



ANNUAL REPORT

Financial Statements for the
Year ended 30 June 2024

Facilities

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



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Who we are and what we do

Bay Venues is the kaitiaki of more than 20 community facilities – aquatic centres, indoor sport and fitness facilities, event venues, and community centres and halls. Connecting the community through exceptional experiences is the driving force behind this council-controlled organisation that has the community at heart. Bay Venues also has several commercial business units, which help keep entry to these public facilities affordable and accessible.



Tauranga City

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



OUR YEAR IN NUMBERS

OPERATING REVENUE

\$27.49m*

(↑ 2% ahead of budget)
(↑ 9% ahead FY23)

Operating Revenue

Aquatics:
\$6.49m

Sports & Fitness:
\$4.54m

Community Centres & Halls:
\$0.73m

Events & Associated Activities[^]:
\$9.60m

Business Support:
\$0.77m

TCC Operating Grant:
\$5.17m

TOTAL EBITDA

\$-2.24m**

(↓ 3% behind budget)
(↓ 38% behind FY23)

Non-Operating Revenue

TCC Renewal Funding: **\$5.89m** TCC Debt Servicing: **\$1.32m**



146

Full Time Staff

142

Part Time Staff

122

Casual Staff



86%

Overall Customer Satisfaction

85%

Overall Satisfaction with the Facility

88%

Overall Satisfaction with the Service

86%

Overall Satisfaction with our Staff



68

Number of Sporting & Aquatic Tournaments

83

Number of Significant Events
(over 500 pax)

56

Cultural Activities & Events

* Excludes non-operating revenue: TCC Renewal Funding & Debt Servicing. **Council (our shareholder) has agreed to facilitate the return of Bay Venues to a cash-flow break-even position from FY25 via increased operational funding in the Long-Term Plan. EBITDA excludes provision for \$180k to calculate prior year Holidays Act remediation costs (taking total reported EBITDA to -\$2.56m). ^Includes Bay Catering, Bay Audio Visual, and Aquatic Merchandise.



OUR YEAR IN NUMBERS

VISITS

2.20m

to our **facilities**

(↑10% ahead of plan)

(↑4% ahead of FY23)

829,524

Visits to **Aquatics**

358,184

Visits to **Community Centres & Halls**

803,232

Visits to **Sports & Fitness**

209,531

Visits to **Mercury Baypark**



SCHOOLS IN POOLS
(Water Safety)

2,864

Children
Participated
In Lessons

12

Schools Joined



Participants in Bay Venues
Led Activity Programmes

99,963

Adults & Senior

104,383

Child/Youth

22,041

Pre-School

226,360

TOTAL



HEARTY KAI LUNCHES

235,193

Total Lunches
Supplied

11

Schools Supplied



Strong Demand and Challenging Conditions

Waiho i te toipoto, kaua i te toiroa.

Let us keep close together, not far apart.

Our community facilities across Tauranga were busier than they have ever been in the year ended 30 June 2024. Our venue network hosted more than 2.2 million visits – the highest number recorded by Bay Venues.

There were 83 significant events held in our venues this year (+4% on FY23), 68 sporting and aquatic tournaments (-12% on FY23), and 56 cultural activities and events*.

Our aquatic venues, indoor sports and fitness facilities, and community centres and halls, all recorded tens of thousands more visits compared to last year. Aquatics led the way with an 8% increase year on year – a difference of more than 60,000.

This level of community use and demand comes as no surprise. The population of Tauranga continues to grow and people are prioritising their health, wellbeing and community connection in record numbers.

However, despite the increased patronage, people have been spending less during their visits to our venues this year. The difficult economic environment has increased pressure on household discretionary income and meant fewer add-on purchases and reduced spend per person, most notably across Aquatics.

The challenging economic environment has also seen margins reduced in other areas of our organisation, particularly events, as well as events-related business such as catering. This is an industry-wide issue with some events downsized or cancelled, which is reflected in the 15% drop



The Zespri AIMS Games at Baywave

in Mercury Baypark visit numbers this year.

While user revenue is slightly up, costs are rising faster, resulting in squeezed margins. Our FY24 financial operating result fell behind budget due to these economic headwinds.

// Our venue network hosted more than 2.2 million visits – the highest number recorded by Bay Venues. //

VENUES IN HIGH DEMAND

Our key venues are operating at capacity and demand is only increasing, especially during peak times, with little ability to accommodate new activities.

Community sports and recreation groups are under significant pressure as they struggle to find enough court or pool time to accommodate their growing number of members.

No new indoor courts, pools, community centres or halls, or event venues, have been built in Tauranga in over a decade. Meanwhile, the city's population has grown by more than 30% during that time. Sport New Zealand has identified significant shortfalls in both indoor court space and pool space in the Bay of Plenty, and the current situation in Tauranga is the key driver of this.



Social indoor netball at Mercury Baypark Arena

* New measure, too early to compare.



A YEAR IN REVIEW

Our existing facilities are all ageing. Several facilities, including four of our five aquatic venues, are more than 50 years old and require significant ongoing maintenance and renewals. In addition, many facilities do not meet current standards or needs.

Two new community venues planned for the central city will provide some relief. However, these facilities will be replacing other end-of-life venues and will only contribute a limited increase in capacity.

Further investment in community facilities and associated infrastructure is needed over the coming years in Tauranga. We would like to thank the outgoing Commissioners for their leadership in recognising this shortfall and planning for future growth and demand across the city. We look forward to continuing this work with Tauranga's new mayor Mahé Drysdale and our new city councillors.

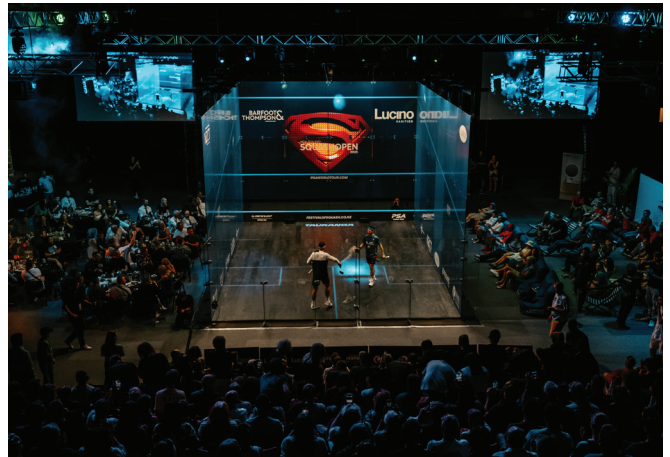
// Tauranga City Council (our shareholder) has agreed to facilitate the return of Bay Venues to a cash-flow break-even position from FY25 via increased operational funding in the Long-Term Plan. //

FINANCIAL POSITION & NEW FUNDING MODEL

Full year adjusted EBITDA for FY24 was -\$2.24m. This was \$0.06m (3%) behind budget and \$0.61m (38%) behind FY23. Total reported (unadjusted) EBITDA was -\$2.56m, which included a provision to calculate prior year Holidays Act remediation costs.



The Mount Hot Pools



The New Zealand Festival of Squash at Mercury Bapark Arena

Full year operating revenue, including all Tauranga City Council operating funding, was \$27.49m. This was 2% ahead of budget and 9% ahead of FY23.

Significant efforts to reduce some of our controllable costs, such as staff costs and costs of goods sold, have been successful – but not enough to offset the drop in discretionary spending. There has also been additional investment in security measures to address anti-social behaviour issues, as well as increasing maintenance requirements. These costs were unbudgeted but were critical for ensuring the safety and wellbeing of our staff and customers.

Tauranga City Council (our shareholder) has agreed to facilitate the return of Bay Venues to a cash-flow break-even position from FY25 via increased operational funding in the Long-Term Plan.

DELIVERING ON OUR STATEMENT OF INTENT

This year we achieved most of the performance targets set out in our Statement of Intent, including our venue utilisation, diversity and inclusion, staff engagement and retention, and customer satisfaction measures.

There were a few areas that remain a work in progress or where we fell short, including our financial result. We will endeavour to focus more on these areas, including our mana whenua relationships. For more information on our Statement of Intent performance, please see pages 8-9 of this report.



A YEAR IN REVIEW

LOOKING AHEAD

We expect FY25 will continue to provide economic challenges. We will continue to closely monitor these uncertain operating conditions and work proactively to manage any impact on financial results, maintaining tight cost control and looking for efficiency improvements where possible, as well as new revenue generating opportunities.

The Government's Ka Ora, Ka Ako | Healthy School Lunches programme in primary schools is unchanged for the next two years (2025/26) which is predominantly where Bay Venues' Hearty Kai team operates. However, programme savings targets might present challenges in future. We are continuing to build strong relationships with the Ministry of Education and other suppliers to proactively address future risks or opportunities.

// We will continue to closely monitor these uncertain operating conditions and work proactively to manage any impact on financial results. //

Our ageing facilities will require more upkeep this year as well as improvements to bring the buildings up to current standards, while also maintaining operational delivery and our high level of customer satisfaction. This includes planning to improve the earthquake resilience of key buildings at Mercury Baypark.



Gala dinner and awards evening at Mercury Baypark Stadium Lounge

Meanwhile, the concerning increase this year in isolated anti-social behaviour incidents across the venue network does not appear to be abating, meaning our investment in additional security measures remains necessary to keep people safe.

Despite these challenges, visitation is higher than it has ever been and we are in a good position to continue connecting our community through exceptional experiences. That is the purpose of Bay Venues, our driving force, and it is only made possible through the combined effort of many.

Thank you to everyone who has contributed and played a part this year.



Tauranga Whai playing in the Sal's NBL at Mercury Baypark Arena



Chad Hooker, CEO



Simon Clarke, Chair



STATEMENT OF INTENT PERFORMANCE

Activity	Target	Status	Commentary
Maximising Activity & Events	Host >2.0 million visits to our facilities	✓	2.2 million visits to facilities in FY24.
	Host >75 significant events (500+ people)	✓	83 significant events. With Zespri AIMS Games, HoopNation, NZ Festival of Squash, Armageddon Expo, Tauranga Home Show, and BOP Home Show reaching > 5000 people.
	Lead >10 diversity and inclusion initiatives	✓	31 diversity and inclusion initiatives across our venues with 56 cultural events.
	Achieve a customer feedback rating >85%	✓	2,363 survey responses received. 2,027 rated their overall experience as 'Satisfied' – equating to an achieved 86% customer satisfaction rating.
	No preventable serious harm incidents in our facilities*	✓	Zero preventable serious harm incidents. Focused remediation actions from previous years have successfully culminated in a clean record for this period.
	Key projects are completed	✓	All key projects delivered.
Looking After Our Assets	No preventable unplanned facility closures**	✗	Greerton pool closure for six hours. The pool closed alongside the spa for repair.
	Capital and renewals programme delivered on time and on budget.	✓	Capital Programme delivered within 94% of budget for FY24. Timely delivery of capital programme with substantial load of key projects delivered against plan. Capitalised on the opportunity in current works to pull projects from FY25 to deliver for efficiency and cost optimisation in FY24.
	Establish three preventative maintenance initiatives.	✓	A suite of preventative maintenance initiatives was successfully implemented within FY24. Three preventative measures include a roving quarterly assessment of the Arena roof to minimise leaks, a bi-annual access maintenance schedule across the Arena, and annual assessments by plumbers on all toilets and plumbing.
	Reduce energy consumption by >5%	✓	Energy kWh consumption FY23 2,887,882 Energy kWh consumption FY24 2,528,340 12% less consumption year on year FY23-FY24 with an accumulative \$71k savings.
Leveraging Our Capability	Key projects are completed	✓	All key projects delivered.
	Achieve breakeven budgeted financial position or better.	✗	The pretax unadjusted EBITDA was (\$2.559m) however this includes abnormal expenses of Holiday Act Remediation provision \$0.18m and loss on capital disposals \$0.144m. Adjusted EBITDA is therefore (\$2.236m). This indicates we will finish FY24 at \$61k or 3% behind budget.
	Explore new revenue generating initiatives.	✓	We have initiated several new revenue generating initiatives during FY24, including confirmed new tenant for Baypark Pavilion 3 (Bay Roller Sports), advancing new partnership opportunities with the University of Waikato (naming rights and catering), and exploring management of the Mount Holiday Park (which did not go ahead).
	Deliver new shared service initiatives where it makes sense.	✓	Regular engagements between functional teams have encouraged bilateral utilisation of resourcing in policies, templates, and shared services. Bay Venues offering TCC lead training and utilising TCC widely experienced consultants.



STATEMENT OF INTENT PERFORMANCE

Activity	Target	Status	Commentary
Building Our Capability	Achieve >70% team engagement.		73% Achieved. 5% above compared to the external benchmarks. 265 employees participated. Our people enjoy, are proud and would recommend Bay Venues as a great place to work. H&S personal responsibility was another area worth celebrating as 82% of our team feel they know how to keep themselves safe. This is a meaningful movement for an organisation of our size and a reflection of the hard mahi our teams at all levels have done over the last twelve months.
	Achieve <35% staff turnover		Rolling turnover reduction in both permanent and part time staff turnover from 41% to 34.4% in the last two years.
	Agree Memorandum of Understanding with two mana whenua		Progress in foundational relationship principles is ongoing. Notable strides have been made in building these relationships and laying the foundations for these valuable understandings.
	Key projects are completed		83% of key projects delivered.

Traffic Light Status Key

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

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

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

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



BAY VENUES BOARD



Carey Ulrich
Board Intern

Wayne Beilby
Director

Jeremy Curragh
Director

Simon Clarke
Chair

Julie Hardaker
Deputy Chair

Gareth Wallis
Director

Nick Lowe
Director

Adam Lynch
Director

Carey Ulrich is an emerging leader, bringing a wealth of experience in data analysis, business transformation, and strategic planning. With a background that spans high-impact roles in global organisations like Zespri and Vodafone, Carey has consistently demonstrated an ability to drive key initiatives and influence executive decision-making. Their leadership on complex projects, such as the implementation of Zespri's ERP system, showcases their expertise in navigating both technological and financial challenges.

Carey's academic credentials include a Master of Business Administration from the University of Waikato, with a focus on Māori engagement, and a Bachelor of Commerce from the University of Auckland. Their commitment to governance is reflected in board roles at Te Kura O Matapihi, Digital Seniors, and Te Kohanga Reo O Te Akau, where they've contributed to strategic planning, financial oversight, and community engagement initiatives.

"As a Board Intern at Bay Venues, I bring fresh perspectives and strategic insights, grounded in governance best practices and strong stakeholder relationship management," Carey said. "My passion lies in continuous improvement, meaningful strategy development, and promoting cultural integration, all of which align with Bay Venues' mission to enhance community experiences and foster inclusive growth."





Mount Hot Pools regulars welcome venue improvements

Tom and Joan Dunne were among the local regulars who were happy to be back at the Mount Hot Pools after a two-month closure in October and November 2023 for planned renewals and maintenance. The couple went to Baywave during the closure to keep up with their aqua exercise regime, but were back at their favourite community facility under Mauao as soon as it re-opened. **"We've noticed a difference," Tom said. He said "the whole place is tidied up" and "modernised" with "a crisper design".** "And the friction on the bottom of the pool makes these exercises easier." Tom and Joan live close by and walk to the venue every single weekday for aqua exercise classes and often return over the weekend as well, to soak in the pools and recover after walking up Mauao. "We're seven-days-a-week users, really," Tom said. "It's a wonderful facility, always has been, particularly with the Mount in the background." He said the outlook is "beyond belief". "You can't get a better combination of comfort and exercise in a facility, it's a chance to remain healthy and in an aesthetic environment."

Joan added: "It's not only the exercise component in the wonderful warm water, but the social component too. The group here is quite tight and after the exercise session, usually there's a coffee hour."



Mount Hot Pools regulars Tom and Joan Dunne

Great news for gig-goers in Tauranga



Mercury Baypark Arena's Lion Foundation Centre

Mercury Baypark Arena, Tauranga's largest indoor venue for concerts and other events, this year increased its venue capacity and partnered with a leading ticketing provider, opening the door to bigger and better events for the city. **The Arena can now host up to 6,000 people inside its Lion Foundation Centre, which makes it one of the larger spaces in the country of its type.** The work undertaken by health and safety and engineering experts to review and improve the Arena's capacity to host higher occupancy events has brought the venue into the same category as the likes of TSB Arena in Wellington and GLOBOX Arena/Claudlands Events Centre in Hamilton. This increased venue capacity was on full show on New Year's Eve when the Arena hosted the popular drum and bass event Famous Last Words, which was one of 83 significant events (over 500 people) hosted by Bay Venues in FY24. **This year Bay Venues also signed a preferred ticketing partnership for Mercury Baypark with Ticketek, a leading provider in the sports and live entertainment industry in New Zealand and Australia.** This new partnership, along with the increased capacity, is already leading to exciting opportunities for the venue, the city, and the wider region, including more high-profile concerts, quality international family shows, major comedy, and other live entertainment.



HIGHLIGHTS

Toitūtanga / Sustainability

This year Bay Venues launched a new sustainability team – Toitūtanga – made up of people from across the organisation and led by our Asset & Sustainability Manager. The team has developed a comprehensive sustainability action plan, prioritising initiatives in venues across the city to reduce waste and increase energy and water efficiency. **We have upgraded to LED energy efficient lighting in both Mercury Baypark Arena’s Lion Foundation Centre and Mercury Baypark Stadium, replaced the Bay Venues maintenance van with an electric vehicle, and transitioned to geothermal heating for the Aqua Play area at Baywave.** The team has also organised beach clean ups, and installed smart meter monitoring at Baywave to track and analyse energy consumption trends. These insights will enable the Aquatics team to make informed operational changes, further reducing energy usage and enhancing overall efficiency. The Toitūtanga team plans to introduce smart meters at other venues with high energy usage. **Bay Venues reduced overall energy consumption across its venue network by more than 10% in FY24 and one of the contributing factors was the series of strategic energy-saving initiatives already implemented.** Bay Venues also helped fund the planting of 62 native trees in our local environment through the Trees That Count reusable cup initiative at Mercury Baypark Arena Café.



The Aqua Play area at Baywave

Athlete’s paradise

The performance of Tauranga junior and age group athletes and teams across a wide range of sports, at a national and international level, is a sign of how many up-and-coming high performance athletes we have in the city. Many of them are training in our venues, alongside professional athletes. **Members of both New Zealand Sevens teams, triathlete Hayden Wilde, 1500m runner Sam Tanner, artistic swimmer Eva Morris, and hockey umpire Rachel Williams, all trained at the Adams Centre for High Performance in Mount Maunganui ahead of the Paris 2024 Olympics.** The Adams Centre is a state-of-the-art facility situated on the outskirts of Blake Park and has become a one-stop shop for individual athletes and teams preparing for competition at the highest level. **The Netherlands women’s football team trained at the Adams Centre during the FIFA World Cup in July and August 2023.** The Centre is also home to the Adams Academy – a development programme with 118 aspiring and established athletes across more than 25 sporting codes and counting. **Professional triathlete Hannah Berry has been a member of the**

Adams Academy since its inception and won Athlete of the Year at its annual awards in late November. Hannah is based in Mount Maunganui and competes all around the world in the Ironman Pro Series. When she’s home and training, she starts her day by swimming five or six kilometres worth of laps at Baywave five days a week, starting at 5.50am. She also does strength and conditioning and gym work at the Adams Centre at least a couple of times a week. “Being surrounded by other high performance athletes is quite unique,” Hannah said. “And it’s really cool to see other athletes here training – there’s motivation everywhere.” The Adams Centre has a team of strength and conditioning coaches onsite, a dietitian and sports psychologist, and a sports science laboratory with a full array of testing equipment, including an environmental chamber (one of only two in the country) which helps athletes like Hannah, as well as our Tauranga Olympians, prepare for international competitions in varying climates and altitudes.



Pro triathlete Hannah Berry at the Adams Centre for High Performance



Connecting community, celebrating culture



Ngaire Utanga and her ura class at Elizabeth Street Community & Arts Centre

Every Thursday at Elizabeth Street Community & Arts Centre in central Tauranga, you will find a 5.30pm ura class. Ura is traditional Cook Islands dancing and Ngaire Utanga said her class is "all about the fitness". **"I'm getting women out here who are too shy to go to the gym and want to try something new."** She said she started with about 10 dancers and now has close to 30 regulars. "I'm just really proud of them, they've come a long way over a year and a lot of them, when they first started, couldn't even move. They were just so stiff. Now they're so flexible, they're so happy, and they leave here feeling excited because this form of fitness is totally different." Ngaire said the ura class, which also features Tahitian dance styles, has created a "sense of community" and has attracted a diverse group of people, "from the Pacific, Europeans, all over". **There is also a good mix of ages, from high school students all the way up to a woman in her 60s.** "I'm pretty excited. A lot of the participants are from Polynesian backgrounds and a lot of them are coming here to learn the dance, learn the Cook Islands culture through the form of dancing."

Jaxon's journey with BaySwim

BaySwim had a total of 8,784 term enrolments this year. In many cases, these swimming lessons can be life changing for the students. **If you saw Jaxon Armstrong in a pool now, without knowing his story, and saw the 7-year-old's smile and confidence and how he moves in the water, diving down and then jumping up with a splash, you would have no idea that not so long ago he struggled with an intense fear of water. "Even in the shower he couldn't have water on his face," Jaxon's mum Ellie said.** Jaxon refused to get into his school pool. He couldn't take part in school swimming sports. At birthday pool parties, he'd sit off to the side while his mates splashed about having fun. And when Ellie and dad Jarod would try to gently coax him into the water, he'd just cling to them. **BaySwim started working with Jaxon one-on-one and now, after completing four terms of swimming lessons, he's learned how to be comfortable in water, how to float, blow bubbles, hold his breath, and kick.** He's learning entry-level arm movements and how to kick on his back. "Now, it's at the point where it's hard to keep him above water to tell him what to do," Ellie said. "In a year, it's a massive turnaround." Jaxon can now play in the wave pool at Baywave with his dad and have fun swimming races with his mum. He's also looking forward to taking part in his school swimming sports. "Everybody in our family has noticed the change in Jaxon and his confidence and the enjoyment he gets from swimming now and being around water." BaySwim also taught water safety to 2,864 kids from 12 schools this year.



BaySwim student Jaxon Armstrong at Baywave



COMMUNITY OUTCOMES

DELIVERING FOR THE COMMUNITY

Over the past three years, a solid foundation has been set for the future. A fresh strategy and set of values have been introduced and embedded, along with a new leadership and organisational structure that is in line with our four strategic focus areas.

KEY FOCUS AREAS

Our first two focus areas – maximise activities and events, and look after and enhance our assets – are part of our daily mission and purpose. The other two – build our capability, and leverage our capability – are about maintaining our solid foundation, enabling and supporting that daily mahi, while also serving our overall vision.

a) Maximise activities and events

One of our main objectives this year was to grow the number of diverse and inclusive activities, initiatives, and events in our venues. Our team has been working alongside the Council's Community Development Team and many different cultures and communities in Tauranga to connect them with our facilities around the city.

We hosted 56 cultural activities and events in our venues this year, including the Aotearoa Māori Sports Awards, a Māori Pasifika Water Polo tournament, Diwali concert, Brazilian Fair, and many other community gatherings and cultural celebrations.

There are also regular weekly bookings by cultural groups in our venues, especially in our Community Centres & Halls.

Diversity and inclusion initiatives have also been launched to break down barriers and encourage participation and community connection.



Recreate NZ at Pāpāmoa Sports & Recreation Centre



The Healthvision Festival of Disability Sport at Mercury Baypark Arena

Among these initiatives are dedicated culturally appropriate swimming lessons for ethnic women, as well as specialist lessons and programmes for people with sensory sensitivities, children living in foster care, and the transgender community. We have also introduced swimming lessons for our Korean and Chinese communities in their own languages, as well as a "teach the teacher" programme that empowers kaiako to deliver swimming lessons to their own ākonga in te reo Māori.

Our activation team has delivered community play sessions for Pacific, Indian, Korean, and Chinese youth, as well as for young people with intellectual disabilities, teenagers who have been excluded from mainstream schools, as well as pop-in sessions in low socio-economic areas of the city.

National and international sporting events and expos, as well as live music festivals and concerts, also brought tens of thousands of people to Mercury Baypark and the city this year.

Among the largest events were the Zespri AIMS Games, NZ Gymnastics Championships, and The Classic basketball event by HoopNation – to name just a few.

We are also seeing growth in the high-performance sport area with a 30% increase in our Adams Academy membership. This is a positive sign signalling the number of up-and-coming as well as established professional athletes in the city. A new partnership with High Performance Sport NZ has led to even more athlete referrals.

b) Look after and enhance our assets

The Mount Hot Pools reopened on schedule in early December after a two-month closure for planned renewals and maintenance. All the outdoor pools were re-tiled, and improvements and updates were made to the reception area, changing rooms, private pools, massage rooms, and the car park management system and flow.



COMMUNITY OUTCOMES

While we were re-tiling the pools, we also took the opportunity to assess the pool tanks, remedy the pool structure underneath, address any unseen issues, and completely re-waterproof all pool tanks. Important preventive maintenance work on the plant room and pool heating system was also completed and all the gutters inside and outside the facility were replaced.

We have also been working with the Council on the design and delivery of several key facility projects, including a new aquatic facility at Memorial Park, a new indoor sport & recreation centre on Cameron Road, and the Council's Active Reserves Master Plan project which will see Tauranga Netball Centre relocating to Mercury Baypark and becoming part of a multi-use community sports and recreation hub. There is more information about all these facility projects on pages 16-17.

The new Memorial Park aquatic facility will be a destination complex for the central city and surrounding suburbs, including the communities that currently enjoy Memorial Pool over summer and Ōtūmoetai Pool all year round.

Both of those pools are more than 50 years old and require regular maintenance and significant improvements.

We are currently working with the Council, the Ōtūmoetai community, as well as key user groups and stakeholders, to explore the current state of Ōtūmoetai Pool and options for the future of the facility.

The Cameron Road facility will replace Queen Elizabeth Youth Centre (including Memorial Hall). These buildings are also more than 50 years old and at the end of their useful life. Recent building reports have indicated seismic and structural issues.

Tauriko Hall, which was built in the late 1930s, is also in poor condition and end-of-life and will be decommissioned in FY25. It will be replaced by a future community centre and library as part of the development of Tauriko West. We have worked with all regular users of the hall to find alternative locations. The demolition is timed to align with the SH29 Tauriko Enabling Works.

Reprioritising our capital plan to deliver the Council's Active Reserves Master Plan project at Mercury Baypark has also meant other venue projects have been pushed out, most notably the proposed expansion of the Adams Centre for High Performance, which will be postponed until approximately 2027/2028.

The focus at the Adams Centre has now shifted to renewals and capital works to improve venue functionality.

c) Build our capability

This year Bay Venues successfully registered to Mind the Gap, an organisation dedicated to supporting and publishing New Zealand organisations' efforts in addressing pay equity. As of the end of FY24, Bay Venues can report the following pay gaps:

Gender – 4.19%, Māori – 7.47%, and Pacific Peoples – 7.47%. Notably, our gender pay gap has seen a reduction of slightly over 1% since reporting our gaps last year.

This year has also seen the development of a stronger team culture across the organisation, with higher staff engagement scores and lower staff turnover.

A refurbished office space at Mercury Baypark is enabling different teams to work more collaboratively, we have also launched a new finance system and a new human resources information system.



A member of our Baywave lifeguard team

Providing opportunities for our people to develop and grow within the organisation remains a priority. A bespoke Customer Experience Programme was developed and implemented across the organisation this year. There were also new learning and development opportunities for staff, including anti-social behaviour training for customer-facing staff.

d) Leverage our capability

Generating additional revenue to offset the cost of running our ageing community facilities is even more important in the current economic climate. After successfully renewing our partnership with Mercury for Baypark, we are now working on expanding our commercial partnership network, including with the University of Waikato.

There are several other initiatives underway or being actively explored that we intend to implement in FY25, including additional billboard advertising, upselling and bundling products/services, as well as improving and expanding our retail catering offer.

We will also continue to look for ways to further develop our venues to widen our offering and increase our reach. This follows a project completed this year to increase the permitted venue capacity of Mercury Baypark Arena's Lion Foundation Centre to 6,000 people, as well as adding badminton court markings to Greerton Hall.



KEY FACILITY PROJECTS

Mercury Baypark

As part of Tauranga City Council's Active Reserves Master Plan project, it was confirmed this year that Tauranga Netball Centre will be moving from Blake Park to Mercury Baypark. We are working with the Council and Tauranga Netball Centre on the relocation, with detailed design work underway for the courts and buildings, and this exciting project is on track for netball to be relocated in 2026.

This move is part of the Council's city-wide plan to improve and future-proof Tauranga's shared green spaces and key active reserves.

Mercury Baypark will become a multi-use community sports and recreation hub, with facilities for athletics, netball, other court sports (such as basketball and pickleball), speedway, gymnastics, roller sports, as well as dedicated green spaces and walkways. The site will have an increased focus on community sports and recreation, while still delivering events, entertainment, and high-performance sport.

A new facility within this hub is the Revolution Skate Centre, which is due to open in FY25. This indoor skating rink, which has been built inside an existing building at Mercury Baypark, will be run by Bay Roller Sports – a new community venture that is a joint effort between two well established organisations, Mount Mustangs Inline Hockey Club and the Tauranga Roller Skating Club.

The Revolution Skate Centre will cater to indoor roller sports enthusiasts – including inline hockey, artistic/figure skating, roller derby, and speed skating – and will hold discos, tournaments, and other community events.



The vast open and flexible spaces available at the Mercury Baypark site have the potential to be optimised and repurposed to cater to the city's growth and increasing community demand for space to play sports and hold recreational activities and events.

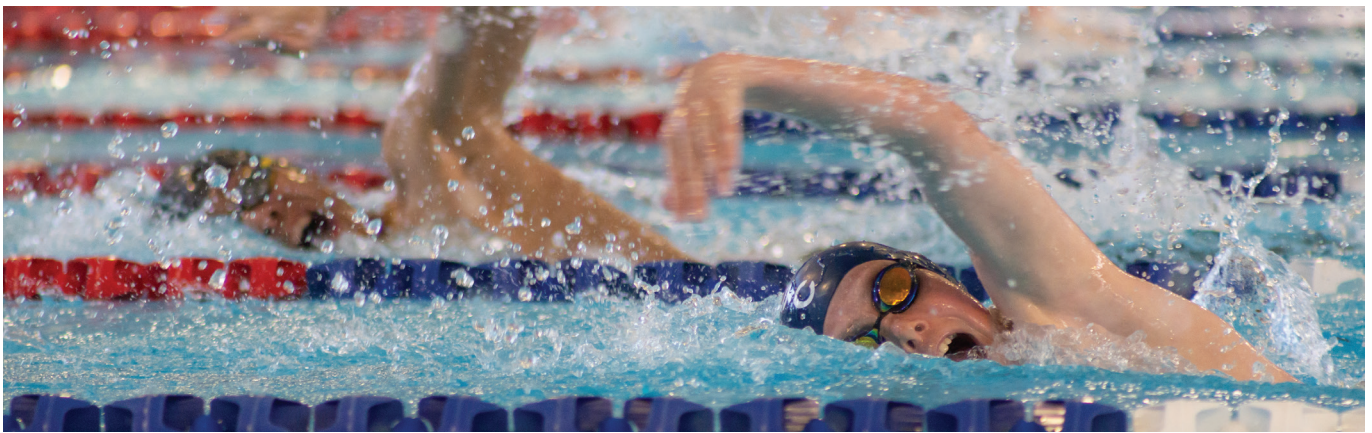


KEY FACILITY PROJECTS

Memorial Park aquatic facility

The new Memorial Park aquatic facility will play a crucial role in addressing the current shortfall in the city's Aquatics network. This year the Council approved funding towards this new aquatic facility, which is planned to include a deep-water eight-lane 25m indoor swimming pool, alongside a hydrotherapy pool and spa, a learn to swim pool, and a leisure pool with a toddler pool. Outside, a four-lane 25m lido pool, a splash pad, and a manu pool are proposed. There will also be hydroslides, a fitness centre, and a café that services the facility and the park.

The Memorial Park aquatic facility is currently planned to open by the end of 2027 and will be built on the site of Queen Elizabeth Youth Centre (including Memorial Hall). The future focus for Memorial Park will be on aquatic and recreational provision.



The new Memorial Park aquatic facility will include a deep-water eight-lane 25m indoor swimming pool.

Cameron Road indoor sport & recreation centre



The new facility on Cameron Road will have four basketball-size indoor courts and will be home to a variety of community sports.

The Council signed off on plans this year to replace the three indoor courts at QEYC and Memorial Hall with a new indoor sport & recreation centre nearby. Given the difficult ground conditions at Memorial Park, it became evident that it would be expensive to replace the indoor courts at that location.

The Council explored alternative locations for the indoor courts, with a successful property found and secured 750m up the street – the former site of The Warehouse, on the corner of Cameron Rd and 10th Avenue. The Council purchased the property and is funding the design and fit-out of the new facility – a cost-effective solution.

QEYC and Memorial Hall are currently scheduled to close in FY25. The decommissioning of the buildings will align with the opening of the new Cameron Road facility, which will have four basketball-size indoor courts and will be home to a variety of community sports, including basketball, badminton, volleyball, pickleball, netball, table tennis, sports for disabled people, skating, and more.



FINANCIAL STATEMENTS 2023-2024

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES for the Year ended 30 June 2024

	Note	2024 (\$000's) Actual	2024 (\$000's) Budget	2023 (\$000's) Actual
Revenue				
User Revenue*	2	20,621	22,030	19,290
Other Revenue**	3	1,276	251	1,065
TCC Operational Grant	2	5,167	4,663	4,350
TCC Debt Servicing Grant	2	1,317	1,317	1,619
TCC Renewal Funding	2	5,894	6,041	8,739
Rehabilitation Expense Funding	2	416	-	538
COVID-19 Leave Subsidy	2	6	-	39
Total Operational Revenue		34,697	34,302	35,640
Expenditure				
Employee Expense	4	17,416	17,783	15,828
Administrative Expense	8	1,659	1,553	1,385
Consulting & Governance Expenses	5	1,251	692	887
Operating Expenses (incl. COGS)	6	7,967	7,979	7,689
Repairs & Maintenance Expense		1,191	1,113	1,029
Rehabilitation Expense		416	-	538
Profit/Loss on Disposal		144	-	55
Finance Costs		1,305	1,176	954
Depreciation & Amortisation Expense	7	7,981	7,327	6,945
Total Operating Expenditure		39,330	37,623	35,310
Surplus/(Deficit) before tax		(4,633)	(3,321)	330
Income Tax Expense	9	(6,721)	-	(52)
Surplus/(Deficit) After Tax		(11,354)	(3,321)	278
Other Comprehensive Revenue & Expenses				
Gain on Property, Plant & Equipment Revaluation	14	21,809	-	-
Impairment on Revalued Property, Plant & Equipment		-	-	(3,575)
Tax on Revaluation		(6,135)	-	-
Tax on Impairment		-	-	456
		15,674	-	(3,119)
Total Comprehensive Income		4,320	(3,321)	(2,841)

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

* Rental & Sponsorship Revenue was previously included under Other Revenue in FY23, now included under User Revenue in FY24.

** Sundry Income & Subsidies Revenue was previously included under User Revenue in FY23, now included under Other Revenue in FY24. Refer to note 3.
FY23 prior year figures adjusted to reflect change in revenue allocation in FY24.



FINANCIAL STATEMENTS 2023-2024

STATEMENT OF CHANGES IN EQUITY for the Year ended 30 June 2024

	Share Capital (\$000's)	Retained Earnings (\$000's)	Revaluation Surplus (\$000's)	Other Reserves (\$000's)	Total Equity (\$000's)
Balance as at 1 July 2022	84,232	(27,538)	44,284	733	101,711
Comprehensive Income					
Surplus or Deficit for the Year	-	278	(3,575)	-	(3,296)
Other Comprehensive Income					
Revaluation Adjustment on Disposal	-	12	-	-	12
Tax on Impairment of Plant, Property & Equipment	-	-	456	-	456
Transfer to Mercury Reserve	-	(200)	-	200	-
Total Other Comprehensive Income, Net of Tax	-	(188)	456	200	468
Balance as at 30 June 2023	84,232	(27,448)	41,165	933	98,883
Balance as at 1 July 2023	84,232	(27,448)	41,165	933	98,882
Comprehensive Income					
Surplus or Deficit for the Year	-	(11,354)	21,809	-	10,455
Other Comprehensive Income					
Tax on Revaluation of Plant, Property & Equipment	-	-	(6,134)	-	(6,134)
Transfer from Trustpower Reserve	-	933	-	(933)	-
Transfer to Mercury Reserve	-	(131)	-	131	-
Total Other Comprehensive Income, Net of Tax	-	(10,552)	15,675	(802)	4,321
Balance as at 30 June 2024	84,232	(38,000)	56,841	131	103,203

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



FINANCIAL STATEMENTS 2023-2024

STATEMENT OF FINANCIAL POSITION as at 30 June 2024

	Note	Actual 2024 (\$'000's)	Actual 2023 (\$'000's)
ASSETS			
Current Assets			
Cash & Cash Equivalents	10	1,526	629
Inventories	11	475	461
Debtors & Other Receivables	12	1,231	2,495
Total Current Assets		3,232	3,585
Non-Current Assets			
Other Non-Current Assets	15	5,425	4,355
Intangible Assets	13	208	572
Property, Plant & Equipment	14	157,035	133,471
Total Non-Current Assets		162,668	138,398
Total Assets		165,900	141,983
Liabilities			
Current Liabilities			
Employee Entitlements	16	2,195	1,753
Creditors & Other Payables	17	3,597	4,091
Borrowings - Adams Centre Loan	18	1,000	1,000
Total Current Liabilities		6,792	6,844
Non-Current Liabilities			
Borrowings	18	34,565	27,773
Deferred Tax	9	21,339	8,483
Total Non-Current Liabilities		55,904	36,256
Total Liabilities		62,696	43,100
Net Assets		103,203	98,883
EQUITY			
Share Capital	19	84,232	84,232
Retained Earnings	20	(38,000)	(27,449)
Other Reserves	22	131	933
Revaluation Reserves	21	56,841	41,167
Total Equity		103,203	98,883

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

Simon Clarke – Director

27 September 2024

Date

Jeremy Curragh – Director

27 September 2024

Date



FINANCIAL STATEMENTS 2023-2024

STATEMENT OF CASHFLOWS for the Year ended 30 June 2024

	Note	Actual 2024 (\$'000's)	Actual 2023 (\$'000's)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers		22,908	17,348
Grants received		12,378	14,708
Dividend received		6	11
Cash received from other sources		356	127
Goods & Services Tax (net)		(111)	183
		35,537	32,378
Payments to Employees		(16,975)	(15,131)
Payments to Suppliers		(12,567)	(11,908)
Interest Paid		(1,305)	(954)
		(30,847)	(27,993)
Net cash flow from operating activities	24	4,690	4,385
Cash flows from investing activities			
Proceeds from Sale of Property, Plant and Equipment		-	88
Purchase of Property, Plant & Equipment		(9,515)	(10,883)
Transfer to Depreciation Investment		(1,070)	(930)
		(10,586)	(11,813)
Net cash flow from investing activities		(10,586)	(11,725)
Cash flows from financing activities			
Proceeds from borrowings		11,292	10,236
Repayment of TCC borrowings		(4,500)	(3,000)
Net Cash Flow From Financing Activities	24A	6,792	7,236
Net Increase / Decrease in Cash Held		896	(104)
Cash & cash equivalents at beginning of year		629	733
Cash, cash equivalents, and bank overdrafts at the end of the year	10	1,526	629

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

1.1 ENTITY STATEMENT

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

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

The financial statements of Bay Venues Limited are for the year ended 30 June 2024. The financial statements were authorised for issue by Bay Venues Limited Directors on 24 September 2024.

1.2 BASIS OF PREPARATION

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

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

These financial statements and service performance information have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards. Tier 1 PBE standards have been newly adopted from Tier 2 for the year ended 30 June 2024 because its expenses are above \$33 million. However, Bay Venues Limited had not previously taken advantage of all Tier 2 exemptions. These financial statements comply with PBE standards.

The accounting notes set out below have been applied consistently to all periods presented in these financial statements.

Measurement Base

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

Functional & Presentation Currency

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

New Standards Issued & Adopted in Current Annual Reporting

Amendment applicable for the year ending 30 June 2024.

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

Standards, Amendments, & Interpretations Issued that are Not Yet Effective

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

1.3 REVENUE RECOGNITION

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

Sale of Goods

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

User Fees & Charges

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

Grant Income

Grant income is recognised upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled. Revenue is classified as exchange and non-exchange. Subsidised income received is recognised as non-exchange revenue.

1.4 BORROWING COSTS

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

1.5 INCOME TAXATION

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

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

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

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

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

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

1.6 LEASES

(i) Operating Lease

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

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

1.7 CASH & CASH EQUIVALENTS

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

1.8 DEBTORS & OTHER RECEIVABLES

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

1.9 IMPAIRMENT OF FINANCIAL ASSETS

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

Receivables

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

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

1.10 INVENTORIES

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

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

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

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

1.11 PROPERTY, PLANT & EQUIPMENT

Property, plant, and equipment consists of land, buildings & improvements, plant & equipment, and motor vehicles.

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

Revaluation

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

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

The most recent valuations were performed by Quotable Value on Buildings & Land and by Forbes Valuation on



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

Property, Plant & Equipment, with the valuations being effective as at 30 June 2024.

Additions

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

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

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

Disposals

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

Depreciation

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

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

1.12 INTANGIBLE ASSETS

Software Acquisition & Development

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

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

Intellectual Property Development

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

1.13 IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of property, plant and equipment exceeds its recoverable amount. Any impairment loss is recognised immediately in surplus or deficit unless the asset is revalued, in which case any impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash generating assets is the present value of expected future cash flows. For non cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

There has not been any impairments during the year ended 30 June 2024.

1.14 CREDITORS & OTHER PAYABLES

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

1.15 BORROWINGS

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

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

1.16 EMPLOYEE ENTITLEMENTS

Short-Term Employee Entitlements

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

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

Long-Term Employee Entitlements

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

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

Superannuation Schemes

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

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

1.17 PROVISIONS

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

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

1.18 EQUITY

Capital Management

Bay Venues Limited capital is its equity, which comprises accumulated comprehensive revenue and expenses and all equity reserves. Equity is represented by net assets.

Bay Venues Limited is a Council Controlled Organisation as defined by the Local Government Act 2002 which includes restrictions on how it operates and defines reporting and

accountability processes. Tauranga City Council has a general security agreement over all Bay Venues Limited assets which restricts the ability to dispose of certain property and to enter into new borrowing arrangements.

Bay Venues Limited manages its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that promotes the current and future interest of the community. Bay Venues Limited's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

The objective of managing Bay Venues Limited's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

There have been no changes in relation to Capital Management during the current financial period.

Accounting Policy

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

- Share Capital - (Note 19)
- Retained Earnings - (Note 20)
- Property, Plant & Equipment Revaluation Reserve - (Note 21)
- Other Reserves - (Note 22)

Property Revaluation Reserves

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

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

Other Reserves

This reserve relates to the Mercury naming rights reserve.

1.19 GOODS & SERVICES TAX

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

Commitments and contingencies are disclosed exclusive of GST.

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

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

1.20 BUDGET FIGURES

The budget figures are those adopted by Bay Venues Limited and approved by Tauranga City Council in its 2023/24 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by Bay Venues Limited for the preparation of the financial statements.

1.21 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

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

Note 14 – Property Plant and Equipment

Note 28 - Financial Instruments

1.22 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Note 27 provides explanations of major variances against budget.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 2: REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

	Actual 2024 (\$000's)	Budget 2024 (\$000's)	Actual 2023 (\$000's)
Non-Exchange			
TCC Operational Grant	5,167	4,663	4,350
TCC Debt Serving Grant	1,317	1,317	1,619
TCC Renewal Funding	5,894	6,041	8,739
Aquatics	4,667	5,015	4,473
Indoor Facilities	2,158	2,071	1,680
Memberships	262	302	209
Rehabilitation Expense Funding	416	-	538
COVID-19 Leave Subsidy	6	-	39
Total Non-Exchange	19,887	19,409	21,647
Exchange			
Memberships	2,485	2,477	1,873
Events & Catering	9,616	9,968	9,031
Other User Fees & Charges	1,304	1,089	1,961
Learn to Swim	1,404	1,359	1,128
Total Exchange	14,809	14,894	13,993
Total Exchange & Non-Exchange	34,697	34,302	35,640

NOTE 3: OTHER REVENUE

	2024 Actual (\$000's)	2024 Budget (\$000's)	2023 Actual (\$000's)
Rental*	-	-	-
Dividends	6	11	11
Interest Received	-	-	-
Sponsorship*	-	-	-
Sundry Income**	1,149	188	991
Subsidies**	121	52	63
Total Other Revenue	1,276	251	1,065

* Revenue included under User Revenue in FY24. ** Previously included under User Revenue in FY23. FY23 prior year figures adjusted to reflect change in revenue allocation in FY24.

NOTE 4: EMPLOYEE EXPENSES

	2024 Actual (\$000's)	2024 Budget (\$000's)	2023 Actual (\$000's)
Salaries & Wages*	16,655	16,865	15,122
Defined Contribution Plan Employer Contributions (KiwiSaver)	321	332	296
Other Personnel Expense	440	586	410
Total Employee Expenses	17,416	17,783	15,828

* For FY23 Salaries & wages includes a \$450k provision for Holiday Act Remediation which is an estimate only



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 5: CONSULTING & GOVERNANCE EXPENSES

	2024 Actual (\$000's)	2024 Budget (\$000's)	2023 Actual (\$000's)
Audit Fees	146	159	133
Consulting*	785	244	467
Director Fees	254	239	239
TCC Shared Services	20	24	26
Tax Advisory	46	26	22
Total Consulting Governance Expenses	1,251	692	887

* Consultancy includes a \$180k provision for Holidays Act Remediation which is an estimate only. Also included is SaaS costs for Datascope and Bamboo HR.

NOTE 6: OPERATING EXPENSES

	2024 Actual (\$000's)	2024 Budget (\$000's)	2023 Actual (\$000's)
Cost of Goods Sold	2,562	2,674	2,646
Electricity	1,347	1,424	1,098
Insurance	720	604	525
Other*	2,886	2,744	2,717
Events Expenses	149	116	309
Marketing	303	417	394
Total Operating Expenses	7,967	7,979	7,689

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

NOTE 7: DEPRECIATION & AMORTISATION EXPENSE

	2024 Actual (\$000's)	2024 Budget (\$000's)	2023 Actual (\$000's)
Buildings & Improvements	4,090	3,756	3,615
Intangibles	157	144	189
Office Furniture & Equipment	1,048	962	828
Plant & Equipment	2,566	2,356	2,222
Motor Vehicles	120	110	91
Total Depreciation & Amortisation	7,981	7,327	6,945

NOTE 8: ADMINISTRATIVE EXPENSES

	2024 Actual (\$000's)	2024 Budget (\$000's)	2023 Actual (\$000's)
Operating Lease costs	102	101	106
Other Administrative Expenses	1,557	1,452	1,279
Total Administrative Expenses	1,659	1,553	1,385



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 9: INCOME TAX EXPENSE / (BENEFIT)

	2024 Actual (\$000's)	2023 Actual (\$000's)
(a) Operational Surplus / (Deficit) Before Taxation	(4,633)	330
Prima Facie Taxation at 28% (2023: 28%)	(1,297)	93
Non-Deductible Expenditure	1,967	1,841
Non Taxable Income	(1,967)	(1,843)
Prior Year Adjustment	150	-
Removal of Tax Depreciation on Buildings*	7,526	-
Deferred Tax Adjustment	342	(38)
Recognition of Buildings Tax Base	-	-
Tax Expense	6,721	52
Components of Tax Expense		
Current Taxation	-	-
Deferred Taxation Expense/(Benefit)	6,721	52

* On 28 March 2024 the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed tax depreciation deductions for industrial and commercial buildings with an estimated tax useful life of 50 years or more, with effect from 2024/25 income tax year. Application of the enacted tax law has resulted in a \$7,526k increase in the recognition of deferred tax expense in the Statement of Comprehensive Income and a corresponding increase to the deferred tax liability recognised in the Statement of Financial Position.

(B) Deferred Tax Asset / (Liability)

Entity	Property, Plant & Equipment (\$000's)	Employee Entitlements (\$000's)	Other Provisions (\$000's)	Tax Losses (\$000's)	Total (\$000's)
Balance at 30 June 2022	(21,450)	199	20	12,345	(8,886)
Charged to Surplus or Deficit	(1,455)	176	(2)	1,228	(52)
Charged to Other Comprehensive Income	456	-	-	-	456
Balance at 30 June 2023	(22,448)	375	18	13,572	(8,483)
Charged to Surplus or Deficit	(8,704)	80	(1)	1,903	(6,721)
Charged to Other Comprehensive Revenue & Expense	(6,135)	-	-	-	(6,135)
Balance at 30 June 2024	(37,287)	456	17	15,476	(21,339)

NOTE 10: CASH & CASH EQUIVALENTS

	2024 Actual (\$000)	2023 Actual (\$000)
Cash at Bank	1,514	617
Cash in Hand	12	12
Total Cash & Cash Equivalents	1,526	629

The Carrying Value of Cash at Bank or Till Floats Approximates Their Fair Value. There Is No Restriction on Their Use.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 11: INVENTORIES

	2024 Actual (\$000's)	2023 Actual (\$000)
Held for Distribution Inventories		
Chemical at Cost	12	11
Held for Commercial Inventories		
Merchandise at Cost	218	158
Food & Beverages	245	292
Total Inventory	475	461

There is no write down of inventory during the year. No inventory is pledged as security for liabilities (2023 \$nil).

NOTE 12: DEBTORS AND OTHER RECEIVABLES

	2024 Actual (\$000's)	2023 Actual (\$000)
Trade Debtors	888	2,153
Accruals	17	114
Provision for Doubtful Receivables	(18)	(17)
Prepayments	343	245
Total Debtors & Other Receivables	1,231	2,495
Receivables from Non Exchange Transactions	205	101
Receivables from Exchange Transactions	1,025	2,392
Total Debtors & Other Receivables	1,231	2,494

	2024 Gross (\$000's)	Impairment (\$000's)	2024 Net (\$000's)	2023 Gross (\$000's)	Impairment (\$000's)	2023 Net (\$000's)
Trade & Related Parties Debtors						
Not Past Due	653	-	653	2,076	-	2,076
Aged Receivables: 31-60 days	120	(6)	114	18	(4)	15
Aged Receivables: 61-90 days	40	-	40	42	-	42
Aged Receivables: Greater than 90 days	75	(11)	64	14	(13)	1
Total	888	(18)	871	2,151	(17)	2,135

FAIR VALUE

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

IMPAIRMENT

An impairment of \$17,934 was provided for doubtful debt at 30 June 2024. (2023: \$16,786). No debtor is pledged as security for liabilities (2023: \$nil)

EXPECTED CREDIT LOSS (ECL) ALLOWANCE

Bay Venues Limited consider a financial asset to be in default when the financial asset is more than 90 days past due. Bay Venues Limited may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

OTHER FINANCIAL ASSETS

ECL measured for other financial assets are trivial. They are low risk and Bay Venues Limited has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

RECEIVABLES

ECL for other receivables is based on the payment profile of revenue on credit over the prior two years the measurement date and the corresponding historical credit losses experienced for that period. This historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant. There have been no changes in the estimation techniques or significant assumptions in measuring the loss allowance.

NOTE 13: INTANGIBLE ASSETS

	Computer Software (\$000's)	Total (\$000's)
Cost		
Balance as at 1 July 2022	2,142	2,142
Additions	32	32
Disposals	194	194
Balance as at 30 June 2023	2,369	2,369
Balance as at 1 July 2022 Balance as at 1 July 2023	2,369	2,369
Additions	9	9
Disposals	-	-
Work In Progress Disposals	(254)	
Work In Progress	39	(216)
Balance as at 30 June 2024	2,162	2,162
Accumulated Amortisation & Impairment		
Balance as at 1 July 2022	(1,612)	(1,612)
Amortisation Change	(185)	(185)
Balance as at 30 June 2023	(1,797)	(1,797)
Balance as at 1 July 2023	(1,797)	(1,797)
Amortisation Charge	(157)	(157)
Balance as at 30 June 2024	(1,954)	(1,954)
Carrying Amounts		
As at 1 July 2022	531	531
As at 30 June 2023	572	572
As at 30 June 2024	208	208

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 14: PROPERTY PLANT AND EQUIPMENT

	2023 Cost / Valuation (\$000's)	2023 Accum Depn (\$000's)	Opening Book Value (\$000's)	2024 Asset Additions (\$000's)	2024 Asset Disposals (\$000's)	2024 Current Depn (\$000's)	Revaluation 2024 (\$000's)	Cost Reval (\$000's)	2024 Accum Depn (\$000's)	2024 Closing book value (\$000's)
At cost & valuation										
Land	2,500	-	2,500	-	-	-	(100)	2,400	-	2,400
Buildings & Improvements	113,870	(7,189)	106,680	4,158	-	(4,090)	19,301	126,049	-	126,048
Plant & Equipment	22,942	(4,756)	18,186	1,648	(146)	(2,566)	2,608	19,729	-	19,729
Office Furniture & Equipment	7,124	(3,570)	3,554	2,005	-	(1,048)	-	9,129	(4,618)	4,510
Motor Vehicles	980	(381)	599	130	-	(120)	-	1,110	(500)	610
Subtotal	147,415	(15,896)	131,519	7,941	(146)	(7,823)	21,809	158,417	(5,118)	153,298
Work in Progress	1,953	-	1,953	9,510	(7,725)	-	-	-	-	3,737
Total	149,369	(15,896)	133,472	17,451	(7,871)	(7,823)	21,809	158,417	(5,118)	157,035

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

	2022 Cost / Valuation (\$000's)	2022 Accum Depn (\$000's)	Opening Book Value (\$000's)	2023 Asset Additions (\$000's)	2023 Asset Disposals (\$000's)	2023 Current Depn (\$000's)	Revaluation 2023 (\$000's)	Cost Reval (\$000's)	2023 Accum Depn (\$000's)	2023 Closing Book Value (\$000's)
At Cost & Valuation										
Land	2,500	-	2,500	-	-	-	-	2,500	-	2,500
Buildings & Improvement	108,091	-	108,091	5,779	-	(3,615)	(3,575)	113,870	(7,189)	106,680
Plant & Equipment	19,169	(2,534)	16,635	3,861	(88)	(2,222)	-	22,942	(4,756)	18,186
Office Furniture & Equipment	5,420	(2,742)	2,679	1,704	-	(828)	-	7,124	(3,570)	3,554
Motor Vehicles	785	(289)	495	195	-	(91)	-	980	(381)	599
Sub Total	135,965	(5,565)	130,400	11,538	(88)	(6,756)	(3,575)	147,415	(15,896)	131,519
Work in Progress	2,882	-	2,882	10,609	(11,538)	-	-	1,954	-	1,953
Total	138,847	(5,565)	133,282	22,147	(11,626)	(6,756)	(3,575)	149,369	(15,896)	133,472



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

VALUATION

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Land & Buildings

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

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

Optimised Depreciated Replacement Cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

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

The building valuation was performed by a registered independent valuer, Ashley Pont of the firm Quotable Value Limited, and the valuation is effective 30 June 2024.

Restrictions

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

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

Plant

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

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

The age of each asset has been established utilising:

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

The most recent plant valuation was undertaken by a registered independent valuer, Ewan Forbes of the firm Forbes Valuation, on behalf of Quotable Value Limited, and the valuation is effective 30 June 2024.

WORK IN PROGRESS

The total amount of property, plant, and equipment in the course of construction is \$3,775,862 (2023 \$2,207,003). Intangibles in the course of construction, included in above balance, is \$38,581 (2023 \$254,399).



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 15: OTHER INVESTMENTS - NON-CURRENT PORTION

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Related Party Investments		
Depreciation Investment	5,425	4,355
Total Other Investments - Non-Current Portion	5,425	4,355

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

NOTE 16: EMPLOYEE ENTITLEMENT LIABILITIES

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Accrued Pay	377	241
Annual Leave*	1,628	1,340
ACC Employer Contribution	42	48
Payroll Taxes	148	124
Total Employee Entitlements	2,195	1,753

* Annual Leave includes estimate of \$450k for Holiday Act remediation in both FY23 & FY24.

NOTE 17: CREDITORS AND OTHER PAYABLES

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Income in Advance	540	857
Trade & Other Payables	549	928
Accrued Expenditure	2,416	2,104
Deposits & Bonds	24	22
Other Payables	-	-
GST Payable	69	180
Total Creditors & Other Payables	3,597	4,091
Payables from Non Exchange Transactions	4	1,540
Payables from Exchange Transactions	3,593	2,550
Total Creditors & Other Payables	3,597	4,090

Accounting Policy

Short-term creditors and other payable are measured at the amount payable.

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

There is a liability calculated by ASB Bank for our Credit Card Clearing account \$19,087 (2023 : \$15,445).



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 18: BORROWINGS

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Current Borrowings		
Adams Centre for High Performance	1,000	1,000
Total Current Portion	1,000	1,000
Non-Current Borrowings		
Loan from Tauranga City Council*	34,565	27,773
Total Non-Current Portion	34,565	27,773

* A new funding structure begins in FY2025 which will reduce the loan balance with Tauranga City Council.

SECURITY

Tauranga City Council loan is unsecured.

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

FINANCE COSTS

Tauranga City Council charge interest at 4.25%. (2023 : 3.75%)

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

NOTE 19: SHARE CAPITAL

Fully Paid Ordinary Shares

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Balance at Beginning of Financial Year	84,232	84,232
Reclassification of Capital	-	-
Closing Balance of Ordinary Shares Issued	84,232	84,232

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

NOTE 20: RETAINED EARNINGS

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Accumulated Funds		
Balance at 1 July	(27,449)	(27,539)
Surplus/(Deficit) for the Year	(11,354)	278
Transfer (to)/from Trustpower Reserve	933	
Transfer to Reserve	(131)	(200)
Disposal of Property, Plant & Equipment	-	12
Balance 30 June 2024	(38,000)	(27,449)



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 21: REVALUATION RESERVE

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Balance at 1 July	41,166	44,285
Net Revaluation Gains	15,675	-
Net Impairment on Revalued Property, Plant & Equipment	-	(3,119)
Balance at 30 June	56,841	41,166

NOTE 22: OTHER RESERVES

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Naming Rights	131	933
Total Reserves	131	933

* The Naming Rights reflects the Mercury naming rights arrangement for Mercury Baypark.

NOTE 23: CONTINGENCIES

Compliance with Holidays Act 2003: Many public & private sector entities, including Bay Venues Limited, have considered and continue to investigate historic underpayment of holiday entitlements. In the current financial year, Bay Venues Limited has recognised a provision of \$180k at balance date based on a reasonable estimate of the potential liability. (Contingent Liabilities in 2023: \$450k).

Bay Venues Limited has no contingent assets at 30 June 2024 (2023: nil).

Bay Venues Limited has no contingent rent recognised during the year. (2023: nil).

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

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Net Surplus / (Deficit) from Statement of Comprehensive Income	(11,354)	278
Add/(Deduct) Non Cash Items		
Depreciation/Amortisation + Loss on Disposal	8,124	7,456
Add/(Deduct) Movements in Working Capital		
Movement in Trade & Other Receivables	1,263	(1,654)
Movement in Inventories	(13)	(94)
Movement in Employee Entitlements	441	696
Movement in Trade & Other Payables	(381)	(2,077)
Movement in GST Payable	(111)	183
Movement in Deferred Tax Relating to Operating Activities	6,721	(403)
Net Cash Inflow/(Outflow) from Operating Activities	4,690	4,385



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

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

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

	Loan from Tauranga City Council 2024 (\$000's)	Loan from Tauranga City Council 2023 (\$000's)
Balance as at 1 July 2023	27,773	20,537
Cash Inflows	11,292	10,236
Cash Outflows	(4,500)	(3,000)
Non-Cash Changes	-	-
Balance as at 30 June 2024	34,565	27,773

NOTE 25: CAPITAL COMMITMENTS AND OPERATING LEASES

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

There are no capital commitments in the current financial year.

OPERATING LEASES AS LESSEE

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

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Not Later than One Year	44	83
Later than One Year and Not Later than Five Years	30	71
Later than Five Years	-	-
Total Non-Cancellable Operating Leases	74	154

OPERATING LEASES AS LESSOR

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

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Not Later than One Year	320	446
Later than One Year and Not Later than Five Years	632	780
Later than Five Years	1,737	1,669
Total Non-Cancellable Operating Leases	2,689	2,894

No contingent rents have been recognised during the year (2023: nil).



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 26: RELATED PARTY TRANSACTIONS

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

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

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
Transactions with Key Management Personnel		
Salaries and Other Short Term Employee Benefits	1,231	1,263
Directors Fees and Travel	254	239
Total Key Management Personnel Remuneration	1,485	1,502
Total Full-Time Equivalent Personnel	7	7

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

NOTE 27: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Company's budget figures in the 2023-24 Financial Statements are as follows:

Statement of Comprehensive Revenue and Expense

- User Revenue was \$1.4m behind budget due to lower user fees in events and aquatics.
- Consultancy expenses includes SaaS implementaion expenses of \$284k funded by TCC.

NOTE 28: FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENT CATEGORIES

	Actual 2024 (\$000's)	Actual 2023 (\$000's)
FINANCIAL ASSETS		
Loans & Receivables		
Cash & Cash Equivalents	1,526	629
Debtors & Other Receivables	870	2,135
Total Financial Assets	2,396	2,764
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Creditors & Other Payables	571	950
Borrowings - Adams Centre Loan	1,000	1,000
Borrowings - TCC Loan	34,565	27,773
Total Financial Liabilities	36,136	29,723



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

Financial Instrument Risks

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

(a) Market Risk

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change. All current borrowings are from Tauranga City Council. The interest rates are fixed by Tauranga City Council annually on 1 July each year therefore Bay Venues Limited is not subject to market interest rate fluctuations during the financial year.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Bay Venues Limited only borrows, or invests, with Tauranga City Council and the interest rates on these borrowings are fixed by Tauranga City Council annually on 1 July each year therefore Bay Venues Limited is not subject to fluctuating market interest rates during the financial year.

Currency Risk

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

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

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

(b) Sensitivity Analysis

The table below illustrates the potential effect on the surplus or deficit and equity for reasonably possible market movements, with all other variables held constant based on Bay Venues Limited's financial instrument exposure at balance date.

30 JUNE 2024	-100BPS		+100BPS	
	Surplus/ (Deficit) (\$000's)	Equity (\$000's)	Surplus/ (Deficit) (\$000's)	Equity (\$000's)
Interest Rate Risk				
Financial Assets	-	-	-	-
Cash & Cash Equivalents	-	-	-	-
Financial Liabilities	-	-	-	-
Secured Loans	356	-	(356)	-
Total Sensitivity	356	-	(356)	-



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

30 JUNE 2023	-100BPS		+100BPS	
	Surplus/ (Deficit) (\$000's)	Equity (\$000's)	Surplus/ (Deficit) (\$000's)	Equity (\$000's)
Interest Rate Risk				
Financial Assets	-	-	-	-
Cash & Cash Equivalents	-	-	-	-
Financial Liabilities	-	-	-	-
Secured Loans	288	-	(288)	-
Total Sensitivity	288	-	(288)	-

Explanation of Interest Rate Risk Sensitivity

The interest rate risk sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100 bps is equivalent to a decrease in market interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of 100bps/+100bps (2023: 100bps/+100bps).

(c) Credit Risk

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

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

Bay Venues Limited complies with Councils Treasury Policy which permits a minimum credit rating of A for registered banks and other organisations. On 30 June 2024 all financial instruments were held with the New Zealand registered trading banks which are rated AA-. There are no major concentrations of credit risk in relation to debtors and other receivables, as it has many credit customers.

Maximum Exposure to Credit Risk

Bay Venues Limited's maximum credit risk exposure for each class of financial instruments is as follows:

	30 June 2024 (\$000's)	30 June 2023 (\$000's)
Cash at Bank	1,526	629
Debtors & Other Receivables	870	2,135
Total Credit Risk	2,396	2,764

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Counterparties with Credit Ratings	30 June 2024 (\$000's)	30 June 2023 (\$000's)
Cash at Bank		
AA-	1,526	629
Total Credit Risk	1,526	629

Bay Venues Limited has no significant concentrations of credit risk in relation to debtors and other receivables, as it has many credit customers.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

(d) Liquidity risk

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

Contractual Maturity Analysis

The table below analyses Bay Venues Limited's financial assets and liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

30 JUNE 2024	Less than 1 year (\$000's)	Between 1 and 2 years (\$000's)	Between 2 and 5 years (\$000's)	Over 5 years (\$000's)	Total Contractual Cash Flows (\$000's)
Contractual Maturity Analysis					
Financial Assets					
Cash & Cash Equivalents	1,526	-	-	-	1,526
Debtors & Other Receivables	870	-	-	-	870
Total Financial Assets	2,396	0	0	0	2,396
Financial Liabilities					
Secured Loans	1,000	-	-	34,565	35,565
Creditors & Other Payables	570	-	-	-	570
Total Financial Liabilities	1,570	0	0	34,565	36,136

30 JUNE 2023	Less than 1 year (\$000's)	Between 1 and 2 years (\$000's)	Between 2 and 5 years (\$000's)	Over 5 years (\$000's)	Total Contractual Cash Flows (\$000's)
Contractual Maturity Analysis					
Financial Assets					
Cash & Cash Equivalents	632	-	-	-	632
Debtors & Other Receivables	2,135	-	-	-	2,135
Total Financial Assets	2,766	0	0	0	2,766
Financial Liabilities					
Secured Loans	1,000	-	-	27,773	28,773
Creditors & Other Payables	950	-	-	-	950
Total Financial Liabilities	1,950	0	0	27,773	29,723



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

NOTE 29: EMPLOYEES REMUNERATION EXCEEDING \$100,000

	Actual Number of Employees	
	2024	2023
\$100,001 - \$110,000	2	5
\$110,001 - \$120,000	4	2
\$120,001 - \$130,000	3	-
\$130,001 - \$140,000	4	3
\$140,001 - \$150,000	1	1
\$150,001 - \$160,000	1	2
\$160,001 - \$170,000	1	-
\$170,001 - \$180,000	1	1
\$180,001 - \$190,000	1	1
\$190,001 - \$200,000	1	-
\$200,001 - \$210,000	1	1
\$210,001 - \$220,000	-	-
\$220,001 - \$230,000	-	-
\$270,001 - \$280,000	-	1
\$280,001 - \$290,000	1	-
Total Employees	21	17

Remuneration includes paid and payable at 30 June 2024.

NOTE 30: EVENTS OCCURRING AFTER BALANCE DATE

The Queen Elizabeth Youth Centre and Memorial Hall will be demolished & courts replaced in a new facility located at the old The Warehouse building on Cameron Road.

Tauriko Hall is to be demolished due to no longer being fit for purpose.

NOTE 31: STATEMENT OF INTENT NON-COMPLIANCE

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

64. Statements of intent for council-controlled organisations

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

Clause 10, Part 4 of Schedule 8

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



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2024

STATUTORY DISCLOSURES

NATURE OF BUSINESS

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

CHIEF EXECUTIVE REMUNERATION

Total Remuneration Paid or Payable	2024	2023
\$270,001 - \$280,000	-	1
\$280,001 - \$290,000	1	-

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

Director	Appointed Date	Resigned Date	Director Fees 2024	Travel & Accom 2024	Director Fees 2023	Travel & Accom 2023
Nick Lowe	01/07/2017	N/A	35,000	-	33,000	-
Simon Clarke (Chair)	01/07/2021	N/A	70,000	-	66,000	-
Julie Hardaker (Deputy Chair)	01/07/2021	N/A	43,750	-	41,250	-
Adam Lynch	01/07/2021	N/A	35,000	-	33,000	-
Jeremy Curragh	01/07/2021	N/A	35,000	-	33,000	-
Wayne Beilby	25/07/2022	N/A	35,000	-	33,000	-
Gareth Wallis	10/05/2021	N/A	Nil Fees	-	Nil Fees	-

Carey Ulrich was a Board Intern in 2024.

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

DONATIONS

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

INTEREST REGISTER

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



STATEMENT OF INTENT FINANCIAL PERFORMANCE

	23/24 Actual (\$000's)	23/24 Budget (\$000's)	22/23 Actual (\$000's)
Revenue	27,485	26,945	25,282
Less Cost of Goods Sold	2,562	2,674	2,646
Gross Profit	24,923	24,271	22,636
Less Operating Expenditure	27,483	26,446	24,765
EBITDA	(2,560)	(2,175)	(2,129)
Add Back Adjustments for Prior Year & Capital Transactions:			
Holiday Act Remediation Provision	180	-	450
Loss on Disposal of Assets	144	-	55
Adjusted EBITDA	(2,236)	(2,175)	(1,624)

Notes:

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

RECONCILIATION TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

	23/24 Actual (\$000's)
Adjusted EBITDA	(2,236)
Add	
TCC Debt Servicing Grant	1,317
TCC Renewal Funding	5,894
Less	
Finance Cost	(1,305)
Depreciation	(7,979)
Holiday Act Remediation Provision	(180)
Less Loss on Disposal of Assets	(144)
Suplus Before Tax	(4,633)



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BAY VENUES LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

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

OPINION

We have audited:

- the financial statements of the company on pages 18 to 42, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 8 to 9 and 44.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2024.

Our audit was completed on 27 September 2024. This is the date at which our opinion is expressed.

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

EMPHASIS OF MATTER - COMPARISON OF FORECAST FINANCIAL STATEMENTS WITH HISTORICAL FINANCIAL STATEMENTS

Without modifying our opinion, we draw attention to note 31 on page 42, which outlines that the Company presented forecast financial information with the historical financial statements that was limited to the statement of comprehensive revenue and expenses.

BASIS FOR OUR OPINION

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

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

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

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 7, 10 to 17 and page 43, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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



INDEPENDENT AUDITOR'S REPORT

INDEPENDENCE

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

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

Leon Pieterse

Audit New Zealand

On behalf of the Auditor-General

Tauranga, New Zealand



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