

**REGIONAL FACILITIES AUCKLAND LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020**

REGIONAL FACILITIES AUCKLAND LIMITED

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REGIONAL FACILITIES AUCKLAND LIMITED COMPANY DIRECTORY

**Registered Office and
Address for Service**

Auckland Council
Aotea Centre
Level 4, 50 Mayoral Drive
Auckland
1010
New Zealand

Date of Formation

17 September 2010

Directors

Andrew Barnes, retired 9 September 2020
Joanna Perry, retired 9 September 2020
Fabian Partigiani
Andrew Collow, retired 9 September 2020
Candace Kinser, retired 9 September 2020
Jennifer Rolfe
Jennah Wootten, appointed 1 November 2019

Mark Franklin was appointed Chair on 14 September 2020

Auditors

Audit New Zealand on behalf of the Auditor-General

Solicitor

Simpson Grierson
Level 27
Lumley Centre
88 Shortland Street
Auckland

Shareholders

Auckland Council (unpaid)

1,000

1,000

REGIONAL FACILITIES AUCKLAND LIMITED DIRECTORS' REPORT

Nature of Business

Corporate Trustee for the Regional Facilities Auckland Trust.

Auditor

In accordance with Section 200 of the Companies Act 1993, Audit New Zealand on behalf of the Auditor-General, was appointed.

Annual Report

The 2020 Annual Report contained in this publication is signed for and on behalf of the Board of Directors.

Signed for and on behalf of the Board



Mark Franklin
Chairman

Date: 23 September 2020



Jennah Wootten
Director

Date: 23 September 2020

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF RESPONSIBILITY
For the year ended 30 June 2020

The Directors of RFAL are responsible for the preparation of Regional Facilities Auckland Limited the Company, financial statements, statement of service performance and for the judgements made in them.

The Directors of RFAL have 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 Directors opinion, these financial statements and statement of service performance fairly reflect the financial position, operations and service performance of the Company for the year ended 30 June 2020.

Signed



Mark Franklin

Chairman
Regional Facilities Auckland Limited

Signed



Jennah Wootten

Director
Regional Facilities Auckland Limited

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF PERFORMANCE INFORMATION
For the year ended 30 June 2020

Regional Facilities Auckland Limited (The Company) was established on 1 November 2010 by the Local Government (Tamaki Makaurau Reorganisation) Establishment of Council- Controlled Organisations Order 2010. The Company is the sole corporate trustee of Regional Facilities Auckland (RFA) and is a wholly owned subsidiary of Auckland Council.

The purpose of Regional Facilities Auckland Limited is to enrich life in Auckland by engaging people in the arts, environment, sports and events.

The Order in Council specifies the objectives of the Company being:

- To ensure that RFA is administered, and its property held, for the purposes set out in RFA's deed of trust.
- To undertake any activities, in accordance with the deed of trust, that furthers those purposes.
- To work with the Auckland Council, the Government, and the governing bodies of entities that hold or own facilities and amenities of regional significance for which RFA is not responsible with a view to bringing those facilities and amenities within the framework of RFA.

The Company's performance against the objectives is as follows:

- Regional Facilities Auckland has been administered in manner that has ensured compliance with the Deed of Trust. The property vested in The Company as Corporate Trustee of Regional Facilities Auckland has been made available to progress the objectives and performance of Regional Facilities Auckland.
- All activities of The Company have been undertaken in accordance with the Deed of Trust to progress the objectives and performance of Regional Facilities Auckland.
- Regional Facilities Auckland at the request of The Company has initiated discussions with a wide range of interested parties to establish ways in which effective relationship and activities can be carried out that maximise the benefits of Regional Facilities Auckland in future.

All the assets and liabilities vested in The Company as Corporate Trustee are accounted for in the financial statements of RFA. Similarly, all operational matters are routed through RFA with only costs associated with Directors remuneration recognised in the financial statements of The Company. RFA reimburses these costs by way of a management fee paid to The Company (Refer Note 3).

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	1a	356,349	410,802
Expense	3	<u>356,349</u>	<u>410,802</u>
Surplus before taxation		-	-
Income Tax		<u>-</u>	<u>-</u>
Total Comprehensive income		<u>-</u>	<u>-</u>

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	2020 \$	2019 \$
EQUITY			
Share Capital		-	-
Retained Earnings		-	-
		<hr/>	<hr/>
Total Equity		-	-
Represented by:			
Total assets		-	-
Total liabilities		-	-
		<hr/>	<hr/>
Net Assets		-	-
		<hr/>	<hr/>

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

	2020 \$	2019 \$
Opening Balance		
Share Capital	-	-
Retained Earnings	-	-
	<hr/>	<hr/>
Total Equity	-	-
Total Comprehensive Income	-	-
	<hr/>	<hr/>
Closing Balance as at 30 June	-	-
	<hr/>	<hr/>

REGIONAL FACILITIES AUCKLAND LIMITED
Notes to the Financial Statements
For the year ended 30 June 2020

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Regional Facilities Auckland Limited ('the Company') is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993. The company is wholly owned by Auckland Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002.

The primary objective of the Company is to act as a Corporate Trustee for Regional Facilities Auckland. The only transactions include the payment of Directors fees, which are reimbursed by Regional Facilities Auckland.

Basis of Preparation

The financial statements of Regional Facilities Auckland Limited 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 International Public Sector Accounting Standards (IPSAS) and other applicable financial reporting standards as appropriate for public-benefit entities.

The Company has designated itself as a Tier 2 public benefit entity, on the basis that it is not publicly accountable and is not large, as defined in the accounting standards. The company elected the Reduced Disclosure Regime (RDR) for reporting, and the financial statements have been prepared in accordance with and comply with PBE standards RDR.

There is no Statement of Cash Flows as the company does not hold a bank account and any expenses are paid on behalf of the company

The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

Measurement Base

The financial statements are prepared on the historical cost basis.

Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is the Company's functional and presentation currency, rounded to the nearest dollar.

Significant Accounting Policies

- a) Revenue: The Company receives funding from Regional Facilities Auckland to meet costs of director's fees.

REGIONAL FACILITIES AUCKLAND LIMITED
Notes to the Financial Statements
For the year ended 30 June 2020

2. EQUITY

Share Capital

At 30 June 2020, share capital comprised of 1,000 authorised and issued ordinary shares. All issued shares are unpaid.

3. DIRECTORS FEES

Directors received the following remuneration:

Andrew Barnes	78,217
Joanna Perry	49,516
Fabian Partigiani	40,365
Andrew Collow	46,083
Jennifer Rolfe	39,950
Candace Kinser	40,073
Jennah Wootten	24,454
Geoff Clews (retired 31 October 2019)	19,694
Lisa Bates (retired 31 October 2019)	17,997
	<hr/>
	356,349

Impact of COVID-19:

Given the adverse economic impact of COVID-19 on RFAL and the broader RFA group, the Chair and directors of RFAL voluntarily reduced their director's fees. The Chair by 20% for the period 1 April 2020 to 30 September 2020 and the other Directors by 10% for the period 1 April 2020 to 30 June 2020.

4. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no capital commitments or contingent liabilities as at 30 June 2020.

5. RELATED PARTIES

Related Parties include:

- Auckland Council – parent entity, no trading or closing balances.
- Regional Facilities Auckland - Management fee received \$356,349 (2019: \$410,802).

6. EVENTS OCCURRING AFTER BALANCE DATE

The Review of Auckland Council's Council-Controlled Organisations Report of the Independent Panel dated 31 July 2020 was issued to the public on 11 August 2020. A recommendation of the panel to the Auckland Council Governing Body was that the Council-Controlled Organisations, Regional Auckland Facilities Limited (RFAL) and Auckland Tourism, Events and Economic Development Limited (ATEED), be merged and a steering group be appointed to implement the change. The Auckland Council Governing Body met on 27 August 2020 and approved this recommendation to be effective 1 December 2020. RFAL will be the continuing entity and will receive the operations, assets and liabilities of ATEED with effect from 1 December 2020.

Independent Auditor's Report

To the readers of Regional Facilities Auckland Limited's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Regional Facilities Auckland Limited (the company). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 6 to 10, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive revenue and expense and statement of changes in equity for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on page 5.

In our opinion:

- the financial statements of the company on pages 6 to 10:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company on page 5 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2020.

Our audit was completed on 23 September 2020. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements and the performance information

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 4, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

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



David Walker
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand