

Facilities

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

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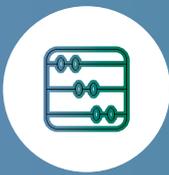
Who we are and what we do

We are the kaitiaki of 24 community facilities across Tauranga – aquatic centres, indoor sport and fitness facilities, event venues, and community halls and centres – and we manage these facilities on behalf of Tauranga City Council. Connecting the community through exceptional experiences is the driving force behind Bay Venues. We have the community at heart, while being commercial in mind. We also have several commercial businesses, which help keep entry to our public facilities affordable and accessible for the whole community.



Tauranga City

These facilities are operated by Bay Venues, a Tauranga City Council organisation.



OUR YEAR IN NUMBERS

REVENUE

\$33.5m*

(↑ 1% ahead of budget)

(↑ 47% ahead of FY22)

TCC Community Operating Grant:

\$4.35m

TCC Renewal Funding:

\$8.74m

Aquatics & Learn to Swim:

\$5.52m

Sports Facilities:

\$1.68m

Clubfit & Other Memberships:

\$2.08m

Events & Catering:

\$9.98m

Other User Fees**:

\$1.09m



Full Time Staff:

140

Part Time Staff:

145

Casual Staff:

58



88%

Overall Customer Satisfaction

90%

Overall satisfaction with the facility

92%

Overall satisfaction with the service

84%

Overall satisfaction with our staff



77

Number of Sporting & Aquatic Tournaments

241

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

* Excludes TCC Debt Servicing and TCC Rehabilitation expense funding.

** Includes BayStation and Merchandise.



VISITORS

2.11m

to our facilities

(↑32% ahead of budget)

(↑37% ahead of FY22)

766,384

Visitors to our **Aquatic Facilities**

336,649

Visitors to our **Community Centres & Halls**

313,600

Visitors to our **Indoor Sports Facilities**

507,125

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

189,005

Visitors to **Other Facilities***



SCHOOLS IN POOLS
(Water Safety)

15

Schools Joined

2,754

Children
Participated
In Lessons



**Participants in Bay Venues Led
Activity Programmes**

69,144

Adults & Senior

98,259

Child/Youth

16,638

Pre-School

184,041

Total



**HEALTHY SCHOOL
LUNCHES**

267,821

Total Lunches
Supplied

12

Schools Supplied

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



A Year in Review

Kohikohi ngā kākano, whakaritea te pārekereke, kia puāwai ngā hua.

Gather the seeds, prepare the seedbed carefully, and you will be gifted with an abundance of food.

The year ending 30 June 2023 was a year of significant bounce back for Bay Venues. The number of events and activities held in our facilities not only rebounded after Covid but quickly returned to pre-pandemic levels in FY23. Tauranga residents and visitors to the city were eager to get out and about again after Covid-related restrictions and as a result, our venue utilisation targets for the year were exceeded by April. By the end of the year, we had hosted 2.11m visits (+41% on FY22), with 77 sports and aquatic tournaments (+79%), 80 significant events with more than 500 people (+208%), and 36 cultural events*.

FINANCIAL POSITION & REVIEW

Despite good visitation volumes, full year adjusted EBITDA[^] for FY23 was -\$1.62m. This was 44% favourable compared with FY22 and was more than \$100k ahead of the budget we had set. The business continued to face significant ongoing increases in operating costs over the course of the year, which led to the Board undertaking a financial review in the first half of 2023 to ensure ongoing sustainability.

A proposal to increase user fees to offset rising operational costs and align with national benchmark, was approved this year by Tauranga City Council after a period of public consultation. The benchmarking was done as part of an independent review to assess what increase would be fair and reasonable; creating a balance between what is paid by users and how much is subsidised by ratepayers. The review concluded that the current user fees at Bay Venues are, on average, significantly below national market benchmarks in almost all cases. A review back in 2020 also highlighted

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*Not previously recorded. [^]For more information see page 36.



Silver Ferns vs Australian Diamonds at Baypark Arena

this gap but no changes were made at the time because of the Covid-19 pandemic (apart from normal consumer price index increases).

We also reviewed Bay Venues' shareholder funding model this year for the first time since the organisation was created 10 years ago and worked with Tauranga City Council to update that model in the Long Term Plan to address current and future growth, while also balancing the contribution of ratepayers and venue users.

NEW STRATEGY & STRUCTURE

We spent time this year setting a strong foundation for the future. With a fresh strategy and set of values now in place, we introduced a new leadership and organisational structure in FY23 that was designed to ensure we have the right roles for our strategic focus areas, with a newly formed executive team and many positions recruited internally.

The newest member of our executive team is Paul Dunphy, General Manager: Facilities, who brings strong experience in local government, both overseas and locally at Tauranga City Council. Paul will help build our new facilities team in FY24.



The Bay Venues executive team



A YEAR IN REVIEW

Our Bay Venues Board also welcomed Wayne Beilby (Ngāti Pango, Ngāti Ranginui) as a director and mana whenua representative this year, as well as Saima Hussain Anis as our first director intern. Both Nick Lowe and Gareth Wallis (TCC GM) were also re-appointed as directors on the board which has provided ongoing sustainability.

DELIVERING ON STRATEGY

Our strategy is made up of four key focus areas. The first two – maximise activities and events, and look after and enhance our assets – relate directly to our daily mission and purpose across our 24 facilities in Tauranga. The final two – leverage our capability, and build our capability – enable and support that day-to-day work while also serving our overall vision to be The Best Venues for the Bay.

a) Maximise activities and events

One of our main objectives throughout the year was to enhance engagement in recreational activities, play, and water skills across a range of diverse and inclusive communities. This effort aims to promote fairness, it builds connections, and contributes to a more vibrant community facility network. Our activation team is now delivering community play sessions three times a week for low-socio economic communities in Tauranga, with an average of about 30 children and youth attending each drop-in session and there is no charge for them to participate. We also now run classes for teenagers who have been excluded from mainstream

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Students enjoying Funky Fun Day at Baypark Arena



NYE electronic dance music event, Famous Last Words

schools, as well as programmes for young people with intellectual disabilities. This year we also engaged several kōhanga reo across the city to organise Tumble Time play sessions delivered in te reo Māori.

Our Funky Fun Day programme, which gives thousands of primary school-aged children access to sport and recreation activities each year, was recognised with a national award from Recreation Aotearoa. The team has been working closely with Sport Bay of Plenty and schools to adapt the programme to include more active play and increase inclusion, while also extending it to more schools across the Bay of Plenty region, including those previously unable to attend due to various barriers such as transport and the cost of the entry fee.

We also now have a Community Development Ambassador who is meeting and working with a diverse range of cultural groups in the city, including Pacific, Chinese, Indian, Pakistani, Filipino, Latin-American and Muslim communities, to encourage, create and attract new and diverse activities to the Bay Venues network of facilities. New programmes, such as learn to swim lessons tailored to Indian and Muslim women, have been created as a result.

A continued increase in anti-social behaviour and security concerns at some venues was a significant issue this year. As was ongoing labour shortages, which made it difficult to maintain staffing levels across our venues at times.

To ensure our venues are safe for the activities and events taking place within them, we conducted a comprehensive health and safety review this year, followed by the creation of a new health and safety work plan.

It was also a successful year in the high performance space. The University of Waikato Adams Centre for High Performance is now home to both New Zealand rugby sevens teams, the Bay of Plenty Steamers and Bay of Plenty Volcanix, as well as North Island-based Black Caps, the



A YEAR IN REVIEW



All Black Caleb Clarke training at the Adams Centre

Waikato Bay of Plenty Magic, and the Adams Academy – a development programme with around 100 aspiring and established athletes across 27 sporting codes and counting. This includes Olympic triathlete Hayden Wilde and Olympic middle distance runner Samuel Tanner.

The Adams Centre also hosted an impressive lineup of visiting professional

athletes and teams including the All Blacks, Wallabies, New Zealand Warriors, Western Force, Chiefs Manawa, Irish and French rugby sevens teams, the Black Sticks, and the English cricket team.

b) Look after and enhance our assets

This year we completed important upgrades, seismic strengthening and maintenance work at Greerton Aquatic & Leisure Centre, Baywave Aquatic & Leisure Centre, and Otumoetai Pool. These planned maintenance closures did create disruption, however, for regulars and our wider community of users.



Kids at a birthday pool party at Greerton Aquatic & Leisure Centre

Major construction work and detours on the roading network around Mercury Baypark, including during the busy summer event season, was another major challenge and led to significant congestion on Truman Lane, which created access issues and frustration from day-to-day venue users as well as event clients and customers. We also saw several

// This year we completed important upgrades, seismic strengthening and maintenance work at Greerton Aquatic & Leisure Centre, Baywave Aquatic & Leisure Centre, and Otumoetai Pool //

events cancelled or disrupted due to severe weather events. In addition, Cyclone Gabrielle caused a skylight to blow off the roof at Clubfit Baywave, with torrential rain flooding the gym and damaging some equipment.

An increasingly important part of our asset enhancing work is sustainability. With Toitū Envirocare certification, Bay Venues is now measuring its overall carbon emissions and working to reduce those over time through sustainability initiatives such as rainwater harvesting and the installation of energy efficient lights, with the aim of reaching carbon zero by 2050.



Amanda Lowry enjoying the accessible changeroom facilities at Otumoetai Pool

Accommodating the increasing demand for space to play sports and hold events and activities in Tauranga, while maintaining ageing facilities that are busier than they have ever been, continues to be a key challenge for Bay Venues and Tauranga City Council. The two organisations are closely aligned in our vision for the future, and we worked closely with the Council and other partners this year to plan for future growth across the city, collaborating on the Key Active Reserves Master Plans project, which includes Baypark, as well as the proposed redevelopment project involving community facilities at Memorial Park.

c) Leverage our capability

Our commercial business operations – Bay Catering, Bay Audio Visual, Clubfit, BaySwim, and BayStation – contributed \$1.8m EDITDA (+24% on FY22) towards offsetting the cost of our facilities this year. The profit generated from these commercial businesses offset the need for further TCC/ ratepayer subsidy and are an important part of what Bay Venues does.

Clubfit and BaySwim were impacted by the planned maintenance closures at our aquatic facilities but have since seen business return quickly.

Together, these business units help to keep entry to our public facilities affordable and accessible for the whole community.

d) Build our capability

As well as reshaping our organisational and leadership structure to support the delivery of our strategy, we launched a new staff learning and development programme this year called 'Strive to Thrive'.

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We also rolled out a series of projects to improve our business processes, productivity, infrastructure, and technology systems, including cybersecurity improvement work, improvements to our wireless networks, and an updated phone system to make it easier for the community to communicate with us, while also introducing efficiencies for our staff.

We updated our reporting framework this year in order to clearly communicate and outline our work and performance for Tauranga City Council and the community. We continued to report quarterly to the Council and these reports are publicly available on our website. Go and have a look.

LOOKING AHEAD

We have several big projects coming up in FY24, including a new organisation-wide Customer Experience Programme that is being developed and will start to be implemented next year. It will put the customer at the heart of everything and ensure a consistent level of exceptional service is provided across all 24 facilities.

We are continuing to work closely with Iwi, Tauranga City Council and our other partners on the redevelopment projects involving Baypark and Memorial Park. Project teams are being formed and engagement with user groups, stakeholders and the wider community will continue and increase as further design work gets underway and it becomes clearer what potential changes, improvements and impacts these projects will create. We will also work with the Council next year to make sure there is sufficient investment in the Long Term Plan for our facilities moving forward.

We have also launched Your Space, Your Place – a project aimed at creating shared staff spaces across the Bay Venues network of facilities that are welcoming and collaborative and actively promote a fun, relaxed and supportive working environment. We aim to complete this project by the second quarter of FY24.

After a bounce back year in FY23 and with a solid foundation now set, Bay Venues is firmly focused on the future and the community it serves. Next year, we will again look to attract and host as many activities and events as possible and work hard at each and every one of them to create exceptional experiences that connect the people of Tauranga.

We will also continue to invest in the maintenance and enhancement of our ageing facilities, while working alongside Tauranga City Council to maximise and adapt our public spaces to meet the current and future needs of our growing city.

To support the accessibility and affordability of our community facilities, we will focus on our commercial business operations and ensure they remain as profitable as possible. Investment in systems and processes to further improve and build our capabilities, including a new HR system and enhanced finance system, will also be a priority next year.

We would like to say a big thank you to our board and executive team for their ongoing commitment, passion, and leadership this year, as well as to Tauranga City Council for all its support. We would also like to say a special thanks to all our staff – our Bay Venues whānau – for their continued service and dedication and for always ensuring our venues are welcoming and safe spaces for the community to meet and connect.

Finally, to all the people who visit and use our facilities, Tauranga residents and visitors alike, you bring so much life and colour into our venues every single day and we thank you for that. We look forward to welcoming you back over the coming year.

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Chad Hooker, CEO




Simon Clarke, Chair



BAY VENUES BOARD



Saima Hussain Anis
Director Intern

Wayne Beilby
Director

Jeremy Curragh
Director

Simon Clarke
Chair

Julie Hardaker
Deputy Chair

Gareth Wallis
Director

Nick Lowe
Director

Adam Lynch
Director

Bay Venues welcomed Saima Hussain Anis as our first director intern this year. Saima has spent the majority of her career in finance, working for large companies such as Sony and Exxon in the UK and Trustpower in New Zealand. She has recently moved into organisational and people development, while also working on various diversity and inclusion initiatives in Tauranga. Saima joined the Bay Venues Board in FY23 as part of Tauranga City Council's inaugural Board Intern Programme. The programme aims to bring diversity of thought and fresh perspectives to conversations around the board table at council-controlled organisations, while also providing a pathway for professional development and building governance capability for future businesses, trusts and councils in the Bay of Plenty. Saima said her time on the Bay Venues Board had been a steep learning curve. "It has been a great experience learning from a group of skilled people in both a personal and professional capacity," she said. "I am very lucky to be part of an organisation that has encouraged learning and has valued and welcomed diversity of thought in the boardroom. My main learning was to move my focus from an operational to a strategic lens, while also understanding the many threads that have to be held together in decision making. It is a great organisation, with many different wheels and a great set of people."





HIGHLIGHTS



Zespri AIMS Games

One of the largest sporting competitions in the Southern Hemisphere, the Zespri AIMS Games, returned to Tauranga in the first week of September 2022, after a two-year hiatus due to Covid-19. More than 10,000 athletes from 320 schools around the country took part in 23 sports – many of them held at Bay Venues facilities. There was swimming and water polo at Baywave, badminton at Queen Elizabeth Youth Centre, table tennis at Memorial Hall, and basketball, futsal, indoor bowls, and hip hop at Baypark. There were also two opening ceremony shows at Baypark, with thousands of excited students singing and dancing in their seats. Zespri AIMS Games Tournament Director Kelly Schischka said the feedback from the sports coordinators was “phenomenal”. “They’ve had kids, parents and officials coming up to them all week, telling them how amazing the tournament has been and how much they’ve enjoyed it.” Bay Venues staff played a huge role throughout the week, working hard day and night to make sure all the facilities were set up correctly for the different sports.



10 Days of Celebrations at Greerton Aquatic & Leisure Centre

Greerton Aquatic & Leisure Centre hosted 10 days of events and activities in November 2022 to celebrate a series of major upgrades and improvements to the much-loved community facility. Mana whenua representatives attended the ceremony and the Tauranga Intermediate School kapa haka group performed. This was followed by Iris Stockwell, a 90-year-old regular customer, cutting the ribbon to open the brand-new front entrance. Iris has been swimming at the venue for more than 50 years, since the Greerton pool first opened in 1971. The reception area at Greerton Aquatic & Leisure Centre has also been upgraded, the pools have been repainted, there is new grandstand seating, new non-slip flooring poolside to improve safety and cleanliness, and new changing room facilities – including three new accessible changing rooms next to the hydrotherapy pool, and family rooms close to the learn to swim pool.



HIGHLIGHTS



Events Bounce Back

Baypark was buzzing as the events industry bounced back in FY23 after Covid and thousands of people flocked to Mount Maunganui to watch international sport, music, and more. The New Zealand Festival of Squash in November 2022 featured two international tournaments back-to-back and was the biggest squash event ever held in Aotearoa. Baypark also hosted the Volleyball NZ Club Championships, the HoopNation Classic national basketball tournament, a sold-out Constellation Cup netball match between the Silver Ferns and Australian Diamonds, the New Zealand Weightlifting Championships, and Waikato Bay of Plenty Magic netball home games. There were also several large expos held at Baypark over the course of the year, including the always popular Tauranga Home Show and Armageddon Expo. There was also a live comedy show, and two rock concerts. Baypark Stadium, meanwhile, had another busy speedway season, despite a few race events having to be cancelled due to bad weather, and also hosted other family-friendly entertainment such as the D1NZ. A busy summer series included a brand-new electronic dance music event, Famous Last Words, on New Year's Eve. Unfortunately, due to bad weather conditions, two of the scheduled live music events had to be cancelled. The poor weather continued playing havoc with the One Love camping arrangements at Baypark also affected. To ensure the safety and wellbeing of festival goers, 700 campers were relocated indoors to Baypark Arena at short notice. Shelter, entertainment, refreshments and ablutions were all provided, ensuring everyone was in positive spirits throughout their stay.

Baywave Upgrade

Baywave Aquatic & Leisure Centre had some major upgrades and improvements in early 2023. The popular aquatic facility in Mount Maunganui reopened ahead of the Easter holiday rush with refurbished changing rooms (including upgraded showers with better water pressure and temperature), new non-slip flooring poolside for improved safety and cleanliness, and new starting blocks for the city's high-performance swimmers. The learners' pool at Baywave has also been fenced off from the rest of the venue for swim teachers and parents' peace of mind, there is a new dedicated accessible changing room beside the lap pool, and the cafe area has been renovated and refitted. The main entrance was also repainted, with an illuminated sign installed (pictured) to help highlight the entry.

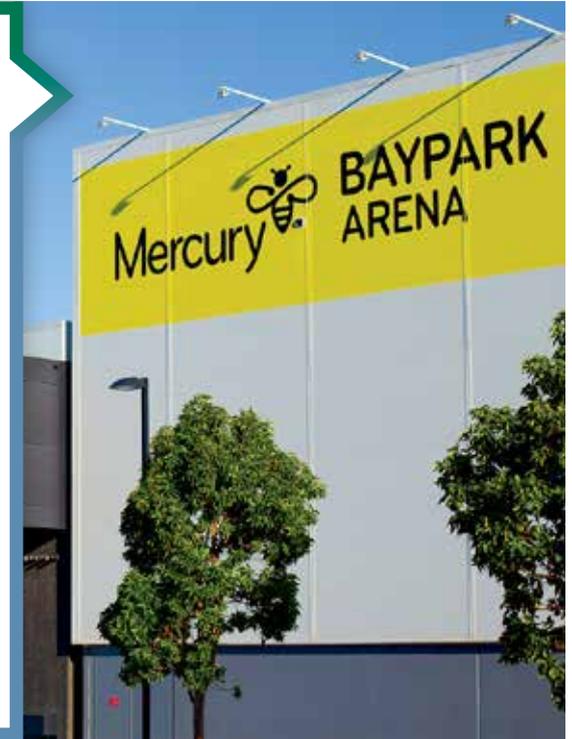




HIGHLIGHTS

Baypark Welcomes New Venue Partner Mercury

Tauranga's premier venue for live music and entertainment, sports and recreation, conferences, meetings, shows, and exhibitions has a new partner – Mercury. A new name – Mercury Baypark. And a new favourite colour – yellow. Everything else, however, is exactly the same. Mercury Baypark is where you will find social sports leagues, community programmes like Tumble Time, large indoor events like Tauranga Home Show and Armageddon Expo, speedway action, and big outdoor festivals and events, like Juicy Fest. Mercury bought Trustpower's retail business in May last year and has been bringing the best of both brands together for customers under the Mercury brand. "Mercury works with a wide range of New Zealand communities to make great things happen. This is a perfect fit for us," Bay Venues Chief Executive Chad Hooker said. "Here at Baypark, we also strive to make great things happen for our communities by connecting people through exceptional experiences."



A Sustainability Commitment

Harvesting rainwater, installing energy efficient lights, pest control, and introducing fully electric and hybrid vehicles – Bay Venues has embarked on a journey to carbon neutrality and has made a sustainability commitment to use more renewable resources, create less waste, promote biodiversity, and reduce greenhouse gas emissions. The organisation is committed to repairing, reusing and recycling. The ultimate goal: to reach carbon zero by 2050. "If we can improve what we do as individuals and as an organisation, and educate people on being better around their carbon footprint, then we are making progress," Asset & Project Manager Steve Edgecombe (pictured) said. Edgecombe leads a sustainability team made up of representatives from across Bay Venues. Bay Venues is certified with Toitū Envirocare, which means the organisation can measure its overall carbon emissions and work to reduce those over time.



FINANCIAL STATEMENTS 2022-2023

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES for the Year ended 30 June 2023

	Note	Actual 2023 (\$000's)	Budget 2023 (\$000's)	Actual 2022 (\$000's)
Revenue				
User Revenue	2	20,280	18,600	16,605
Other Revenue	3	75	122	60
TCC Operational Grant	2	4,350	4,173	3,256
TCC Debt Servicing Grant	2	1,619	1,619	452
TCC Renewal Funding	2	8,739	10,278	3,142
Rehabilitation Expense Funding	2	538	-	324
COVID-19 Leave Subsidy	2	39	-	38
Total Operational Revenue		35,640	34,792	23,877
Expenditure				
Employee Expense	4	15,828	14,598	13,430
Administrative Expense	8	1,385	1,374	1,132
Consulting & Governance Expenses	5	887	603	985
Operating Expenses (incl. COGS)	6	7,689	7,072	6,458
Repairs & Maintenance Expense		1,029	977	845
Rehabilitation Expense		538	-	324
Profit/Loss on Disposal		55	-	3
Finance Costs		954	801	615
Depreciation & Amortisation Expense	7	6,945	7,364	5,756
Total Operating Expenditure		35,310	32,789	29,548
Surplus/(Deficit) Before Tax		330	2,003	(5,671)
Income Tax Expense	9	(52)	-	1,595
Surplus/(Deficit) After Tax		278	2,003	(4,076)
Other Comprehensive Revenue & Expenses				
Gain on Property, Plant & Equipment Revaluation		-	-	7,956
Tax on Revaluation		-	-	(1,806)
Impairment on Revalued Property, Plant & Equipment		(3,575)	-	-
Tax on Impairment		456	-	-
		(3,119)	-	6,150
Total Comprehensive Income		(2,841)	2,003	2,074

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



FINANCIAL STATEMENTS 2022-2023

STATEMENT OF CHANGES IN EQUITY for the Year ended 30 June 2023

	Share Capital (\$000's)	Retained earnings (\$000's)	Revaluation Surplus (\$000's)	Other Reserves (\$000's)	Total Equity (\$000's)
Balance as at 1 July 2021	84,232	(23,262)	38,134	533	99,637
Comprehensive Income					
Surplus or Deficit for the Year	-	(4,076)	-	-	(4,076)
Other Comprehensive Income					
Surplus or Deficit for the Year	-	-	7,956	-	7,956
Revaluation Adjustment on Disposal	-	-	-	-	-
Tax on Revaluation Gain	-	-	(1,806)	-	(1,806)
Transfer to Trustpower Reserve	-	(200)	-	200	-
Total Other Comprehensive Income, Net of Tax	-	(200)	6,150	200	6,150
Balance as at 30 June 2022	84,232	(27,538)	44,284	733	101,711
Balance as at 1 July 2022	84,232	(27,538)	44,284	733	101,711
Comprehensive Income					
Surplus or Deficit for the Year	-	278	(3,575)	-	(3,297)
Other Comprehensive Income					
Surplus or Deficit for the Year	-	-	-	-	-
Revaluation Adjustment on Disposal	-	12	-	-	12
Tax on Impairment	-	-	456	-	456
Transfer to Mercury Reserve	-	(200)	-	200	-
Balance as at 30 June 2023	84,232	(27,448)	41,165	933	98,882

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



FINANCIAL STATEMENTS 2022-2023

STATEMENT OF FINANCIAL POSITION as at 30 June 2023

	Note	Actual 2023 (\$000's)	Actual 2022 (\$000's)
ASSETS			
Current Assets			
Cash & Cash Equivalents	10	629	733
Inventories	11	461	368
Debtors & Other Receivables	12	2,494	835
Total Current Assets		3,584	1,936
Non-Current Assets			
Other Non-Current Assets	15	4,355	3,425
Intangible Assets	13	572	531
Property, Plant & Equipment	14	133,471	133,283
Total Non-Current Assets		138,398	137,239
Total Assets		141,982	139,175
LIABILITIES			
Current Liabilities			
Employee Entitlements	16	1,753	1,057
Creditors & Other Payables	17	4,091	5,983
Borrowings - UoW Adams Centre Loan	18	1,000	1,000
Total Current Liabilities		6,844	8,040
Non-Current Liabilities			
Borrowings	18	27,773	20,537
Deferred Tax	9	8,483	8,886
Total Non-Current Liabilities		36,256	29,423
Total Liabilities		43,100	37,463
Net Assets		98,883	101,712
EQUITY			
Share Capital	19	84,232	84,232
Retained Earnings	20	(27,449)	(27,539)
Other Reserves	22	933	733
Revaluation Reserves	21	41,167	44,286
Total Equity		98,883	101,712

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

Simon Clarke – Director

26 September 2023

Date

Jeremy Curragh – Director

26 September 2023

Date



FINANCIAL STATEMENTS 2022-2023

STATEMENT OF CASHFLOWS for the Year ended 30 June 2023

	Note	2023 (\$000's) Actual	2022 (\$000's) Actual
OPERATING ACTIVITIES			
Cash Received From Customers		17,348	19,453
Grants Received		14,708	6,812
Dividend Received		11	11
Cash Received from Other Sources		127	155
Goods & Services Tax (Net)		183	-
		32,378	26,431
Payments to Employees		(15,131)	(13,534)
Payments to Suppliers		(11,908)	(8,762)
Interest Paid		(954)	(615)
Goods & Services Tax (net)		-	(97)
		(27,993)	(23,008)
Net Cash Flow From Operating Activities	24	4,385	3,423
Cash Flows From Investing Activities			
Proceeds From Sale of Property, Plant And Equipment		88	7
Purchase of Property, Plant & Equipment		(10,883)	(4,547)
Transfer to Depreciation Investment		(930)	(812)
Net Cash Flow from Investing Activities		(11,725)	(5,352)
Cash Flows from Financing Activities			
Proceeds from Borrowings		10,236	7,764
Repayment of TCC Borrowings		(3,000)	(5,500)
Net Cash Flow From Financing Activities		7,236	2,264
Net Increase / Decrease in Cash Held		(104)	335
Cash & Cash Equivalents at Beginning of Year		733	398
Cash, Cash Equivalents, and Bank Overdrafts at the End of the Year	10	629	733

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

1.1 ENTITY STATEMENT

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

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

The financial statements of Bay Venues Limited are for the year ended 30 June 2023. The financial statements were authorised for issue by Bay Venues Limited Directors on 26th September 2023.

1.2 BASIS OF PREPARATION

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

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

The service performance information have been prepared in accordance with the requirements of the Local Government Act.

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

Measurement Base

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

Functional and Presentation Currency

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

New Standards Issued and Adopted in Current Annual Reporting

Amendment applicable for the year ending 30 June 2023. An amendment to PBE IPSAS 2 Cash Flow Statements requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The new information required by this amendment has been disclosed in Note 24(A).

Standards, Amendments, and Interpretations Issued that Are Not Yet Effective

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

1.3 REVENUE RECOGNITION

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

Sale of Goods

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

User Fees & Charges

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

Grant Income

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

Revenue is classified as exchange and non-exchange.

Subsidised income received is recognised as non-exchange revenue.

1.4 BORROWING COSTS

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

1.5 INCOME TAXATION

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

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

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

1.6 LEASES

Operating Lease

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

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

1.7 CASH AND CASH EQUIVALENTS

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

1.8 DEBTORS AND OTHER RECEIVABLES

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

1.9 IMPAIRMENT OF FINANCIAL ASSETS

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

Receivables

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

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

1.10 INVENTORIES

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

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

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

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

1.11 PROPERTY, PLANT AND EQUIPMENT

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

Revaluation

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

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

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

Additions

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

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

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

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

Disposals

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

Depreciation

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

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

1.12 INTANGIBLE ASSETS

Software Acquisition and Development

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

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

Intellectual Property Development

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

1.13 IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

1.14 CREDITORS AND OTHER PAYABLES

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

1.15 BORROWINGS

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

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

1.16 EMPLOYEE ENTITLEMENTS

Short-Term Employee Entitlements

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

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

Long-Term Employee Entitlements

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

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

Superannuation Schemes

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

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

1.17 PROVISIONS

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

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

1.18 EQUITY

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

- Share Capital
- Retained Earnings

- Property, Plant and Equipment Revaluation Reserve
- Other Reserves

Property Revaluation Reserves

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

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

Other Reserves

This reserve relates to the Mercury naming rights reserve.

1.19 GOODS & SERVICES TAX

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

Commitments and contingencies are disclosed exclusive of GST.

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

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

1.20 BUDGET FIGURES

The budget figures are those adopted by Bay Venues Limited and approved by Tauranga City Council in its 2022/23 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by Bay Venues Limited for the preparation of the financial statements.

1.21 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

Property Revaluations

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

1.22 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Note 27 provides explanations of major variances against budget.

NOTE 2: REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

	2023 (\$000's) Actual	2023 (\$000's) Budget	2022 (\$000's) Actual
Non-Exchange			
TCC Operational Grant	4,350	4,173	3,256
TCC Debt Serving Grant	1,619	1,619	452
TCC Renewal Funding	8,739	10,278	3,142
Aquatics	4,473	3,740	3,238
Indoor Facilities	1,680	1,487	1,344
Memberships	209	209	201
Rehabilitation Expense Funding	538	-	324
COVID-19 Leave Subsidy	39	-	38
Total Non-Exchange	21,647	21,506	11,995
Exchange			
Memberships	1,873	1,891	1,860
Events & Catering	9,984	9,194	8,383
Other User Fees & Charges	1,089	1,040	868
Learn to Swim*	1,047	1,160	770
Total Exchange	13,993	13,285	11,881
Total Exchange and Non-Exchange	35,640	34,791	23,876

*Learn to Swim prior year has been split for comparatives.

NOTE 3: OTHER REVENUE

	2023 (\$000's) Actual	2023 (\$000's) Budget	2022 (\$000's) Actual
Rental	38	43	39
Dividends	11	11	11
Interest Received	-	-	-
Sponsorship	26	68	10
Total Other Revenue	75	122	60

NOTE 4: EMPLOYEE EXPENSES

	2023 (\$000's) Actual	2023 (\$000's) Budget	2022 (\$000's) Actual
Salaries and Wages*	15,122	13,800	12,800
Defined Contribution Plan Employer Contributions (KiwiSaver)	296	284	261
Other Personnel Expense	410	514	369
Total Employee Expenses	15,828	14,598	13,430

* Salaries & Wages includes a \$450k provision for Holiday Act Remediation which is an estimate only.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 5: CONSULTING & GOVERNANCE EXPENSES

	2023 (\$000's) Actual	2023 (\$000's) Budget	2022 (\$000's) Actual
Audit Fees	133	101	96
Consulting*	467	206	639
Director Fees	239	246	206
TCC Shared Services	26	24	21
Tax Advisory	22	26	23
Total Consulting Governance Expenses	887	604	985

*See Note 27 for Consulting expense variance to budget.

NOTE 6: OPERATING EXPENSES

	2023 (\$000's) Actual	2023 (\$000's) Budget	2022 (\$000's) Actual
Cost of Goods Sold	2,646	2,655	2,385
Electricity	1,098	1,076	991
Insurance	525	526	490
Other*	2,717	2,254	2,216
Events Expenses	309	162	5
Marketing	394	399	371
Total Operating Expenses	7,689	7,072	6,458

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

NOTE 7: DEPRECIATION & AMORTISATION EXPENSE

	2023 (\$000's) Actual	2022 (\$000's) Actual
Buildings & Improvements	3,615	2,926
Intangibles	189	216
Office Furniture & Equipment	828	678
Plant & Equipment	2,222	1,865
Motor Vehicles	91	71
Total Depreciation & Amortisation	6,945	5,756

NOTE 8: ADMINISTRATIVE EXPENSES

	2023 (\$000's) Actual	2022 (\$000's) Actual
Operating Lease Costs	106	95
Other Administrative Expenses	1,279	1,038
Total Administrative Expenses	1,385	1,133



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 9: INCOME TAX EXPENSE / (BENEFIT)

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
A) Operational Surplus /(Deficit) before Taxation	330	(5,671)
Prima Facie Taxation at 28% (2021: 28%)	93	(1,588)
Nondeductible Expenditure	1,841	1,159
Non Taxable Income	(1,843)	(2,042)
Deferred Tax Adjustment	(38)	875
Recognition of Buildings Tax Base	-	-
Tax expense	52	(1,595)
Components of Tax Expense		
Current Taxation	-	-
Deferred Taxation Expense/(Benefit)	52	(1,595)

B) Deferred Tax Asset (Liability)

	Property, Plant and Equipment (\$000's)	Employee Entitlements (\$000's)	Other Provisions (\$000's)	Tax Losses (\$000's)	Total (\$000's)
Entity					
Balance at 30 June 2021	(19,465)	172	25	10,592	(8,675)
Charged to Surplus Or Deficit	(179)	28	(6)	1,752	1,595
Charged to Other Comprehensive Income	(1,806)	-	-	-	(1,806)
Balance at 30 June 2022	(21,450)	199	20	12,345	(8,886)
Charged to Surplus Or Deficit	(1,455)	176	(2)	1,228	(52)
Charged to Other Comprehensive Revenue and Expense	456	-	-	-	456
Balance at 30 June 2023	(22,448)	375	18	13,572	(8,483)

NOTE 10: CASH AND CASH EQUIVALENTS

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Cash at Bank	617	713
Cash in Hand	12	20
Total Cash & Cash Equivalents	629	733

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 11: INVENTORIES

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Held for Distribution Inventories		
Chemicals at Cost	11	13
Held for Commercial Inventories		
Merchandise at Cost	158	130
Food & Beverages	292	225
Total inventory	461	368

There is no write down of inventory during the year. No inventory is pledged as security for liabilities (2022 \$nil).

NOTE 12: DEBTORS AND OTHER RECEIVABLES

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Trade Debtors	2,152	552
Accruals	114	31
Provision for Doubtful Receivables	(17)	(17)
Prepayments	245	269
Total Debtors & Other Receivables	2,494	835
Receivables from Non-Exchange Transactions	101	67
Receivables from Exchange Transactions	2,392	768
Total Debtors & Other Receivables	2,494	835

	2023 Gross (\$000's)	Impairment (\$000's)	2023 Net (\$000's)	2022 Gross (\$000's)	Impairment (\$000's)	2022 Net (\$000's)
Trade & Related Parties Debtors						
Not Past Due	2,076	-	2,076	475	-	475
Aged Receivables: 31-60 days	18	(4)	15	67	(13)	54
Aged Receivables: 61-90 days	42	-	42	2	-	2
Aged Receivables: Greater than 90 days	14	(13)	1	-	-	-
Past due > 90 days	-	-	-	7	(3)	4
Total	2,151	(17)	2,135	552	(17)	535

FAIR VALUE

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

IMPAIRMENT

An impairment of \$16,786 was provided for doubtful debt at 30 June 2023 (2022: \$16,805).

No debtor is pledged as security for liabilities (2022: \$nil)



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 13: INTANGIBLE ASSETS

	Computer Software (\$,000's)	Total (\$,000's)
Cost		
Balance as at 1 July 2021	2,122	2,122
Additions	215	215
Disposals	(255)	(255)
Work in Progress	60	60
Balance as at 30 June 2022	2,142	2,142
Balance as at 1 July 2022	2,142	2,142
Additions	32	32
Disposals	-	-
Work in Progress	194	194
Balance as at 30 June 2023	2,369	2,368
Accumulated Amortisation and Impairment		
Balance as at 1 July 2021	(1,396)	(1,396)
Amortisation Charge	(216)	(216)
Balance as at 30 June 2022	(1,612)	(1,612)
Balance as at 1 July 2022	(1,612)	(1,612)
Amortisation Charge	(185)	(189)
Balance as at 30 June 2023	(1,797)	(1,801)
Carrying Amounts		
As at 1 July 2021	726	726
As at 30 June 2022	531	531
As at 30 June 2023	572	572

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 14: PROPERTY PLANT AND EQUIPMENT

	2022 Cost / Valuation (\$,000's)	2022 Accum Deprn (\$,000's)	Opening Book Value (\$,000's)	2023 Asset Additions (\$,000's)	2023 Asset Disposals (\$,000's)	Current Deprn (\$,000's)	Impairment on Revalued Asset (\$,000's)	Cost Reval (\$,000's)	2023 Accum Deprn & Impairment (\$,000's)	2023 Closing Book Value (\$,000's)
At Cost & Valuation										
Land	2,500	-	2,500	-	-	-	-	2,500	-	2,500
Buildings & Improvements	108,091	-	108,091	5,779	-	(3,615)	(3,575)	113,870	(7,190)	106,680
Plant & Equipment	19,169	(2,534)	16,635	3,861	(88)	(2,222)	-	22,942	(4,756)	18,186
Office Furniture & Equipment	5,420	(2,742)	2,679	1,704	-	(828)	-	7,124	(3,570)	3,554
Motor Vehicles	785	(289)	495	195	-	(91)	-	980	(381)	599
Subtotal	135,965	(5,565)	130,400	11,538	(88)	(6,756)	(3,575)	147,415	(15,896)	131,519
Work in Progress	2,882	-	2,882	10,609	(11,538)	-	-	1,953	-	1,953
Total	138,847	(5,565)	133,282	22,147	(11,626)	(6,756)	(3,575)	149,368	(15,896)	133,472

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

	2021 Cost / Valuation \$'000	2021 Accum Deprn \$'000	Opening Book Value \$'000	2022 Asset Additions \$'000	2022 Asset Disposals \$'000	Current Deprn \$'000	2022 Revaluation \$'000	Cost Reval \$'000	2022 Accum Deprn \$'000	2022 Closing Book Value \$'000
At Cost & Valuation										
Land	975	-	975	-	-	-	1,525	2,500	-	2,500
Buildings & Improvement	107,299	(2,912)	104,388	177	-	(2,926)	6,453	108,091	-	108,091
Plant & Equipment	17,777	(669)	17,108	1,396	(4)	(1,865)	-	19,169	(2,534)	16,635
Office Furniture & Equipment	4,379	(2,064)	2,315	1,044	(2)	(678)	-	5,420	(2,742)	2,679
Motor Vehicles	719	(218)	500	66	-	(71)	-	785	(289)	495
Sub Total	131,149	(5,863)	125,286	2,684	(6)	(5,541)	7,978	135,965	(5,565)	130,400
Work in Progress	1,061	-	1,061	4,505	(2,684)	-	-	2,882	-	2,882
Total	132,210	(5,863)	126,347	7,189	(2,690)	(5,541)	7,978	138,847	(5,565)	133,282



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

VALUATION

Land & Buildings

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

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

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

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

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

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

Restrictions

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

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

Plant

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

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

The age of each asset has been established utilising:

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

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

WORK IN PROGRESS

The total amount of property, plant, and equipment in the course of construction is \$2,207,003 (2022 \$2,882,211).



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 15: OTHER INVESTMENTS – NON CURRENT PORTION

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Related Party Investments		
Depreciation Investment	4,355	3,425
Total Other Investments – Non-Current Portion	4,355	3,425

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

NOTE 16: EMPLOYEE ENTITLEMENT LIABILITIES

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Accrued Pay	241	169
Annual Leave *	1,340	711
ACC Employer Contribution	48	70
Payroll Taxes	124	107
Total Employee Entitlements	1,753	1,057

*Annual Leave includes estimate of \$450k for Holiday Act Remediation.

NOTE 17: CREDITORS AND OTHER PAYABLES

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Income in Advance	857	2,652
Trade & Other Payables	928	493
Accrued Expenditure	2,104	2,823
Deposits & Bonds	22	17
Other Payables	-	1
Gst Payable	180	(3)
Total Creditors & Other Payables	4,091	5,983
Payables from Non Exchange Transactions	1,540	3,802
Payables from Exchange Transactions	2,550	2,181
Total Creditors & Other Payables	4,090	5,983

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

There is a liability calculated by ASB Bank for our Credit Card Clearing account \$15,445 (2022 : \$14,255)



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 18: BORROWINGS

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Current Borrowings		
University of Waikato Adams Centre for High Performance	1,000	1,000
Total Current Portion	1,000	1,000
Non-Current Borrowings		
Loan from Tauranga City Council	27,773	20,537
Total Non-Current Portion	27,773	20,537

SECURITY

Tauranga City Council loan is unsecured.

Council has agreed to guarantee the University of Waikato Adams Centre for High Performance loan on the terms contained in the agreement.

FINANCE COSTS

Tauranga City Council charge interest at 3.75%. (2022 : 3%)

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

NOTE 19: SHARE CAPITAL

Fully Paid Ordinary Shares

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Balance at Beginning of Financial Year	84,232	84,232
Reclassification of Capital	-	-
Closing Balance of Ordinary Shares Issued	84,232	84,232

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

NOTE 20: RETAINED EARNINGS

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Accumulated Funds		
Balance at 1 July	(27,539)	(23,263)
Surplus/(Deficit) for the Year	278	(4,076)
Transfer to Trustpower Reserve	(200)	(200)
Disposal of Property, Plant and Equipment	12	-
Balance 30 June 2023	(27,449)	(27,539)



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 21: REVALUATION RESERVE

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Balance at 1 July	44,285	38,134
Net Revaluation Gains	-	6,151
Net Impairment on Property Plant & Equipment	(3,119)	-
Balance at 30 June	41,166	44,285

NOTE 22: OTHER RESERVES

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Naming Rights	933	733
Total Reserves	933	733

The Naming Rights reflect the Mercury naming rights arrangement for Mercury Baypark.

NOTE 23: CONTINGENCIES

Compliance with Holidays Act 2003: Many public & private sector entities, including Bay Venues Limited, have considered and continue to investigate historic underpayment of holiday entitlements. In the current financial year, Bay Venues Limited has recognised a provision of \$450k at balance date based on a reasonable estimate of the potential liability.

(Contingent Liabilities in 2022: nil).

Bay Venues Limited has no contingent assets at 30 June 2023 (2022: nil).

Bay Venues Limited has no contingent rent recognised during the year. (2022: nil).

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

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Net Surplus / (Deficit) from Statement of Comprehensive Income	278	(4,076)
Add/(Deduct) Non Cash Items		
Depreciation/Amortisation + Loss on Disposal + Reval Gain	7,456	3,953
Add/(Deduct) Movements in Working Capital		
Movement in Trade & Other Receivables	(1,654)	511
Movement in Inventories	(94)	34
Movement in Employee Entitlements	696	(105)
Movement in Trade & Other Payables	(2,077)	2,993
Movement in GST Payable	183	(97)
Movement in Deferred Tax Asset	(403)	210
Net Cash Inflow/(Outflow) from Operating Activities	4,385	3,423



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

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

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

	Loan from Tauranga City Council 2023 (\$000's)	Loan from Tauranga City Council 2022 (\$000's)
Balance as at 1 July 2022	20,537	18,273
Cash Inflows	10,236	7,764
Cash Outflows	(3,000)	(5,500)
Non-Cash Changes	-	-
Balance as at 30 June 2023	27,773	20,537

NOTE 25: CAPITAL COMMITMENTS AND OPERATING LEASES CAPITAL COMMITMENTS

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

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Elevated Work Platform	-	58
Total Capital Commitments	-	58

OPERATING LEASES AS LESSEE

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

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Not Later than One Year	83	62
Later than One Year and Not Later than Five Years	71	127
Later than Five Years	-	-
Total Non Cancellable Operating Leases	154	189

OPERATING LEASES AS LESSOR

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

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Not Later Than One Year	446	497
Later Than One Year and Not Later Than Five Years	780	1,239
Later Than Five Years	1,669	460
Total Non Cancellable Operating Leases	2,894	2,196

No contingent rents have been recognised during the year (2022: nil).



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 26: RELATED PARTY TRANSACTIONS

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

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

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
Transactions with Key Management Personnel		
Salaries and other Short Term Employee Benefits	1,263	934
Directors Fees and Travel	239	206
Total Key Management Personnel Remuneration	1,502	1,140
Total Full-Time Equivalent Personnel	7	7

Key management personnel include the Board of Directors, Chief Executive, General Manager Operations, General Manager Finance & Commercial, General Manager Customer Experience, General Manager Facilities and General Manager People & Capability. Directors fees and travel excludes meeting costs such as catering. Due to the difficulty in determining the full-time equivalent for all Directors, the full-time equivalent is taken as one.

NOTE 27: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Company's budget figures in the 2022-23 Financial Statements are as follows:

Statement of Comprehensive Revenue and Expense

User Revenue was \$1.7m ahead of budget due to strong visitor numbers across Aquatics, Community & Sports Facilities.

TCC Renewal Funding was \$1.5m below budget due to a small number of significant projects that were either not required or delayed to the following year.

Operational Expenditure was \$2.5m higher than budget largely due to:

- Employee expenses with increases in the Living Wage rate & a Holiday Act Remediation provision.
- Operating expenses were higher than budget as a result of increased user revenue.
- Consulting fees include prior year feasibility studies on Memorial Park development and feasibility studies related to Baypark masterplan.

NOTE 28: FINANCIAL INSTRUMENTS

Financial Instrument Categories

	Actual 2023 (\$000's)	Actual 2022 (\$000's)
FINANCIAL ASSETS		
Loans & Receivables		
Cash & Cash Equivalents	629	733
Debtors & Other Receivables	2,135	539
Total Financial Assets	2,764	1,272
FINANCIAL LIABILITIES		
Financial Liabilities at Amortised Cost		
Creditors & Other Payables	950	510
Borrowings - UoW Adams Centre for High Performance Loan	1,000	1,000
Borrowings - TCC Loan	27,773	20,537
Total Financial Liabilities	29,723	22,047



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

Financial Instrument Risks

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

(a) Market Risk

Fair value interest rate risk

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

Cash flow interest rate risk

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

Currency risk

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

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

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

(b) Credit Risk

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

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

Bay Venues Limited complies with Councils Treasury Policy which permits a minimum credit rating of A for registered banks and other organisations. At 30 June 2023 all financial instruments were held with the New Zealand registered trading banks which are rated AA-

(c) Liquidity Risk

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

NOTE 29. EMPLOYEES REMUNERATION EXCEEDING \$100,000

	Actual Number of Employees	
	2023	2022
\$100,001 - \$110,000	5	3
\$110,001 - \$120,000	2	2
\$120,001 - \$130,000	-	2
\$130,001 - \$140,000	3	1
\$140,001 - \$150,000	1	1
\$150,001 - \$160,000	2	-
\$160,001 - \$170,000	-	1
\$170,001 - \$180,000	1	-
\$180,001 - \$190,000	1	1
\$200,001 - \$210,000	1	1
\$210,001 - \$220,000	-	1
\$220,001 - \$230,000	-	-
\$270,001 - \$280,000	1	-
Total employees	17	13

Remuneration includes paid and payable at 30 June 2023.

NOTE 30: EVENTS OCCURRING AFTER BALANCE DATE

As a result of recent seismic assessments, the Queen Elizabeth Youth Centre will be demolished & rebuilt as part of the new Memorial Park Indoor Aquatic & Sports Facility.

NOTE 31: STATEMENT OF INTENT NON-COMPLIANCE

Bay Venues presented financial information in its 2023 Statement of Intent (SOI) which did not fully comply with the requirements of the Local Government Act 2002. Forecast financial information was limited to the Statement of Comprehensive Revenue & Expenses, which was consistent with prior years, however CCO's are now required to present full financial statements in accordance with generally accepted accounting practice (requirement 64 below). This oversight will be rectified in future SOI's.

64. Statements of intent for council-controlled organisations

(7) All information that is included in a statement of intent under this section must be prepared in accordance with generally accepted accounting practice if that information is of a form or nature for which generally accepted accounting practice has developed standards.

Clause 10, Part 4 of Schedule 8

(b) forecast financial statements of the organisation for the financial year to which the statement of intent relates, and each of the 2 following financial years.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2023

STATUTORY DISCLOSURES

NATURE OF BUSINESS

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

CHIEF EXECUTIVE REMUNERATION

Total Remuneration Paid or Payable	2023	2022
\$260,001 – \$270,000	-	1
\$270,001 – \$280,000	1	-

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

Director	Appointed Date	Resigned Date	Director Fees 2023	Travel & Accommodation 2023	Director Fees 2022	Travel & Accommodation 2022
Nick Lowe	1/07/17	N/A	33,000	-	33,000	-
Simon Clarke (Chair)	1/07/21	N/A	66,000	-	66,000	-
Julie Hardaker (Deputy Chair)	1/07/21	N/A	41,250	-	41,250	-
Adam Lynch	1/07/21	N/A	33,000	-	33,000	-
Jeremy Curragh	1/07/21	N/A	33,000	-	33,000	-
Wayne Beilby	25/07/22	N/A	33,000	-	-	-
Gareth Wallis	10/05/21	N/A	Nil Fees	-	-	-

Saima Hussain Anis was a director intern in 2023.

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

DONATIONS

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

INTEREST REGISTER

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



REMUNERATION

SUMMARY OF OUR 2022 REMUNERATION PROCESS.

In 2021, Bay Venues became a Living Wage employer. This was a significant move for the business, and one that was received well given that 42% of the workforce are in Living Wage roles. While the introduction of the Living Wage was a very positive move, it did create relativity and retention issues (particularly in Supervisor and Team Leader roles). To mitigate these issues Tauranga City Council (TCC) offered Bay Venues an additional \$320,000 of grant funding.

Our approach to lifting remuneration for our people has seen some very positive early signs including;

- a 10.4% reduction in permanent staff turnover over the financial year
- a significant positive change in sentiment towards remuneration and the feelings of ‘fairness’ surrounding it. This can be seen in that in 2021 one of the bottom 10 ranked questions in our employee engagement survey was “Our remuneration structure is appropriate relative to the market.” In 2022 the same question increased 8% in score which is a significant uplift
- healthy levels of tenure in the levels of the business where we targeted the remuneration investment, suggesting that we are at least meeting this hygiene factor for these employees.

The below quote summarises the above impacts for our business:

“In my 1:1 with <team leader level employee> yesterday he talked about how significant the increase had been for him and his family, especially as it relates to some personal goals he has outside of work. He had been weighing up his future and the improvements to both his fixed term role and his supervisor position has left him feeling like he can continue to work in an industry/role he’s passionate about and meet some of his financial goals as well. I know there was some real consideration given to that critical tier or people being our future leaders, team leader, supervisors etc so nice to know when this lands and has an impact.”

FY23 PAY GAP ANALYSIS

Remunerating our people in a fair and transparent way are two of the core principals within our Reward & Recognition strategy. In order to ensure we are taking all steps to achieve these two principals we are proactively joining the conversation about ‘pay gaps.’

The concept of pay gap helps to provide clarity on how a business remunerates employees based on a particular demographic e.g. gender or ethnicity. In 2022, research showed that men earn on average 10% more than woman in New Zealand.

Bay Venues is particularly keen to explore whether any such gap exists within our business as 60% of our employees are female, and 42% identify as non-European. We have therefore committed to understanding what gaps may be present for our employees based on gender and ethnicity (specifically Māori or Pasifika).

FINDINGS

Against the three demographics we now commit to reporting on, our gap ranges from 5.45% in relation to gender pay gap (females paid less than males), to 8.02% Maori (paid less than European). Limited benchmarking data is available due to reporting pay gaps remaining optional for employers. One organisation tackling this issue head on is called “Mind the Gap” where organisations sign up to their registry to proactively communicate their data. Bay Venues intends to apply to be part of the Mind the Gap registry following the publishing of this annual report.

	Bay Venues Gap	NZ Average Gap
Gender	5.45%	8.6%
Māori	8.02%	
Pasifika	5.28%	

As an organisation, we intend to track, monitor and reduce our pay gaps by carrying out comprehensive gender and ethnicity pay analysis annually as well as proactively discovering where any remediation is needed to reduce the gaps.



STATEMENT OF INTENT PERFORMANCE

Activity	Target	Status	Commentary
Community Benefit	Host >1.6 million visits to our facilities		2.11 million visits to facilities in FY23.
	Host >55 significant events (>500 people)		80 significant events hosted.
	Support >10 inclusivity & diversity initiatives		16 diversity and inclusion initiatives underway and 36 cultural events.
	Achieve a customer feedback rating >85%		2,427 survey responses received. 2,147 rated their overall experience as Satisfied or Very Satisfied, equating to 88% of respondents.
High Quality Facilities	No preventable serious harm incidents*		There was one incident of preventable serious harm during the year. This incident was notified to Worksafe and they opted not to intervene. An investigation was conducted internally, opportunities for improvement were found and corrective actions have been implemented to reduce risk in future.
	No preventable unplanned facility closures**		There were no preventable unplanned facility closures greater than 4 hours in FY23.
	Capital and renewals programme on time and on budget		Capital programme 15% under budget for the year, key projects delivered as planned.
A High Performing Organisation	Achieve Budgeted EBITDA		Unadjusted EDITDA was -\$2.13m, however this includes abnormal expenses of \$0.51m for historic Holiday Act Remediation (\$0.45m) and loss on capital disposals (\$0.06m). Adjusted EBITDA is therefore -\$1.62m, which was \$0.11m ahead of budget and a fair representation of performance.
Strategic Objectives	FY23 Strategic Objectives are completed		8 of 11 of strategic objectives completed, the remaining three are in progress.

Traffic Light Status Key

- On track and remaining so
- Off track and needing further monitoring

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

* Preventable means that Bay Venues was reasonably able to identify a hazard before it occurred and stop harm from occurring by eliminating a hazard or minimising the hazard so far as reasonably practicable.

** Bay Venues defines preventable unplanned facility closures to be more than 4 hours.



STATEMENT OF INTENT PERFORMANCE

FINANCIAL

	22/23 Actual (\$,000's)	22/23 Budget (\$,000's)	21/22 Actual (\$,000's)
Revenue	25,282	22,895	20,282
Less Cost of Goods Sold	2,646	3,472	2,385
Gross Profit	22,636	19,423	17,898
Less Operating Expenditure	24,765	21,154	20,789
EBITDA	(2,129)	(1,731)	(2,891)
Add Back Adjustments for Prior Year and Capital Transactions:			
Holiday Act Remediation provision	450	-	-
Loss on Disposal of Assets	55	-	-
Adjusted EBITDA	(1,624)	(1,731)	(2,891)

Notes:

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

Reconciliation to Statement of Comprehensive Revenue & Expenses

	22/23 Actual (\$,000's)
Adjusted EBITDA	(1,624)
Add	
TCC Debt Servicing Grant	1,619
TCC Renewal Funding	8,739
Less	
Finance Cost	(954)
Depreciation	(6,945)
Holiday Act Remediation provision	(450)
Less Loss on Disposal of Assets	(55)
Suplus Before Tax	330



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BAY VENUES LIMITED LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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

OPINION

We have audited:

- the financial statements of the company on pages 13 to 34, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, 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 37 to 38.

In our opinion:

- the financial statements of the company:
 - 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 Reduced Disclosure Regime; and
 - the performance information of the company 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 26 September 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 31 on page 34, which outlines that the Company presented forecast financial information with the historical financial statements that was limited to the statement of comprehensive revenue and expenses.

BASIS FOR OUR OPINION

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

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

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

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.



INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 12 and page 35 to 36, 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

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

Leon Pieterse

Audit New Zealand

On behalf of the Auditor-General

Tauranga, New Zealand



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