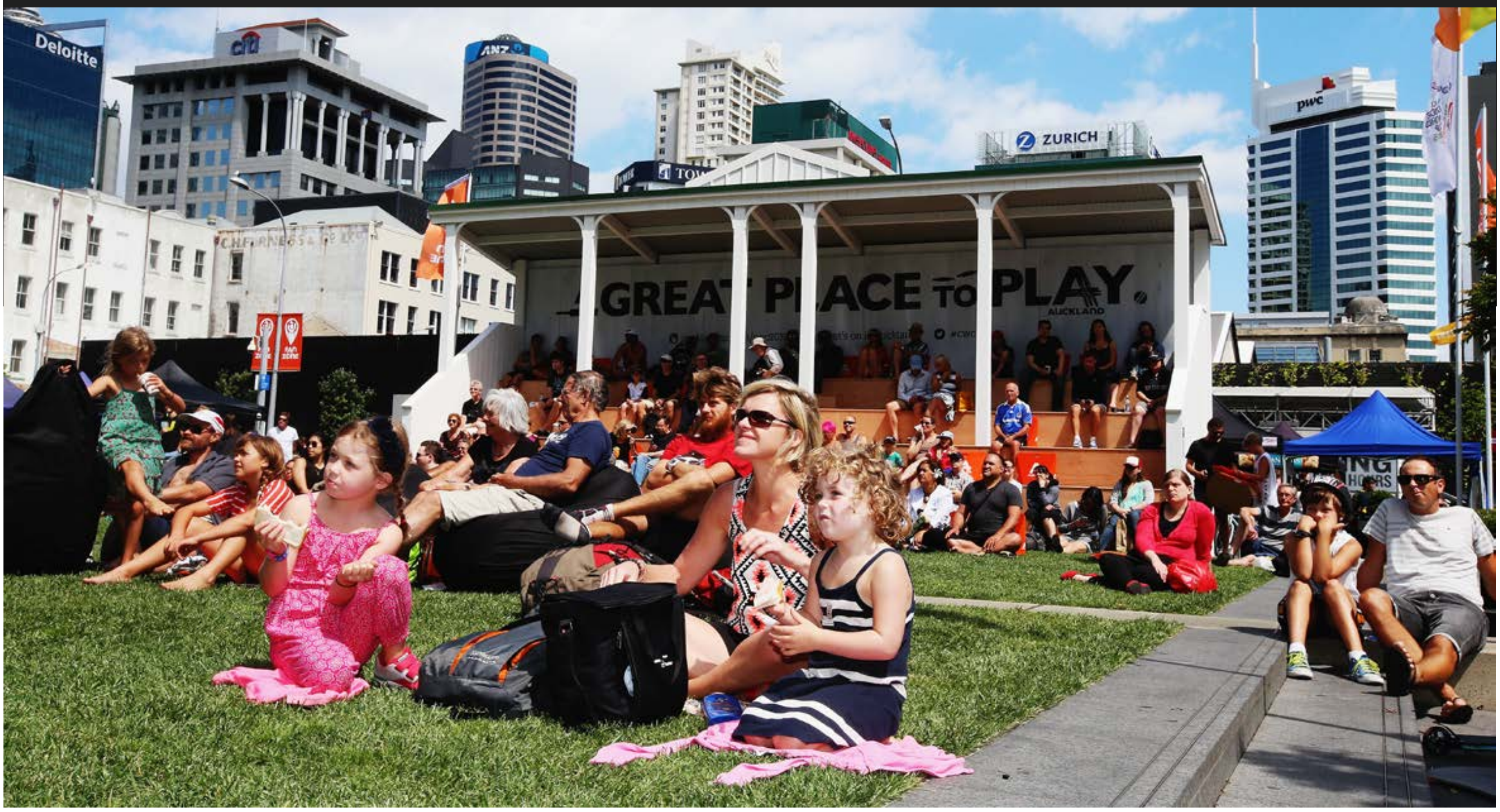
Auckland Tourism, Events and Economic Development

An Auckland Council Organisation

Annual Report

For the year ended 30 June 2015



Front cover image: ICC Cricket World Cup 2015 Fanzone at Takutai Square

Contents

Statement from the Chairman

David McConnell

Chairman

This is an exciting time for Auckland and ATEED, with unlimited possibilities for economic growth as we work to deliver on Auckland Council's ambitious plans for the region.

As the region's economic growth agency, we share this aspirational approach. ATEED's Board challenges the organisation to be single-minded about identifying market failures, developing interventions that serve as industry catalysts which will leave legacies for Auckland and New Zealand, and producing world-leading outcomes.

ATEED can play a big role in defining Auckland's relevance internationally: what will our region become known for? Auckland is a big city in a small country – the challenge is how to make it relevant in the Asia-Pacific region.

ATEED has put in place a comprehensive strategic framework. Now we need to ramp up our delivery – with our valued partners – of these imperatives to:

- grow a culture of innovation and entrepreneurship
- attract business and investment
- grow a skilled workforce
- enable education and talent
- grow the visitor economy
- expand Auckland's brand and identity.

In defining these six 'pillars', the board has signed off management's exciting implementation plans which will deliver clear targeted economic benefits for the city in areas where intervention is required.

We have identified innovation as the key driver of economic transformation and therefore our key intervention. This year saw the release of the Auckland Innovation Plan which sets out a plan through to 2025 which is being guided by an advisory panel led by Sir Stephen Tindall.

GridAKL is the major critical intervention and investment by ATEED on behalf of council to drive innovation, and transform the perception of Auckland into a hub of world-leading innovation.

This precinct for information and communication technologies, and digital companies, is thriving – it is a lightning rod to showcase the energy and activity happening in Auckland's innovation and tell that story globally. GridAKL is a perfect example of how our interventions can influence Auckland's economic trajectory, and work is underway to measure GridAKL's outcomes to date. The Auckland Innovation Plan target is for innovation to deliver an extra $8 billion a year (GDP impact) by 2025.

ATEED's successful delivery of its Major Events Strategy and refreshed Auckland Visitor Plan are already improving the 'amenity' of the city, which is fundamental to fostering innovation. Events and visitors encourage improved cultural aspects such as restaurants, and entertainment. This year alone, the region's portfolio of 35 major events delivered $73.1 million return of investment and 390,000 visitor nights.

"This year alone, the region's portfolio of 35 major events delivered $73.1 million return of investment and 390,000 visitor nights"

When you get the visitor economy right, it underwrites the amenity of the city in a symbiotic relationship. Manhattan Island is a great example. Visitors spend many times more than residents on a daily basis, but everybody wins because the infrastructure developed to cater for visitors is of huge benefit to residents as well.

While we have supported new visitor experiences on behalf of Council, including the Rangitoto Motutapu Haerenga walk, it's great to see significant private sector tourism product investment such as Waka on the Waitamata, and Waiheke's EcoZip adding to Auckland's attractions.

So getting Auckland's visitor economy right is critical, and the amenity created is crucially also part of what attracts the right talent we need to grow our high-tech economy.

We believe intervention is needed to solve youth unemployment; and to specifically support Māori economic growth. These both require fundamental economic levers which ATEED can help deliver. Work on these crucial areas began in earnest this year, and will expand significantly in the next.

To really making a transformational difference we need bold thinking – major long-term game changers which challenge the existing assumptions about Auckland. For example, New Zealand is taking part in negotiations for the Trans-Pacific Partnership free trade agreement which involves other countries – including the US, Australia, and Singapore – with more than $21 trillion in GDP between them. Should this be signed, Auckland will need to think laterally about all the opportunities a once-in-a-generation agreement may provide.

A key contribution New Zealand has made to the proposed TPP is around intellectual property relating to the internet and online trading. This fits well with Auckland's mainly 'cloud'-based innovation in which distances become irrelevant.

ATEED's proposal for a world-class Screen Innovation and Production Precinct on council land at Hobsonville Point which was previously earmarked for the marine industry is another example of the strategic thinking required to make a step change to our economy.

We are in a brutally competitive game, competing with other cities to attract businesses, and to be the city where talented people want to be. We have to be connected.

After four full years of operation, ATEED has a strong sense of the transformation it can achieve within a 10 year horizon; and we have a significant proportion of the right building blocks in place.

We now need to accelerate from being about a third of the way along the journey to seeing the outcomes we want from programme execution: new smart investment, and new high-value jobs for our children. This is the challenge as we look towards the next operating year.

I thank the ATEED team for its outstanding dedication and contribution to Auckland.

David McConnell

ATEED Chairman

Statement from the Chief Executive

Brett O'Riley

Chief Executive

ATEED has focussed on successfully delivering its six strategic priorities in 2014/15, to achieve our purpose of creating new investment and new jobs for Auckland.

These priorities are to grow a culture of innovation and entrepreneurship; attract business and investment; grow a skilled workforce; enable education and talent; grow the visitor economy; and expand Auckland's brand and identity.

Operationally, we recognise the need to deliver greater and more integrated outcomes through ATEED's activities, and working with other parts of Auckland Council group. We also are determined to partner more closely with central government and the private sector at both a strategic and operational level.

ATEED also assumed responsibility for work programmes for skills and local economic development which were previously with council. Collectively, these new programmes and the expansion of other ATEED activities contributed to increased people costs. We continue to explore opportunities to drive efficiencies and we again out-sourced activities during the year including the Pasifika Festival and i-SITEs.

The results of a comprehensive review of ATEED and the other council-controlled organisations were a strong validation of our operating model and strategic approach.

We operate in a global environment where cities and regions compete to attract investors, multi-national companies, skilled migrants, international students, and visitors. This means a balance of activity in Auckland and offshore, the latter in partnership with central government agencies and the private sector.

We challenge team members to think outside the square when driving synergies across major events, business events and tourism. Nowhere was this better illustrated than our golf/equine/marine strategy to engage with China's growing luxury visitor market. ATEED worked with NZ Bloodstock to showcase the Karaka Million Series and the company's national yearling sales to a delegation of Chinese equine industry leaders. Central government agencies were also involved in developing this equine opportunity.

Partnership is a bedrock ATEED principle. This year, we partnered with more Auckland businesses, and more organisations, than ever. Another perfect example was the major role ATEED played in the formation of the multi-agency Destination New Zealand Superyacht Attraction Initiative Group, which helped to drive the arrival of a record 57 superyachts to this country in the 2014/15 season – an increase of more than 50 per cent. As with many of our other initiatives, this programme will have cross-sector benefits – in this case, for Auckland's world-class marine industry.

"In 2014/15, ATEED 'achieved' or 'substantially achieved' 21 of its 27 key performance indicators"

The first summit of the Tripartite Economic Alliance signatories – Los Angeles, Guangzhou, and Auckland – in Los Angeles in June was a watershed event for our region, showcasing how Auckland can connect internationally and stamp its mark on the global marketplace. Focused on themes of innovation and new entertainment technology, the summit was a major catalyst for new deals for the attending Auckland businesses – many from the ICT, and screen and digital sectors.

The GridAKL innovation precinct at Wynyard Quarter continued to grow and expand, with Huawei announced as foundation partner, and the precinct becoming a thriving hub of the region's innovation ecosystem. We continued to incubate and develop strong foundations for the new Auckland Investment Office (AIO), which is responsible for attracting inbound investment into transformative projects for the region. The AIO will transition to council in the new financial year.

We need to be smarter and stay ahead of the game. During the year, a special ATEED project team worked on a proposal for council land at Hobsonville Point to be used for a private sector built and owned screen precinct. Just after the reporting period, council's Auckland Development Committee voted to give ATEED and the Auckland Investment Office just over three months to secure a deal in principle with a private sector investor.

If a deal is approved by Auckland Council, this purpose-built studio facility would create high-value jobs for the surrounding community and tens of millions in export dollars for the region.

We are evaluating legacy economic growth opportunities from Auckland's growing global reputation as a sports city. We want to leverage this investment to grow a viable world-leading high-performing sports sector.

Our ability to be nimble and react to change came to the fore when the hugely popular Auckland Pasifika Festival had to be moved from its regular venue at Western Springs at short notice due to a fruit fly outbreak. The festival was held in South Auckland, and was again successful thanks to a lot of hard work by ATEED, our event delivery partner Orange, and the Pacific people's community.

Pasifika was held amid an unprecedented 2014/15 summer of major events for Auckland. ATEED managed an astounding volume and diversity of events, more than most cities in the world, including internationally significant events such as Dick Smith NRL Auckland Nines, ICC Cricket World Cup 2015, the Volvo Ocean Race 2015 stopover and the FIFA U-20 World Cup 2015. Our business leveraging programme run throughout these events enabled us to showcase Auckland's growth sectors to the world.

Our Business, Innovation and Skills division – including the four area business hubs – was re-aligned into a structure which reflects new priority actions in innovation and skills development, and to best deliver our target outcomes.

In 2014/15, ATEED 'achieved' or 'substantially achieved' 21 of its 27 key performance indicators, and the tables beginning on p69 of this report show some outstanding results. We will focus in the coming year on improving the areas where targets were not achieved.

The year ahead will be another exciting one for ATEED. It will include the development of a signature Auckland Māori festival which will showcase Tāmaki Makaurau's unique and treasured Māori identity. Meaningful collaboration with Auckland's 19 mana whenua authorities about their vision and aspiration for the festival has seen us working together towards an inaugural event in January 2016. There will be a five-year commercial growth plan for the festival to help fuel Māori economic development.

Our subsidiary, World Masters Games 2017 Ltd, will continue to make great progress towards Auckland hosting this huge global event and its more than 25,000 participants.

We will complete the hugely important Global Auckland project to review and define our region's unique global identity.

As we deliver on economic growth aspects of Auckland Council's ambition to be the world's most liveable city, we will in 2015/16 take our operating model to the next level – ATEED 3.0 as I call it, with integration, strategy and culture coming together to drive performance.

Brett O'Riley

Chief Executive

Directors' report

The Board of Directors have pleasure in presenting the annual report of Auckland Tourism, Events and Economic Development Limited, incorporating the financial statements, statement of service performance and the auditors' report, for the year ended 30 June 2015

David McConnell
Chairman

Norm Thompson
Deputy Chair

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Auckland Tourism, Events and Economic Development Limited Group's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of Auckland Tourism, Events and Economic Development Limited and its New Zealand domiciled subsidiary, World Masters Games 2017 Limited. 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 the performance information of the group, consisting of Auckland Tourism, Events and Economic Development Limited and its subsidiary (collectively referred to as "the Group"), on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Group on pages 27 to 71, that comprise the statement of financial position as at 30 June 2015, 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 Group on pages 73 to 81.

In our opinion:

- the financial statements of the Group:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Tier 1, Public Benefit Entity Standards; and
- the performance information of the Group presents fairly, in all material respects, the Group's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 18 September 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Group's financial statements and performance information 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 Group's internal control.

An audit also involves evaluating:

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

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

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the Group that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Standards. The Board of Directors is also responsible for preparation of the performance information for the Group.

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

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

Responsibilities of the Auditor

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

Independence

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

In addition to the audit we have carried out an additional assurance engagement for World Masters Games 2017 Limited, performed in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, which are compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the Group.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Highlights

2014 / 2015

Growing a culture of innovation and entrepreneurship

The Auckland Innovation Plan was released in November. Developed with close involvement of ATEED's partners including Callaghan Innovation, NZTE, MBIE and tertiary institutions, the plan aims to create an innovation ecosystem which generates an additional $8 billion a year into the regional economy by 2025 through increased research and development, and innovation activity.

Auckland's journey towards being an innovation hub of the Asia-Pacific region made major strides during the year with the rapid growth of GridAKL, Auckland Council's innovation hub and precinct at Wynyard Quarter. The ICT and digital precinct's first building was at capacity by the middle of the financial year, with 15 start-up tenants.

"GridAKL is at the hub of the region's innovation corridor."

GridAKL entered a partnership to be the Auckland home of New Zealand's leading digital start-up accelerator, The Lightning Lab; the hub has already become a central focal point and generator of innovation events and productive industry networking across the region. By year end, it had hosted more than 100 innovation events.

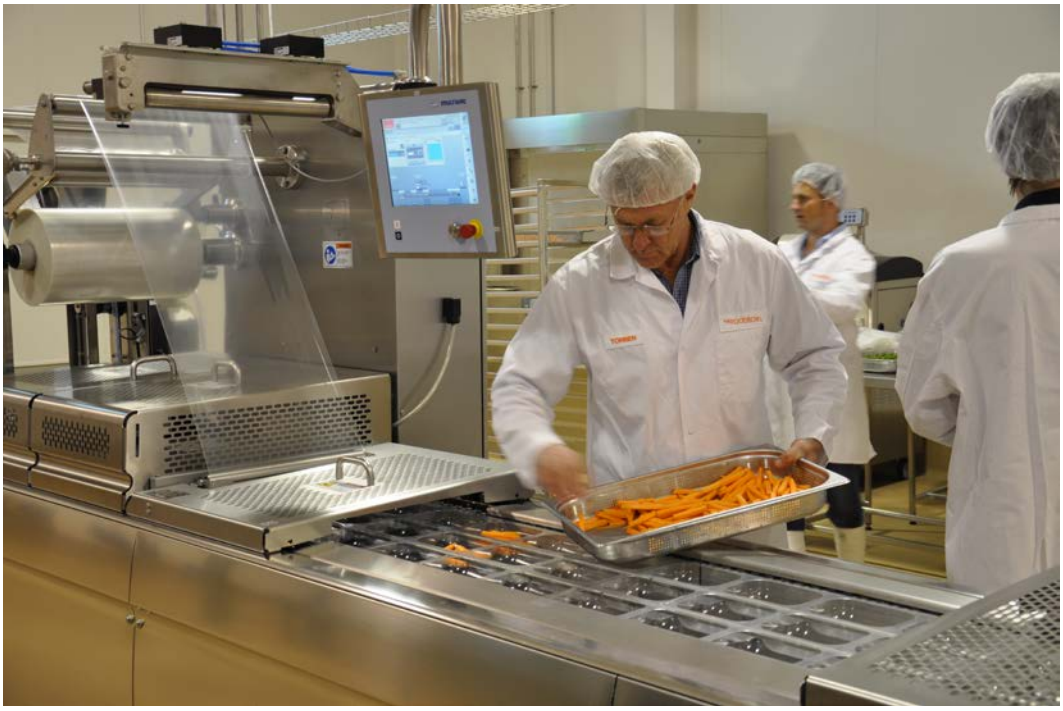
The precinct reached a major milestone in May with the announcement of global technology giant Huawei as foundation partner, in a three-year $1 million deal. This partnership is the cornerstone of ATEED's strategy to leverage council's $20 million investment in GridAKL by developing commercial opportunities which deliver for Auckland's economy. The partnership will allow Huawei to showcase its world-leading communications technology with state-of-the-art systems installed within GridAKL's buildings. China is a huge growth market for Auckland, and the partnership creates significant potential opportunities for GridAKL companies to connect with China and other regions through Huawei's international networks.

The next two stages of GridAKL are in motion, with ATEED in the process of fitting out the refurbished character Lysaght Building (leased from Pānuku Development Auckland) which will open in late 2015; and design discussions underway for the precinct's first new building, which ATEED will take the head lease on.

GridAKL is at the hub of the region's innovation corridor, and other exciting parts of the ecosystem emerged and rapidly grew during the year – including the 'Techapuna' and iTEC high-tech clusters on the North Shore, the AUT Millennium world-class sports training facility, and the new technology incubator Astrolab.

The FoodBowl – Te Ipu Kai state-of-the-art food and beverage production and test facility near Auckland Airport (a joint venture with Callaghan Innovation) continued to fuel growth in Auckland's world-class food and beverage sector, engaging with more than 120 companies during the year. Double the number of medium-sized companies ($500,000 to $5 million turnover) used The FoodBowl, compared to the previous year. It also hosted specialist delegations from China, Korea andAustralia. The FoodBowl continued to build its reputation as an industry training centre for technical and business skills.

ATEED's delivery of the Government's Regional Business Partner Network programme saw its research and development specialists help Auckland companies successfully apply for $3.59 million in Callaghan Innovation grants. ATEED worked on maintaining momentum created by the inaugural Tāmaki Makaurau Māori Economic Growth Forum in June last year, and springboard this into a wider programme to develop the region's Māori economy through initiatives such as workshops for Māori tech businesses.



Attracting business and investment

ATEED facilitated the establishment or expansion in Auckland of six multi-national companies, and secured investment deals worth an estimated $265 million.

The Tripartite Economic Alliance summit in Los Angeles in June was the culmination of many months' planning and engagement by ATEED and council's Global Partnerships team with Auckland's tech exporters, following the signing of the historic agreement between Los Angeles, Auckland and Guangzhou in November 2014. More than 40 Auckland businesses were part of the delegation and reported great immediate results, including potential new and angel investment, as well as long-term leads and connections.

The summit created an ideal forum for ATEED's screen and investment attraction experts to pursue promising opportunities for Auckland.

ATEED has been a significant partner in the 'NZ Inc' VIP programme on the US West Coast which grew out of successful business leveraging at the America's Cup event in San Francisco. Led by the Ministry of Foreign Affairs and Trade (MFAT), the programme continues Auckland's international connectivity in California, and was integral to the success of the tripartite summit.

"The relationships developed with these US investors has led to new networks and connections.The programme has connected Auckland entrepreneurs to potential investors, partners and talent."

The programme works with people hosted at a range of events – which began at the 2013 America's Cup – who are of value to New Zealand, either as potential investor migrants, luxury travellers, investors or entrepreneurs (or a combination of all these interests). The relationships developed with these US investors has led to new networks and connections. The programme has connected Auckland entrepreneurs to potential investors, partners and talent.

Leveraging the business growth opportunities created by Auckland's hosting of major sporting and business events was a major focus during the year. ATEED took part in a government trade delegation to India in November which forged links with India's hugely powerful business and investment community, and invited its members to visit Auckland during ICC Cricket World Cup 2015. ATEED supported the subsequent multi-agency business growth programme to develop business connections and showcase Auckland's growth industry sectors during the tournament. The visiting Indian delegation included tech entrepreneurs, investors and companies, and international education agents. Programmes were also held for business leaders from Australia, Pakistan and South Africa.

ATEED's Aroha Auckland programme – which promotes regular engagement with 100 of the top multi-national companies and investors present in Auckland – made major strides during the year. The programme now includes 85 companies being actively managed, and helping to meet their needs. This has huge potential for growing jobs and investment into the region.

ATEED continued to oversee – on behalf of the council group – the development of the Auckland Investment Office, which has the mandate to lead an integrated approach to the attraction of investment into the region's crucial transformational projects such as the City Rail Link, and large-scale residential developments in the region's 85 special housing areas. The AIO's operation will transition to Auckland Council in the 2015/16 year.

ATEED's Screen Auckland team issued a record 543 permits for filming on open public spaces across the region, for shoots worth nearly $130 million to the region's economy. This year, major international co-production Crouching Tiger Hidden Dragon II – The Green Destiny was completed in Auckland, and ATEED's screen attraction specialists played a key role in bringing new productions to the region worth $111 million. These included Shannara, a MTV Networks and Sonar Entertainment television adaption of the best-selling fantasy novels, and the return of Auckland regular Power Rangers – which has been a hit show for more than 20 years.

Growing a skilled workforce

Auckland has a major youth unemployment issue, with 22 per cent of 15-24-year-olds unemployed (about 27,000 not in education, employment or training).

ATEED is at the forefront of programmes to tackle this issue, being a partner in the Mayor's Youth Employment Traction Plan. It also hosts the plan's hub, which leads Auckland Council's holistic approach to employment solutions. The team developed the Youth Employer Pledge which makes the employment process much easier for both employers and young people. ATEED has obtained commitment to the pledge protocols from major Auckland companies – initially in the construction and hospitality sectors. By year end, 13 companies had signed the pledge.

JobsFest15, an event in South Auckland to connect unemployed youth with 40 potential employers, was attended by more than 2000 Aucklanders. A Youth Employability Passport trial began in April – a partnership with the Ministry of Social Development, Careers New Zealand and the Employers and Manufacturers Association.

ATEED's delivery of the Lion Foundation Young Enterprise Scheme in the 2014 school year saw more than 1200 students from 40 Auckland schools compete another multi award-winning programme. IdeaStarter – a new ATEED-supported competition for entrepreneurial Aucklanders aged 15-24 – attracted more than 60 entries of innovative business concepts.

Through its delivery of the Regional Business Partner Network, ATEED actively managed 884 businesses, and facilitated more than $1.76 million in NZTE Capability Development Vouchers to improve the management skills of small to medium enterprises.

Enabling education and talent

Collaboration with central government agencies is the hallmark of ATEED's increased initiatives to attract talented students and business migrants to Auckland.

A new Auckland Regional Partnership Agreement with Immigration New Zealand helped drive initiatives to attract talented migrants for Auckland's key growth sectors. In March, ATEED was part of an Auckland Council group showcase at job fairs in London and Manchester aimed at attracting skilled migrants.

In partnership with the Ministry of Business, Innovation and Employment (MBIE), ATEED hosted stands at two November government job expos in Australia – ATEED's focus in Sydney was ICT workers, and the Perth one centred on construction and infrastructure roles.

ATEED supported MBIE and Workhere New Zealand's 'Innovation Islands' digital marketing campaign launched in September. It is designed to attract top tech talent from Australia.

ATEED's Study Auckland team worked with more than 130 client organisations to expand Auckland's $1.7 billion a year international student economy. This included the launch of the INAKL international student experience pilot programme to improve engagement with the region's 68,000 fee-paying students, and particularly help convince those with the right skills to stay on to work in Auckland's growth sectors. The pilot was launched with a vibrant welcome event which was attended by more than 2000 international students. The INAKL programme's digital engagement level by year end was excellent, with more than 2200 Facebook followers and exceptional click through statistics compared to industry standards. INAKL will become business as usual in 2015/16.

Growing the visitor economy

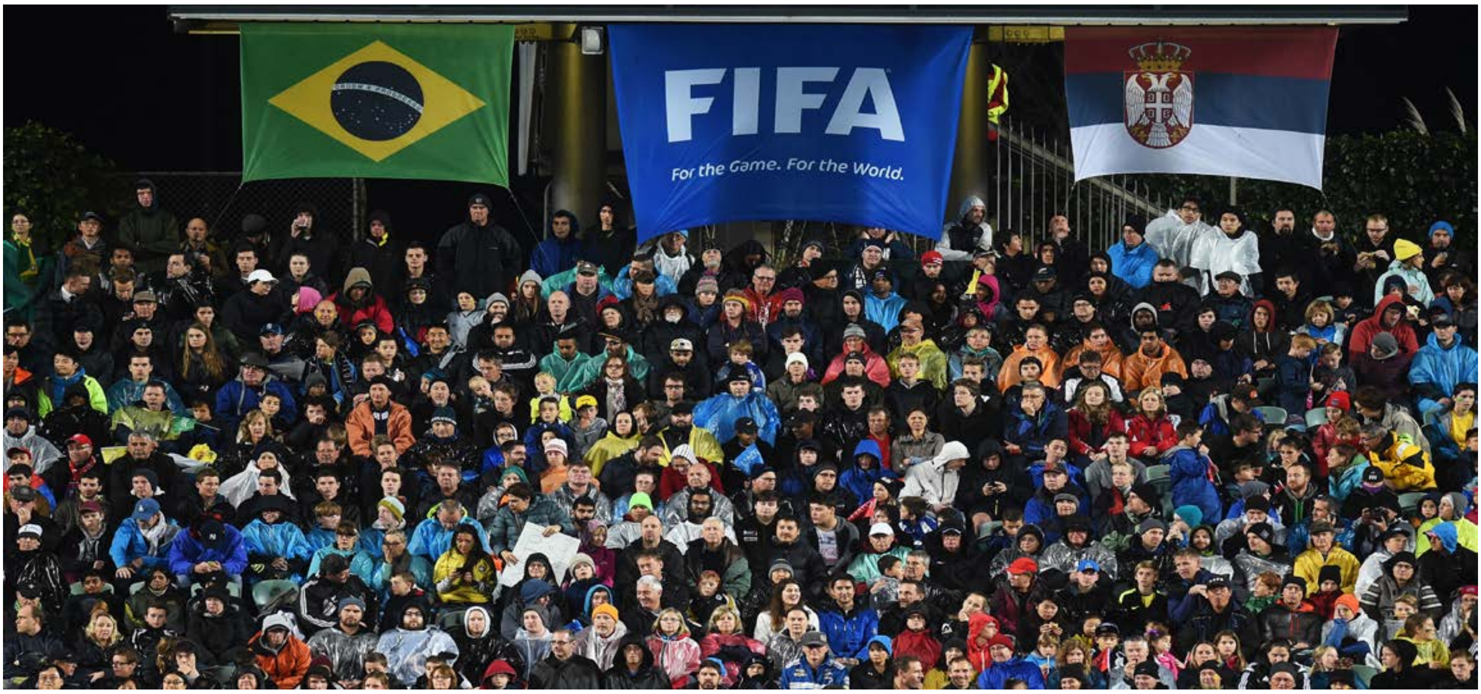
Auckland's portfolio of more than 30 major events injected $73.1 million into the regional economy and generated 390,000 of Auckland's 29.2 million visitor nights. In the calendar year to December 2014, Auckland Airport received more than two million international arrivals for the first time.

This helped to push hotel occupancy rates to record levels – 93.5 per cent in February 2015. The growth in high-end tourism requires a major increase in the number of luxury hotel rooms available. During the year, ATEED helped efforts to secure investment from international companies which have the capability and experience to construct high-quality hotels in Auckland. ATEED is engaging with the hotel investment sector and working with NZTE and other agencies to create a clear strategy to help investors understand opportunities at a national and local level.

With a number of new 5-star properties already announced, the key investment opportunities exist in the 3.5-4.5 star accommodation segment – but the current cost of land and construction is a barrier to investors. Areas outside the CBD are more attractive because lower costs and new construction methods provide greater return on investment.

The portfolio featured memorable global events from the Festival of Tennis through to group matches, knock-out rounds and the final of FIFA U-20 World Cup 2015 – the largest football event held in New Zealand.

Planning by ATEED's subsidiary company towards World Masters Games 2017 proceeded well, with milestones including the announcement and contracting of 45 competition venues; two strategic partners, an experience partner and a trust partner;



and setting of three registration price points. WMG2017 developed a comprehensive suite of social media channels which already have substantial followings, grew its staff to 18 with a number of key positions in place, and developed a fully integrated risk management framework, policy and registers (for full details, see p77).

ATEED worked with a range of partners to further develop its programme to bring luxury market Chinese visitors with specialist interest in golf, equine and marine sectors to Auckland – this programme has cross-sector benefits for inbound investment and exports. Key actions this year included ATEED leading a multi-organisation equine mission to the Beijing Horse Fair, a strategic partnership with Inner Mongolia's influential Rider Horse Group, an ongoing relationship with the China Cup regatta, a memorandum of understanding with China Southern Airlines, and a growing relationship with China's Mission Hills Golf Resorts.

"ACB's innovative Auckland Business Events Advocate Programme was launched in May, in partnership with Tourism New Zealand"

ATEED's Auckland Convention Bureau (ACB) team developed the Auckland Business Events Plan in conjunction with industry. The nation's first specific regional business plan was released in August, and outlines a compelling action plan to nearly double the annual economic contribution of this sector to $430 million in 2023. Reducing seasonality is a key aim in the plan.

ACB's innovative Auckland Business Events Advocate Programme was launched in May, in partnership with Tourism New Zealand. It is designed to contribute to an increase in international convention bid opportunities within key sectors for Auckland. The bureau's International Bid team won 12 international conferences during the year – these will make an estimated $9.6 million contribution to Auckland's regional economy. Bids for a further 17 events were in progress at year end.

ATEED welcomed confirmation in May of the revised preliminary design for the planned national convention centre – crucial infrastructure for Auckland which underpins both Auckland's Business Events Plan and the Auckland Visitor Plan. This will allow Auckland to bid for large-scale conventions it currently loses to other destinations, particularly Australia, because it lacks a suitable venue.

A major milestone was reached with the iwi-led new visitor experience Rangitoto Motutapu Haerenga – 'A Journey Through Sacred Islands' operational in November, to coincide with Conservation Week. The haerenga is a collaboration between ATEED and partners including the Department of Conservation, Ngai Tai, Ngati Whatua Orākei, and aNgati Pāoa.

The regional i-SITE network managed by ATEED experienced a significant uplift in tourism sales this year. By the height of summer, the number of bookings in the key branches at Auckland Airport, Sky City, and Princes and Queens wharves, had increased by 6.5 per cent (a value of $2.17 million for tourism operators). This growth was enabled by improved cruise ship operations at Princes and Queens wharves, with the total value of bookings up more than 28 and 20 per cent respectively.

The 2014/15 cruise ship season was another strong one – 115 voyages brought more than 263,000 passengers and crew to the Port of Auckland. The ships' visits injected about $190 million into Auckland's economy – up almost 20 per cent on last season.

The coming season is shaping up to be a record with more ships and passengers set to visit than ever before. The Cruise Action Plan for Auckland, finalised this year, identifies opportunities to increase the regional economic benefits from the cruise industry and its contribution to the visitor economy. Implementation will focus on ensuring Auckland is recognised as the best cruise destination in the Oceania region.

New cruise infrastructure to cater for the growth in cruise ship visits, and larger ships, is critical to ensure the growth of Auckland as the cruise hub for New Zealand. ATEED continues to support the development of a council group strategy to open up the downtown waterfront, including a longer cruise ship berth and improved passenger facilities.

ATEED continued to support local tourism clusters in Auckland's Franklin and Rodney regions, and on Great Barrier and Waiheke islands; and strengthened its international industry partnerships with Flight Centre Australia and Virtuoso.

Building Auckland's brand and identity

ATEED's commitment to totally refreshing Auckland's domestic and international tourism identities was a focus this year. The region's domestic tourism campaign 'AKL – the show never stops', developed in partnership with Heart of the City, was added to with a comprehensive domestic tourism campaign for Auckland's summer of major events.

To join partners in celebrating Auckland's 175th anniversary, ATEED commissioned renowned animator Ian Taylor to develop a special video about the city's story. This was subsequently adapted into versions suitable for showcasing the region to global investors.

ATEED instigated a number of strategic international marketing programmes including a special profile on Auckland published by influential international luxury publication Monocle Magazine. Jointly funded by a partnership with Tourism New Zealand, Air New Zealand, and New Zealand Trade & Enterprise, the insert in October's issue profiled the city's food, retail, innovation and transportation. This publication was ideal for pitching Auckland to luxury travellers, which is one of ATEED's key focus areas.

ATEED'S MAJOR ACCOLADES

2015 New Zealand and Recreation Awards

- 'Innovation Excellence' award for Dick Smith NRL Auckland Nines

2015 Local Government New Zealand Excellence Awards

- Highly Commended, 'Fulton Hogan Excellence Award for Community Impact', for Auckland Lantern Festival

New Zealand Association of Event Professionals Awards 2015

- The Volvo Ocean Race Auckland Stopover – 'Best New Zealand Hosted Major Event'
- Dick Smith NRL Auckland Nines – joint winner, 'Best New Zealand Owned Major Event'

In the second half of the year, ATEED embarked on the Global Auckland project – an incredibly important review of its global identity and story. We asked a diverse range of Aucklanders what makes their city unique. If Auckland is to remain competitive in attracting both visitors and investment, and sustain a vibrant and competitive economy, Auckland needs to stand out from global competitors

At the end of the review in October, we expect to be able to articulate what makes Auckland unique on a global level, and have developed a distinctive brand which can help to differentiate Auckland and enhance its international reputation by providing a coherent value proposition to attract skilled migrants, investors, innovators, visitors, entrepreneurs and events – and the economic growth benefits they bring.

Financial statements

Statement of comprehensive revenue and expense
For the year ended 30 June 2015

		PARENT		GROUP	
	Notes	**2015** $'000	2014 $'000	**2015** $'000	2014 $'000
INCOME					
Service and other revenue	4	**57,364**	51,796	**60,190**	53,049
Finance income (interest)		**66**	37	**66**	37
Other gains	5	**-**	-	**55**	88
Total income		**57,430**	51,833	**60,311**	53,174
EXPENDITURE					
Personnel costs	6	**(18,780)**	(16,556)	**(20,352)**	(17,340)
Depreciation and amortisation	14,15	**(540)**	(457)	**(561)**	(470)
Finance expenses (bank charges)		**(70)**	(7)	**(11)**	(66)
Other expenses	7	**(38,047)**	(35,119)	**(39,714)**	(34,448)
Total expenditure		**(57,437)**	(52,139)	**(60,638)**	(52,324)
(Deficit)/surplus before tax		**(7)**	(306)	**(327)**	850
Income tax expense	8	**-**	-	**-**	(550)
Profit from continuing operations		**(7)**	(306)	**(327)**	300
(Deficit)/surplus after tax		**(7)**	(306)	**(327)**	300
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	23	**67**	(235)	**67**	(237)
Total comprehensive income for the year		**60**	(541)	**(260)**	63
PROFIT IS ATTRIBUTABLE TO:					
Equity holders of Auckland Tourism, Events and Economic Development Limited		**(7)**	(306)	**(327)**	300
TOTAL COMPREHENSIVE INCOME FOR THE YEAR IS ATTRIBUTABLE TO:					
Equity holders of Auckland Tourism, Events and Economic Development Limited		**60**	(541)	**(260)**	63

Statement of changes in equity
For the year ended 30 June 2015

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
PARENT	**Notes**	**Contributed equity** $'000	**Hedging reserve** $'000	**Accumulated funds** $'000	**Total equity** $'000
Balance as at 1 July 2013		4,376	(5)	(994)	3,377
COMPREHENSIVE INCOME					
Profit or loss for the year		-	-	(306)	(306)
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	23	-	(235)	-	(235)
Total comprehensive income		-	(235)	(306)	(541)
Balance as at 30 June 2014		4,376	(240)	(1,300)	2,836
Balance as at 1 July 2014		4,376	(240)	(1,300)	2,836
COMPREHENSIVE INCOME					
Profit or loss for the year		-	-	(7)	(7)
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	23	-	67	-	67
Total comprehensive income		-	67	(7)	60
Other equity movements	22	-	-	-	-
Balance as at 30 June 2015		4,376	(173)	(1,307)	2,896

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
GROUP	**Notes**	**Contributed equity** $'000	**Hedging reserve** $'000	**Accumulated funds** $'000	**Total equity** $'000
Balance as at 1 July 2013		4,332	(3)	1,499	5,828
COMPREHENSIVE INCOME					
Profit or loss for the year		-	-	300	300
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	23	-	(237)	-	(237)
Total comprehensive income		-	(237)	300	63
Other equity movements	22	44	-	(44)	-
Balance as at 30 June 2014		4,376	(240)	1,755	5,891
Balance as at 1 July 2014		4,376	(240)	1,755	5,891
COMPREHENSIVE INCOME					
Profit or loss for the year		-	-	(327)	(327)
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	23	-	67	-	67
Total comprehensive income		-	67	(327)	(260)
Other equity movements	22	-	-	-	-
Balance as at 30 June 2015		4,376	(173)	1,428	5,631

Statement of financial position

As at 30 June 2015

	Notes	PARENT 2015 $'000	PARENT 2014 $'000	GROUP 2015 $'000	GROUP 2014 $'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	11	**2,206**	1,464	**2,206**	1,464
Debtors and other receivables	12	**8,424**	6,943	**9,514**	8,014
Other financial assets	16	**-**	12	**-**	12
Inventories	13	**55**	73	**55**	73
		10,685	8,492	**11,775**	9,563
Total current assets		**10,685**	8,492	**11,775**	9,563
NON-CURRENT ASSETS					
Property, plant and equipment	14	**2,094**	2,263	**2,239**	2,329
Intangible assets	15	**79**	106	**79**	106
Debtors and other receivables	12	**1,044**	886	**1,118**	886
Other financial assets	16	**40**	40	**40**	40
Investment in other entities	21	**4**	4	**2,046**	1,991
Derivative financial instruments	19	**-**	-	**-**	-
Deferred tax assets	10	**-**	-	**-**	-
Total non-current assets		**3,261**	3,299	**5,522**	5,352
Total assets		**13,946**	11,791	**17,297**	14,915
LIABILITIES					
CURRENT LIABILITIES					
Payables and accruals	17	**8,785**	7,054	**9,382**	7,090
Employee entitlements	18	**1,417**	1,173	**1,437**	1,206
Derivative financial instruments	19	**59**	70	**59**	70
Provisions	20	**353**	40	**353**	40
Total current liabilities		**10,614**	8,337	**11,231**	8,406
NON-CURRENT LIABILITIES					
Derivative financial instruments	19	**114**	170	**114**	170
Creditors and other payables	17	**318**	447	**318**	447
Employee entitlements	18	**3**	1	**3**	1
Total non-current liabilities		**435**	618	**435**	618
Total liabilities		**11,049**	8,955	**11,666**	9,024
Net assets		**2,897**	2,836	**5,631**	5,891
EQUITY					
Contributed equity	22	**4,377**	4,376	**4,376**	4,376
Reserves	23	**(173)**	(240)	**(173)**	(240)
Accumulated funds	23	**(1,307)**	(1,300)	**1,428**	1,755
Total equity		**2,897**	2,836	**5,631**	5,891

Statement of cash flows
For the year ended 30 June 2015

	Notes	PARENT 2015 $'000	PARENT 2014 $'000	GROUP 2015 $'000	GROUP 2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		**66**	37	**66**	37
Receipts from other revenue		**56,712**	48,372	**59,216**	49,622
Payments to suppliers and employees		**(55,249)**	(48,449)	**(57,632)**	(49,622)
Income tax paid		**-**	-	**-**	-
Goods and services tax net refunded		**(152)**	(86)	**(152)**	(86)
Other cash flows from operating activities		**2**	2	**2**	2
Net cash from operating activities	24	**1,379**	(124)	**1,500**	(47)
CASH FLOWS FROM INVESTING ACTIVITIES					
Disposals/(purchases) of property, plant and equipment	14	**(654)**	(483)	**(778)**	(560)
Other cash flows from investing activities		**17**	37	**20**	37
Net cash from investing activities		**(637)**	(446)	**(758)**	(523)
CASH FLOWS FROM FINANCING ACTIVITIES					
Other cash flows from financing activities		**-**	-	**-**	-
Net cash from financing activities		**-**	-	**-**	-
Net increase/(decrease) in cash and cash equivalents		**742**	(570)	**742**	(570)
Cash and cash equivalents at the beginning of the period		**1,464**	2,034	**1,464**	2,034
Cash and cash equivalents transferred to disposal group		**-**	-	**-**	-
Cash and cash equivalents at end of the year	11	**2,206**	1,464	**2,206**	1,464

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

Notes to the financial statements

1 General information

The role of Auckland Tourism, Events and Economic Development Limited (ATEED, Parent or the Company) is to help deliver Auckland Council's vision of creating the world's most liveable city by supporting the growth of a vibrant and competitive economy, with a particular focus on facilitating new money and new high-value jobs for Auckland. The extent to which new opportunities deliver new money into Auckland and also increase the level of jobs within Auckland are two key pre-requisites upon which we prioritise and allocate our resources.

ATEED regards innovation as the most crucial driver of growth and the area where it can make the greatest contribution to delivering council's economic priorities.

ATEED must work in partnership with others, informing, promoting, innovating and integrating to the best of its ability and mindful of the resources available. ATEED is committed to the principle of kotahitanga – a shared unity of purpose – and the notion of ko tou rourou, ko toku rourou, ka ora ai te iwi (with your contribution and my contribution, we will thrive).

In delivering on its role, ATEED will contribute to the priorities and growth goals contained in council's *Auckland Plan* and the *Economic Development Strategy* to:

- Grow a business friendly and well-functioning city
- Develop an innovation hub of the Asia-Pacific region
- Become internationally connected and export driven
- Enhance investment in people to grow skills and a local workforce
- Develop a creative, vibrant international city.

ATEED was established and commenced operations on 1 November 2010. It is a council controlled organisation (CCO) as defined under section 6 of the Local Government Act (LGA) 2002, by virtue of equity securities carrying 50 per cent or more of the voting rights at a meeting of the shareholders of the Company being held by Auckland Council.

ATEED has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

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

Statement of compliance

The financial statements of ATEED and group have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

ATEED is a registered company under the Companies Act 1993 and is domiciled in New Zealand.

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

These financial statements comply with PBE Standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. The material adjustments arising on transition to the new PBE accounting standards are explained in note 2.25.

Measurement base

These financial statements have been prepared under the historical cost convention.

Presentation currency and rounding

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

2 Summary of significant accounting policies (continued)

Standards issued and not yet effective and not early adopted

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. ATEED has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. ATEED will apply these updated standards in preparing its 30 June 2016 financial statements. ATEED expects that there will be minimal or no change in applying these updated accounting standards.

2.2 Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2015 and the results of its subsidiary for the year then ended. World Master Games 2017 Limited is the only subsidiary of ATEED.

Subsidiaries are all those entities over which the Company and Group have the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company and Group controls another entity.

The subsidiary is fully consolidated from the date of incorporation.

The Company financial statements show the investment in subsidiary at cost less impairment.

Inter-entity transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of our subsidiary are aligned to ensure consistency with the policies adopted by the Company and Group.

The results of subsidiaries acquired or disposed of during the year are included in the surplus or deficit from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity whereby no party to the agreement is able to act unilaterally to control the activity of the entity.

ATEED is accounting for its interest in its joint venture using the equity method. The Group financial statements recognises the investment retained in NZFIA at fair value.

2.3 Foreign currency translation

Foreign currency transactions (including those for which foreign exchange contract are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statements of comprehensive income.

2.4 Property, plant and equipment

Initial recognition

Property, plant and equipment are initially shown at cost or at fair value in the case where an asset is acquired at no cost or for a nominal cost, less accumulated depreciation and any impairment losses. Cost includes any costs that are directly attributable to the acquisition of the items including the costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Note, in the case of the assets acquired by the Company and Group on establishment at 1 November 2010, cost was the carrying value of the asset by the previous owning entities.

Additions

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

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the net surplus or deficit.

Assets or disposal groups held for sale

Property, plant and equipment or disposal groups are classified as assets or disposal groups held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use and a sale is considered highly probable. Assets or disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Depreciation

Depreciation on assets is provided on a straight line basis at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives have been estimated as follows:

Class of asset depreciated	Estimated useful life (years)
• Plant and machinery	1-50
• Computer equipment	1-8
• Furniture, fittings and other office equipment	1-15
• Motor vehicles	1-10

The residual value and remaining useful life of an asset is reviewed, and adjusted if applicable, at each financial period end.

Capital work in progress

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

2.5 Intangible assets

Computer software

Costs directly associated with the development of identifiable and unique software products are recognised as an asset.

Computer software licences are capitalised based on the costs incurred to acquire and bring to use the software. Costs are amortised using the straight line method over their estimated useful lives (3 to 8 years).

Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

2.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever there is an indication of impairment. At each balance date the Company and Group reviews the carrying amounts of its other tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company and Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units; otherwise, they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation can be identified.

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

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

2 Summary of significant accounting policies (continued)

2.7 Investments and other financial assets

Financial assets

The Company and Group classifies its financial assets as loans and receivables.

Financial assets are initially measured at fair value plus transaction costs.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the period end date, which are classified as non-current assets.

After initial recognition loans and receivables are carried at amortised cost using the effective interest rate method less impairment if any.

2.8 Impairment of financial assets

Assets carried at amortised cost

The Company and Group reviews at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company and Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor,
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Company and Group, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
    a) Adverse changes in the payment status of borrowers in the portfolio; and
    b) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted using the financial asset’s original effective interest rate. The asset’s carrying amount is reduced and the loss is recognised in the statements of comprehensive income in “other expenses”. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company and Group may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the surplus or deficit component of the statements of comprehensive income.

Offsetting financial instruments

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

2.9 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 19. Movements in the cash flow hedging reserve in shareholders' equity are shown in note 23(a). The full value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining hedged item is less than 12 months.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the “hedging reserve” within other comprehensive income. The gain or loss relating to the ineffective portion is recorded in the statements of comprehensive income within “other gains/(losses)”.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets hedge accounting criteria, any cumulative gain or loss in equity at that time remains in equity and is recognised when the forecast transaction is recorded in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in the “hedging reserve” transfers to “other gains/(losses)” within the statement of comprehensive income.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised in other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

2.10 Inventories

Inventories held for sale on a commercial basis are 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.

The amount of any write down in the value of inventories is recognised in the statements of comprehensive income.

2.11 Debtors and other receivables

Debtors receivables are amounts due from trade debtors and other customers. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

For information on impairment of trade and other receivables refer to note 12. The amount of debtors assessed as impaired is recognised as a provision against the debtors and as a doubtful debts expense. Furthermore, when a trade receivable for which the provision for impairment has been recognised becomes uncollectible in a subsequent period, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited against “other expenditure” in the statements of comprehensive income.

2.12 Cash and cash equivalents

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

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

2 Summary of significant accounting policies (continued)

2.13 Creditors and other payables

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

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

2.14 Equity

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

- Accumulated funds
- Contributed equity

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

The Company and Group objectives, policies and processes for managing capital are discussed in note 31.

2.15 Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and amortised cost is recognised in the statements of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company and Group has an unconditional right to defer settlement of the liability for at least 12 months after the year-end date.

2.16 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred in accordance with PBE IPSAS 5.

2.17 Current and deferred income tax

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by balance date. Income tax expense is charged or credited to the statements of comprehensive income, except when it relates to items charged or credited directly to equity or other comprehensive income.

Current tax is the amount of income tax payable based on the taxable surplus for the current period, plus any adjustments to income tax payable in respect of prior periods.

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 surplus.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that a taxable surplus 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 and liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting surplus nor taxable surplus.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company and Group can control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

2.18 Goods and Services Tax (GST)

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

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

2.19 Revenue recognition

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

Non-exchange transaction revenue arises from transactions without an apparent exchange of approximately equal value. Non-exchange revenue includes rates, grants and subsidies and fees and user charges derived from activities that are partially funded by rates.

- Grants received from the Auckland Council and government are the primary source of funding to the Company and Group and are restricted for the purposes of the Company and Group meeting its objectives as specified in the Company's Statement of Intent. The Company and Group also receive other government assistance for specific purposes, and these grants usually contain restrictions on their use.
  Council, government, and non-government grants and sponsorships are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant or sponsorship agreement are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the contract are satisfied.
- Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
- Revenue from the sale of goods or services is recognised when a product is sold or service is provided to the customer. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.
- Interest income is recognised using the effective interest method.
- Rental income is recognised on a straight line basis over the lease term.
- Commission received on voucher sales is recognised as the net of voucher sale proceeds, less costs payable by ATEED to the supplier of services specified on the voucher.

2.20 Employee entitlements

Short-term employee entitlements

Employee benefits that the Company and Group expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retirement gratuities and long service entitlements expected to be settled within 12 months, and sick leave.

The Company and Group recognises a liability for sick leave to the extent that absences in the coming period are expected to be greater than the sick leave entitlements earned in the coming period. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Company and Group anticipates it will be used by staff to cover those future absences.

The Company and Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

2 Summary of significant accounting policies (continued)

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on periods of service, periods 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.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the statement of comprehensive income.

The Company has some employees who have transferred from predecessor councils and who belong to the Defined Benefit Plan contributors scheme, which is managed by the Board of Trustees of the National Provident fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus / deficit is attributable to the Company. The scheme is therefore accounted for as a defined contribution scheme. If other participating employers ceased to participate in the scheme, the Company could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, the Company could be responsible for an increased share of the deficit.

2.21 Leases

Lessee

The Company and Group leases certain property, plant and equipment.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of comprehensive income on a straight line basis over the period of the lease.

Leases of property, plant and equipment, where the Company and Group has been transferred substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The leased assets (the leased properties) and corresponding liabilities (the lease payments) are recognised in the statement of financial position. Interest on finance leases is charged to the statement of comprehensive income over the lease period. Leased assets are depreciated over the period the Company and Group is expected to benefit from their use or the lease term if ownership at the end of the lease is uncertain.

2.22 Provisions

The Company and Group recognises a provision for future expenditure of uncertain amount or timing when:

- the Company and Group has a present obligation (legal or constructive) as a result of past events;
- it is probable that expenditures will be required to settle the obligation; and
- reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

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

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

2.23 Major Events Contracts

The Company enters into contractual arrangements for hosting, delivering and/or sponsoring major events. All expenditure incurred as a result of these contracts is expensed at the time of payment. The only exception to this is if the expenditure will be refunded if the event is not held, and then the expenditure is treated as a prepayment until the event is held.

2.24 Related Parties

Related parties include key management personnel, directors and their close family members and entities controlled by them. Key management personnel are the chief executive and executive leadership team. Close family members are spouses or domestic parties, children, dependants.

Subsidiaries and jointly controlled entities are also related parties. This is due to ATEED's influence over them.

2.25 The changes to accounting policies and disclosures caused by first time application of the new PBE Accounting Standards are as follows:

PBE IPSAS 1 Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent NZ IFRS (PBE) standard.
These differences have an effect on disclosure only. The main change in disclosure resulting from the application of PBE IPSAS 1 is the presentation of recoverables from non-exchange transactions and receivables from exchange transactions separately. This requirement affected the presentation of both current year and comparative receivables figures. Refer to note 12 for further details.

PBE IPSAS 20 Related Party Disclosures

The new standard requires public sector PBEs to disclose only those related party transactions and balances which have been entered into on terms other than arm's length, rather than the transactions and balances that would have occurred within a normal supplier or client/recipient relationship, on terms and conditions no more or less favourable than those which the entity would have adopted if dealing with the party at arm's length in the same circumstances.

Refer to note 27 for further details.

PBE IPSAS 23 Revenue from Non-exchange Transactions

The timing of the recognition of the Company's sponsorship revenue has changed. For non-executory non-exchange contracts, revenue is recognised immediately.

In addition the standard requires revenue from non-exchange transactions to be disclosed separately. Refer to note 4 for further details.

3 Critical accounting estimates and judgements

In preparing these consolidated financial statements the Company and Group have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year have been included below.

Grant and sponsorship Income

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

3 Critical accounting estimates and judgements (continued)

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

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

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

- physical inspection of assets;
- asset replacement programmes;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales.

The Company has not made significant changes to past assumptions concerning useful lives and residual values.

4 Revenue

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Grants and subsidies	**51,998**	45,304	**54,698**	50,246
Sponsorships and other transfer revenue	**4,810**	6,013	**4,936**	2,325
Total revenue from non-exchange transactions	**56,808**	51,317	**59,634**	52,571
REVENUE FROM EXCHANGE TRANSACTIONS				
Rental income	**554**	477	**554**	477
Dividends	**2**	2	**2**	2
Total revenue from exchange transactions	**556**	479	**556**	479
Total revenue	**57,364**	51,796	**60,190**	53,049

5 Other gains

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Share of profit of associates and joint ventures	**-**	-	**55**	88
Total other gains	**-**	-	**55**	88

6 Personnel

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Salaries and wages	**17,922**	15,856	**19,446**	16,607
Defined contribution plan employer contributions	**439**	389	**441**	389
Redundancy expense	**185**	192	**185**	192
Other staff expenses	**67**	133	**75**	133
Increase/(decrease) in employee entitlements	**167**	(14)	**205**	19
Total personnel expenses	**18,780**	16,556	**20,352**	17,340

7 Other expenses

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Audit Fees	**105**	113	**121**	128
Service delivery contracts	**1,346**	1,418	**1,518**	1,417
Impairment of receivables	**4**	44	**4**	44
Marketing expenses	**7,347**	6,048	**7,821**	6,329
Professional services	**2,711**	3,546	**2,849**	3,786
Repairs and maintenance	**48**	67	**48**	69
Utilities and occupancy	**2,597**	1,262	**2,704**	1,325
Donations	**-**	1	**-**	1
Other operating expenses	**10,508**	8,960	**10,905**	9,125
Directors' fees and expenses	**331**	359	**490**	495
Grant, contributions and sponsorship	**12,743**	13,220	**12,865**	11,648
Loss on disposal of assets	**238**	72	**261**	72
Impairment of assets	**62**	7	**62**	7
Interest expense	**-**	-	**59**	-
Net foreign exchange loss	**7**	2	**7**	2
Total other expenditure	**38,047**	35,119	**39,714**	34,448

The auditors of the financial statements are Audit New Zealand. Other than fees in relation to the audit of the financial statements, no other remuneration was paid.

8 Income tax expense/(benefit)

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
COMPONENTS OF INCOME TAX EXPENSE				
Current tax expense	**-**	-	**-**	-
Deferred tax expense	**-**	-	**-**	550
Total income tax expense	**-**	-	**-**	550
RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT				
Net surplus/(deficit) before tax	**(7)**	(306)	**(327)**	850
Less net surplus/(deficit) from non-taxable activities	**-**	-	**320**	-
Surplus (deficit) before tax	**(7)**	(306)	**(7)**	850
Prima facie income tax at 28%	**(2)**	(86)	**(2)**	238
Prior period adjustment	**-**	-	**-**	-
Taxation effect of permanent differences	**99**	97	**99**	97
Loss transferred to/(from) group companies	**(165)**	33	**(165)**	33
Effect of deferred tax not recognised - current year	**69**	(44)	**69**	(44)
Effect of deferred tax not recognised - prior year	**-**	-	**-**	550
Tax credits	**(1)**	(1)	**(1)**	(1)
Total income tax (benefit)/expense	**-**	(1)	**-**	873

9 Imputation credit account

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Imputation credits available for subsequent reporting periods based on a rate of 28%	**121,230**	113,621	**121,230**	113,621

Auckland Council formed a tax consolidated group. As a consequence of forming the tax consolidated group, all member companies have access to the imputation credits within the tax consolidated group. As such, the imputation balance for ATEED has increased significantly this year.

10 Deferred tax assets/(liabilities)

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
THE BALANCE COMPRISES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:				
Provisions	**-**	-	**-**	-
Property, plant and equipment	**-**	-	**-**	-
Total net deferred tax assets/(liabilities)	**-**	-	**-**	-
DEFERRED TAX ASSETS				
Deferred tax assets to be recovered after more than 12 months	**-**	-	**-**	-
Deferred tax assets to be recovered within 12 months	**-**	-	**-**	-
Total deferred tax assets	**-**	-	**-**	-
DEFERRED TAX LIABILITIES				
Deferred tax liabilities to be recovered after more than 12 months	**-**	-	**-**	-
Deferred tax liabilities to be recovered within 12 months	**-**	-	**-**	-
Total deferred tax liabilities	**-**	-	**-**	-

10 Deferred tax assets/(liabilities) (continued)

	Provisions	Losses to carry forward	Property, Plant and equipment	Total
PARENT	$'000	$'000	$'000	$'000
Balance at 1 July 2013	-	-	-	-
Credited/(charged) to surplus component of statement of comprehensive income	-	-	-	-
Charged to other comprehensive income	-	-	-	-
Balance at 30 June 2014	-	-	-	-
Balance at 1 July 2014	-	-	-	-
Credited/(charged) to surplus component of statement of comprehensive income	-	-	-	-
Credited/(charged) to other comprehensive income	-	-	-	-
Balance at 30 June 2015	-	-	-	-
GROUP				
Balance at 1 July 2013	519	-	(675)	(156)
Acquisition/disposal of subsidiary	(10)	-	717	707
Credited/(charged) to surplus component of statements of comprehensive income	14	-	16	30
Credited/(charged) to other comprehensive income	(524)	-	(58)	(582)
Balance at 30 June 2014	(1)	-	-	(1)
Balance at 1 July 2014	(1)	-	-	(1)
Acquisition/disposal of subsidiary	-	-	-	-
Credited/(charged) to surplus component of statements of comprehensive income	-	-	-	-
Credited/(charged) to other comprehensive income	-	-	-	-
Balance at 30 June 2015	(1)	-	-	(1)

11 Cash and cash equivalents

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Cash at bank and in hand	**2,206**	1,464	**2,206**	1,464
Total cash and cash equivalents	**2,206**	1,464	**2,206**	1,464

12 Debtors and other receivables

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
CURRENT ASSETS				
Trade receivables	**1,046**	456	**1,104**	456
Less provision for impairment of receivables	**-**	-	**-**	-
Sundry receivables	**418**	466	**1,672**	1,532
Related party receivables	**5,918**	5,148	**5,611**	5,149
Goods and services tax	**424**	272	**424**	272
Prepayments	**618**	601	**703**	605
	8,424	6,943	**9,514**	8,014
Current receivables from non exchange transactions	**8,424**	6,943	**9,514**	8,014
NON-CURRENT ASSETS				
Prepayments	**1,044**	886	**1,118**	886
	1,044	886	**1,118**	886
Total debtors and other receivables	**9,468**	7,829	**10,632**	8,900
Non-current receivables from non exchange transactions	**9,468**	7,829	**10,632**	8,900

The fair value of receivables approximates their carrying values.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

12 Debtors and other receivables (continued)

Impairment

At year end, all overdue receivables are assessed for impairment and appropriate provisions applied.

The status of receivables as at 30 June 2015 are detailed below:

Past due but not impaired

As at 30 June 2015, Parent trade receivables of $773,000 and Group trade receivables of $773,000 were past due but not impaired (2014: Parent $20,000 and Group $20,000). These relate to a number of independent customers for whom there is no recent history of default.

The aging analysis of trade receivables is as follows:

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Current	**275**	436	**333**	436
Past due 1-60 days	**773**	21	**773**	21
Past due 61-90 days	**-**	-	**-**	-
Past due 90+ days	**(2)**	(1)	**(2)**	(1)
Balance at 30 June 2015	**1,046**	456	**1,104**	456

13 Inventories

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Finished goods	**55**	73	**55**	73
Total inventories	**55**	73	**55**	73

14 Property, plant and equipment

	1 JULY 2014			CURRENT YEAR MOVEMENTS					30 JUNE 2015		
	Cost	Accumulated depreciation	Carrying amount	Current year additions	Current year disposals	Transfers	Impairment charges	Current year depreciation	Cost	Accumulated depreciation	Carrying amount
PARENT	$'000	$'000	$'000	$'000	$'000	$'000		$'000	$'000	$'000	$'000
OPERATIONAL ASSETS											
At cost											
Plant and machinery	272	(95)	177	-	(9)	-	-	(39)	235	(106)	129
Computer equipment	456	(266)	190	75	-	13	-	(88)	485	(294)	191
Furniture, fittings and equipment	2,225	(834)	1,391	-	(236)	622	(62)	(389)	2,336	(1,011)	1,325
Motor vehicles	8	(8)	-	-	-	-	-	-	-	-	-
Capital w ork in progress	505	-	505	579	-	(635)	-	-	449	-	449
	3,466	**(1,203)**	**2,263**	**654**	**(245)**	**-**	**(62)**	**(516)**	**3,505**	**(1,411)**	**2,094**

	1 JULY 2013			PRIOR YEAR MOVEMENTS					30 JUNE 2014		
	Cost	Accumulated depreciation	Carrying amount	Prior year additions	Prior year disposals	Transfers	Impairment charges	Prior year depreciation	Cost	Accumulated depreciation	Carrying amount
PARENT	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
OPERATIONAL ASSETS											
At cost											
Plant and machinery	267	(51)	216	-	-	4	-	(43)	272	(95)	177
Computer equipment	582	(231)	351	-	(72)	5	-	(93)	456	(266)	190
Furniture, fittings and equipment	2,181	(531)	1,650	-	-	46	-	(304)	2,225	(834)	1,391
Motor vehicles	8	(6)	2	-	-	-	-	(2)	8	(8)	-
Capital w ork in progress	-	-	-	558	-	(55)	-	-	505	-	505
Total operational assets	**3,038**	**(819)**	**2,219**	**558**	**(72)**	**-**	**-**	**(442)**	**3,466**	**(1,203)**	**2,263**

14 Property, plant and equipment (continued)

	1 JULY 2014			CURRENT YEAR MOVEMENTS					30 JUNE 2015		
	Cost	Accumulated depreciation & impairment charges	Carrying amount	Current year additions	Current year disposals	Transfers	Impairment charges	Current year depreciation	Cost	Accumulated depreciation & impairment charges	Carrying amount
GROUP	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
OPERATIONAL ASSETS											
At cost											
Plant and machinery	272	(95)	177	-	(9)	-	-	(39)	235	(106)	129
Computer equipment	482	(269)	213	75	(3)	13	-	(96)	505	(303)	202
Furniture, fittings and equipment	2,278	(844)	1,434	-	(256)	622	(62)	(401)	2,354	(1,019)	1,335
Motor vehicles	8	(8)	-	-	-	-	-	-	-	-	-
Capital w ork in progress	505	-	505	703	-	(635)	-	-	573	-	573
	3,545	**(1,216)**	**2,329**	**778**	**(268)**	**-**	**(62)**	**(536)**	**3,667**	**(1,428)**	**2,239**

	1 JULY 2013			PRIOR YEAR MOVEMENTS					30 JUNE 2014		
	Cost	Accumulated depreciation & impairment charges	Carrying amount	Prior year additions	Prior year disposals	Transfers	Impairment charges	Prior year depreciation	Cost	Accumulated depreciation & impairment charges	Carrying amount
GROUP	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
OPERATIONAL ASSETS											
At cost											
Plant and machinery	267	(51)	216	-	-	4	-	(43)	272	(95)	177
Computer equipment	582	(231)	351	-	(72)	31	-	(96)	482	(269)	213
Furniture, fittings and equipment	2,181	(531)	1,650	-	-	97	-	(314)	2,278	(844)	1,434
Motor vehicles	8	(6)	2	-	-	-	-	(2)	8	(8)	-
Capital w ork in progress	-	-	-	637	-	(132)	-	-	505	-	505
Total operational assets	**3,038**	**(819)**	**2,219**	**637**	**(72)**	**-**	**-**	**(455)**	**3,545**	**(1,216)**	**2,329**

Capital expenditure funded by Auckland Council this reporting period $429,000 (2014: 246,000).

15 Intangible assets

	1 JULY 2014			CURRENT YEAR MOVEMENTS				30 JUNE 2015		
	Cost	Accumulated amortisation & impairment charges	Carrying amount	Current year additions	Current year disposals	Transfers	Current year amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
PARENT	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AT COST										
Computer software	126	(20)	106	-	(2)	-	(25)	117	(38)	79

	1 JULY 2013			PRIOR YEAR MOVEMENTS				30 JUNE 2014		
	Cost	Accumulated amortisation & impairment charges	Carrying amount	Prior year additions	Prior year disposals	Transfers	Prior year amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
PARENT	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AT COST										
Computer software	11	(5)	6	115	-	-	(15)	126	(20)	106

15 Intangible assets (continued)

GROUP	1 JULY 2014 Cost $'000	1 JULY 2014 Accumulated amortisation & impairment charges $'000	1 JULY 2014 Carrying amount $'000	CURRENT YEAR MOVEMENTS Current year additions $'000	CURRENT YEAR MOVEMENTS Current year disposals $'000	CURRENT YEAR MOVEMENTS Transfers $'000	CURRENT YEAR MOVEMENTS Current year amortisation $'000	30 JUNE 2015 Cost $'000	30 JUNE 2015 Accumulated amortisation & impairment charges $'000	30 JUNE 2015 Carrying amount $'000
AT COST										
Computer software	126	(20)	106	-	(2)	-	(25)	117	(38)	79

GROUP	1 JULY 2013 Cost $'000	1 JULY 2013 Accumulated amortisation & impairment charges $'000	1 JULY 2013 Carrying amount $'000	PRIOR YEAR MOVEMENTS Prior year additions $'000	PRIOR YEAR MOVEMENTS Prior year disposals $'000	PRIOR YEAR MOVEMENTS Transfers $'000	PRIOR YEAR MOVEMENTS Prior year amortisation $'000	30 JUNE 2014 Cost $'000	30 JUNE 2014 Accumulated amortisation & impairment charges $'000	30 JUNE 2014 Carrying amount $'000
AT COST										
Computer software	11	(5)	6	115	-	-	(15)	126	(20)	106

Amortisation of $25,000 (2014: $15,000) (Parent) and $25,000 (2014: $15,000) (Group) is included in depreciation and amortisation expense in the statements of comprehensive income.

16 Other financial assets

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
CURRENT				
Short term loans	**-**	12	**-**	12
Total current	**-**	12	**-**	12
NON-CURRENT				
Community loan	**40**	40	**40**	40
Total non-current	**40**	40	**40**	40
Total other financial assets	**40**	52	**40**	52

The non-current community loan is to the Methodist Employment Generation Fund (Northern) Trust to provide funds for its Young Enterprise Loan Scheme. The loan is repayable on written demand. It is acknowledged that repayment will be demanded if the loan scheme ceases to operate. No demand for repayment will apply to funds advanced to applicants.

17 Payables and accruals

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
CURRENT				
Creditors	**2,447**	1,032	**2,582**	1,049
Accrued expenses	**4,715**	3,281	**5,165**	3,368
Related party payables	**851**	1,914	**851**	1,846
Revenue in advance	**254**	360	**254**	360
Sundry payables	**389**	338	**401**	338
Lease inducement payment	**129**	129	**129**	129
	8,785	7,054	**9,382**	7,090
NON CURRENT				
Lease inducement payment	**318**	447	**318**	447
	318	447	**318**	447
Total trade and other payables	**9,103**	7,501	**9,700**	7,537
Exchange trade and other payables	**9,103**	7,501	**9,700**	7,537

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

18 Employee entitlements

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
CURRENT				
Annual leave	**931**	793	**951**	826
Sick leave	**-**	12	**-**	12
Accrued salaries and wages	**486**	368	**486**	368
Total current	**1,417**	1,173	**1,437**	1,206
NON CURRENT				
Long service leave	**3**	1	**3**	1
Total non-current	**3**	1	**3**	1
Total employee benefit liabilities	**1,420**	1,174	**1,440**	1,207

19 Derivative financial instruments

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
NON-CURRENT ASSETS				
Forward foreign exchange contracts cash flow hedges	**-**	-	**-**	-
Total derivative financial instrument assets	**-**	-	**-**	-
CURRENT LIABILITIES				
Forward foreign exchange contracts cash flow hedges	**59**	70	**59**	70
	59	70	**59**	70
NON-CURRENT LIABILITIES				
Forward foreign exchange contracts cash flow hedges	**114**	170	**114**	170
	114	170	**114**	170
Total derivative financial instrument liabilities	**173**	240	**173**	240
Total net derivative financial instruments assets/ (liabilities)	**(173)**	(240)	**(173)**	(240)

The Parent is party to derivative financial instruments in the normal course of business in order to manage exposure to fluctuations in foreign exchange rates in accordance with the Company and Group's financial risk management policies.

The Group is party to forward exchange contracts in order to manage foreign exchange risk.

These contracts are hedging highly probably forecasted transactions.

20 Provisions

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Staff cost provision	**353**	40	**353**	40

21 Investment in other entities

21.1 Investment in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidy in accordance with the accounting policy described in note 2.2

All subsidiaries are incorporated in New Zealand.

	2015	2014
	%	**%**
NAME OF ENTITY		
World Masters Games 2017 Limited	**100**	100

	PARENT		**GROUP**	
	2015	2014	**2015**	2014
	$'000	**$'000**	**$'000**	**$'000**
World Masters Games 2017 Limited	**1**	1	**-**	-
Total investments in subsidiaries	**1**	1	**-**	-

21 Investment in other entities (continued)

21.2 Investment in jointly controlled entities

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	**$'000**	**$'000**	**$'000**
New Zealand Food Innovation Auckland Limited	**3**	3	**2,046**	1,991
Total investments in jointly controlled entities	**3**	3	**2,046**	1,991

	Total assets	**Total liabilities**	**Gross Revenue**	**Net Profit after tax**	**Percentage of interest held**
	$'000	$'000	$'000	$'000	
As at 30 June 2015					
New Zealand Food Innovation Auckland Limited	8,677	2,474	3,808	143	33.30%
As at 30 June 2014					
New Zealand Food Innovation Auckland Limited	8,567	2,574	3,627	264	33.30%

22 Contributed equity

	PARENT		GROUP	
	2015	2014	**2015**	2014
CONSOLIDATED AND PARENT	$'000	$'000	$'000	$'000
Equity contributed by disestablished councils	**3,458**	3,457	**3,457**	3,457
Equity contributed by disestablished CCOs	**919**	919	**919**	919
Total	**4,377**	4,376	**4,376**	4,376

	PARENT		GROUP	
	2015	2014	**2015**	2014
	Shares	Shares	**Shares**	Shares
Opening number of ordinary shares issued	**1,000**	1,000	**1,000**	1,000
Issues of ordinary shares during the year/period	**-**	-	**-**	-
Closing balance of ordinary shares issued	**1,000**	1,000	**1,000**	1,000

All ordinary shares are fully paid and rank equally with one vote attached to each fully paid ordinary share. Ordinary shares do not have a par value.

Opening equity contributed by disestablished councils included opening accumulated deficit of $44,000 held in the subsidiary of New Zealand Food Innovation Auckland Limited. This deficit has been reclassified into Accumulated Funds as this was the correct nature of the deficit when the shareholding was transferred to ATEED from the Manukau Enterprise and Employment Trust (a subsidiary of Manukau City Council pre Auckland Council amalgamation) on 1 November 2010.

23 Reserves and accumulated funds/(losses)

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
(A) HEDGING RESERVE - CASH FLOW HEDGES				
Balance beginning of year	**(240)**	(5)	**(240)**	(3)
Fair value gains/(losses) in year	**67**	(235)	**67**	(237)
Balance at 30 June	**(173)**	(240)	**(173)**	(240)

Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge. The amounts are recognised in the surplus/deficit component of the statements of comprehensive income when the associated hedged transactions affect the surplus/deficit component of the statements of comprehensive income as described in note 2.9.

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
(B) ACCUMULATED FUNDS/(LOSSES)				
Balance at beginning of the year	**(1,300)**	(994)	**1,755**	1,499
Surplus/(deficit) for the year	**(7)**	(306)	**(327)**	300
Other equity movements*	-	-	**-**	(44)
Accumulated funds/(losses) 30 June	**(1,307)**	(1,300)	**1,428**	1,755

* Refer to note 22

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

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	$'000	$'000
Surplus/(deficit) after tax	**(7)**	(306)	**(327)**	300
ADD/(LESS) NON-CASH ITEMS:				
Depreciation and amortisation expense	**539**	456	**561**	470
Impairment of assets	**64**	-	**62**	-
Loss on disposal of assets	**238**	72	**270**	72
Reduce investment in NZFIA		7		7
Share of surplus in joint venture		-	**(55)**	(88)
Income tax benefit	**-**	(1)		550
Net foreign exchange loss	**(7)**	-	**(7)**	(3)
Lease inducement costs	**(129)**			
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES				
Property, plant and equipment financed by working capital		(191)	-	(191)
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL:				
Debtors and other receivables	**(1,627)**	(2,955)	**(1,731)**	(2,961)
Inventories	**18**	15	**18**	15
Tax payable	**-**	-	**-**	-
Creditors and other payables	**1,731**	2,757	**2,163**	2,793
Provisions	**313**	(59)	**313**	(59)
Employee benefits	**246**	81	**233**	114
Net cash inflow (outflow) from operating activities	**1,379**	(124)	**1,500**	(47)

25 Commitments and operating leases

Operating leases as lessee

The Company and Group lease property, plant and equipment in the normal course of their business. The majority of these leases have a non-cancellable term, varying from 1 to 12 years. The future aggregate minimum lease payments payable under non- cancellable operating leases are as follows:

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
MINIMUM OPERATING LEASE PAYMENTS PAYABLE:				
Less than one year	**2,542**	4,585	**2,681**	4,647
Between one and five years	**7,011**	7,830	**7,073**	7,846
More than five years	**6,468**	6,831	**6,468**	6,831
Total non-cancellable operating leases at lessee	**16,021**	19,246	**16,222**	19,324

The total minimum future sublease payments expected to be received under non cancellable subleases at balance date is $663,000 (2014: 128,000).

Leases can be renewed at the Company and Group's discretion, with rents set by reference to current market rates for items of equivalent age and condition.

There are no restrictions placed on the Company and Group by any of the leasing arrangements.

As at 30 June 2015 ATEED had entered into a number of contracts. ATEED recognises a future year financial commitment where there is a clear obligation to pay and there is no indication the event will not occur.

	PARENT	GROUP
	2015	**2015**
	$'000	**$'000**
Less than one year	**7,598**	**9,189**
Between one and five years	**6,643**	**12,740**
Total non-cancellable contracts	**14,241**	**21,929**

The value of these contracts does not exceed Auckland Council funding reflected in the long term plan 2015 – 2025.

ATEED has entered into a Services Agreement with the International Masters Games Association (IMGA) on behalf of its subsidiary, World Masters Games 2017 Limited. This Services Agreement commits ATEED to a hosting fee of 3.5m Euro for which ATEED have entered into a contract to hedge the foreign currency. The expenditure relating to the hedge transactions is recognised in WMG 2017 Ltd.

26 Contingencies - assets & liabilities

As at 30 June 2015, ATEED has entered into contracts to host, deliver or sponsor a number of events: The World Masters Games (2017), NRL Auckland Nines, the Volvo Ocean Race stopover and the V8 Supercars. Any revenue and costs related to these events will be accounted for when they are incurred. Any known contractual obligations have been included as commitments (note 25).

The Parent has a contingent asset of $3,647,081 as at 30 June 2015 (2014: $3,400,000), relating to a memorandum of understanding with Auckland Council whereby unused funds from prior years are returned to Council and available to be drawn down in future years for the delivery of the Major Events Strategy.

27 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 ATEED and group would have adopted in dealing with the party at arm’s length in the same circumstances.

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

All related party transactions have been at an arms length.

28 Remuneration

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
KEY MANAGEMENT REMUNERATION				
Directors	**315**	332	**474**	496
Senior management salaries and other short term benefits	**1,096**	2,159	**1,890**	2,625
Total key management remuneration	**1,411**	2,491	**2,364**	3,121

	PARENT		GROUP	
	2015	2014	**2015**	2014
	Number of employees	Number of employees	**Number of employees**	Number of employees
THE NUMBER OF EMPLOYEES THAT RECEIVED OVER $100,000 P.A. AS AT 30 JUNE IS AS FOLLOWS:				
$100.000 - $109,999	**1**	10	**1**	11
$110,000 - $119,999	**25**	7	**26**	8
$120,000 - $129,999	**6**	3	**8**	3
$130,000 - $139,999	**5**	4	**5**	4
$140,000 - $149,999	**2**	4	**2**	4
$150,000 - $159,999	**5**	2	**5**	2
$160,000 - $169,999		-	**1**	-
$170,000 - $179,999	**1**		**2**	
$180,000 - $189,999	**3**	2	**3**	2
$190,000 - $199,999	**1**	2	**1**	2
$200,000 - $209,999	**1**	2	**1**	2
$210,000 - $219,999		2	**1**	3
$220,000 - $229,999	**2**		**2**	
$230,000 - $239,999		-	**-**	-
$240,000 - $249,999		-	**-**	-
$350,000 - $359,999		1	**-**	1
$370,000 - $379,999	**1**		**1**	

28 Remuneration (continued)

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
DIRECTORS' REMUNERATION BY DIRECTOR				
David McConnell	**81**	81	**81**	81
Franceska Banga	**47**	47	**47**	47
Norm Thompson	**51**	51	**51**	51
Richard Jeffery	**41**	41	**41**	41
Vivien Bridgwater	**15**	41	**15**	41
Helen Robinson	**41**	30	**41**	34
Danny Chan	**41**	40	**41**	40
John Wells		-	**60**	60
Diana Puketapu		-	**20**	20
Kevin Ross		-	**20**	20
Martin Snedden		-	**20**	20
Dianne McAteer		-	**20**	20
Barry Maister		-	**19**	20
Andy Higgs		1		1
Graham Child	**-**	-	**-**	-
Total directors remuneration	**315**	332	**474**	496

29 Events occurring after the balance date

There were no significant events occurring after the balance date.

30 Financial risk management

The Company and Group's activities expose it to a variety of financial risks: market risk, liquidity risk and credit risk. The Company and Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company and Group.

The Company and Group's treasury management is carried out by the Auckland Council Treasury group, and their policies and procedures are applied.

These policies do not allow any transactions that are speculative in nature to be entered into.

		CARRYING AMOUNT		FAIR VALUE	
		2015	2014	**2015**	2014
PARENT	**Notes**	**$'000**	$'000	**$'000**	$'000
FINANCIAL ASSETS					
Derivative financial assets	19	**-**	-	**-**	-
Debtors and other receivables	12	**7,382**	6,071	**7,382**	6,071
Cash and cash equivalents	11	**2,206**	1,464	**2,206**	1,464
Other financial assets	16	**40**	51	**40**	51
Total financial assets		**9,628**	7,586	**9,628**	7,586
FINANCIAL LIABILITIES					
Derivative financial liabilities	19	**(173)**	(240)	**(173)**	(240)
Creditors and other payables	17	**(8,402)**	(6,565)	**(8,402)**	(6,565)
Total financial liabilities		**(8,575)**	(6,805)	**(8,575)**	(6,805)
Net financial assets/(liabilities)		**1,053**	781	**1,053**	781

GROUP					
FINANCIAL ASSETS					
Derivative financial assets	19	**-**	-	**-**	-
Debtors and other receivables	12	**8,387**	6,071	**8,387**	7,137
Cash and cash equivalents	11	**2,206**	1,464	**2,206**	1,464
Other financial assets	16	**40**	52	**40**	52
Total financial assets		**10,633**	7,587	**10,633**	8,653
FINANCIAL LIABILITIES					
Derivative financial liabilities	19	**(173)**	(240)	**(173)**	(240)
Creditors and other payables	17	**(8,999)**	(6,601)	**(8,999)**	(6,601)
Total financial liabilities		**(9,172)**	(6,841)	**(9,172)**	(6,841)
Net financial assets (liabilities)		**1,461**	746	**1,461**	1,812

30 Financial risk management (continued)

(a) Market risk

Foreign exchange risk

The Company and Group won the rights to host the World Masters Games 2017 in 2012 and as a consequence has an obligation to make Euro denominated rights payments in each of the 5 years until 2017. The Company and Group decided to hedge the foreign currency risk associated with these payments and entered in August 2013 into forward foreign exchange contracts for each of the payments to 2017.

Foreign currency risk arises when the cost of a product or service sourced offshore rises due to a deterioration in the exchange rate between the New Zealand dollar and the relevant foreign currency (2015: Euro, 2015: Euro) between the time a commitment is made to incur the expenditure and the time payment is actually made. The Company and Group is able to mitigate the risk of such an adverse movement in exchange rates by utilising the services of the Auckland Council Treasury group and by entering into forward foreign exchange contracts.

In applying a sensitivity of plus or minus 5% (2014:5%) movement in foreign exchange rates, the Company and Group is exposed to either a foreign exchange loss of $65,000 or loss of $274,000 in other comprehensive income (2014: $100,000 loss or $372,000 loss in other comprehensive income). The Company and Group considers this potential movement reflects reasonably possible changes in foreign exchange rates.

Interest rate risk

The Company and Group have no borrowings and are therefore not exposed to interest rate risk.

(b) Credit risk

Credit risk is the risk that a third party will default on its obligation to the Company and Group causing the Company and Group to incur a loss. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and credit exposures to receivables and other debtors.

The Company and Group have limited exposure to credit risk on debtor accounts due. The main debtors at any point in time are Auckland Council and government agencies. These debtors are parties to signed contracts with the Company and Group. Exposure to credit risk on other debtors is limited by having contractual support, payment in advance of services received, and by spreading the risk (e.g. many advertising sales in publications). When it is deemed prudent, a credit risk assessment will be undertaken.

The Company and Group have no collateral or other credit enhancements for financial instruments that give rise to credit risk. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by counterparties.

Maximum exposure to credit risk

ATEED's maximum credit exposure for each class of financial instrument is as follows:

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Cash and cash equivalents	**2,206**	1,464	**2,206**	1,464
Debtors and other receivables	**7,382**	6,071	**8,387**	6,071
Other financial assets	**40**	51	**40**	52
Total	**9,628**	7,586	**10,633**	7,587

30 Financial risk management (continued)

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	PARENT		GROUP	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
CASH AT BANK AND SHORT-TERM BANK DEPOSITS				
"AA-" Standard and Poor's rating	**2,206**	1,464	**2,206**	1,464
Total cash at bank and short-term bank deposits	**2,206**	1,464	**2,206**	1,464
COUNTER PARTIES WITHOUT CREDIT RATINGS				
Existing counterparty with no defaults in the past	**7,422**	6,122	**8,427**	6,122
Total counter parties without credit ratings	**7,422**	6,122	**8,427**	6,122

30 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company and Group will encounter difficulty raising liquid funds to meet commitments as they fall due.

Funding requirements of the Company and Group are provided, as needed, by the Auckland Council Treasury group.

The Company and Group has nil overdraft facility.

Contractual maturity analysis of financial liabilities

The table below analyses the Company and Group's financial liabilities into relevant maturity groupings based on the period remaining at balance date until the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

PARENT - 30 JUNE 2015	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
NON-DERIVATIVES							
Creditors and other payables	(8,402)	-	-	-	-	(8,402)	(8,402)
Total	**(8,402)**	**-**	**-**	**-**	**-**	**(8,402)**	**(8,402)**
DERIVATIVES							
Forward foreign exchange contracts	-	-	-	-	-	-	(173)
- (inflow)	-	(786)	(802)	(818)	-	(2,406)	-
- outflow	-	720	744	769	-	2,233	-
Total	**-**	**(66)**	**(58)**	**(49)**	**-**	**(173)**	**(173)**

GROUP - 30 JUNE 2015	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
NON-DERIVATIVES							
Creditors and other payables	(8,999)	-	-	-	-	(8,999)	(8,999)
Total	**(8,999)**	**-**	**-**	**-**	**-**	**(8,999)**	**(8,999)**
DERIVATIVES							
Forward foreign exchange contracts	-	-	-	-	-	-	(173)
- (inflow)	-	(786)	(802)	(818)	-	(2,406)	-
- outflow	-	720	744	769	-	2,233	-
Total	**-**	**(66)**	**(58)**	**(49)**	**-**	**(173)**	**(173)**

30 Financial risk management (continued)

PARENT - 30 JUNE 2014	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
NON-DERIVATIVES							
Creditors and other payables	6,565	-	-	-	-	6,565	6,565
Total	6,565	-	-	-	-	6,565	6,565
DERIVATIVES							
Forward foreign exchange contracts	-	-	-	-	-	-	240
- (inflow)	-	(627)	(655)	(1,408)	-	(2,690)	-
- outflow	-	697	720	1,513	-	2,930	-
Total	-	70	65	105	-	240	240

GROUP - 30 JUNE 2014	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
NON-DERIVATES							
Creditors and other payables	6,601	-	-	-	-	6,601	6,601
Total	6,601	-	-	-	-	6,601	6,601
DERIVATIVES							
Forward foreign exchange contracts	-	-	-	-	-	-	240
- (inflow)	-	(627)	(655)	(1,408)	-	(2,690)	-
- outflow	-	697	720	1,513	-	2,930	-
Total	-	70	65	105	-	240	240

30 Financial risk management (continued)

(d) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2015.

PARENT - 30 JUNE 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flows hedges	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**
LIABILITIES				
Forward foreign exchange contracts - cash flows hedges	-	(173)	-	(173)
Total liabilities	**-**	**(173)**	**-**	**(173)**

PARENT - 30 JUNE 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flows hedges	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**
LIABILITIES				
Forward foreign exchange contracts - cash flows hedges	-	240	-	240
Total liabilities	**-**	**240**	**-**	**240**

GROUP - 30 JUNE 2015	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flows hedges	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**
LIABILITIES				
Forward foreign exchange contracts - cash flows hedges	-	(173)	-	(173)
Total liabilities	**-**	**(173)**	**-**	**(173)**

30 Financial risk management (continued)

GROUP - 30 JUNE 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flows hedges	-	-	-	-
Total Assets	**-**	**-**	**-**	**-**
LIABILITIES				
Forward foreign exchange contracts - cash flows hedges	-	240	-	240
Total liabilities	**-**	**240**	**-**	**240**

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair value of forward foreign currency contracts is calculated as the present value of the estimated future cash flows based on observable yield curves.

(e) Financial instruments by category

Assets as per balance sheet

PARENT	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2015			
Derivative Financial Asset - Forward foreign exchange contracts	-	-	-
Cash and cash equivalent	-	2,206	2,206
Debtors and other receivables	-	7,382	7,382
Other financial assets	-	40	40
Total	-	9,628	9,628
AT 30 JUNE 2014			
Derivative Financial Asset - Forward foreign exchange contracts	-	-	-
Cash and cash equivalent	-	1,464	1,464
Debtors and other receivables	-	6,070	6,070
Other financial assets	-	52	52
Total	-	7,586	7,586

GROUP	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2015			
Derivative Financial Asset - Forward foreign exchange contracts	-	-	-
Cash and cash equivalents	-	2,206	2,206
Debtors and other receivables	-	8,387	8,387
Other financial assets	-	40	40
Total	-	10,633	10,633
AT 30 JUNE 2014			
Derivative Financial Asset - Forward foreign exchange contracts	-	-	-
Cash and cash equivalents	-	1,464	1,464
Debtors and other receivables	-	6,070	6,070
Other financial assets	-	52	52
Total	-	7,586	7,586

30 Financial risk management (continued)

(e) Financial instruments by category (continued)

Liabilities as per balance sheet

PARENT	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2015			
Derivative Financial Liability - Forward foreign exchange contracts	(173)	-	(173)
Trade and other payables	-	(8,402)	(8,402)
Total	(173)	(8,402)	(8,575)
AT 30 JUNE 2014			
Derivative Financial Liability - Forward foreign exchange contracts	240	-	240
Trade and other payables	-	6,565	6,565
Total	240	6,565	6,805

GROUP	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2015			
Derivative Financial Liability - Forward foreign exchange contracts	(173)	-	(173)
Creditors and other payables	-	(8,999)	(8,999)
Total	(173)	(8,999)	(9,172)
AT 30 JUNE 2014			
Derivative Financial Liability - Forward foreign exchange contracts	240	-	240
Creditors and other payables	-	6,601	6,601
Total	240	6,601	6,841

31 Capital management

The Company and Group's capital is its equity, which comprises equity contributed by disestablished councils and accumulated funds. Equity is represented by net assets.

The Local Government Act 2002 requires the Company and Group's sole shareholder, the Auckland Council to manage its revenues, expenses, assets, liabilities and general financial dealings prudently. The Company and Group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings. These are monitored by using cash flow forecast analysis and detailed budgeting processes.

The objective of managing the Company and Group's equity is to ensure that the Company and Group effectively achieves its objectives and purpose, whilst remaining a going concern.

32 Variances against financial targets in the Statement of Intent (SOI)

	Actual 2015	Target 2015	Variance 2015
TARGET			
Operating deficit ($'000)	(327)	(251)	76
Shareholder's funds ($'000)	5,631	5,457	174
Total assets ($'000)	17,297	12,841	4,456
Ratio of consolidated shareholder funds to total assets (%)	33	42	10

Operating deficit

Our 2015 target in the SOI did not include the impact of the adoption of the new PBE accounting standards which negatively impacted current year results by $375,000. In addition there was also a number of minor variances

Shareholder's Funds

In addition to the operating deficit, there was a minor difference arising from accounting for financial instruments.

Total Assets

Total assets as at 30 June 2015 is greater than target due to the increase in trade debtors, some of which is as a result of the adoption of the new PBE accounting standards where we had to recognise revenue from debtors earlier than planned, as well as timing of Council funding transfers.

Statement of service performance

ATEED Performance Measures – Annual Result

For the period ended 30 June 2015

Auckland Tourism, Events and Economic Development Ltd (ATEED), has progressed well since inception in 2010, and in our work towards the targets set in our 2014-17 Statement of Intent (SOI). The Key Performance Indicators (KPIs) set out in the SOI have been refined from those used in previous years.

Against the 27 KPIs contained in the 2014-17 SOI, ATEED has made significant progress towards achieving our vision to improve New Zealand's economic prosperity by leading the successful transformation of Auckland's economy. ATEED has adopted the 5-tier assessment which Auckland Council uses to assess KPIs, with the following statuses applied:

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

ATEED's performance against the KPIs is set out in the table below, along with commentary regarding the results, measurement methods, and previous year's performance as appropriate. In summary, of the 27 KPIs:

- 19 were 'achieved'
- 2 were 'substantially achieved'
- 1 was 'progressing'
- 4 were 'not achieved'
- 1 has 'no result'

Key Performance Indicators for Auckland Tourism, Events and Economic Development Limited

For the period ended 30 June 2015

No.	How we will demonstrate success in achieving our aims	We will measure our progress against these targets at these times	2015 Result	2014 Result	Status	Comment
Growing the Visitor Economy						
1.1	Number of visitor nights in Auckland **(LTP measure)**	30 June 2015: 26.6m 30 June 2016: 28.2m 30 June 2917: 29.8m	29.2m	27.7m	✓	This result is for the 2014 calendar year, and has been modelled based on data available from the Commercial Accommodation Monitor, prepared by the Ministry of Business, Innovation and Employment, alongside the now discontinued Regional Tourism Estimates 2006-2011 dataset. The target has been exceeded and reflects a growth in the number of visitors (see measure 1.3).
1.2	Spend by visitors in Auckland **(LTP measure)**	30 June 2015: $5,194m 30 June 2016: $5,412m 30 June 2017: $5,665m	$5,340m	$4,772m	✓	This result is for year ending March 2015, and has been modelled based on data available from the new Regional Tourism Estimates (dated March 2014) alongside the Regional Tourism Indicators, prepared by the Ministry of Business, Innovation and Employment. The target has been exceeded. This is being driven by the spending of international visitors. This may be partly related to the ICC Cricket World Cup and Volvo Ocean Race Auckland stopover which were held in early 2015.
1.3	Number of visitors to Auckland **(LTP measure)**	30 June 2015: 13.7m 30 June 2016: 14.2m 30 June 2017: 14.6m	15.3m	14.6m	✓	This result is for the 2014 calendar year, and has been modelled based on data available from the International Travel and Migration figures, prepared by Statistics NZ, alongside the now discontinued Regional Tourism Estimates 2006-2011 dataset, prepared by the Ministry of Business, Innovation and Employment. The target has been exceeded and reflects a continued year-on-year increase in visitor arrivals into Auckland Airport.
1.4	Overall visitor satisfaction (all visitors) with the experience in Auckland (as measured through the Visitor Insights Programme)	30 June 2015: 8.1 30 June 2016: 8.1 30 June 2017: 8.1	7.8	7.8	✗	Based on 1206 interviews with visitors to Auckland over the period April 2014 to March 2015. Respondents were asked to provide a rating on a scale of 1 (not at all satisfied) to 10 (extremely satisfied). Satisfaction with local transport was rated lower than satisfaction with tourism products, attractions and accommodation.
1.5	Percentage of customers satisfied with visitor information centres and services overall **(LTP Measure)**	30 June 2015: 90% 30 June 2016: 90% 30 June 2017: 90%	93%	92%	✓	Based on 88 surveys undertaken across the Auckland iSITE network to the question: Overall, how satisfied were you with your experience at the iSITE today?

No.	How we will demonstrate success in achieving our aims	We will measure our progress against these targets at these times	2015 Result	2014 Result	Status	Comment
Growing the Visitor Economy – Building a World Class Major Events Portfolio						
2.1	Return on Regional Investment (RORI) from major events invested in **(LTP measure)**	30 June 2015: $47m 30 June 2016: $49m 30 June 2017: $86m[1]	$73.1m	$46.3m	✓	Based on analysis undertaken by Fresh Information of ATEED's 2014/15 Major Events portfolio. This figure covers 35 events, including NRL Auckland Nines, ITM500 Auckland V8 Supercars and ICC Cricket World Cup 2015. Note: ICC Cricket World Cup 2015 was evaluated by PwC and uses a different methodology of evaluation to the other events in the portfolio. The target has been exceeded due to the number of international events held in Auckland this year including the high returns from the Volvo Ocean Race Auckland stopover and the ICC Cricket World Cup 2015. *(FIFA U20 World Cup 2015 and New Zealand International Comedy Festival results still to come)*
2.2	Percentage of those (Aucklanders) who agree events make Auckland a great place to live (engender pride and sense of place)	30 June 2015: 80% 30 June 2016: 80% 30 June 2017: 80%	79%	79%	✓	Measured via the Auckland Council Annual Residents Omnibus survey of 5,282 Auckland residents. 46% of respondents strongly agreed that events make Auckland a great place to live, while 33% agreed. The proportion saying they strongly agreed has increased by 3 percentage points since 2013/14
2.3	Visitor nights generated by major events	30 June 2015: 150,000 30 June 2016:170,000 30 June 2017: tbc	390,000	298,000	✓	As per comment above at 2.1. *(FIFA U20 World Cup 2015 and New Zealand International Comedy Festival results still to come)*
2.4	Estimated number of attendees at major events **(LTP measure)**	30 June 2015: 1.52m 30 June 2016: 1.57m 30 June 2017: 1.93m[2]	1.87m	1.47m	✓	As per comment above at 2.1. *(FIFA U20 World Cup 2015 and New Zealand International Comedy Festival results still to come)*
2.5	Percentage of attendees satisfied with major events overall. **(LTP Measure)**	30 June 2015: 85% 30 June 2016: 85% 30 June 2017: 85%	92%	90%	✓	Based on an average of surveying undertaken at Pasifika, Lantern and Diwali. Total sample size was 1211, with 1116 respondents across the three events reporting they were satisfied or very satisfied with the event. The target has been exceeded demonstrating the high quality of these three events.

[1]Target includes the impact of World Masters Games 2017
[2] Target includes the impact of World Masters Games 2017

No.	How we will demonstrate success in achieving our aims	We will measure our progress against these targets at these times	2015 Result	2014 Result	Status	Comment
2.6	Number of [3]major international events attracted or facilitated **(LTP measure)**	30 June 2015: 5 30 June 2016: 5 30 June 2017: 5	9	10		Major international events facilitated were : Auckland Marathon, Fast 5 Netball, ASB Classic/Heineken Open, Ironman 70.3, NRL Auckland Nines, ITU World Series, ICC Cricket World Cup 2015, FIFA U20 World Cup, Volvo Ocean Race Auckland stopover. The target has been exceeded with a number of one off events for 2015.
Enabling Education and Talent						
3.1	Value of international student spend to the Auckland economy	30 June 2015: $1.454b 30 June 2016: $1.564b 30 June 2017: $1.888b	$1.75b	n/a		Based on information provided by Education NZ. This figure is for the year end December 2014. The target has been exceeded due to an increase in the number of students studying in Auckland.
Building a Culture of Innovation and Entrepreneurship						
4.1	Percentage of Auckland businesses innovating	30 June 2015: benchmark 30 June 2016: improve 30 June 2017: improve	77%	n/a		Measured via the Auckland business survey of 529 businesses undertaken in March 2015. Respondents were asked: The next few questions are about business innovation. Here, innovation is broadly defined as introducing new ideas and ways of doing things. In the last 12 months, did your business do any of the following?
4.2	Number of businesses taking up tenancy at GridAKL (Wynyard Innovation Precinct) (cumulative)	30 June 2015: 20 30 June 2016: 25 30 June 2017: 30	15	9		Fifteen companies have taken up residence at GridAKL. The target has not been met due to capacity constraints at GridAKL which is currently at 100% occupancy. There will be a small increase in available space when the Lysaght building opens in November.
4.3	Total value of Callaghan Innovation R&D grants through Regional Business Partner Programme[4]	30 June 2015: $4m 30 June 2016: tbc 30 June 2017: tbc	$3.59m	$4.66m		This figure relates to the total value of Callaghan Innovation R&D grants approved between 1st July 2014 and 30th June 2015. The target has not been met this year. This is due to changes in external processes which have doubled the time taken to process grants. This KPI will be reviewed following the current RFP process being undertaken by Callaghan Innovation.

[3] Tier A events are defined in the Major Events Strategy as being "recognised international event; or 2000+ international nights; or strong export focus high international media coverage"

[4] ATEED's contract to deliver the Regional Business Partner Programme currently ends on 30 June 2015

No.	How we will demonstrate success in achieving our aims	We will measure our progress against these targets at these times	2015 Result	2014 Result	Status	Comment
4.4	Percentage of stakeholders satisfied with provision of business advice, start-up, training and mentoring programmes (LTP Measure)	30 June 2015: 85% 30 June 2016: tbc 30 June 2017: tbc	94%	94%	✓	Based on 100 surveys undertaken by NZTE to the question: Overall, how would you rate your satisfaction with your Regional Business Partner? The survey result of 94% is for July 2014 to March 2015. This exceeds the target of 85% and reflects the high quality advice provided by the ATEED team.
4.5	Number of actively managed businesses through Regional Business Partner Programme	30 June 2015: 360[1] 30 June 2016: tbc 30 June 2017: tbc	884	842	✓	This is the number of businesses managed through the Regional Business Partner Programme. This figure excludes all other ongoing client relationships which are managed throughout the year. The target has been exceeded due to efficiency improvements and good pipeline management from the team.
4.6	Total GDP in targeted sectors compared with total Auckland GDP (sectors include marine, transport and logistics, IT, food and beverage, film, bioscience, creative/digital, export education) **(LTP Measure)**	30 June 2015: improve 30 June 2016: improve 30 June 2017: improve	Not improved	Improved	✓	Sector growth results are derived from annual economic modelling for Auckland undertaken by Infometrics. For the year to March 2014, GDP in targeted sectors was $18,314m (24.1% of the Auckland total) compared to $17,941m (24.3% of the Auckland total) for the year to March 2013.
4.7	Number of economic initiatives with Maori[1]	30 June 2015: improve 30 June 2016: improve 30 June 2017: improve	19	15	✓	These 19 initiatives include: Maori tourism showcasing; Tourism workshops for iwi; Maori signature event in development; and Maori Digital Technology working group.
Attracting Business and Investment						
5.1	GDP Global Investment Promotion Agency (IPA) benchmarking[1] **(LTP Measure)**	30 June 2015: n/a 30 June 2016: 70% 30 June 2017: n/a	n/a	52%	—	This report is biennial and is therefore not reported in 2015.
5.2	Facilitation of the establishment, or significant expansion of multinational companies in target sectors	30 June 2015: 5 30 June 2016: 5 30 June 2017: 5	6	5	✓	The establishment of five multinational was facilitated during 2014/15, while one company has seen significant expansion.

No.	How we will demonstrate success in achieving our aims	We will measure our progress against these targets at these times	2015 Result	2014 Result	Status	Comment
5.3	Number of intensively account managed customers in ATEED Aftercare programme	30 June 2015: 105 30 June 2016: 110 30 June 2017: 115	85	100	✗	Account Management Plans and Strategies have been completed for 85 companies. Since the inception of the programme 104 companies and 12 high net worth individuals have been engaged. Regular reviews are made to ensure all programme members fit the Aroha Auckland criteria. The current programme consists of 80 companies and 5 high net worth individuals. ATEED is scoping future potential members of this programme.
5.4	Total GDP contribution of deals effected with ATEED involvement	30 June 2015: +5% 30 June 2016: +5% 30 June 2017: +5%	$604m	$49m	✓	This figure is based on 16 deals achieved by the Business Attraction and Investment team this year, including 11 screen transactions. In establishing last year's baseline, the value of four substantial deals was included which explains the difference between the 2014 and 2015 results.
5.5	Value of investment deals effected by ATEED within the financial year	30 June 2015: $252m 30 June 2016: $265m 30 June 2017: $278m	$265m	$266m	✓	ATEED has effected $265m of investment deals in this financial year. This includes $113m of screen transactions.
Growing a Skilled Workforce						
6.1	Number of 'live' signatories to the Youth Employment Traction Hub Employers Pledge	30 June 2015: 50 30 June 2016: 50 30 June 2017: 50	13	n/a	✗	As at 30th June 2015, 13 businesses have signed the Youth Employment Traction Hub Employer Pledge. The target has not been met due to the long lead in time from approaching a business to signing the Pledge. To date, 42 organisations have agreed to join the Auckland Employer Pledge programme with half still working their way through the authorisation process.
Building Auckland's Brand and Identity						
7.1	Total visits to www.aucklandnz.com	30 June 2015: 20% increase 30 June 2016: 20% increase 30 June 2017: 20% increase	3,189,623 (46.4% increase)	2,178,563	✓	Total visits to aucklandnz.com between 1st July 2014 and 30th June 2015. The launch of the AKL On digital platform during 2014 has directed more traffic to www.aucklandnz.com and hence led to the target being exceeded.
Delivering Corporate Capability						
8.1	Percentage of CCO monitoring and accountability requirements that meet target[5]	30 June 2015: 100% 30 June 2016: 100% 30 June 2017: 100%	100%	100%		SOI and quarterly reports delivered to required timeframes.

[5] Accountability requirements are the delivery of draft and final SOIs, quarterly reports and annual reports within the timeframes specified in Auckland Council's CCO Accountability Policy

World Masters Games 2017 Limited

As the largest multi-sport event in the world, World Masters Games 2017 will be the largest sporting event in New Zealand since the Rugby World Cup 2011 and the largest event New Zealand will deliver in at least the next decade.

World Masters Games 2017 Limited (WMG2017) was incorporated 19 September 2013 and is a 100% subsidiary of Auckland Tourism, Events and Economic Development (ATEED). WMG2017 has its own board of Directors, guided by the Constitution and Terms of Reference put in place by ATEED. Directors are: Sir John Wells (Chairman), Martin Snedden, Diana Puketapu, Kevin Ross, Dianne McAteer and Graham Child. Barry Maister resigned as director during the year.

WMG2017 leads all aspects of the event planning, with the exception of leverage and legacy activities, which is led by ATEED. Core activities of the organisation include:

- Contracting sports organisations and venues to be part of the sports programme for WMG2017
- Marketing the Games to ensure registration targets are met
- Securing sponsorship and commercial partnerships
- Legal aspects including insurances, risk management and compliance
- Operational delivery of the event.

World Masters Games 2017 is a multi-year project. The major key performance indicators (KPIs) are based on the outcome of the Games and are specified in the Terms of Reference between ATEED and WMG2017. Achieving these KPIs will be the basis on which the performance of the organisation is judged. For this reason, there are no specific annual KPIs. However, the organisation will ensure that regular reporting to ATEED, Ministry of Business, Innovation and Employment (MBIE) and International Masters Games Association (IMGA) reflects appropriate budgetary and financial management, risk management and demonstrated progress with the planning of the Games and achieving milestones.

The project's major KPIs specified between ATEED and WMG2017 include:

- GDP impact meets or exceeds $36.16 million
- Auckland visitor nights exceed 250,810
- The direct cost to ATEED does not exceed $11 million and the direct cost to MBIE does not exceed $11 million
- IMGA agree that Auckland successfully met the obligations of the Hosting Agreement
- A survey of competitors/participants captures that more than 85 per cent agree that the Games were well organized
- A survey of public attendees captures that more than 85 per cent agree that the Games were well delivered and enhanced their pride in the city.

Over the past year the platform has been set to support WMG2017 in achieving its vision of not just delivering the best World Masters Games ever but one that ignites a passion for masters sport and enables inspirational stories to be told around the globe of those competing.

Although the organisation is in its infancy, substantial progress has been made to date. The most notable of the 2014/2015 financial year achievements include:

- The announcement and contracting of the 45 competition venues required to support the delivery of the 28 sports;

- The announcement and contracting of Sky City and Air New Zealand as Strategic Partners of the Games, Pita Pit as an Experience Partner and the New Zealand Community Trust as a Trust Partner;
- Developing the Value Proposition for the Games including setting the three registration price points and securing the inclusions athletes and companions will receive in exchange for their investment;
- Exceeding the numbers and following held by previous editions of the World Masters Games across digital channels such as Facebook, Twitter and Instagram. Numbers continue to grow on all channels daily but at the time of writing Facebook followers had already exceeded 17,000 individuals.
- The dedicated employee workforce has grown from 10 to 18 with a number of key positions now in place including: Manager Governance, General Manager Sport and Games Operations, Volunteer Programme Manager and Marketing Manager. The employee workforce will continue to grow, reaching an approximate 55 FTE's come Games time.
- The development of a fully integrated Risk Management Framework, Policy and Registers. The Registers capture over 60 risks which each have active mitigation strategies in place.

The support and positive level of engagement received from the 28 sport delivery partners, 45 competition venue partners, funding partners, rights holder and key stakeholders continues to be immense and is as instrumental as ever to the success achieved to date. Fostering and developing these relationships further will remain a top priority.

There is a high degree of confidence (both internally and externally) that World Masters Games 2017 is poised to be the 'best Games ever'. With less than two years to go, public awareness and excitement will build about the Games drawing near, enabling World Masters Games 2017 further opportunity to reinforce the extensive benefits the New Zealand community will reap as a result of playing host to the largest multi-sport event in the world.

New Zealand Food Innovation Auckland Ltd (NZFIA)

Food Innovation Auckland Ltd, trading as ‘The FoodBowl’, is a central pillar in Auckland’s food innovation ecosystem. Located near Auckland’s international airport, it is a joint venture between ATEED and Callaghan Innovation, the Government’s innovation agency.

The FoodBowl – Te Ipu Kai is a major Auckland Council strategic investment to support the region’s food and beverage sector, which is identified in Auckland Council’s *Economic Development Strategy 2012-2022* as a key growth export industry. Auckland’s F&B sector contributed $3.2 billion (about 4 per cent) to Auckland’s regional GDP in 2014 and employs about 25,000 people.

The year ended 30 June 2015 was a hugely successful year for The FoodBowl. Double the number of medium sized companies ($500,000 to $5 million turnover) used The FoodBowl, compared to the previous year.

The FoodBowl engaged with more than 120 companies on specific projects during the year. A number of large companies are undertaking ongoing project work over a two-year period within the facility. Smaller companies carry out regular production as they build their business and make plans to ultimately build their own production facility.

All key performance indicators were exceeded as the business development team continued to increase their reach of engaged companies, but also focussed on collaborations with other capability providers, Crown Research Institutes and tertiary institutions.

The FoodBowl has strong connections across the F&B sector. These connections have led to many opportunities to bring new innovations to market and grow or develop the industry as a whole.

Clients’ feedback has been that The FoodBowl provided them with a bridge to go from development of the technology at the bench to commercial scale, easy access to specialised equipment and opportunities to train staff – all resulting in considerable savings and speedier access to their new markets.

Open days held at The FoodBowl in March 2015 were very successful, attracting more than 900 people who toured the facility and attended workshops. This was a great way to educate and inform companies of The FoodBowl’s product development possibilities.

The FoodPortal – a significant new project that will benefit Auckland’s F&B sector – began during the year, and is well underway. The FoodPortal is a comprehensive on-line directory covering Auckland’s entire F&B industry. It is envisioned that the portal will ultimately enable greater opportunities for Auckland F&B companies to collaborate and manage issues. The FoodPortal was showcased at the 2015 Auckland FoodShow under ATEED’s ‘Auckland on the Menu’ pop up area.

Directory

For the year ended 30 June 2015

Directors

The Directors as at the year ended 30 June 2015 are as follows:

- David Arnot Williamson McConnell
- Norman John Thompson
- Franceska Banga
- Richard Jeffery
- Danny Chan
- Helen Alison Robinson

Vivien Anna Bridgwater resigned as a Director of ATEED on 1 November 2014. There have been no other changes in the composition of the ATEED Board since 1 July 2014.

Shareholders	Auckland Council (100%) Civic Building, 1 Greys Avenue, Auckland, 1010 , New Zealand
Registered Office	Level 8, 139 Quay Street Auckland, 1010 New Zealand
Auditors	Audit New Zealand Level 6, 280 Queen Street Auckland 1140 New Zealand
Bankers	Bank of New Zealand 330 Broadway, Newmarket Auckland, 1023 New Zealand
Solicitor	Simpson Grierson, Level 27, 88 Shortland Street, Auckland, 1010 New Zealand
Registered Company Number	3089625