

Tātaki
Auckland
Unlimited



A
AUCKLAND
TĀMAKI MAKĀURAU



Tātaki Auckland Unlimited Limited

Annual Report for year ended 30 June 2023

He Mihi

Ka tangi te manu kōrero!
Ka rongo te tangi kōrihi!
Ka wāwā mai rā ki roto i te
Wao-nui-a-Tāne! Tūturu whiti!
Whakamaua kia tina!
Haumie hui tāiki e!
E ngā mana, e ngā reo, e ngā
karangatanga maha o te motu,
taku hei iti nei, mā te hau e ripo hei
hari i ngā kupu whakamaanawa e.
Kei ngā mate tuatinitini o te motu
tangihia rā koutou. Haere ki te wā kāinga,
haere ki te kāinga tūturu.
Haere, haere, haere.
Tāmaki Makaurau Tāmaki Herenga
Waka, kei te mihi. Ngā Mana Whenua
me ngā waka ō ngā tai e wha,
e mihi ana.
E tuku mihi maioha tēnei ki ngā
Mataawaka ō te motu ko koutou
te puhariki ō te waka nei
Ki a koutou katoa ngā kaihoe
ō te waka nei mo ngā tangata katoa.
Tēnā koutou katoa.
Mā te mahi ngātahi e taea ai ngā taumata.
Nāku te rourou nāu te
rourou ka ora ai te iwi.
No reira noho ora mai,
Mauri ora.
- Nā te Poari o
(Tātaki Auckland Unlimited)

The bird's cry shall flow endlessly. Hear the melancholy song resonate, sourced from the inner domain of Tāne. A permanent melancholy form. Fixed in alliance, yes fixed in alliance, gathered and woven together!

To all authorities, all voices, the many affiliations, greetings. Let the swirling wind carry esteemed salutations.

We lament the passing of loved ones throughout the land. Return to the home of all time. Farewell, farewell, farewell.

We acknowledge Mana Whenua and their tribal authority in Tāmaki Makaurau Auckland. We also mihi to Mataawaka who have made Auckland their home.

Sincere greetings to all those who decide which direction this waka takes. To you who strive to achieve the best results for all people. Greetings to you all.

We can achieve more by working together. With your basket and my basket, the people will thrive.

Contents of annual report

Ngā mea o roto i te pūrongo ā-tau

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Statement from Chair & Chief Executive

This was a year of contrasts for Tātaki Auckland Unlimited Ltd (TAUL), with the end of COVID-19 restrictions allowing the return of some fantastic major events, and investment and industry support programmes to be delivered – but the growing challenge of Auckland Council’s budget deficit which impacted our current and future operations.

Among the highlights of our year, TAUL was able to deliver two of our region’s most-loved cultural festivals – Diwali and Pasifika – to Aucklanders thirsting for large-scale events, play a key role in an outstanding Te Matatini Festival, help attract more than \$325 million of investment, and celebrate several years’ work coming to fruition with the opening of two new sound stages at Auckland Film Studios.

We demonstrated our experience and expertise as lead agency for the planning and delivery of Auckland’s host city agreement obligations for FIFA Women’s World Cup 2023™, which kicked off shortly after year end following a meticulous 18-month build up.

However, it became clear during the year that council – our shareholder – had a large and worsening budget gap due to COVID-19 and other factors. Through the annual budget process, council resolved that Tātaki Auckland Unlimited (TAU) as a whole would have to find operating cost savings of \$34.5m across the next financial year – a one-third cut to our expected council funding for 2023/24.

Playing our part in the required council whānau savings meant our organisation had to cut about 200 full-time equivalent positions, and reduce and stop some planned future activity.

To meet council’s expectations and further embed the structural transformation underway since 2020 merger that created our organisation, we designed and put in place a more cohesive, streamlined and future-focused organisation. We are fully primed to provide maximum value to council and Auckland ratepayers – while being committed to continuing to reduce our reliance on ratepayer funding.

Re-designing our business model involved extensive discussions with our stakeholders, public and private sector partners, and senior leaders to drill down into our bedrock priorities as the region’s economic and cultural agency.

We have a pivotal role on behalf of council to reinforce Auckland’s place in the world as an emerging global city with an attractive lifestyle and a thriving economy, and to help to attract visitors, investment and talent which are vital to the ongoing prosperity of our region and our country.

In the areas of investment, industry support, destination marketing and major event attraction, we will focus on being an adviser, catalyst and facilitator alongside diverse partners – we will simply not be able to undertake as much pure programme delivery as before.

A great example of this focus, and a highlight of our work this year, was the launch of the Discover Auckland online platform, which digitises the Tāmaki Makaurau visitor experience, enables providers to use and upload content, and ultimately will attract more visitors and support the prosperity of the region’s visitor economy.

We also recognise the need to find alternative funding for a variety of our work programmes and have been exploring different potential revenue streams and partnerships, from sponsorship through to philanthropic channels, and commercialising various assets.

A good example is tourism marketing, which was previously funded through council’s accommodation provider targeted rate. While council won a court case which confirmed the legality of the rate, the funding mechanism has not been reinstated by council at this point.

Therefore, we undertook work with the region's destination industry to scope a national long-term solution for alternative funding of tourism and events attraction, with the intention that Auckland would be a pilot region for any new model. An interim solution – the Destination Partnership Programme – was released to industry in May.

It involves TAUL joining forces with Auckland's destination industry to promote the region as a compelling place to visit for business and leisure. By year end, \$1.75m in membership applications had been received from more than 100 visitor economy businesses across the region.

Unfortunately, the uncertainty about future funding means TAUL has not been able to commit to investment in major and business events beyond 2024 – resulting in a more sparse future Auckland events calendar than normal.

During the year, we made significant progress on the CCO Review panel's recommendation and Mayor's expectation to establish a single operator model for the regions' four main stadiums. By year end, an independent advisory panel had been established and a proposed operator model was being worked through with Eden Park Trust – the governing group of Auckland's largest, and independently owned and operated stadium. There is commitment and a positive approach from both parties to a complex solution, and the project remains on track to have a single operator model implemented by the end of the next financial year.

TAUL has a major part to play in helping our region meet the challenge of climate change, and this year a key achievement was bringing to life Climate Connect Aotearoa – an in-person and online hub for collaborative climate innovation – which opened in October 2022.

We recognise Te Tiriti o Waitangi and the vital role we play in advancing positive Māori outcomes in our region. We will continue to invest in our partnerships with hapū, iwi and Māori groups of Tāmaki Makaurau to deliver on our collective aspirations and strategic priorities of Te Mahere Aronga (our Māori Outcomes Plan) to enrich cultural and economic mahi for the region.

In the coming year, we will continue to refine Discover Auckland, including incorporating a city wide calendar of events and investigating ways the platform can potentially generate income in the future; we will continue to develop sustainable funding structures for major events, and a long-term strategy for Auckland's economic development functions. We will continue to develop home-grown major events including the inaugural Moana Auckland: New Zealand's Ocean Festival, and help activate council's city centre plans.

Finally, we would like to acknowledge the late Mark Franklin, the TAU Chair who passed away suddenly in November 2022. Mark had been chair of legacy CCO ATEED, before being named Chair of the newly merged organisation Auckland Unlimited in December 2020. He was one of Auckland's most passionate and highly respected advocates, and made a huge contribution to both ATEED and TAU.

Deputy Chair Jennah Wooten admirably stepped up as Acting Chair when Mark was on health leave, and again following his passing until council made a permanent appointment. The board had reached its full complement of directors when Graeme Stephens brought his extensive visitor economy experience to the group in September 2022.

This is a formative time for Tātaki Auckland Unlimited and Auckland Council, requiring both urgent action to reduce reliance on rates, and an innovative and committed approach towards achieving a long-term vision under-pinned by strong leadership. With those objectives top of mind, the board and executive lead team are proud to present the TAUL Annual Report 2023.



Vicki Salmon
Chair

A handwritten signature in blue ink, appearing to read 'V Salmon'.



Nick Hill
Chief Executive

A handwritten signature in blue ink, appearing to read 'Nick Hill'.

Highlights



\$74m

GDP contribution from Major and Business Events TAUL supported



FIFA

Women's World Cup 2023™ preparations



Discover Auckland

digital platform launched



1499

businesses supported through TAUL programmes and interventions



100,000+

record attendance at Auckland Diwali Festival



\$325m

attributable value of private sector investment secured



Climate Connect Aotearoa

Hub launched



Pasifika Festival

First full Pasifika Festival delivered since 2018



101 Māori businesses

supported through TAUL programmes and interventions



Reserve

Opening of the newest TAUL-initiated innovation hub



Destination Management Plans

completed for Matakana and Aotea Great Barrier Island



Two new sound stages

opened at Auckland Film Studios

Statement of Service Performance

He kōrero mō ngā mahi ratonga

Who we are:

Tātaki Auckland Unlimited Limited

Tātaki Auckland Unlimited (TAUL) is New Zealand's largest regional economic development agency. The organisation's purpose is to enrich cultural and economic life in Tāmaki Makaurau.

TAUL is a non-substantive Council Controlled Organisation (CCO) and a wholly owned subsidiary of Auckland Council. Tātaki Auckland Unlimited is the umbrella organisation comprising Tātaki Auckland Unlimited Limited (TAUL) and Tātaki Auckland Unlimited Trust (TAUT).

This statement of service performance relates to the activities of Tātaki Auckland Unlimited Limited only. TAUL is also the sole trustee of TAUT which is a charitable trust. The statement of service performance for Tātaki Auckland Unlimited Trust can be found in the TAUT Annual Report 2022-2023.



What we do:

Tātaki Auckland Unlimited Limited

TAUL's role is to support the council's vision of creating a world-class city and deliver great value for money by supporting the growth of a vibrant and competitive economy, with a particular focus on supporting business and investment attraction, business growth, innovation and skills. TAUL also supports the sustainable growth of the visitor economy, including through the attraction, support, facilitation and delivery of business and major events.

TAUL focuses on pursuing the following strategic outcomes as set out in the TAU Statement of Intent 2022-25:

- Enhancing Auckland as a culturally vibrant city for all
- Expanding economic opportunities for all Aucklanders
- Achieving social, economic, cultural and environmental return on Tātaki Auckland Unlimited's investment
- Enhancing Auckland's local, national and global reputation and appeal
- Increasing capital invested into Auckland for economic and cultural outcomes.



TAUL's activities focus on economic growth and growing the visitor economy, and include the following:

- sustainably growing the value of Auckland's visitor economy by partnering to implement the Destination Auckland 2025 strategy with a focus on destination marketing and management, major events, business events (meetings and conventions) and international student attraction and retention
- attracting visitors to Auckland by leading the development of Auckland stories and delivering tourism campaigns in partnership with mana whenua, Tourism New Zealand, corporate partners and neighbouring regions
- identifying, developing and facilitating new tourism products and experiences across Auckland and advocating for infrastructure enhancements
- partnering to attract, deliver and develop a programme of major sporting, cultural and business events, including the much-loved Auckland Lantern, Pasifika and Diwali festivals, that attract visitation and are a catalyst for Auckland's region-wide economic prosperity
- promoting Auckland as a global destination for business and investment with a focus on places and sectors of interest that create high quality employment while seeking investment solutions that enhance social, cultural, economic and environmental outcomes for the region
- working with central government, corporates, education providers, and the Auckland Council Group to support local economic and employment outcomes across Auckland, including a focus on less prosperous areas of Auckland
- operating two major film studios and facilitating permits to film in public spaces on behalf of council

- supporting jobs and skills matching initiatives to assist Aucklanders who are not currently in the workforce or who are underemployed
- working with partners to develop and deliver initiatives that promote Māori economic development, with a focus on building an eco-system of support for Māori businesses
- building Auckland's culture of innovation and entrepreneurship through the development, management and strategic leasing of an innovation precinct network which includes GridAKL, GridMKN, Click Studios and Tāmaki Innovation Hub 'Reserve' with the objective of growing businesses and creating jobs.

TAUL is committed to enhancing Māori outcomes in Tāmaki Makaurau through promoting Māori success, innovation and enterprises, advancing Māori employment and creating an environment for Māori business and iwi organisations to be powerhouses in Auckland's economy.

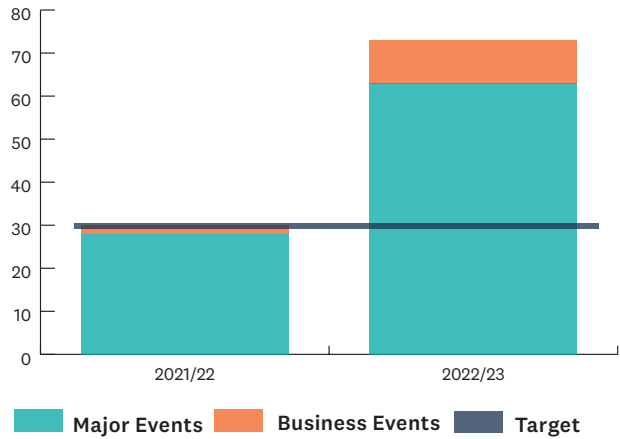
TAUL is also committed to supporting Auckland's transition to a more resilient and regenerative economy. TAUL contributes to this goal by developing programmes to support businesses to transition to a low-carbon, resilient future and by running a climate innovation hub, [Climate Connect Aotearoa](#), with a focus on examining pathways towards de-carbonising and building resiliency for Auckland's economy. TAUL is also committed to delivering low impact events by focusing on waste minimisation and other sustainable practises.

Non-Financial Performance at a Glance

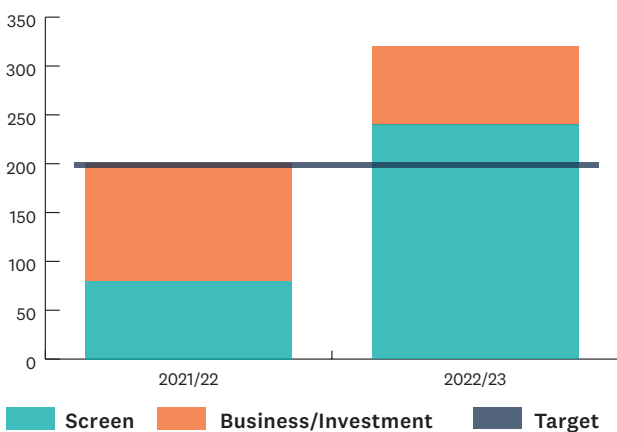
After COVID-19 related restrictions hampered much of TAUL's operations over 2021/22, the organisation was finally able to operate at full capacity and without any restrictions in 2022/23. International visitors and students were back, favourite major events were enjoyed by thousands of Aucklanders and visitors, international business connections resumed and preparations for the largest sporting event ever to be hosted in Tāmaki Makaurau and Aotearoa – the FIFA Women's World Cup 2023™, were in full swing.

With the majority of events finally able to go ahead in 2022/23, the estimated contribution to regional GDP from major and business events attracted or supported by TAUL was \$74.2m – double the target of \$37m and more than double the result from last year. This result could have been stronger if not for the cancellation of the iconic Auckland Lantern Festival due to a severe weather event in January resulting in a State of Local Emergency. The Women's Rugby World Cup 2021 (played in 2022), 2023 Auckland Boat Show, 2022 ITM Auckland SuperSprint, and the Ed Sheeran concerts at Eden Park were significant contributors to this year's portfolio of 44 major events contributing an estimated \$64.4m to regional GDP. In addition, 40 business events supported by TAUL contributed \$9.8m.

Contribution to Regional GDP of Major and Business Events



Attributable Value of Private Sector Investment Secured



The return to normality enabled TAUL to achieve stronger results in attracting private sector investment into Auckland. After just falling short of the \$200m target in 2021/22, this year's result, at an estimated \$325m was 62 per cent above target. The largest contribution to this overall result came from helping to attract activity in the screen sector (72 per cent of result), including two feature films and five TV series.

TAUL continued to support businesses across a wide range of initiatives and interventions, and during 2022/23 almost 1500 businesses have been through a TAUL programme or benefited from a TAUL intervention. This included 101 Māori businesses (6.5 per cent of the overall result).

This year's result is above the target of 1200 businesses but below the target of 150 Māori businesses. TAU was planning to establish a new Māori business team over 2022/23, however as a result of uncertainties regarding future economic development funding, the establishment of this team was paused, resulting in TAU working with fewer Māori businesses than was anticipated at the start of the year. The total businesses result is much lower than the last year's because the contract to run the Regional Business Partner programme was transferred to the Auckland Business Chamber at the start of the year. In addition, last year's result was heavily boosted by the delivery of the Activate and Reactivate Tāmaki Makaurau programmes designed to support Auckland business' COVID-19 recovery.

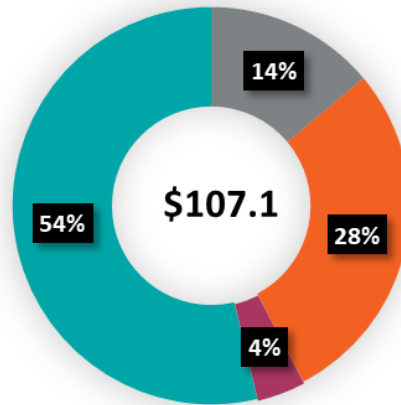
Financial Performance at a Glance

A summary of TAUL's financial performance for the year ended 30 June 2023

Across all sources, TAUL's total revenue was \$107.1m. The largest share of this came through ratepayer funding from Auckland Council (54 per cent). In addition, TAUL sourced revenue from other direct revenue sources such as grants and subsidies (including government grants, 28 per cent) rentals, licenses and memberships (14 per cent), and other sources (four per cent).

Revenue

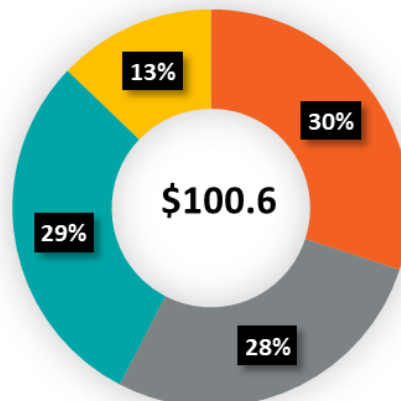
- Rental, license and memberships
- Grants and subsidies
- Other direct revenue
- Funding from Auckland Council



The largest share of TAUL's operating expenses of \$100.6m were staff related costs (30 per cent). Other direct expenditure including the delivery of programmes, campaigns and events accounted for the next highest share (29 per cent), followed by 28 per cent of expenses against grants, and subsidies, including the support of our major and business events portfolio on behalf of Auckland Council. Remaining expenses were utilities and occupancy costs (13 per cent).

Expenses

- Employee benefits
- Grants contributions and sponsorships
- Other direct expenditure
- Utilities and occupancy



TAUL had a very limited capital budget of \$200,000 for the last financial year.

Highlights of our year

Major events contribute to a vibrant region

Tāmaki Makaurau Auckland came alive with major sporting and cultural events this year, as the re-opening of the region after the COVID-19 pandemic allowed much-loved festivals to return alongside a world-class portfolio of cultural and sporting events invested in by TAUL on behalf of council.

Shortly after the financial year end, Auckland played a key role in FIFA Women's World Cup 2023™, which was one of the largest events ever held in New Zealand and was expected to generate 130,000 visitor nights and a \$60m economic boost for Auckland. It was the culmination of 18-months' development and delivery of Auckland's host city programme, led by TAU on behalf of the council whānau. The programme included: the official draw event in October 2022 at the Aotea Centre; the 10-team play-off tournament delivered at North Harbour Stadium in February 2023; co-funded infrastructure upgrades at club training venues across the region, which will be an outstanding legacy for Aucklanders; a major volunteer programme; the FIFA Fan Festival at Queens Wharf; extensive marketing activity; a legacy tree-planting project; an official pōwhiri; an activation for visitors in partnership with Auckland International Airport; and a wāhine toa leaders programme in partnership with Stuff.

This year, TAUL delivered two hugely successful major cultural events. Auckland Diwali Festival at Aotea Square in October 2022 attracted a record-breaking 100,000 participants for its first in-person staging since 2019; and more than 36,000 people attended the Pasifika Festival at Western Springs in March 2023, which was able to be held for the first time since 2018. Leading up to the festival, the first Pasifika Village Games took place in Papakura, and Pasifika Soul Sessions – a free concert – was held at Western Springs.

Unfortunately, the legacy of severe weather in late January 2023 meant the Auckland Lantern Festival, at Manukau Sports Bowl for the first time, had to be cancelled just before it was scheduled to take place – after a year's worth of planning by the TAUL event team.

July 2022 saw Elemental AKL, the region's successful winter celebration of music, food and art take place with a month-long schedule of delivered and curated events bringing vibrancy to the region.



The portfolio of major events invested in by TAUL on behalf of council included: the Auckland Boat Show on the waterfront (first since 2019); *Synphony* in Auckland Domain (20,000 attendees); Women's Rugby World Cup 2021 (played in 2022) in October/November 2022, which featured unprecedented sold-out stadiums for women's sport in New Zealand; World Rally Championship (WRC), which returned to Auckland in September/October 2022 – for the first time in a decade – with special stages at Auckland Domain and Jacks Ridge near Clevedon; Auckland Writers Festival; Aotea Art Fair; Ed Sheeran at Eden Park; Splore; ASB Classic tennis; the New Zealand International Film Festival (July/August 2022); and the All Blacks, Black Ferns and All Whites triple header (September 2022).

Together, major events supported by TAUL generated an estimated GDP return to the region of \$64.4m, and an estimated 411,100 visitor nights.

It was announced that Auckland will host SailGP in March 2024. This global sporting regatta will be part of the inaugural Moana Auckland: New Zealand's Ocean Festival – an event that reflects TAUL's renewed vision to focus on developing home-grown events with a seasonal focus alongside a select number of high-impact events.

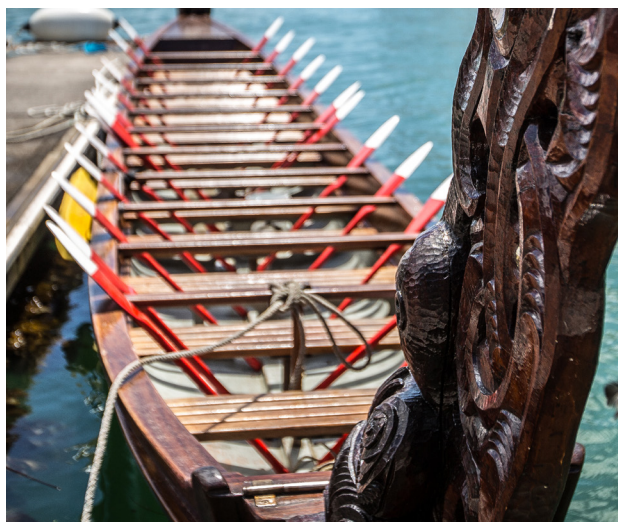
A commitment to Māori outcomes

TAUL is committed to leading the economic and cultural-focused aspects of council's Māori outcomes priorities. This year's, achievements included the launch of Taki, a TAU-developed Māori learning app, at the start of Māori Language Week, and ongoing support of the Whāriki Māori Business Network.

GridAKL joined forces with HTK Group – a Māori professional services organisation – in a shared mission to enable Māori and Pacific entrepreneurs to thrive. TAUL provided permanent co-working spaces within its innovation precinct network. TAUL also facilitated engagement between iwi and the screen industry about protocols for filming on or near Unitary Plan-scheduled places of significance to mana whenua.

TAUL made a significant contribution to the council whānau project to support a hugely successful Te Matatini Festival – held in Tāmaki Makaurau in February 2023. This included a *Haka is Here* marketing campaign to generate excitement about the world's largest celebration of kapa haka, and a programme of festival-related activations which were designed to make it accessible for all. It is estimated the event, which was hailed as the most successful ever, made a direct economic contribution of almost \$22m to Tāmaki Makaurau.

There is a strong need for more Māori and Pacific business leaders, so TAUL participated in the 12-week TupuToa Intern Programme – which helps young people gain experience that will help their future careers – by hosting six university students who worked on various projects across the organisation.



Te Kapa Haka o Whāngārā Māi Tawhiti performing at Te Matatini, Eden Park, February 2023. Photo credit: Erica Sinclair Photography, for Te Matatini



A region of conventions

Business events bring an economic boost to the region, but their legacy also extends to helping to showcase Auckland's and New Zealand's world-class expertise across many industries.

The re-opening of borders revitalised this sector. Auckland Convention Bureau (ACB) supported a total of 315 business event opportunities across the year for events to be held between 2022 and 2029 – such as the 18th World Congress on Public Health 2026. These events, if all were successfully brought to Auckland, would be expected to generate a total economic impact value of \$120.6m, and 238,250 visitor nights.

During the year, ACB helped secure 148 new business events for the region. These events (to be held through to 2027) are expected to generate a total economic impact value of \$64.4m and 119,510 visitor nights.

As an example of the impact conventions have for the region, more than 1100 people attended the 10th World Avocado Congress 2023 at Aotea Centre in April, which ACB helped secure in partnership with Tourism New Zealand's Business Events team. Hosting the conference showcased New Zealand's strong agritech and horticulture industries, and it attracted 750 international delegates from as far afield as Mexico, Peru and South Africa among the 1160 attendees. The conference delivered an estimated \$2.6m boost to the visitor economy for Auckland and New Zealand.

Driving economic development

TAUL has a key part to play working with private and public sector partners on the region's economic transformation, and provides expert input into a range of proposed projects such as city centre revitalisation, a second harbour crossing, and business land use within council's refresh of the Auckland Spatial Plan.

TAUL hosted another *Auckland's Future, Now* event – in a revised bespoke format – in February 2023 alongside funding partner Beca. Forty of the region's leaders took part in plenary and workshop discussions with a focus on how Auckland can compete globally in times of challenge and change.

During the last year, TAUL provided ongoing support – including coordinating and undertaking research, and providing strategic input – for a number of place-based projects including Auckland City Centre (which is a major priority for council), the Southern Corridor Economic Masterplan (released in April 2023), and Eke Panuku Development Auckland's 'Unlock' initiatives.

The latter included TAUL working alongside Eke Panuku, council and iwi Kawerau-ā-Maki on the development of a masterplan for Henderson Creative Quarter, which is designed to provide jobs and support businesses in a priority area for council. This included drafting a relationship agreement with Kawerau-ā-Maki towards a collaborative partnership.

Project Ikuna – an MBIE-funded programme to upskill Pacific workers – continued to be delivered by TAUL across Auckland businesses with large Pacific people workforces, supporting workers to gain micro-credentials for job skills such as money confidence, and conflict resolution. During the year, 2049 workers gained micro-credentials.

Specialist investment attraction work by TAUL resulted in attributable investment in the region of more than \$325m during the year. This came from a variety of investment, including feature films and television series and the attraction of activity into the construction and manufacturing sectors.



A Project Ikuna Future Ready Money Confidence class at Brinks Chicken



Supporting innovation

Auckland is home to world-class innovation. TAUL supports the region's innovation network, which by year end included 142 companies representing 1220 individuals across the two GridAKL hubs operated by TAUL in Wynyard Quarter. Across the region, GridMKN supports 99 founders through the Tukua programme; the Tamaki Innovation Hub 'Reserve' – which was initiated by TAUL – officially opened in July 2022, and by year end was supporting 138 founders; and at year end, Click Studios in Avondale was home to 13 creative technology businesses, representing 41 individuals.

GridAKL hosted a Finnish international trade delegation – including Finland's Prime Minister – in December 2022, with the focus showcasing Auckland's tech and aerospace innovators. The region's aerospace industry is a significant emerging force, and during the year, TAUL led the development of a new tech cluster, Aerospace Auckland, to support its growth. TAUL is on the board for the 20-member group which is helping develop a National Space Strategy. During the year, a group from Nasa visited Auckland to engage with the aerospace community and explore mutual opportunities.

During Techweek23 in May, TAUL helped highlight the best of Auckland's tech and innovation. A flagship event at GridAKL was the Indie Game Showcase, which brought together a mix of established and up-and-coming game developers. An *Auckland is Calling* tech talent attraction campaign started near the end of May, targeting migrants to fill crucial tech roles.

The 18-month From the Ground Up project delivered with the Ministry for Primary Industries was completed, having assisted businesses on their resilience and innovation journey.

A thriving screen industry

A hugely important milestone for our region's thriving screen production industry was marked in December 2022, with the official opening of Te Pūtahi tahi – two new 2000 square metre sound stages at council-owned Auckland Film Studios in Henderson. They have already attracted strong interest from domestic and international producers, achieved a Green Star 4-star 'as built' rating, and received a Property Council excellence award. The 18-month project was led by TAUL, and co-funded by central government (\$30m) and council (\$7.5m), with the stages expected to facilitate hundreds more high-skilled screen production jobs.

TAUL's Screen Auckland unit released a collaborative roadmap this year to guide the industry's sustainable development in Tāmaki Makaurau. During the year, TAUL also consulted industry about changes to the Unitary Plan Sites & Places of Significance to Mana Whenua, which recognises the importance of particular sites to the region's iwi. TAU is working with stakeholders on solutions that balance the needs of all parties, and received support from council's Planning, Environment and Parks Committee to pursue a change to the Unitary Plan which – with the agreement of iwi – will allow filming to take place, while respecting the significance of certain areas to mana whenua.

Screen Auckland, the region's film office which sits within TAUL, facilitated a range of location shoots for major productions – some which involved hundreds of cast and crew and vehicle movements across the region.

In September 2022, the world premiere of Amazon Studios' *Lord of the Rings – the Rings of Power* streaming series put the spotlight on Auckland as a filming destination. Amazon Studios spent an estimated \$650m on series one production in New Zealand, which was largely shot in Auckland studios, and on location around the region with a 90 per cent local crew (comprised mainly of Aucklanders).





Visitor attraction

The return of cruise ships to Auckland was an important step towards the recovery of the region's visitor economy, and TAUL led the co-ordination of cruise ship-related welcome and promotional activity alongside industry.

A major milestone near the end of the financial year, was the launch of Discover Auckland – a digital one-stop-shop for Tāmaki Makaurau. Its development involved a significant amount of collaboration across the organisation, and with a range of partners. The platform was based on consumer insights and global best practice. It digitises the Tāmaki Makaurau visitor experience by consolidating the region's broad offerings on one platform, making attractions much easier to discover, navigate and explore – ultimately attracting more visitors and supporting the visitor economy.

The third Iconic Auckland Eats, whereby Aucklanders nominate their favourite dishes, was announced in November 2022. Developed by TAUL, the initiative supports local food and beverage businesses and builds Auckland's reputation as a gastronomic destination for visitors.

A group of 16 tourism operators from Waiheke and Aotea Great Barrier islands attended a 12-week sustainability capability programme, consisting of a series of workshops which was delivered by TAUL in conjunction with Tourism Industry Aotearoa. Destination management plans – focused on sustainable tourism development – were also completed for both islands, in collaboration with local operators and iwi, and will be implemented in the coming year. A plan for Matakana was also completed.

TAUL's successful *Auckland is Calling* campaign spans visitor and talent attraction. The destination focus continued with strong results from a year-long campaign targeting Australian and domestic visitors which ended in November 2022; and from an Australian roadshow in February and March, with nine Auckland operators showcasing their offering in Brisbane, the Gold Coast, Sydney and Melbourne.

Auckland is Calling also included a new talent attraction campaign designed to entice the world's best technology workers to a new life in Auckland – supporting the region's fast-growing tech industry and addressing the sector's sustained skills gaps through a series of tech migrant and business video case studies. The campaign ran alongside TAUL's work to create career pathways for the region's home-grown tech workforce.

TAU's Destination Partnership Programme was launched to industry in May. It involves TAUL joining forces with Auckland's destination industry to promote the region as a compelling place to visit. By year end, \$1.75m in membership applications had been received from more than 100 visitor economy businesses across the region.

Performance against our SOI KPIs

The table below presents the performance of TAUL against the four key performance indicators (KPI) set out in the TAU Statement of Intent (SOI) 2022 – 2025. This SOI includes separate KPIs for TAUL and TAUT. Results for the TAUT KPIs are presented separately in the TAUT Annual Report.





In summary, of the 4 KPIs:

- 3 were achieved
- 1 was not achieved

Performance Status

KPIs have been assessed for 2022/23 according to the criteria below:

Symbol	Status	Definition
	Achieved	Result has met or exceeded target (also includes where baseline has been established)
	Substantially achieved	Result within 2% of target
	Not achieved but progress made	Target not achieved, but improvement over previous year
	Not achieved	Target not achieved and no improvement over previous year
	No result	Unable to measure

Measure	Actual 2021/22	Target 2022/23	Actual 2022/23		Commentary
			Result	Status	
Number of businesses that have been through a Tātaki Auckland Unlimited programme or benefited from a Tātaki Auckland Unlimited intervention	11,976	1200	1499		Over 2022/23, 1499 businesses have been through a TAUL programme or benefited from a TAUL intervention. This year's result is above the target of 1200. Some businesses benefitted from more than one programme or intervention. The target for this KPI was reduced in comparison to last year as a result of the Regional Business Partner programme (which historically contributed a large share of businesses for this KPI) being transferred to the Auckland Business Chamber. The result is also significantly below the result achieved last year when TAUL led the delivery of the Activate and Reactive Tamaki Makaurau COVID-19 business support programmes.
Number of Māori businesses that have been through a Tātaki Auckland Unlimited programme or benefited from a Tātaki Auckland Unlimited intervention	1080	150	101		Over 2022/23, 101 Māori businesses went through a TAUL programme or benefited from a TAUL intervention. This year's result fell short on the target of 150 businesses, reflecting TAUL's decision to pause the establishment of a dedicated Māori business team, following uncertainties regarding future funding. The result is also significantly below the result achieved last year when TAUL led the delivery of the Activate and Reactive Tamaki Makaurau COVID-19 business support programmes.
Attributable value of private sector investment secured over the year	\$197.2m	\$200m	\$325m		Over 2022/23 the estimated attributable value of private sector investment secured by TAUL was \$325m. This is above the target of \$200m and an increase on last year's result (\$197.2m). The largest contribution to this overall result came from attracting activity in the screen sector (72 per cent). The primary reason for the significant increase in value from last year was the reopening of borders and the removal of COVID-19 restrictions, allowing international screen activity to resume in Auckland.
The contribution to regional GDP from major events and business events attracted or supported	\$30.2m	\$37m	\$74.2m		The contribution to regional GDP from major events and business events attracted or supported by TAUL was an estimated \$74.2m. This result significantly exceeds the result from last year (which was significantly impacted by COVID-19 related cancellations and restrictions) and the target of \$37m. The largest contributors to the overall result were the Women's Rugby World Cup 2021 (played in 2022), the ITM Supersprint, the Ed Sheeran concerts and the Auckland Boat Show.



Notes to Statement of Service Performance

This Statement of Service Performance (SSP) has been prepared for Tātaki Auckland Unlimited Limited, in accordance with the requirements laid out in sections 66 to 68 of the Local Government Act (2002) and the Auckland Council CCO Accountability Policy. As a council-controlled organisation, Tātaki Auckland Unlimited’s role is to enrich the cultural and economic life of Tamaki Makaurau Auckland, providing benefits for Auckland and Aucklanders, rather than making a profit.

Disclosure of judgements

The service performance information presented in the SSP is based on two key sets of information:

1. The four key performance indicators (KPIs) set out in the TAU Statement of Intent (SOI) 2022–2025 that relate to Tātaki Auckland Unlimited Limited activity. The Statement of Intent is a requirement of CCOs, as described in Schedule 8 of the Local Government Act 2002. The SOI KPIs are based on the strategy outlined in Part 1 of the SOI which positions TAU to meet the expectations of council and Aucklanders. The KPIs are reviewed and agreed by the board on an annual basis as part of the SOI development process. They are also agreed with Auckland Council.
2. A qualitative description of other key highlights throughout the year that are not necessarily captured through the KPIs. These highlights are reviewed and agreed by the senior leadership team and the board before inclusion in the SSP.

KPI	EXPLANATION
Number of businesses that have been through a Tātaki Auckland Unlimited programme or benefited from a Tātaki Auckland Unlimited intervention	<p>Measurement of the number of businesses that have been through a TAU programme or benefited from a TAU intervention provides an indicator of the breadth of TAU’s reach across the economy. As a ratepayer funded organisation, TAU’s role is to develop the regional economy for the benefit of all Aucklanders and as part of this looks to maintain a wide reach across the economy.</p> <p>This KPI is measured via an internal process. The programmes and interventions run by TAU across the Industry and Investment, Māori Outcomes and Arts, Entertainment and Events rūpū are captured and defined. On a quarterly basis, details related to the businesses that have been through each programme or intervention are captured internally via TAU’s Customer Relationship Management and other internal systems.</p> <p>It is assumed that if a business has been through one of the defined TAU programmes or interventions, then they have benefited from this. No further verification of this is captured through this measure.</p> <p>The measure includes only businesses that went through a TAU programme or intervention and doesn’t capture the wider downstream benefits of each intervention. It also excludes individuals. Businesses that have been involved in multiple TAU programmes or interventions, are counted only once in the final result.</p>
Number of Māori businesses that have been through a Tātaki Auckland Unlimited programme or benefited from a Tātaki Auckland Unlimited intervention	<p>TAUL is the lead agency for the Kia ora te Umanga, Māori Business, Tourism and Employment priority within Kia Ora Tāmaki Makaurau, the council family’s Māori Outcomes Performance Measurement Framework. Measurement of the number of Māori businesses that have been through a TAU programme or benefited from a TAU intervention is one way that TAU can measure its role in helping Māori businesses to play a significant role in the growth of the Auckland economy.</p> <p>This is a sub measure of the total measure (Number of businesses that have been through a TAU programme or benefited from a TAU intervention). Where possible, Māori businesses have been self-defined and include businesses that consider themselves a Māori business due to full or partial ownership by a person or people who have Māori whakapapa. This definition aligns with the one used by Statistics NZ to define Māori businesses.</p>

Attributable value of private sector investment secured over the year

One of TAUL's key roles is to work collaboratively with others to help attract investment into the Auckland economy. Through our Statement of Intent, one of our key strategic priorities is increasing capital invested into Auckland for economic and cultural outcomes. As such, it is appropriate that TAUL measures the value of private sector investment secured each year.

For the purposes of this measure, TAUL has identified two key activities that attract direct private sector investment into Auckland. These activities are:

- 1. The attraction and support of screen production activity to Auckland (including film facilitation and the operation of Kumeu Film Studios and Auckland Film Studios).
- 2. The attraction and support of other business and investment to Auckland including through the InvestAKL digital platform.

The level of private sector investment from these activities is sourced directly from clients based on their best estimates of the level of investment they have or are intending to make into Auckland. The reported result relates to the level of investment secured over the year, but not necessarily occurring within the year. (e.g., securing a film deal that may happen the following season).

Recognising that TAUL usually collaborates with partners to secure investment activity, and is not solely responsible for investment occurring, a level of attribution is applied to each secured investment deal. The attribution level considers whether the investment activity would have occurred with or without TAUL's involvement (based on a client view) and the level of TAUL's involvement in securing the investment. On average, the level of attribution applied to screen investment deals is higher than that applied to general business investment deals due to TAUL's significant involvement in attracting screen deals, running and sourcing studio infrastructure, and facilitating filming activity in public spaces.

The contribution to regional GDP from major events and business events attracted or supported

Measurement of the contribution to regional GDP from major and business events attracted or supported reflects a key objective of TAUL's major and business event programmes to attract events that will contribute to growing Auckland's regional economy.

The estimated contribution to regional GDP from major events is sourced directly from evaluation undertaken by external event evaluation company Fresh Information using a mixture of primary research with event organisers and event attendees, desk-based research and historic results. Over 2022/23 the major event portfolio included 59 events held over the year that TAUL played a role in attracting or supporting. However, for the purposes of this measure, only 44 of these events were formally evaluated as the smaller and more locally focussed nature of the remaining 16 events meant they would have had no or negligible additional impact on regional GDP.

Estimates of the contribution to regional GDP from business events attracted or supported are also undertaken by Fresh Information. Each business event attracted or supported by TAUL is evaluated based on a mixture of post-event primary data provided by event organisers and pre-event estimates. The result includes the impact of 40 business events held over the year that TAUL played a role in attracting or supporting.

Measurement accounts for the net additional regional impact only (i.e. local spend by local residents and businesses is not included), and figures represent the total net impact of major and business events delivered and/or attracted and/or supported by TAUL that have occurred over 2022/23.



Annual Financial Report

30 June 2023

Statement of comprehensive revenue and expense for the year ended 30 June 2023

Pūrongo o ngā whiwhinga me ngā whakapaunga pūtea mō te tau i mutu i te 30 o Pipiri 2023

		2023 \$'000	2022 \$'000
	Notes		
REVENUE			
Service and other revenue	4	107,139	129,385
Interest Revenue		32	8
Total revenue		107,171	129,393
EXPENDITURE			
Personnel costs	5	(28,669)	(27,709)
Depreciation and amortisation	10,11	(1,633)	(1,870)
Finance costs		(1)	(1)
Other expenses	6	(70,359)	(101,829)
Total expenditure		(100,662)	(131,409)
(Deficit) / surplus before tax		6,509	(2,016)
Surplus / (deficit) from continuing operations		1,325	678
Income tax benefit	7	7,834	(1,338)
Surplus / (deficit) after tax		7,834	(1,338)
(DEFICIT) OR SURPLUS IS ATTRIBUTABLE TO:			
Equity holders of Tātaki Auckland Unlimited Limited		7,834	(1,338)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR IS ATTRIBUTABLE TO:			
Equity holders of Tātaki Auckland Unlimited Limited		7,834	(1,338)

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 25.

Statement of changes in equity for the year ended 30 June 2023

Pūrongo o te panoni rawa pūtea mō te tau i mutu i te 30 o Pipiri 2023

	Contributed equity	Accumulated funds	Restricted Reserved	Total equity
Notes	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2021	4,377	6,755	-	11,132
COMPREHENSIVE REVENUE AND EXPENSE				
(Deficit) / surplus for the year	-	(1,338)	-	(1,338)
Balance as at 30 June 2022	4,377	5,417	-	9,794
Balance as at 1 July 2022	4,377	5,417	-	9,794
COMPREHENSIVE REVENUE AND EXPENSE				
Surplus / (deficit) for the year	-	7,834	-	7,834
Transfer to restricted reserves	-	(6,960)	6,960	-
Balance as at 30 June 2023	4,377	6,291	6,960	17,628

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 25.



Statement of financial position as at 30 June 2023

Pūrongo o te tahua pūtea i te 30 o Pipiri 2023

	Notes	2023 \$'000	2022 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		5	72
Trade and other receivables	9	40,097	47,881
Total current assets		40,102	47,953
NON-CURRENT ASSETS			
Property, plant and equipment	10	7,395	10,405
Intangible assets	11	1	1
Non-current - Accrued income		-	82
Total non-current assets		7,396	10,488
Total assets		47,498	58,441
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	22,441	40,585
Employee entitlements	13	2,031	2,128
Provisions	14	3,254	1,803
Total current liabilities		27,726	44,516
NON-CURRENT LIABILITIES			
Trade and other payables	12	1,507	1,810
Provisions	14	53	412
Deferred tax liabilities	15	584	1,909
Total non-current liabilities		2,144	4,131
Total liabilities		29,870	48,647
Net assets		17,628	9,794
EQUITY			
Share capital	16	-	-
Contributed equity	16	4,377	4,377
Accumulated surplus / (deficit)	16	6,291	5,417
Restricted reserve	16	6,960	-
Total equity		17,628	9,794

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 25.



Statement of cash flows for the year ended 30 June 2023

Pūrongo o te kapewhiti pūtea mō te tau i mutu i te 30 o Pipiri 2023

	Notes	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		31	8
Receipts from council funding, customers and other services		96,107	121,930
Payments to suppliers and employees		(95,063)	(121,804)
Goods and services tax (GST) received from / (paid to) IRD		(251)	(869)
Other cash flows from operating activities		(429)	1
Net cash from operating activities	17	395	(734)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposals / (purchases) of property, plant and equipment		(595)	(257)
Other cash flows from investing activities		133	-
Net cash from investing activities		(462)	(257)
CASH FLOWS FROM FINANCING ACTIVITIES			
Other cash flows from financing activities		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(67)	(991)
Cash and cash equivalents at the beginning of the period		72	1,063
Cash and cash equivalents at end of the year		5	72

The GST component of cash flows from operating activities reflects the net GST paid to and received from Inland Revenue. The GST 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 notes to the financial statements form part of, and should be read in conjunction with, these financial statements. Explanations of major variances against budget are provided in Note 25.

01 General information / Ngā pārongo matua

Reporting Entity

Tātaki Auckland Unlimited Limited is a Council-controlled organisation (CCO) and a wholly owned subsidiary of Auckland Council (the shareholder).

The company is also the corporate trustee for Tātaki Auckland Unlimited Trust, the Trust.

Background

In August 2020, an independent panel reviewed Auckland Council's CCOs and recommended that two of the CCOs, Regional Facilities Auckland Limited (RFAL) and Auckland Tourism, Events and Economic Development Limited (ATEED), be merged. The Auckland Council Governing Body met on 27 August 2020 and approved this recommendation to be effective 1 December 2020. Regional Facilities Auckland Limited, as the continuing entity, changed its name to Auckland Unlimited Limited effective from 1 December 2020.

The Governing Body delegated to the Auckland Council Chief Executive, the ability to facilitate the transition and establishment of the merged entity, with effect from 1 December 2020.

On 1 December 2020, ATEED amalgamated into RFAL, the continuing entity.

The performance measures from the statement of intent (SOI) included in the statement of service performance report, reflects the measures assigned to this entity on amalgamation, and were approved by Auckland Council on 24 November 2020 and came into effect on 1 December 2020.

Tātaki Auckland Unlimited Limited, a 100 per cent owned subsidiary of Auckland Council, continues to be the corporate trustee of Tātaki Auckland Unlimited Trust, a charitable trust.

Nature of Business

TAUL has a strong focus on working with a range of public and private sector partners to support the growth of quality jobs for all Aucklanders, and helping make Auckland a desirable place to live, work, visit, invest and do business. This has been achieved by developing Auckland's culture of innovation and entrepreneurship, recognising that innovation is a crucial driver of sustained revenue and business growth. Additional areas of focus include raising Auckland's international profile, developing improved international connectivity through trade, and driving the attraction of new business and investment. Today TAUL both leads and supports Auckland Council's interventions in local board economic development, screen attraction, tourism, major events, Auckland Convention Bureau, international students, innovation and entrepreneurship, and business attraction and investment.

TAUL does not have the primary objective of making a financial return. TAUL is designated as a public benefit entity and applies New Zealand Tier 1 Public Benefit Entity Accounting Standards (PBE Accounting Standards).

The financial statements of TAUL are for the year ended 30 June 2023. The financial statements were authorised for issue by the Board of Directors, on the date they were signed.



02 Summary of significant accounting policies

He whakarāpopotonga o ngā kaupapa here matua mō ngā take kaute

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently for the period 1 July 2022 to 30 June 2023.

Statement of compliance

The financial statements of TAUL have been prepared in accordance with the requirements of section 69 of the Local Government Act 2002 and the Companies Act 1993, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

TAUL is a public sector public benefit entity (PBE) as defined under the External Reporting Board (XRB) Standard A1.

These financial statements comply with International Public Sector Accounting Standards (IPSAS) and other applicable financial reporting standards as appropriate for public benefit entities designated Tier 1.

TAUL's significant accounting policies have been applied on a consistent basis.

Measurement base

These financial statements have been prepared under the historical cost convention, except for financial instruments.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000).

Implementation of new and amended accounting standards

PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 Financial Instruments was issued in March 2019. It is effective for reporting periods beginning on or after 1 January 2022. TAUL has adopted PBE IPSAS 41 Financial Instruments, and the adoption did not result in any significant impact on TAUL's financial statements.

Standards issued but not yet effective

TAUL will adopt the following accounting standard in the reporting period after the effective date.

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. These are not expected to have any significant impact on TAUL's financial statements.

All other standards, interpretations and amendments for the current year are either not applicable to TAUL or are not expected to have a material impact on the financial statements, and therefore have not been disclosed.

2.2 Foreign currency translation

Foreign currency transactions (including those for which 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 are recognised in the statement of comprehensive revenue and expense.

2.3 Property, plant and equipment

Property, plant and equipment consists of fitout for leased premises, plant and machinery, computer equipment, furniture, fittings and equipment and capital work in progress.

Initial recognition

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses, if any.

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 TAUL, and the cost of the item can be measured reliably.

Plant and 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 proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit in the statement of comprehensive revenue and expense.

Depreciation

Depreciation on all property, plant and equipment, is provided on a straight line basis at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The residual value and remaining useful life of an asset is reviewed, and adjusted if applicable, at each financial period end. The useful lives of major classes of assets have been estimated as follows:

Class of asset depreciated	Estimated useful life (years)
Leased assets	1-14
Plant & machinery	1-15
Furniture, fittings & equipment	1-14
Computer equipment	1-8

Capital work in progress

Capital 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.

Carrying amount

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

2.4 Intangible assets

Computer software

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring to use. Costs are amortised using the straight-line method over their estimated useful lives (1 to 8 years).

Costs directly associated with the development of identifiable and unique software products for internal use are recognised as an intangible asset to the extent it is probable such costs are expected to be recoverable.

Computer software development costs recognised as assets are amortised using the straight line method over their estimated useful lives (not exceeding 3 years).

2.5 Impairment of non-financial assets

At each balance date TAUL reviews the carrying amounts of its other tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, TAUL estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units; otherwise, they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable value. An impairment loss is recognised immediately in the surplus or deficit in the statement of comprehensive revenue and expense.

2.6 Trade and other receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for expected credit loss arising from non-payment. There is no concentration of TAUL credit risk with respect to trade receivables as there are a large number of customers. Related-party receivables are predominantly with entities within the Auckland Council (ultimate parent) group structure. TAUL does not hold any collateral or other credit enhancements over these balances as security. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit in the statement of comprehensive revenue and expense.

Provision for impairment of trade receivables

TAUL has determined a provision for impairment of receivables based on an expected credit loss model. It has applied the simplified approach to providing for expected credit losses, which requires the recognition of a lifetime expected loss provision for trade receivables. The calculation of the allowance provision incorporates forward-looking information, such as forecasted economic conditions.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, 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.

2.8 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

2.9 Current and deferred income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax

Deferred tax is recognised on the temporary difference

between the carrying amount of assets and liabilities and their taxable value. Deferred tax assets are not recognised unless recovery is considered probable.

As a member of the Auckland Council consolidated group, any tax liability of members of the group are offset against losses available from other group member(s), so that no tax is payable by TAUL.

2.10 Goods and Services Tax (GST)

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

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

2.11 Employee entitlements

Short term employee entitlements

Short-term employee benefits, including annual leave, are recognised as an expense over the period in which they accrue. Benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are accrued based on entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, but not yet taken at balance date and long service entitlements expected to be settled within 12 months.

Superannuation schemes

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



2.12 Revenue recognition

Revenue is comprised of exchange and non-exchange transactions. Exchange transaction revenue arises when one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange.

Non-exchange transaction revenue arises from transactions without an apparent exchange of approximately equal value. Non-exchange revenue includes grants, subsidies and sponsorship.

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue are explained below:

Funding from Auckland Council

Funding is recognised as revenue upon entitlement based on the eligibility of expenditure in accordance with the statement of intent between TAUL and Auckland Council.

Grants and sponsorships received

Council, government, and non-government grants and sponsorships are received as assistance for specific purposes and these grants or sponsorships usually contain restrictions on their use. They are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant or sponsorship agreement are not met. If there is such an obligation, the grants or sponsorships are initially recorded as grants or sponsorships received in advance and recognised as revenue when conditions of the contract are satisfied.

In 2022, TAUL received significant grant funding from the COVID-19 Response and Recovery Fund to support Auckland businesses impacted by the prevailing COVID-19 alert restrictions. This COVID-19 Response and Recovery grant funding of \$62.6m was recognised in 2022 as non-exchange revenue in terms of two support packages (Activate Tāmaki Makaurau Support Package \$46.1m; Reactivating Tāmaki Makaurau Auckland Support Package \$16.5m). These funds were not fully utilised in 2022, and \$7.3m has been distributed in 2023 (Activate Tāmaki Makaurau Support Package \$5.7m; Reactivating Tāmaki Makaurau Auckland Support Package is \$1.6m).

Lease, license to occupy and membership revenue

Rental revenue from operating leases and licence to occupy agreements are recognised as revenue on a straight line basis over the lease and agreement term. Membership revenue relates to short term membership access to TAUL facilities, usually a seat/desk that is paid for on a monthly cycle.



Provision of services

Provision of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Goods or services revenue

Revenue from the sale of goods or services is recognised when a product is sold, or service is provided to the customer. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Interest revenue

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

2.13 Leases

TAUL as Lessee

TAUL leases property, plant and equipment. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the surplus or deficit in the statement of comprehensive revenue and expense on a straight-line basis over the period of the lease.

TAUL as Lessor

TAUL subleases property to third parties under operating leases. Rental revenue (net of any incentives given to lessees) is recognised on a straight-line basis over the period of the lease.

2.14 Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, it is probable that there will be a future outflow of resources, and the amount of the provision can be reliably measured.

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

A restructuring provision is recognised when an approved, detailed, formal plan for the restructuring has either been announced to those affected, or for which implementation has already started.

2.15 Equity

Equity is the Auckland Council's interest in TAUL, being a council controlled organisation, as measured by total assets less total liabilities. Equity has been classified into various components to identify those portions of equity held for specific purposes. The components of equity are:

- Accumulated funds
- Contributed equity
- Restricted reserves

Contributed equity represents the transfer of assets on establishment of TAUL.

TAUL's objectives, policies and processes for managing capital are discussed in Note 24.





03 Significant judgements and estimates

Ngā whakapae me ngā whakatau tata

In preparing these financial statements TAUL has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been included below.

3.1 Grant and sponsorship revenue

Judgement is exercised when recognising revenue from grants or sponsorship to determine if conditions of the contract have been satisfied. The judgement will be based on the facts and circumstances that are evident for each contract.

3.2 Major events contracts

TAUL enters into contractual arrangements for hosting, delivering and/or sponsoring major events. Where there is a clear obligation to pay, regardless of the timing and occurrence of the event, this will be recognised as an expense and liability in the year the obligation falls due.

TAUL uses judgement to determine the likelihood of an event happening. This will consider, amongst other things, history of the event or event holder, publicity and contractual clauses. In most cases, if a contract has been entered into to provide financial support to an event, it is assumed that the event will happen.

3.3 Grant and contributions 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 TAUL has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by TAUL, and approval has been communicated to the applicant. Discretionary grants awarded have no substantive conditions attached.

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

At each balance date, TAUL reviews the useful lives and residual values of its property, plant, and equipment. Assessing the appropriateness of useful life and residual value estimates requires TAUL to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by TAUL, 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 in the statement of comprehensive revenue and expense and the asset's carrying amount. TAUL minimises the risk of this estimation uncertainty by:

- Physical inspection of assets
- Asset replacement programmes
- Review of second hand market prices for similar assets
- Analysis of prior asset sales.

TAUL has not made significant changes to past assumptions concerning useful lives and residual value.

04 Service and other revenue

Ngā ratonga me ngā moniwhiwhi

	2023 \$'000	2022 \$'000
REVENUE FROM NON-EXCHANGE TRANSACTIONS		
Operating funding from Auckland Council	57,557	42,983
Capital funding from Auckland Council	400	327
Grants and subsidies *	30,435	69,866
Sponsorships	241	83
Total revenue from non-exchange transactions	88,633	113,259
REVENUE FROM EXCHANGE TRANSACTIONS		
Rental, license and membership revenue	14,904	13,300
Other transfer revenue	3,602	2,826
Total revenue from exchange transactions	18,506	16,126
Total service and other revenue	107,139	129,385

* Includes \$7,294,000 grants received relating to Activate and Reactivate government support packages (FY22 \$62,679,000).

05 Personnel costs

Ngā utu kaimahi

	2023 \$'000	2022 \$'000
PERSONNEL COSTS		
Salaries and wages	26,089	25,764
Defined contribution plan employer contributions	763	728
Redundancy expense	2,162	994
Other staff expenses	(131)	(187)
(Decrease) / increase in employee entitlements	(214)	410
Total personnel expenses	28,669	27,709

For the year ended 30 June 2023, TAUL made severance payments to employees totalling \$577,000 (2022: \$124,000).

Personnel costs also include employees for project activity covered by external grant funding.

06 Other expenses

Ētahi atu whakapaunga

	2023 \$'000	2022 \$'000
OTHER EXPENSES		
Fees paid for audit services *	156	149
<i>Fees paid to principal auditor for audit of financial statements</i>		
Service delivery contracts	3,554	1,471
Impairment of receivables	38	(3)
Marketing expenses	5,504	5,079
Professional services	11,775	10,806
Repairs and maintenance	1,147	736
Utilities and occupancy	12,925	15,629
Other operating expenses	7,164	5,276
Directors' fees and expenses	389	402
Grant, contributions and sponsorship **	27,742	62,157
Loss on sale of other assets	-	-
Deficit / (surplus) on disposal of assets	-	5
Interest expense	(32)	36
Impairment of assets	-	88
Net foreign exchange loss	(3)	(2)
Total other expenditure	70,359	101,829

* The auditors of the financial statements are Audit New Zealand. Other than fees in relation to the audit of the financial statements, no other remuneration was paid. The FY2023 full year fees paid for audit services was \$156,000, compared to FY2022 \$149,000

** Includes \$6,291,000 grants paid out relating to Activate and Reactivate support packages (2022 \$55,153,541).

Other operating expenses comprise mainly operating lease expenses, travel costs, venue hire, shared service costs for services delivered by related parties, and operational & software maintenance costs.



07 Income tax (benefit) expense

Te whakapaunga tāke (takuhe) moniwhiwhi

	2023 \$'000	2022 \$'000
COMPONENTS OF INCOME TAX EXPENSE		
Current tax expense	-	-
Deferred tax	(1,325)	(678)
Total income tax (benefit) / expense	(1,325)	(678)

RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING (DEFICT) / SURPLUS

Net (deficit) / surplus before tax	6,508	(2,016)
Less net (deficit) / surplus from non-taxable activities	-	-
Surplus / (deficit) before tax	6,508	(2,016)
Prima facie income tax at 28%	1,822	(564)
Taxation effect of permanent differences	(79)	(57)
Other - difference in movement between statement of taxable income & deferred tax	(385)	85
Timing difference of expense not recognised	-	132
Loss offset	(2,683)	(274)
Effect of deferred tax not recognised - current year	-	-
Tax credits	-	-
Total income tax (benefit) / expense	(1,325)	(678)

08 Imputation Credit Account

He pūtea tāwere hīkaro uara

TAUL is part of the Auckland Council consolidated tax group and does not maintain its own imputation credit account. The total imputation credit available for use by each of the members of the consolidated income tax group amount is \$3 million (2022: \$3 million).

09 Trade and other receivables

Ngā tauhokohoko me ngā whiwhinga

	2023 \$'000	2022 \$'000
CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Trade receivables	4,496	4,271
Sundry receivables	1,654	1,184
Prepayments	407	468
Total current receivables from exchange transactions	6,557	5,923
CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Related party receivables	33,540	40,886
Goods and services tax	-	1,072
Total current receivables from non-exchange transactions	33,540	41,958
Total trade and other receivables	40,097	47,881

As at 30 June 2023, trade receivables of \$4,496,000 were due (2022: \$4,271,000). Impairment of receivables has been provided for of \$24,000 (2022: \$29,000).

Provisioning has been based on the expected credit loss model (refer Note 2.6). The aging analysis and provisioning is shown below.

	2022 Gross carrying amount \$'000	Expected loss rate	2022 Expected loss \$'000
AGING ANALYSIS AND PROVISIONING 2022			
Current	344	0.0%	-
Past due 1-60 days	3,865	(0.2)%	(6)
Past due 61-90 days	16	0.0%	-
Past due 90+ days	46	(50.0)%	(23)
Total current trade receivables	4,271		(29)

	2023 Gross carrying amount \$'000	Expected loss rate	2023 Expected loss \$'000
AGING ANALYSIS AND PROVISIONING 2023			
Current	1,676	0.0%	-
Past due 1-60 days	1,999	(1.0)%	(26)
Past due 61-90 days	682	0.0%	-
Past due 90+ days	139	(30.0)%	(42)
Total current trade receivables	4,496		(68)



10 Property, plant and equipment

Ngā rawa, ngā whare umanga, me ngā taputapu

	1 JULY 2021			PRIOR YEAR MOVEMENTS						30 JUNE 2022		
	Opening cost \$'000	Opening accumulated depreciation \$'000	Opening carrying amount \$'000	Additions \$'000	Disposal cost \$'000	Disposal accumulated depreciation \$'000	Transfers \$'000	Impairment charges \$'000	Depreciation \$'000	Cost \$'000	Accumulated depreciation & impairment charges \$'000	Carrying amount \$'000
OPERATIONAL ASSETS												
At cost												
Leased asset *	15,497	(5,498)	9,999	(15)	-	-	88	-	(1,419)	15,570	(6,917)	8,653
Plant and machinery	425	(292)	133	-	(99)	2	189	-	(44)	515	(334)	181
Computer equipment	1,136	(1,113)	23	-	-	-	2	-	(20)	1,138	(1,133)	5
Furniture, fittings and equipment	3,184	(1,456)	1,728	-	(31)	16	48	-	(387)	3,201	(1,827)	1,374
Capital work in progress	92	-	92	427	-	-	(327)	-	-	192	-	192
Total operational assets	20,334	(8,359)	11,975	412	(130)	18	-	-	(1,870)	20,616	(10,211)	10,405

	1 JULY 2022			CURRENT YEAR MOVEMENTS						30 JUNE 2023		
	Opening cost \$'000	Opening accumulated depreciation \$'000	Opening carrying amount \$'000	Additions \$'000	Disposal cost \$'000	Disposal accumulated depreciation \$'000	Transfers \$'000	Impairment charges \$'000	Depreciation \$'000	Cost \$'000	Accumulated depreciation & impairment charges \$'000	Carrying amount \$'000
OPERATIONAL ASSETS												
At cost												
Leased asset *	15,570	(6,917)	8,653	-	(2,165)	936	127	-	(1,197)	13,532	(7,178)	6,354
Plant and machinery	515	(334)	181	-	(77)	2	60	-	(44)	498	(376)	122
Computer equipment	1,138	(1,133)	5	-	-	-	22	-	(10)	1,160	(1,143)	17
Furniture, fittings and equipment	3,201	(1,827)	1,374	-	(783)	407	101	-	(382)	2,519	(1,802)	717
Capital work in progress	192	-	192	403	(100)	-	(310)	-	-	185	-	185
Total operational assets	20,616	(10,211)	10,405	403	(3,125)	1,345	-	-	(1,633)	17,894	(10,499)	7,395

*Leased assets relate to the fitout costs for GridAKL. There are two buildings that TAUL (as head lessees) are sub leasing (Lysaght and Madden Street). Capital expenditure funded by Auckland Council this reporting period was \$400,000 (2022: \$327,000).

11 Intangibles

Ngā rawa ōkiko kore

	1 JULY 2021			PRIOR YEAR MOVEMENTS						30 JUNE 2022		
	Opening cost	Opening accumulated amortisation	Opening carrying amount	Additions	Disposal cost	Disposal accumulated amortisation	Transfers	Impairment charges	Amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AT COST												
Computer software	11	(9)	2	-	-	-	-	-	(1)	11	(10)	1
	1 JULY 2022			CURRENT YEAR MOVEMENTS						30 JUNE 2023		
	Opening cost	Opening accumulated amortisation	Opening carrying amount	Additions	Disposal cost	Disposal accumulated amortisation	Transfers	Impairment charges	Amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
AT COST												
Computer software	11	(10)	1	-	-	-	-	-	-	11	(10)	1



12 Trade and other payables

Ngā tauhokohoko me ngā nama utu

	2023 \$'000	2022 \$'000
CURRENT TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables	2,584	3,066
Accrued expenses	5,904	6,847
Sundry payables	4,001	6,242
Revenue in advance	355	355
Total current trade and other payables from exchange transactions	12,844	16,510
CURRENT TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS		
Related party payables	3,646	205
Lease inducement payment	303	326
Goods and services tax	204	-
Revenue in advance*	5,444	23,544
Total current trade and other payables from non-exchange transactions	9,597	24,075
Total current trade and other payables	22,441	40,585
NON CURRENT TRADE AND OTHER PAYABLES FROM NON-EXCHANGE TRANSACTIONS		
Lease inducement payment	1,507	1,810
Total non current trade and other payables from non-exchange transactions	1,507	1,810
Total trade and other payables	23,948	42,395

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

* 2022 includes revenue in advance of \$17,008,427 relating to Activate and Reactivate support packages.

13 Employee entitlements

Ngā tikanga kaimahi

	2023 \$'000	2022 \$'000
CURRENT		
Annual leave	1,528	1,724
Accrued salaries and wages	503	404
Total current	2,031	2,128
Total employee benefit liabilities	2,031	2,128

14 Provisions Ngā whakarato

	Staff costs \$'000	Other \$'000	Total \$'000
CURRENT PROVISIONS			
Opening balance 1 July 2021	616	7	623
Additional provisions and increases to existing provisions	1,241	471	1,712
Amounts used	(432)	-	(432)
Reversal of previously recognised provisions	(97)	(3)	(100)
Balance 30 June 2022	1,328	475	1,803
Opening balance 1 July 2022	1,328	475	1,803
Additional provisions and increases to existing provisions	2,165	17	2,182
Amounts used	-	-	-
Reversal of previously recognised provisions	(728)	(3)	(731)
Balance 30 June 2023	2,765	489	3,254
NON CURRENT PROVISIONS			
Opening balance 1 July 2021	-	391	391
Additional provisions and increases to existing provisions	-	21	21
Amounts used	-	-	-
Reversal of previously recognised provisions	-	-	-
Balance 30 June 2022	-	412	412
Opening balance 1 July 2022	-	412	412
Additional provisions and increases to existing provisions	-	-	-
Amounts used	-	-	-
Reversal of previously recognised provisions	-	(359)	(359)
Balance 30 June 2023	-	53	53



15 Deferred tax liability

Ngā pūnama o ngā tāke tārewa

Movements in deferred tax comprise:

	Notes	Property, plant and equipment \$'000	Provisions \$'000	Total \$'000
MOVEMENTS IN DEFERRED TAX				
Opening balance 1 July 2021		3,353	(766)	2,587
(Credited) / charged to (deficit) / surplus	7	(440)	(238)	(678)
Balance 30 June 2022		2,913	(1,004)	1,909
Opening balance 1 July 2022		2,913	(1,004)	1,909
(Credited) / charged to (deficit) / surplus	7	(843)	(482)	(1,325)
Balance 30 June 2023		2,070	(1,486)	584

16 Equity

Tūtanga

	2023 \$'000	2022 \$'000
TĀTAKI AUCKLAND UNLIMITED LIMITED		
Equity contributed by disestablished councils	3,458	3,458
Equity contributed by disestablished CCOs	919	919
Total	4,377	4,377
SHARE CAPITAL		
Share capital	-	-
CONTRIBUTED EQUITY		
Balance 1 July	4,377	4,377
Balance 30 June	4,377	4,377
ACCUMULATED SURPLUS / (DEFICIT)		
Balance at 1 July	5,417	6,755
Surplus / (deficit) surplus for the year	7,834	(1,338)
Contribution to restricted equity	(6,960)	-
Balance at 30 June	6,291	5,417
RESTRICTED EQUITY		
Balance at 1 July	-	-
Contribution from accumulated funds	6,960	-
Balance at 30 June	6,960	-
Total equity	17,628	9,794

Share Capital

Share capital comprises 1,000 ordinary shares issued (2022: 1,000 ordinary shares issued).

Contributed equity

Contributed equity represents the amount of net assets arising on amalgamation on 1 December 2020. These contributions originally arose in 2010, in the former ATEED, as a result of the disestablishment of previous Auckland councils and council-controlled entities, and establishment of Auckland Council and its newly created council-controlled entities.

Accumulated surplus

Accumulated surplus / (deficit) represents the surpluses and deficits earned by the entity and

that have been retained since TAUL's amalgamation on 1 December 2020, plus the current year's surplus and movement. The accumulated surplus / (deficit) is net of any deferred tax adjustments applicable (refer note 3.6).

Restricted equity

TAUL set aside specific amounts of retained surpluses in relation to its Major Events Fund (2023: \$6,500,000) and Destination Partnership Fund (2023: \$460,000). Specially, these funds have been set aside to support future major events in and around Auckland, and to promote Auckland as a destination for travellers. As costs are incurred, they are recognised through profit and loss in the period to which they relate, and the corresponding funds are transferred to retained earnings.

17 Reconciliation of net (deficit) surplus after tax to net cash inflow from operating activities

Aromātai kurutete o te tōpūtanga (tarepa) more mō muri i te utu tāke ki ngā moniwhiwhi more i ngā whakahaere hinonga

	Notes	2023 \$'000	2022 \$'000
RECONCILIATION OF NET (DEFICIT) / SURPLUS AFTER TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
(Deficit) / surplus after tax		7,834	(1,338)
ADD/(LESS) NON-CASH ITEMS:			
Depreciation and amortisation expense	10,11	1,633	1,871
Other losses and (gains)		(65)	(1,147)
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL:			
Trade and other receivables	9	7,988	(19,218)
Trade and other payables	12	(18,348)	17,756
Provisions	14	1,451	1,180
Employee benefits	13	(98)	162
Net cash inflow (outflow) from operating activities		395	(734)

18 Commitments and operating leases

Ngā takohanga me ngā rīhi whakahaere

In August 2021, TAUL received notices of contract termination in respect of some Auckland film studio sites effective August 2022.

TAUL is a Lessor in those contracts, and as TAUL also leases film studios from other parties, is also recognised as a Lessee

. Both Lessor and Lessee contracts are treated as operating leases and accounted for under PBE IPSAS 13 Leases.

18.1 Operating leases as lessee

TAUL leases property, plant and equipment in the normal course of its business. The majority of these leases have a

non-cancellable term, varying from 1 to 14 years. The future aggregate minimum lease payments payable under

non-cancellable operating leases are as follows:

	2023 \$'000	2022 \$'000
MINIMUM OPERATING LEASE PAYMENTS PAYABLE:		
Less than one year	8,898	11,960
Between one and five years	27,967	28,944
More than five years	5,875	11,609
Total non-cancellable operating leases as lessee	42,740	52,513

18.2 Operating leases as lessor

TAUL subleases property to third parties under operating leases. The leases contain non-cancellable periods ranging from 1 month to 12 years.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2023 \$'000	2022 \$'000
MINIMUM OPERATING LEASE PAYMENTS RECEIVABLE:		
Less than one year	5,108	10,800
Between one and five years	16,293	16,884
More than five years	3,997	7,861
Total non-cancellable operating leases as lessor	25,398	35,545

19 Contingencies

Ngā tikanga tūpono

TAUL does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact that they cannot be reliably measured. Contingent liabilities and assets are assessed continually to ensure that developments are appropriately reflected in the financial notes.

TAUL has no quantifiable contingent assets or contingent liabilities at 30 June 2023.

Disclosures are provided for as follows:

19.1 Unquantifiable contingent lease liability

TAUL inherited a lease obligation with the lease entered into prior to TAUL formation (pre-2011). TAUL is responsible for a share of the remaining lease term if a specific event occurs, however at balance date this was confirmed as unlikely. Potential liability is unquantifiable, uncertain, and unlikely.





20 Related party transactions

Ngā kurutete a te hunga hāngai

Auckland Council is the ultimate parent of TAUL as outlined in Note 1. Auckland Council has other CCO's that TAUL also transacted with during the period including Auckland Transport, Watercare, and Eke Panuku Development Auckland, as well as in its capacity of Trustee of Tātaki Auckland Unlimited Trust.

Related parties include key management personnel, the Directors of the Board and their close family members and entities controlled by them. Key management personnel are the Chief Executive and executive leadership team. Close family members are spouses or domestic parties, children, dependents.

Related party disclosures have not been made for transactions with related parties that are within a

normal supplier or client/recipient relationship on the terms and condition no more or less favourable than those that it is reasonable to expect TAUL would have adopted in dealing with the party at arm's length in the same circumstances.

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

All related party transactions have been at an arm's length.

21 Remuneration

Te whiwhi pūtea

	2023 \$'000	2022 \$'000
KEY MANAGEMENT REMUNERATION		
Director Fees	389	402
Senior management salaries and other short-term benefits	2,955	4,234
Total key management remuneration	3,344	4,636

	2023	2022
SENIOR MANAGEMENT TEAM INCLUDING CHIEF EXECUTIVE		
Full-time equivalent members	8	11
Remuneration (\$'000)	2,955	4,234

A management fee has been charged to Tātaki Auckland Unlimited Trust to reflect the share of costs relating to the Tātaki Auckland Unlimited Limited executive leadership team. Management fee for 2023 of \$1,544,000 (2022 Management fee \$1,996,000).

	2023 Number of employees	2022 Number of employees
THE NUMBER OF EMPLOYEES RECEIVING TOTAL ANNUAL REMUNERATION OF LESS THAN \$60,000, AND \$60,000 OR MORE IN BANDS OF \$20,000*		
<\$60,000	8	11
\$60,000 - \$79,999	41	40
\$80,000 - \$99,999	59	56
\$100,000 - \$119,999	41	41
\$120,000 - \$139,999	29	37
\$140,000 - \$159,999	22	15
\$160,000 - \$179,999	9	12
\$180,000 - \$199,999	8	7
\$200,000 - \$219,999	2	3
\$220,000 - \$239,999	-	2
\$240,000 - \$259,999	-	-
\$260,000 - \$279,999	1	1
\$280,000 - \$299,999	1	2
\$300,000 - \$319,999	2	3
\$320,000 - \$339,999	2	-
\$340,000 - \$399,999	-	-
\$400,000 - \$419,999	-	1
\$420,000 - \$439,999	1	-
\$440,000 - \$499,999	-	-
\$500,000 - \$519,999	-	1
\$520,000 - \$539,999	1	-

* Remuneration includes employees for project activity covered by external grant funding.

21 Remuneration

Te whiwhi pūtea

	2023 \$'000	2022 \$'000
DIRECTORS' REMUNERATION BY DIRECTOR		
Victoria Salmon (Chair Appointment 1 April 2023)	21	-
Jannah Wootten (Deputy Chair)	72	51
Carol Cheng	47	48
Fabian Partigliani (retired 31 Oct 2022)	16	43
Daniel Walker	41	34
Jennifer Rolfe	47	48
Alastair Carruthers	42	41
Hinurewa te Hau	41	41
Evan Davies (retired 31 Oct 2021)	-	14
Graeme Stephens (appointment 1 Nov 2022)	28	-
Mark Franklin (ceased 14 Nov 2022)	34	82
Total directors' remuneration	389	402

Effective 1 July 2021, directors' fees are accounted in their entirety in Tātaki Auckland Unlimited Limited, and a trustee fee has been charged to Tātaki Auckland Unlimited Trust to reflect the Trust's share of costs relating to the Tātaki Auckland Unlimited Directors. Trustee fee 2023: \$221,528 (2022: \$221,026).

22 Subsequent events occurring after the balance date

Ngā tūāhuatanga whai muri i te rā tapeke

There were no significant events occurring after the balance date.

23 Financial risk management

Ngā whakahaere tūraru ahumoni

TAUT's financial assets comprise cash and cash equivalents, trade and other receivables and have been categorised as loans and receivables.

Financial liabilities are trade and other payables (excluding revenue in advance), borrowing, and finance leases

	Notes	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
FINANCIAL ASSETS					
Trade and other receivables	9	40,073	47,881	40,073	47,881
Cash and cash equivalents		5	72	5	72
Total financial assets		40,078	47,953	40,078	47,953
FINANCIAL LIABILITIES					
Trade and other payables	12	(23,924)	(42,395)	(23,924)	(42,395)
Total financial liabilities		(23,924)	(42,395)	(23,924)	(42,395)
Net financial assets (liabilities)		16,154	5,558	16,154	5,558

Financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognised initially at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the surplus or deficit.

Financial liabilities are initially recorded at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

Financial instrument risk

TAUT's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Management has a series of policies to

manage the risks associated with the financial instruments and seeks to minimise the exposure on those instruments. TAUL is risk-averse and manages its exposure to key financial risks by applying policies that do not allow it to enter any transactions which are speculative in nature.

Classification and measurement of financial instruments

TAUL classifies its financial instruments in the following categories:

- at fair value through surplus or deficit (FVTSD)
- at fair value through other comprehensive revenue and expenditure (FVTOCRE)
- at amortised cost.





24 Capital management

Ngā whakahaere ā-pūtea

TAUL's equity comprises contributed equity and accumulated funds. Equity is represented by total assets less total liabilities. The Local Government Act 2002 requires TAUL to manage its revenues, expenses, assets, liabilities and general financial dealings prudently to meet its long term objective of remaining a going concern, and in a way that promotes the current and future interests of the community. Equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

25 Variances against budget in the statement of intent (SOI)

Ngā rerekētanga i te mahere pūtea me te tauākī whakamaunga atu (SOI)

	Actual	Budget	Variance
	2023	2023	2023
	\$'000	\$'000	\$'000
OPERATING BUDGET			
Revenue			
Operating funding from Auckland Council	57,557	60,748	(3,191)
Fees, user charges and other revenue	18,779	15,071	3,708
Subsidies and grants	30,435	7,503	22,932
Total revenue	106,771	83,322	23,449
Expenditure			
Personnel costs	28,670	31,320	2,650
Other employee benefits	471	633	162
Employee benefits	29,141	31,953	2,812
Depreciation and amortisation	1,633	2,986	1,353
Grant, contributions and sponsorship	27,742	10,052	(17,690)
Other operating expenses	42,147	41,317	(830)
Total expenses	100,663	86,308	(14,355)
Net operating revenue	6,108	(2,986)	9,094
CAPITAL BUDGET			
Capital funding from Auckland Council	400	384	16
Total capital expenditure	400	384	16
(Deficit) / surplus before tax	6,508	(2,602)	9,110

25 Variances against budget in the statement of intent (SOI)

Ngā rerekētanga i te mahere pūtea me te tauākī whakamaunga atu (SOI)

Operating funding from Auckland Council	Additional revenue, and operational efficiencies resulted in requiring less operating funding from Auckland Council
Fees, user charges and other revenue	Additional property rental higher than budget allowance
Subsidies and grants	External revenue for grant funded projects received not included in the budget
Employee benefits	Staff related cost savings were due to vacant positions
Grants, contributions and sponsorship	Additional expenses relating to external government grants which were not included in the budget
Other operating expenses	Additional unbudgeted costs incurred to drive additional revenue
Capital funding from Auckland Council	Marginally more capital spent on leasehold properties than planned

The budget is derived from the SOI.

Budget figures – Those figures are approved in the Tātaki Auckland Unlimited Statement of Intent for 2021-2024, which is published on the Tātaki Auckland Unlimited website at:

<https://aucklandunlimited.com/what-we-do/statement-of-intent>

The budget figures were prepared using accounting policies consistent with those adopted by TAUL in preparing these financial statements.

TAUL did not include a complete set of forecast financial statements for the 2022/23 financial year in its Statement of Intent 2022 – 2025, as required by the Local Government Act 2002. As a result, the comparison of the forecast financial statements with the historical financial statements presented in the annual report is limited to note 25 of the financial statements.





The Directors as at the year ended 30 June 2023 are as follows:

- Victoria Jane Salmon (Chair appointed 01 April 2023)
- Jennah Wootten (Deputy Chair)
- Hongyu (Carol) Cheng
- Graeme Stephens (appointed 01 November 2022)
- Daniel Te Whenua Walker
- Jennifer Helen Rolfe
- Alastair Carruthers
- Hinurewa te Hau

Shareholders

Auckland Council (100%)
135 Albert Street
Auckland, 1010
New Zealand

Banker

ASB Bank Limited
12 Jellicoe Street, Wynyard Quarter
Auckland, 1010
New Zealand

Registered Office

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

Solicitor

Simpson Grierson,
Level 27, 88 Shortland Street,
Auckland, 1010
New Zealand

Auditors

Audit New Zealand
Level 15, 88 Shortland Street, CBD
Auckland 1010
New Zealand

Registered Company Number

3089627

Independent Auditor's Report

To the readers of Tataki Auckland Unlimited Limited's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of Tataki Auckland Unlimited Limited (the company). The Auditor-General has appointed me, René van Zyl, 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 her behalf.

Opinion

We have audited:

- the financial statements of the company on pages 24 to 53, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 9 to 11 and 20 to 23.

In our opinion:

- the financial statements of the company on pages 24 to 53:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; 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; and
- the performance information of the company on pages 9 to 11, and 20 to 23, 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 2023.

Our audit was completed on 2 October 2023. 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.

Emphasis of matter - Comparison of forecast financial statements with historical financial statements

Without modifying our opinion, we draw attention to note 25 on page 53, which outlines that the company presented forecast financial information with the historical financial statements that was limited to note 25 of the financial statements.

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

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 8, 12 to 19, and page 54, 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.



René van Zyl
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand



Tātaki Auckland Unlimited

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135 Albert Street
Auckland 1010

aucklandunlimited.com

