391	1,460	391
Total trade and other receivables	11,979	7,884	12,027	8,536

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 \$626,219 administered by Auckland Council for the benefit of RFA (2013: \$661,132).

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

	Par	rent	Gro	oup
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
The ageing profile of receivables at year-end is detailed below:				
Not past due	10,948	6,570	10,864	7,078
Past due one – 60 days	983	548	1,079	603
Past due 61 – 120 days	42	364	78	414
Past due >120 days	6	402	6	441
Total	11,979	7,884	12,027	8,536
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	-	-	-	
Past due >120 days	17	53	17	59
Total	17	53	17	59
Movements in the allowance for impairment of trade receivables				
Opening balance	53	82	59	88
Additional allowances made during the year	35	-	35	4
Allowance reversed during the year	-	(27)		(31)
Impaired receivables written off during the year	(71)	(2)	(77)	(2)
Closing balance	17	53	17	59

10 OTHER FINANCIAL ASSETS	Pai	rent	Group		
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s	
Current portion					
Community loans	132	263	132	263	
Term deposits (maturing within four to 12 months)	4,661	-	4,876	4,757	
Total current portion	4,793	263	5,008	5,021	
Non-current portion					
Community loans	1,795	2,927	1,795	2,927	
Total non-current portion	1,795	2,927	1,795	2,927	
Total other financial assets	6,588	3,190	6,803	7,948	

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Community loans

Community loans adjusted for fair value are \$1.93 million (2013: \$3.19 million). They have stated interest rates of 4.50% to 5.00% and mature in four to 59 years. The face value of community loans is \$3.64 million (2013: \$4.91 million).

Fair value on recognition has been determined using cash flows discounted at a rate based on the loan recipients' financial risk factors of 16.00%.

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	F	Parent		Group		
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s		
Commercial inventory						
Items held for resale	792	840	792	840		
Total inventory	792	840	792	840		

No inventories are pledged as security for liabilities.

Commercial inventory

The write-down of commercial inventory to net realisable value amounted to \$24,503 (2013: \$33,487).

12 PROPERTY, PLANT AND EQUIPMENT

				Parent 2	2014			
Cost or valuation	Opening balance 1 July 2013 \$000s	Additions \$000s	Revaluations/ (Impairment) \$000s	t Disposals \$000s	Acquisitions hrough business combinations or disposals of businesses \$000s	Depreciation written back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2014 \$000s
Land	121,765	-	18,092	-	=	-	-	139,857
Buildings	492,455	6,335	6,276	(754)	58,427	(30,607)	-	532,132
Plant and equipment	9,755	2,308	-	(41)	1,353	-	-	13,375
Office equipment, furniture and fittings	7,840	496	-	(51)	3,753	-	75	12,113
Computer equipment	1,224	153	-	-	297	-	-	1,674
Art	261,307	1,034	(4,087)	-	-	-	(75)	258,179
Motor vehicles	180	51	-	(10)	23	-	-	245
Roading and civil structures	1,754	23	-	-	-	-	-	1,777
Other assets	-	-	-	-	-	-	-	-
Under construction	8,233	7,615	-	-	-	-	-	15,847
Total cost	904,513	18,015	20,281	(856)	63,853	(30,607)	-	975,199

				Parent 2014				
Accumulated depreciation	Opening balance 1 July 2013 \$000s	Depreciation expense \$000s	Impairment expense \$000s	ti Depreciation on disposals \$000s	Acquisitions hrough business combinations or disposals of businesses \$000s	Write back due to revaluation \$000s	Closing balance 30 June 2014 \$000s	Net book value 30 June 2014 \$000s
Land	-	-	-	-	-	-	-	139,857
Buildings	12,884	13,657	-	(53)	4,198	(30,607)	79	532,053
Plant and equipment	3,469	2,159	-	(22)	1,194	-	6,799	6,575
Office equipment, furniture and fittings	2,334	926	-	(11)	2,837	-	6,086	6,027
Computer equipment	862	258	-	-	276	-	1,396	278
Art	-	-	-	-	-	-	-	258,179
Motor vehicles	49	30	-	(6)	23	-	97	148
Roading and civil structures	176	95	-	-	-	-	271	1,506
Other assets	-	-	-	-	-	-	-	-
Under construction	-	-	-	-	-	-	-	15,847
Total accumulated depreciation	19,774	17,125	-	(92)	8,528	(30,607)	14,728	960,472

				Group 2014			
Cost or valuation							
	Opening balance 1 July 2013 \$000s	Additions \$000s	Revaluations/ (Impairment) \$000s	Disposals \$000s	Write back due to revaluation \$000s	Reclassifications/ net movements \$000s	Closing balance 30 June 2014 \$000s
Land	121,765	-	18,092	-	-	-	139,857
Buildings	564,970	6,749	8,442	(754)	(31,286)	-	548,121
Plant and equipment	14,640	2,318	-	(41)	-	-	16,916
Office equipment, furniture and fittings	11,709	502	-	(51)	-	75	12,235
Computer equipment	1,615	153	-	-	-	-	1,768
Art	261,307	1,034	(4,087)	-	-	(75)	258,179
Motor vehicles	180	51	-	(10)	-	-	221
Roading and civil structures	1,754	23	-	-	-	-	1,777
Other assets	5	-	-	-	-	-	5
Under construction	8,273	7,615	-	-	-	-	15,887
Total cost	986,218	18,444	22,447	(856)	(31,286)	-	994,967

				Group 2014				
Accumulated depreciation	Opening balance 1 July 2013 \$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 2014 \$000s	Net book value 30 June 2014 \$000s
Land	-	-	-	-	-	-	-	139,857
Buildings	13,491	15,818	-	(256)	(31,286)	-	(2,232)	550,353
Plant and equipment	6,271	1,980	-	(22)	-	-	8,228	8,688
Office equipment, furniture and fittings	7,135	1,293	-	(11)	-	-	8,418	3,817
Computer equipment	1,369	283	-	-	-	-	1,652	116
Art	-	-	-	-	-	-	-	258,179
Motor vehicles	80	30	-	(6)	-	-	104	117
Roading and civil structures	815	95	-	-	-	-	910	867
Other assets	-	=	-	-	-	-	-	5
Under construction	-	-	-	-	-	-	-	15,887
Total accumulated depreciation	29,161	19,500	-	(295)	(31,286)	-	17,080	977,887

				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	16,439	(555)	(443)	(549)	0	19,775	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				

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

Auckland Council had 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. In the current year, that land is still classified as land held for sale. The full settlement of that land is expected by May 2015. The land held for sale was impaired by \$840,000 in the current year to its current fair market value.

Revaluation

Land and buildings were revalued as at 30 June 2014 consistent with Auckland Council group policy. RFA revalues land and building on a three-year cycle unless the fair value assessment requires revaluation of the entire class of land and building. These assets are valued at either market value or depreciated replacement cost. In the event a revaluation is required, it is performed by qualified independent valuers engaged by the Auckland Council.

Revaluation of artwork

In 2014, 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 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 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 each worth over \$100,000 were individually revalued by Christie's London and Webb's (Auckland) during the current financial year.

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

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 the artworks 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-downs in assets this year have been \$101,000 for the parent and the group.

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. Revaluation of land and buildings and artwork as at 30 June 2014 was carried out by the following valuers:

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

Name of valuer 2014	Type of valuer	Date performed	Asset Class	RFA 2014 \$000s	Group 2014 \$000s
Christie's London and Webb's (Auckland)	Independent valuer	June 2014		185,355	185,355
Total				185,355	185,355
2014 Beca	Independent valuer	June 2014	Land Building	138,846 532,358	138,846 548,077
Total				671, 204	686,923

Leased assets

The net carrying amount of property, plant and equipment held under finance leases is Nil for the parent (2013: Nil) and \$1,373,000 for the group (2013: \$1,435,000).

Parent		Group	
Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
1,351	-	1,351	1,394
1,351	-	1,351	1,394

13 INTANGIBLE ASSETS		Parent				
	Acquired computer software \$000s	Rights to acquire \$000s	Total \$000s			
Cost Balance at 1 July 2012 Additions	2,123 195	72,722	74,845 195			
Balance at 30 June 2013	2,318	72,722	75,040			
Balance at 1 July 2013 Additions Disposals	2,318 914	72,722 - -	75,040 914			
Balance at 30 June 2014	3,232	72,722	75,954			
Accumulated amortisation and impairment Balance at 1 July 2012 Amortisation charge Impairment	(622) (493)	- - -	(622) (493)			
Balance at 30 June 2013	(1,115)	-	(1,115)			
Balance at 1 July 2013 Amortisation charge Amortisation on disposals Other movements Impairment	(1,115) (555) - - - (770)	- - - -	(1,115) (555) - - (770)			
Balance at 30 June 2014	(2,440)	-	(2,440)			
Carrying amount Balance at 1 July 2012 Balance at 30 June 2013 Balance at 30 June 2014	1,501 1,203 792	72,722 72,722 72,722	74,223 73,925 73,514			
		Group				
	Acquired computer software \$000s	Rights to acquire \$000s	Total \$000s			
Cost Balance at 1 July 2012 Additions Disposals	2,209 109	72,722	74,931 109			
Balance at 30 June 2013	2,318	72,722	75,040			
Balance at 1 July 2013 Additions	2,318 914	72,722 -	75,040 914			
Disposals Balance at 30 June 2014	3,232	72,722	75,954			
Accumulated amortisation and impairment Balance at 1 July 2012	(728)	12,122	(728)			
Amortisation charge Impairment	(493)		(493)			
Other movements	106		106			
Balance at 30 June 2013	(1,115)	-	(1,115)			
Balance at 1 July 2013 Amortisation charge Amortisation on disposals	(1,115) (555) -	- - -	(1,115) (555) -			
Other movements Impairment Balance at 30 June 2014	(770) (2,440)	- -	(770) (2,440)			
Carrying amount	(2,440)		(=, ++0)			
Balance at 1 July 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 Regional Facilities Auckland 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 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Current portion				
Trade creditors	4,993	3,718	5,047	4,355
Sundry payables	27,867	5,923	27,867	6,045
Amount due to related parties (note 23)	8,675	9,975	8,675	9,975
Revenue in advance	4,560	1,754	4,610	2,097
Accrued expenses	5,025	3,419	5,045	3,688
Total current portion	51,120	24,789	51,244	26,160
Total creditors and other payables	51,120	24,789	51,244	26,160

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 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Current portion				
Bank overdraft	-	-		
Unsecured loans	1,504	-	1,504	-
Finance leases	22	-	22	19
Total current portion	1,526	-	1,526	19
Non-current portion				
Unsecured loans - Auckland Council	-	791	-	-
Finance leases	1,329	-	1,329	1,375
Total non-current portion	1,329	791	1,329	2,166
Total borrowings	2,855	791	2,855	2,185

Unsecured loans

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 2014 is \$1,504,000 (2013: \$791,000).

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.

BORROWINGS continued

Finance leases - material leasing arrangement

There is a finance lease arrangement with Vector Limited 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 2014 is \$1,373,000 (2013: \$1,394,000).

Ownership of the floodlighting and HT Reticulation System will transfer to RFA 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.

Parent and group 2014	Parent and Group		р
Current	Future minimum lease payments \$000s	Interest \$000s	Present value of future minimum lease payments \$000s
Not later than one year	130	(108)	22
Total current	130	(108)	22
Non-current			
Later than one year and not later than five years	520	(410)	110
Later than five years	2,286	(1,067)	1,219
Total non-current	2,806	(1,477)	1,329

Group 2013		Group	
	Future minimum lease payments \$000s	Interest \$000s	Present value of future minimum lease payments \$000s
Current			
Not later than one year	128	(109)	19
Total current	128	(109)	19
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

The carrying amounts of borrowing repayable within one year approximates their fair value.

16 EMPLOYEE ENTITLEMENTS	Pai	rent	Group	
Current portion	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Accrued salaries and wages	715	570	722	592
Annual leave	1,997	1,953	2,002	2,029
Bonuses	-	60	10	60
Sick leave	-	20	-	20
Long-service leave	41	23	41	23
Total current portion	2,753	2,626	2,775	2,724
Non-current portion				
Long-service leave	86	87	86	87
Total current portion	86	87	86	87
Total employee entitlements	2,839	2,713	2,861	2,811

The weighted average discount rate of 5.8% (2013: 5.8%) and an inflation factor of 3% (2013: 3%) were used in calculating the long-service leave and retirement gratuity liabilities.

17 PROVISIONS	Parent		Group	
Current portion	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s
Restructuring	50	115	50	115
Other	84	0	84	0
Total current portion	134	115	134	115
Non-current portion				
Restructuring	55	55	55	55
Total current portion	55	55	55	55
Total provisions	189	170	189	170

Movements for each class of provision	Parent		Group	
2013	Restructuring \$000s	Total \$000s	Restructuring \$000s	Total \$000s
Balance at 1 July 2012	137	137	137	137
Additional provisions made	115	115	115	115
Amounts used	(82)	(82)	(82)	(82)
Balance at 30 June 2013	170	170	170	170
2014				
Balance at 1 July 2013	170	170	170	170
Additional provisions made	104	104	104	104
Amounts used	(85)	(85)	(85)	(85)
Unused amounts reversed	-	-	-	-
Discount unwind	-	-	-	-
Balance at 30 June 2014	189	189	189	189

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.

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.

Asset revaluation reserves have been identified by asset class below:	Parent		Group	
	Actual	Actual	Actual	Actual
	2014	2013	2014	2013
	\$000s	\$000s	\$000s	\$000s
Land	26,680	8,588	26,680	8,588
Art	5,931	10,018	5,931	10,018
Total asset revaluation reserves	32,611	18,606	32,611	18,606

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.

RECONCILIATION OF NET SURPLUS/(DEFICIT) TO Parent Group **NET CASH FLOWS FROM OPERATING ACTIVITIES** Actual Actual Actual Actual 2014 2013 2014 2013 \$000s Note \$000s \$000s \$000s Net surplus/(deficit) after tax 29 1,045 (6,706)364 (8,041)Add/(Less) for non-cash items Interest income - capitalised to community loans Depreciation 17.125 16.438 19.500 18.724 Amortisation 555 493 555 493 Bad debts 2 2 Loss on disposal 284 1,902 284 1,905 Increase/(Decrease) in allowance for impairment of trade receivables 35 53 35 54 Impairment of property, plant and equipment and intangible assets 353 353 1,711 1,711 Reversal of previously recognised impairment (6,276)(8,442)Other adjustments 70 70 Gifted artworks (827)(827)Discontinued operations 12,677 19,241 12,886 21,531 Movement in working capital items (Increase)/Decrease in other receivables 369 (735)39 (24)(Increase)/Decrease in accrued income (1,069)(150)(1,069)(150)(Increase)/Decrease in prepayments 377 (902)485 (922)(Increase)/Decrease in GST receivable 78 281 125 270 (Increase)/Decrease in inventories 48 (70)48 (70)Increase/(Decrease) in other payables 21,969 (1,481)22,552 (2,224)Increase/(Decrease) in revenue in advance 2,513 2.806 (88)(342)Increase/(Decrease) in accrued expenses 1,606 (171)1,357 (153)Increase/(Decrease) in provisions (132)(756)19 19 Increase/(Decrease) in employee benefits (126)64 (50)25 Increase/(Decrease) in capital expenditure accrual (840)1,394 (840)1,859 (Increase)/Decrease in net related-party balances (4,664)(4,645)(1,659)(2,567)21,378 (4,757)21,307 (5,524)35,100 7,778 34,557 7,966 Net cash flow from operating activities

20 CAPITAL COMMITMENTS AND OPERATING LEASES	Parent		Gro	oup
Capital commitments	2014 \$000s	2013 \$000s	2014 \$000s	2013 \$000s
Property, plant and equipment	4,349	1,474	4,349	1,474
Total capital commitments	4,349	-	4,349	-

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

2014

As at 30 June 2014, RFA had outstanding capital commitments of \$4.3 million; this includes commitments on property renewals for venues such as Aotea Centre, The Civic and Viaduct Events Centre, Auckland Stadiums turf development and Auckland Zoo.

2013

There were no capital commitments as at 30 June 2013.

20 CAPITAL COMMITMENTS AND OPERATING LEASES continued

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 non-cancellable terms of 24 to 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Parent		Gro	oup
	2014 \$000s	2013 \$000s	2014 \$000s	2013 \$000s
Not later than one year	1,071	132	1,071	183
Later than one year and not later than five years	18	159	18	176
Later than five years	1,000	-	1,000	2
Total non-cancellable operating leases as lessee	2,089	291	2,089	361

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 non-cancellable terms of 24 to 60 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Parent		Group	
	2014 \$000s	2013 \$000s	2014 \$000s	2013 \$000s
Not later than one year	177	20	177	150
Later than one year and not later than five years	185	67	185	146
Later than five years	99	-	99	135
Total non-cancellable operating leases as lessor	461	87	461	431

21 CONTINGENCIES

Contingent liabilities

2014

There are no contingent liabilities in 2014.

2013

The land related to the intangible asset interest in Vector Arena was subject to an arbitration process between Ngāti Whātua o Orakei as owner and lessor of the land and RFA as lessee and QPAM as sublessee of this land. As at 30 June 2013 no arbitration ruling was made and therefore the parties were unable to advise the value of any rent arising from this process.

Contingent assets

2014

New Zealand Centre for Conservation and Medicine

Certain leases and subleases for land and a building between Auckland Zoo and 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 Regional Facilities Auckland. 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 (2013: Same contingency existed as at 30 June 2013).

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.

* Integration of subsidiaries

Bruce Mason Centre Trust

On 30 April 2014, the Bruce Mason Centre Trust transferred its assets and liabilities to Regional Facilties Auckland and subsequently dissolved on 30 June 2014. The net assets were acquired by way of settlement of a debt to RFA, the surplus net assets were regarded as a contribution by one of RFA Trust's exisiting equity participants.

The integration had the following impact on the assets and liabilities of RFA:

	30 April 2014 \$000s
Cash and term deposits	281
Receivables and prepayments	92
Property plant and equipment	996
Total assets	1,369
Trade and other payables	198
Regional Facilities Auckland Ioan	1,075
Total liabilities	1,273
Net assets (contributed equity)	96

QBE North Harbour Stadium

On 21 May 2014, the North Shore Domain and North Harbour Stadium Trust Board transferred its assets and liabilities to Regional Facilities Auckland and subequently dissolved on 30 June 2014. No consideration was paid by RFA; the net assets were regarded as a contribution by one of the RFA Trust's existing equity participants.

The integration had the following impact on the assets and liabilities of RFA:

	21 May 2014 \$000s
Cash and term deposits	5,043
Receivables and prepayments	573
Property, plant and equipment	54,329
Total assets	59,945
Trade and other payables	1,439
Employee entitlements	57
Finance leases	1,374
Total liabilities	2,870
Net assets (contributed equity)	57,075

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.

Controlled entities	Related-party transactions with ultimate parent, subsidiaries and other related parties	Par	ent	Gro	oup
North Shore Events Centre Trust Board (subsidieny) Transactions during the period: Supply of services incurned by RFA (group) 364 335 Accounts payable owed by RFA (group) - 108 North Shore Domain and North Harbour Stadium Trust Board (subsidiary) Transactions during the period: Supply of services incurred by RFA (group) 891 1,068 Balancae audistaining at period and: Accounts payable owed by RFA (group) - Bruce Mason Centre Board (subsidiary) Transactions during the period: Supply of services incurred by RFA (group) 220 3892 Balancae audistaining at period and: Accounts payable owed by RFA (group) 220 3892 Balancae audistaining at period and: Accounts audistaining at period and: Accounts (illimate parent) 15	·				
Transactions during the portice! Supply of services incurred by RFA (group) 364 335	Controlled entities	φυσος	φυυσς	φουος	φυσυς
Supply of services incurred by RFA (group) 384 335 388 3	North Shore Events Centre Trust Board (subsidiary)				
Balances outstanding at period end: Accounts payable owed by RFA (group) 891 1,008 1,008 1,0	Transactions during the period:				
Accounts payable owed by RFA (group) - 168	Supply of services incurred by RFA (group)	364	335		
North Shore Domain and North Harbour Stadium Trust Board (subsidiary) Transactions during the period: Supply of services incurred by RFA (group) 991 1,008 Balances outstanding at period and: Accounts payable owed by RFA (group) - Bruce Mason Centre Board (subsidiary) Transactions during the period: Supply of services incurred by RFA (group) 220 392 Balances outstanding at period end: Accounts payable owed by RFA (group) 220 392 Balances outstanding at period end: Accounts payable owed by RFA (group) 2 15 Chiter entities Auckland Council (ultimate parent) Transactions during the period: Reverue from services provided by RFA (group) 945 996 1,025 1,093 Reverue from grants and subsidies provided to RFA (group) 44,070 45,941 44,070 45,941 Rates expense incurred by RFA (group) 1,060 1,302 1,060 1,302 Shand services expense incurred by RFA (group) 1,060 1,302 1,060 1,302 Shand services expense incurred by RFA (group) 1,060 1,302 1,060 1,302 Shand services expense incurred by RFA (group) 1,060 1,302 1,060 1,302 Shand services expense incurred by RFA (group) 1,060 1,302 1,060 1,302 Balances outstanding at period end: Accounts receivable due to RFA (group) 7,566 5,249 7,566 5,250 Accounts receivable owed by RFA (group) 1,503 791 1,503 791 Revenue received in advance 1,000 1,000 1,000 1,000 Auckland Transport (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 2,000 3,000 3,000 Balances outstanding at period end: Accounts payable owed by RFA (group) 3,000 3,000 3,000 Balances outstanding at period end: Accounts payable owed by RFA (group) 4,000 3,000 Balances outstanding at period end: Accounts payable owed by RFA (group) 5,000 5,000 Balances outstanding at period end: Accounts payable owed by RFA (group) 4,000 5,000	Balances outstanding at period end:				
Transactions during the period: Supply of services incurred by RFA (group) S91 1,068 Selances outstanding at period end:	Accounts payable owed by RFA (group)	-	168		
Transactions during the period: Supply of services incurred by RFA (group) S91 1,068 Selances outstanding at period end:	North Shore Domain and North Harbour Stadium Trust Board (subsidiary)				
Supply of services incurred by RFA (group) 891 1,068 8 8 8 8 8 8 8 8 8					
Balances outstanding at period and:	· .	891	1 068		
Accounts payable owed by RFA (group)	, , ,	001	1,000		
Bruce Mason Centre Board (subsidiary) Transactions during the period: Supply of services incurred by RFA (group) 220 392 Balances outstanding at period end: Accounts payable owed by RFA (group) . 15		_			
Transactions during the period: Supply of services incurred by RFA (group) 220 392					
Supply of services incurred by RFA (group) 220 3992					
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) 945 996 1,025 1,093 Revenue from grants and subsidies provided to RFA (group) 1,060 1,392 1,060 1,392 Shard services expense incurred by RFA (group) 1,060 1,392 1,060 1,392 Shard services expense incurred by RFA (group) 314 360 314 360 Other services expense incurred by RFA (group) 13 5,077 13 5,077 Balances outstanding at period end: 314 360 314 360 314 360 Accounts receivable due to RFA (group) 7,566 5,249 7,566 5,250 Accounts payable owed by RFA (group) 8,675 9,895 8,675 9,895 Borrowings payable owed by RFA (group) 8 6 63 72 Supply of services incurred by RFA (group) 6 6	0 .				
Accounts payable owed by RFA (group) - 15		220	392		
Control Cont	- 1				
Auckland Council (ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 945 996 1,025 1,093 Revenue from grants and subsidies provided to RFA (group) 44,070 45,941 44,070 45,941 Rates expense incurred by RFA (group) 1,060 1,392 1,060 1,392 Shared services expense incurred by RFA (group) 5,440 5,406 5,406 5,406 Other services expense incurred by RFA (group) 314 360 314 360 Interest expense incurred by RFA (group) 13 5,077 13 5,077 Balances outstanding at period end: Accounts receivable due to RFA (group) 7,566 5,249 7,566 5,250 Accounts payable owed by RFA (group) (8,675) 9,895 (8,675) 9,895 Borrowings payable owed by RFA (group) 1,503 791 1,503 791 Revenue received in advance 1 Auckland Transport (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 63 66 63 72 Supply of services incurred by RFA (group) 63 66 63 72 Supply of services incurred by RFA (group) 6 57 57 Accounts payable owed by RFA (group) 6 57 57 Accounts payable owed by RFA (group) 6 6 6 6 Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 1 13 1 13 Supply of services incurred by RFA (group) 1 13 1 13 Supply of services incurred by RFA (group) 2 5 5 5 Accounts payable owed by RFA (group) 3 5 5 5 Balances outstanding at period end: Accounts payable owed by RFA (group) 5 5 5 5 Accounts payable owed by RFA (group) 5 5 5 5 Balances outstanding at period end: Accounts payable owed by RFA (group) 5 5 5 Accounts payable owed by RFA (group) 5 5 5 Balances outstanding at period end: Accounts payable owed by RFA (group) 5 5 5 Salances outstan	Accounts payable owed by RFA (group)	-	15		
Transactions during the period: 845 996 1,025 1,093 Revenue from services provided by RFA (group) 44,070 45,941 44,070 45,941 Revenue from grants and subsidies provided to RFA (group) 1,060 1,392 1,060 1,392 Shared services expense incurred by RFA (group) 5,440 5,406 5,440 5,406 Other services expense incurred by RFA (group) 314 360 314 360 Interest expense incurred by RFA (group) 314 360 314 360 Interest expense incurred by RFA (group) 315 5,077 13 5,077 Balances outstanding at period end:	Other entities				
Revenue from services provided by RFA (group) 945 996 1,025 1,093 Revenue from grants and subsidies provided to RFA (group) 44,070 45,941 44,070 45,941 Ratise sepanse incurred by RFA (group) 1,060 1,392 1,060 1,392 Shared services expense incurred by RFA (group) 5,440 5,406 5,406 5,406 Other services expense incurred by RFA (group) 314 360 314 360 Interest expense incurred by RFA (group) 13 5,077 13 5,077 Balances outstanding at period and: Accounts receivable due to RFA (group) 7,566 5,249 7,566 5,250 Accounts receivable due to RFA (group) 1,503 791 1,503 791 Revenue received in advance 7 7 7 7 7 7 7 Revenue received in advance 7 7 7 7 7 7 7 7 Revenue from services provided by RFA (group) 63 66 63 72 Supply of services incurred by RFA (group) 48 113 48 115 Balances outstanding at period end: Accounts receivable due to RFA (group) 68 8 8 Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 8 8 8 Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 1 13 1 13 Supply of services incurred by RFA (group) 1 13 1 13 Supply of services incurred by RFA (group) 2 7 7 7 Revenue from services provided by RFA (group) 3 7 7 7 7 Revenue from services provided by RFA (group) 3 7 7 7 7 Revenue from services provided by RFA (group) 3 7 7 7 7 Revenue from services provided by RFA (group) 3 7 7 7 7 7 Revenue from services provided by RFA (group) 5 7 7 7 7 7 Revenue from services provided by RFA (group) 5 7 7 7 7 7 Revenue from services provided by RFA (group) 7 7 7 7 7 7 7 7 R	Auckland Council (ultimate parent)				
Revenue from grants and subsidies provided to RFA (group) 44,070 45,941 44,070 45,941 Rates expense incurred by RFA (group) 1,060 1,392 1,060 1,392 Shared services expense incurred by RFA (group) 5,440 5,400 314 360 Other services expense incurred by RFA (group) 13 5,077 13 5,077 Balances outstanding at period end: ************************************	Transactions during the period:				
Rates expense incurred by RFA (group) 1,060 1,392 1,072 1,07	Revenue from services provided by RFA (group)	945	996	1,025	1,093
Shared services expense incurred by RFA (group) 5,440 5,406 5,440 3640 314 360 314 360 Interest expense incurred by RFA (group) 13 5,077 13 5,075 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 1,08 <	Revenue from grants and subsidies provided to RFA (group)	44,070	45,941	44,070	45,941
Other services expense incurred by RFA (group) 314 360 314 360 Interest expense incurred by RFA (group) 13 5,077 13 5,077 Balances outstanding at period end: ************************************	Rates expense incurred by RFA (group)	1,060	1,392	1,060	1,392
Interest expense incurred by RFA (group)	· · · · · · · · · · · · · · · · · · ·	5,440	5,406	5,440	5,406
Balances outstanding at period end: Accounts receivable due to RFA (group) 7,566 5,249 7,566 5,250 Accounts payable owed by RFA (group) (8,675) 9,895 (8,675) 9,895 Borrowings payable owed by RFA (group) 1,503 791 1,503 791 Revenue received in advance - - - - - 1 Auckland Transport (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 63 66 63 72 Supply of services incurred by RFA (group) 48 113 48 115 Balances outstanding at period end: - 57 - 57 Accounts receivable due to RFA (group) - 57 - 57 Accounts payable owed by RFA (group) - 57 - 57 Accounts payable owed by RFA (group) 1 13 1 13 Supply of services incurred by RFA (group) 1 13 1 13 Supply of services provided by RFA (group) - - -		314	360	314	360
Accounts receivable due to RFA (group) 7,566 5,249 7,566 5,250 Accounts payable owed by RFA (group) (8,675) 9,895 (8,675) 9,895 Borrowings payable owed by RFA (group) 1,503 791 1,503 791 Revenue received in advance - - - - 1 Auckland Transport (controlled entity of ultimate parent) Transactions during the period: - - - - 1 Revenue from services provided by RFA (group) 63 66 63 72 Supply of services incurred by RFA (group) 48 113 48 115 Balances outstanding at period end: - 57 - 57 Accounts payable owed by RFA (group) - 57 - 57 Accounts payable owed by RFA (group) - 57 - 57 Accounts payable owed by RFA (group) 1 13 1 13 Supply of services incurred by RFA (group) - - - - - Balances outstanding at per	Interest expense incurred by RFA (group)	13	5,077	13	5,077
Accounts payable owed by RFA (group) (8,675) 9,895 (8,675) 9,895 Borrowings payable owed by RFA (group) 1,503 791 1,503 791 Revenue received in advance 1 Auckland Transport (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 63 66 63 72 Supply of services incurred by RFA (group) 48 113 48 115 Balances outstanding at period end: Accounts receivable due to RFA (group) - 57 57 - 57 Accounts payable owed by RFA (group) 8 8 8 8 Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 1 1 13 1 13 Supply of services incurred by RFA (group) 4 9 4 9 Balances outstanding at period end: Accounts payable owed by RFA (group)	- '				
Borrowings payable owed by RFA (group) 1,503 791 1,503 791 Revenue received in advance 1 1					
Revenue received in advance				,	
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Transactions during the period: 83 66 63 72 Supply of services incurred by RFA (group) 48 113 48 115 Balances outstanding at period end: 8 113 48 115 Accounts receivable due to RFA (group) - 57 - 57 Accounts payable owed by RFA (group) - 57 - 57 Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) 8 8 8 8 Transactions during the period: 8 18 113 1 13 1 13 1 13 1 13 1 13 1 1<		-	-	-	ı
Revenue from services provided by RFA (group) 63 66 63 72 Supply of services incurred by RFA (group) 48 113 48 115 Balances outstanding at period end:					
Supply of services incurred by RFA (group) Balances outstanding at period end: Accounts receivable due to RFA (group) Accounts payable owed by RFA (group) Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 1 13 13 1 13 Supply of services incurred by RFA (group) 4 9 4 9 Balances outstanding at period end: Accounts payable owed by RFA (group) Transactions during the period: Accounts payable owed by RFA (group) Transactions during the period: Revenue from services provided by RFA (group) Transactions during the period: Revenue from services provided by RFA (group) Transactions during the period: Revenue from services provided by RFA (group) 560 523 619 597 Balances outstanding at period end:	9 ,			0.0	=-0
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Accounts payable owed by RFA (group) Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 1 13 1 13 1 13 Supply of services incurred by RFA (group) 4 9 4 9 Balances outstanding at period end: Accounts payable owed by RFA (group) Watercare Services Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) Supply of services incurred by RFA (group) 560 523 619 597 Balances outstanding at period end:		_	57		57
Auckland Waterfront Development Agency Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) Balances outstanding at period end: Accounts payable owed by RFA (group) Controlled entity of ultimate parent) Transactions during the period: Revenue from services Limited (controlled entity of ultimate parent) Transactions during the period: Revenue from services provided by RFA (group) 560 523 619 597 Balances outstanding at period end:	·- · · · · · · · · · · · · · · · · · ·				
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Supply of services incurred by RFA (group) 560 523 619 597 Balances outstanding at period end:		-	_	-	_
	· · · · · · · · · · · · · · · · · · ·	560	523	619	597
	Balances outstanding at period end:				
Accounts payable owed by RFA (group) 17 47 17 47	Accounts payable owed by RFA (group)	17	47	17	47

RELATED-PARTY TRANSACTIONS continued

	Par	rent	Gro	oup
Other entities continued	2014 \$000s	2013 \$000s	2014 \$000s	2013 \$000s
Auckland Tourism, Events and Economic Development Agency (controlled entity of ultimate parent)				
Transactions during the period:				
Revenue from services provided by RFA (group)	75	78	131	145
Other services expense incurred by RFA (group)	38	19	39	23
Balances outstanding at period end:				
Accounts receivable due to RFA (group)		7		7
Accounts payable owed by RFA (group)	2	7	2	7
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)	66	-	66	-
Balances outstanding at period end:				
Accounts receivable due to RFA (group)	-	-	-	-
Accounts payable owed by RFA (group)	-	-	-	-

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.

There are no 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 those 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, and may have had minor transactions of a standard customer nature in dealings with parent and group entities as part of their normal operations.

RELATED-PARTY TRANSACTIONS continued

Regional Facilities	Auckland (parent)
Board of Directors	
Sir Donald McKinnon	Chairman
John Avery	Director
Lisa Bates	Director
Geoff Clews (from 1 November 2013)	Director
Derek Dallow (until October 2013)	Director
Dame Jenny Gibbs	Director
John Robertson	Director
Rukumoana Schaafhausen	Director
Peter Stubbs	Director
Gary Troup	Director
Executive Management	
Robert Domm	Chief Executive Officer
Paul Brewer	Director, External Relations
Kym Fell	Director, Corporate Services
Vicki Johnson	Director, Marketing and Communications
Simon Tran	Chief Financial Officer

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

Len Brown Penny Hulse Arthur Anae Councillor Cameron Brewer Councillor Dr Cathy Casey Bill Cashmore (from November 2013) Councillor Cashmore (from November 2013) Councillor Councillor Ross Clow (from November 2013) Councillor Chris Darby (from November 2013) Councillor Councillor Councillor Councillor Councillor Councillor Councillor Desmond Morrison (until October 2013) Councillor Calum Penrose Councillor Councillor Calum Penrose Councillor Councillor Calum Penrose Councillor Councillor Calum Penrose Councillor	Auckland Council (ulti	mata narant\
Penny Hulse Deputy Mayor Arthur Anae Councillor Cameron Brewer Councillor Dr Cathy Casey Councillor Bill Cashmore (from November 2013) Councillor Sandra Coney, QSO (until October 2013) Councillor Linda Cooper (from November 2013) Councillor Alf Filipaina Councillor Alf Filipaina Councillor Ann Hartley, JP (until October 2013) Councillor Denise Krum (from November 2013) Councillor Denise Krum (from November 2013) Councillor Desmond Morrison (until October 2013) Councillor Bichard Northey, ONZM (until October 2013) Councillor Calum Penrose Councillor Noelene Raffills, JP (until October 2013) Councillor Sharon Stewart, QSM Councillor Sharon Stewart, QSM Councillor Sharon Stewart, QSM Councillor Sharon Stewart, QSM Councillor Penry Welsker Councillor John Waltser Councillor George Wood, CNZM Councillor Roger Blakeley Chief Planning Officer Atherine Anderson General Counsel Alan Brookbanks Human Resources Director Alan Brookbanks Human Resources Director Wilma Falconer Manager Civil Defence and Emergency Manangement Stephen Town Chief Executive Officer Dean Kimpton Chief Operating Officer Grant Taylor Governance Director Wilma Falconer Manager Communications and Public Affairs Patricia Reade Transformation Director Wilma Falconer Entity controlled by key management personnel Performance Printing Entity controlled by key management personnel Performance Printing Entity controlled by key management personnel Performance Printined Entity controlled by key management personnel Segno Entity controlled by key management personnel Spire Investments		
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Richard Northey, ONZM (until October 2013) Calum Penrose Noelene Raffills, JP (until October 2013) Dick Quax Councillor Sharon Stewart, QSM Councillor Sir John Walker, KNZM, CBE Wayne Walker John Watson (from November 2013) Councillor Council	Mike Lee	Councillor
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Noelene Raffills, JP (until October 2013) Dick Quax Sharon Stewart, QSM Sir John Walker, KNZM, CBE Wayne Walker John Watson (from November 2013) Penny Webster George Wood, CNZM Roger Blakeley Katherine Anderson Alan Brookbanks Clive Manley Stephen Town Andrew McKenzie Dean Kimpton Grant Taylor Wilma Falconer Optimax Limited All Rural Fencing Limited Gency Weyne Goldfields Print Limited Optime Xattonery (NZ) Limited Optime Xeourcillor Councillor Councilor Councillor Councillor Councillor Co	Richard Northey, ONZM (until October 2013)	Councillor
Dick Quax Sharon Stewart, QSM Councillor Councillor Sir John Walker, KNZM, CBE Councillor Councillo	Calum Penrose	Councillor
Sharon Stewart, QSM Sir John Walker, KNZM, CBE Wayne Walker John Watson (from November 2013) Penny Webster George Wood, CNZM Roger Blakeley Katherine Anderson Alan Brookbanks Clive Manley Stephen Town Andrew McKenzie Dean Kimpton Grant Taylor Wilma Falconer Patricia Reade All Rural Fencing Limited All Rural Fencing Limited Gency Limited Gouncillor Councillor Chief Planning Officer Chief Planning Manager Civil Defence and Emergeroy Management Emergeroy Management Emergeroy Management Emergeroy Management Emergeroy Management	Noelene Raffills, JP (until October 2013)	Councillor
Sir John Walker, KNZM, CBE Wayne Walker John Watson (from November 2013) Penny Webster George Wood, CNZM Roger Blakeley Katherine Anderson Alan Brookbanks Clive Manley Stephen Town Andrew McKenzie Dean Kimpton Grant Taylor Wilma Falconer Wilma Falconer All Rural Fencing Limited Performance Printing Group Limited Gouncillor Councillor Alan Brookbanks Human Resources Director Manager Civil Defence and Emergency Management personnel Entity controlled by key management personnel Colfice Line Stationery (NZ) Limited Entity controlled by key management personnel Spire Investments Entity controlled by key	Dick Quax	Councillor
Wayne Walker John Watson (from November 2013) Penny Webster George Wood, CNZM Roger Blakeley Chief Planning Officer Katherine Anderson General Counsel Human Resources Director Clive Manley Manager Civil Defence and Emergency Manangement Stephen Town Andrew McKenzie Dean Kimpton Grant Taylor Wilma Falconer Wilma Falconer Antircia Reade Optimax Limited All Rural Fencing Limited Performance Printing Group Limited Goldfields Print Limited Entity controlled by key management personnel Goldfields Print Limited Entity controlled by key management personnel Controlled by key management personnel Entity controlled by key management personnel Entity controlled by key management personnel Controlled by key management personnel Entity controlled by key management personnel	Sharon Stewart, QSM	Councillor
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Penny Webster George Wood, CNZM Roger Blakeley Chief Planning Officer Katherine Anderson General Counsel Human Resources Director Clive Manley Manager Civil Defence and Emergency Manangement Stephen Town Chief Executive Officer Andrew McKenzie Dean Kimpton Grant Taylor Wilma Falconer Manager Communications and Public Affairs Patricia Reade Optimax Limited Entity controlled by key management personnel Performance Printing Group Limited Entity controlled by key management personnel Goldfields Print Limited Entity controlled by key management personnel Coffice Line Stationery (NZ) Limited Entity controlled by key management personnel Spire Investments Entity controlled by key	Wayne Walker	Councillor
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	Office Line Stationery (NZ) Limited	
	Spire Investments	

RELATED-PARTY TRANSACTIONS continued

Peter Stubbs, Director of Regional Facilities Auckland (RFA), is a partner with Simpson Grierson. RFA has directly sought legal services from Simpson Grierson totalling \$7,472 for the 2013/14 financial year.

Key management personnel compensation	Pai	Parent		Group	
	Actual 2014 \$000s	Actual 2013 \$000s	Actual 2014 \$000s	Actual 2013 \$000s	
Salaries and other short-term employee benefits	2,677	2,385	2,677	3,049	
Post-employment benefits	82	42	82	49	
Other long-term benefits	-	-	-	-	
Termination benefits	-	-	-		
Total key management personnel compensation	2,759	2,427	2,759	3,098	

Key management personnel includes the directors of Regional Facilities Auckland Limited, the Executive Leadership Team and 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

For the period ended 30 June 2014, RFA made two severance payment to employees totalling \$14,780 (2013: Nii).

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 does not expect 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 and group have 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 their 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 risk 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.

The carrying amounts of financial instruments in each of the NZIAS are as follows:

Financial instruments by category	Parer	nt	Group	o
Financial assets	Loans and receivables \$000s	Total \$000s	Loans and receivables \$000s	Total \$000s
As at 30 June 2014				
Cash and cash equivalents	30,047	30,047	30,593	30,593
Trade and other receivables	11,979	11,979	12,027	12,027
Other financial assets:				
- Term deposits	4,661	4,661	4,876	4,876
- Community loans	1,927	1,927	1,927	1,927
	48,614	48,614	49,423	49,423
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	27,725	27,725

	Paren	nt	Group	
Financial liabilities	Amortised cost \$000s	Total \$000s	Amortised cost \$000s	Total \$000s
As at 30 June 2014				
Trade and other payables	51,120	51,120	51,244	51,244
Borrowings	2,855	2,855	2,855	2,855
	53,975	53,975	54,099	54,099
As at 30 June 2013				
Trade and other payables	24,789	24,789	26,160	26,160
Borrowings	731	791	2,185	2,185
	25,520	25,580	28,345	28,345

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 Standard & Poor's credit ratings 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		Gro	oup
Maximum credit risk exposure for each class of financial instrument	2014 \$000s	2013 \$000s	2014 \$000s	2013 \$000s
Cash and cash equivalents	30,047	10,120	30,593	11,242
Trade and other receivables	11,979	7,884	12,027	8,536
Other financial assets:				
- Term deposits	4,661	-	4,876	4,757
- Community loans	1,927	3,190	1,927	3,190
Total credit risk	48,614	21,194	49,423	27,725

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 & Poor's credit ratings (if available) or to historical information about counter-party default rates

	Par	rent	Group		
Counter-parties with credit ratings	2014 \$000s	2013 \$000s	2014 \$000s	2013 \$000s	
Cash and cash equivalents					
AA-	30,047	10,120	30,593	11,242	
Term deposits					
AA-	4,661	-	4,876	4,757	
Counter-parties without credit ratings					
Trade and other receivables	11,979	7,884	12,027	8,536	
Community loans	1,927	3,190	1,927	3,190	
Total credit risk	48,614	21,194	49,423	27,725	

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.

Contractual maturity analysis of financial liabilities

The table below analyses the parent and group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Parent							
2014	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 to 24 months \$000s	24+ months \$000s
Trade and other payables	0.00%	51,120	51,120	-	51,120	-	-	-
Borrowings	0.00%	2,855	4,462	1,504	130	260	390	2,178
Total		53,975	55,582	1,504	51,250	260	390	2,178
2013								
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	-

		Group						
2014	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 to 24 months \$000s	24+ months \$000s
Trade and other payables	0.00%	51,244	51,244	-	51,244	-	-	-
Borrowings	0.00%	2,855	4,462	1,504	130	260	390	2,178
Total		54,099	55,706	1,504	51,374	260	390	2,178
2013								
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

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					
2014	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	30,047	30,047	30,047	-	-	-
Trade and other receivables	11,979	11,979	11,979	-	-	-
Other financial assets:						
- Term deposits	4,661	4,871	4,335	536	-	-
- Community loans	1,927	4,964	301	295	747	3,621
Total	48,614	51,861	46,662	831	747	3,621
2013						
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	8,025	427	442	2,260	4,896
Total	21,194	26,029	18,431	442	2,260	4,896

		Group				
2014	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	30,593	30,593	30,593	-	-	-
Trade and other receivables	12,027	12,027	12,027	-	-	-
Other financial assets:						
- Term deposits	4,876	5,473	4,937	536	-	-
- Community loans	1,927	4,964	301	295	747	3,621
Total	49,423	53,057	47,858	831	747	3,621
2013						
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	8,025	427	442	2,260	4,896
Total	27,725	32,560	22,771	2,633	2,260	4,896

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			
		2014	2014	2013	2013
		–50bps Surplus	+50bps Surplus	–50bps Surplus	+50bps Surplus
lents	_	100	(100)	42	(42)
		-	-	-	-
		-	-	-	-
		-	-	-	-
		100	(100)	42	(42)

	Group			
	2014	2014	2013	2013
	–50bps Surplus	+50bps Surplus	-50bps Surplus	+50bps Surplus
ents	105	(105)	47	(47)
	14	(14)	14	(14)
	-	-	-	-
	6	(6)	7	(7)
	125	(125)	68	(68)

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 50bps is equivalent to a decrease in interest rates of 0.5%.

The parent and group are 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 have been no material events after the balance date.

28 MAJOR BUDGET VARIANCES

Explanations for major variances from RFA's budget:

	Parent
Statement of comprehensive income	2014 \$000s
Operating deficit per budget Revenue explanations	(5,325)
Revenue is a favourable variance to budget due to record visitation at Auckland Zoo, and record revenue in our Auckland Conventions and Stadiums concerts during the year	2,119
Change in accounting treatment of Conventions catering revenue	(5,770)
Additional operational funding from Auckland Council to enable the integration of Bruce Mason Theatre, including purchase of assets	781
Auckland Council capital funding is directly for the capital programme delivered by RFA; the difference in funding represents the deferred portion of the 2013/14 capital programme	(525)
Finance income is higher than budgeted due to interest earned on term deposits which were not budgeted for	492
Other income includes naming rights, exclusivity premiums and commercial sponsorships which were not budgeted for; this includes grants and other subsidies	1,494
Increase in value of buildings recognised through the profit and loss	6,276
Total operating revenue explanations	4,867
Employee benefits are unfavourable to budget due to labour cost of sales included in employee benefits rather than in cost of sales as budgeted	(2,971)
Depreciation and amortisation was budgeted based on the opening net assets position; the difference relates to the additions throughout the year	(328)
Finance costs are unfavourable to budget due to more events funds held in trust resulting from more concerts throughout the year	(287)
Impairment of buildings and intangible assets not budgeted	(1,711)
Change in the accounting treatment of Conventions catering cost of sales	5,770
Other expenditure is unfavourable due to additional cost of sales required to generate the additional revenue during the year	1,030
Total operating expenditure explanations	1,503
Actual – operating surplus	1,045

Statement of financial position

Variance in current assets is due to a higher-than-anticipated cash balance resulting from funds held in trust for a concert delayed to the next financial year and the deposits held for the land held for sale. Trade receivables increase is due to the timing of the settlement of the intercompany balances with Auckland Council.

The current liabilities is due to funds held in trust relating to a major concert which was postponed to 2014/15 and deposits for land held for sale.

Variance in non-current assets is due to the transfer of property, plant and equipment from the integration of QBE Stadium and the increase in the valuation of property, plant and equipment.

Statement of movements in equity

The variance to budget is due mainly to the integration of QBE Stadium and Bruce Mason Centre as well as the increases in the value of property, plant and equipment.

29 RETROSPECTIVE RESTATEMENT OF ERRORS

Parent and group

Revenue and costs relating to catering which RFA was entitled to only a commission share has been incorrectly accounted for for a number of years. This resulted in overstatement of both revenue and catering expenditure; therefore, it did not impact the net surplus/(deficit).

The financial statements for 2013, which are presented as comparative information in the 30 June 2014 financial statements, have been restated to correct the above error. The effect of these restatements are summarised below in accordance to NZIAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

Statement of comprehensive income	Parent	Group
	2013 \$000s	2013 \$000s
Decrease in revenue	4,271	4,271
Decrease in other expenses	4,271	4,271
Change to total comprehensive income	-	-



INDEPENDENT AUDITOR'S REPORT

To the readers of Regional Facilities Auckland and group's financial statements and non-financial performance information for the year ended 30 June 2014

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 non-financial performance information of RFA and group on her behalf.

We have audited:

- the financial statements of RFA and group on pages 68 to 99, that comprise the statement of
 financial position as at 30 June 2014, 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 non-financial performance information of RFA and group on pages 57 to 65.

Opinion

In our opinion:

- the financial statements of RFA and group on pages 68 to 99:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect RFA and group's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date; and
- the non-financial performance information of RFA and group on pages 57 to 65:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of RFA and group's service performance and outcomes for the
 year ended 30 June 2014, including its service performance compared against the performance
 targets and other measures by which performance can be judged in relation to RFA and
 group's objectives.

Our audit was completed on xx September 2014. 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 non financial performance information 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 non-financial performance information. 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 non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non financial performance information, 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 non-financial performance information 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 appropriateness of the reported service performance within RFA and group's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non financial performance information;
- the overall presentation of the financial statements and non financial performance information.

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

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 is responsible for preparing financial statements and non financial performance information 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 its service performance and outcomes.

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

The Trustees' 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 non financial performance information 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



■ Live Lines, Celery Productions
Aotea Square
PHOTO: JULIAN HARRISON



■ APO 4 Kids

PHOTO: OLIVER ROSSER

PAGE 2 - 3



■ APO 4 Kids

PHOTO: OLIVER ROSSER

PAGE 5



 My Country: Contemporary Art from Black Australia Installation view 2014, Auckland Art Gallery
 Toi o Tāmaki
 PHOTO: DAVID ST GEORGE

PAGE 6



■ Bruce Springsteen and the E Street Band

Mt Smart Stadium

PHOTO: RONBERG CREATIVE

PAGE 7



Unwrapping Christmas, White Face Crew PHOTO: OLIVER ROSSER

PAGE 10 & 11



 My Country: Contemporary Art from Black Australia Installation view 2014, Auckland Art Gallery
 Toi o Tāmaki
 PHOTO: DAVID ST GEORGE

PAGE 14



 Saffronn Te Ratana, Whakarongo ki te karanga Installation detail 2014, Auckland Art Gallery Toi o Tāmaki

PAGE 16 & 17



Auckland Diwali Festival PHOTO: DAVID ST GEORGE

PAGE 18



 My Country: Contemporary Art from Black Australia Installation view 2014, Auckland Art Gallery
 Toi o Tāmaki

PAGE 20



■ California Design 1930 – 1965: Living in a Modern Way Installation view 2013, Auckland Art Gallery Toi o Tāmaki

PAGE 22



ANZ Viaduct Events Centre PHOTO: DUNCAN MCLEAN

PAGE 27



PHOTO: RICKY NGAN PHOTOGRAPHY

PAGE 28



■ Wicked

PHOTO: OLIVER ROSSER

PAGE 32



■ Bruce Springsteen and the E Street Band PHOTO: JO LOPEZ

PAGE 38



 My Country: Contemporary Art from Black Australia Installation view 2014, Auckland Art Gallery
 Toi o Tāmaki

PAGE 52



■ Annie

PHOTO: OLIVER ROSSER

PAGE 56



■ APO 4 Kids

PHOTO: OLIVER ROSSER

PAGE 57



 My Country: Contemporary Art from Black Australia Installation view 2014, Auckland Art Gallery
 Toi o Tāmaki

PAGE 108



■ APO 4 Kids PHOTO: OLIVER ROSSER



