Annual Report

FOR THE YEAR ENDED 30 JUNE 2013

Auckland Tourism, Events and Economic Development

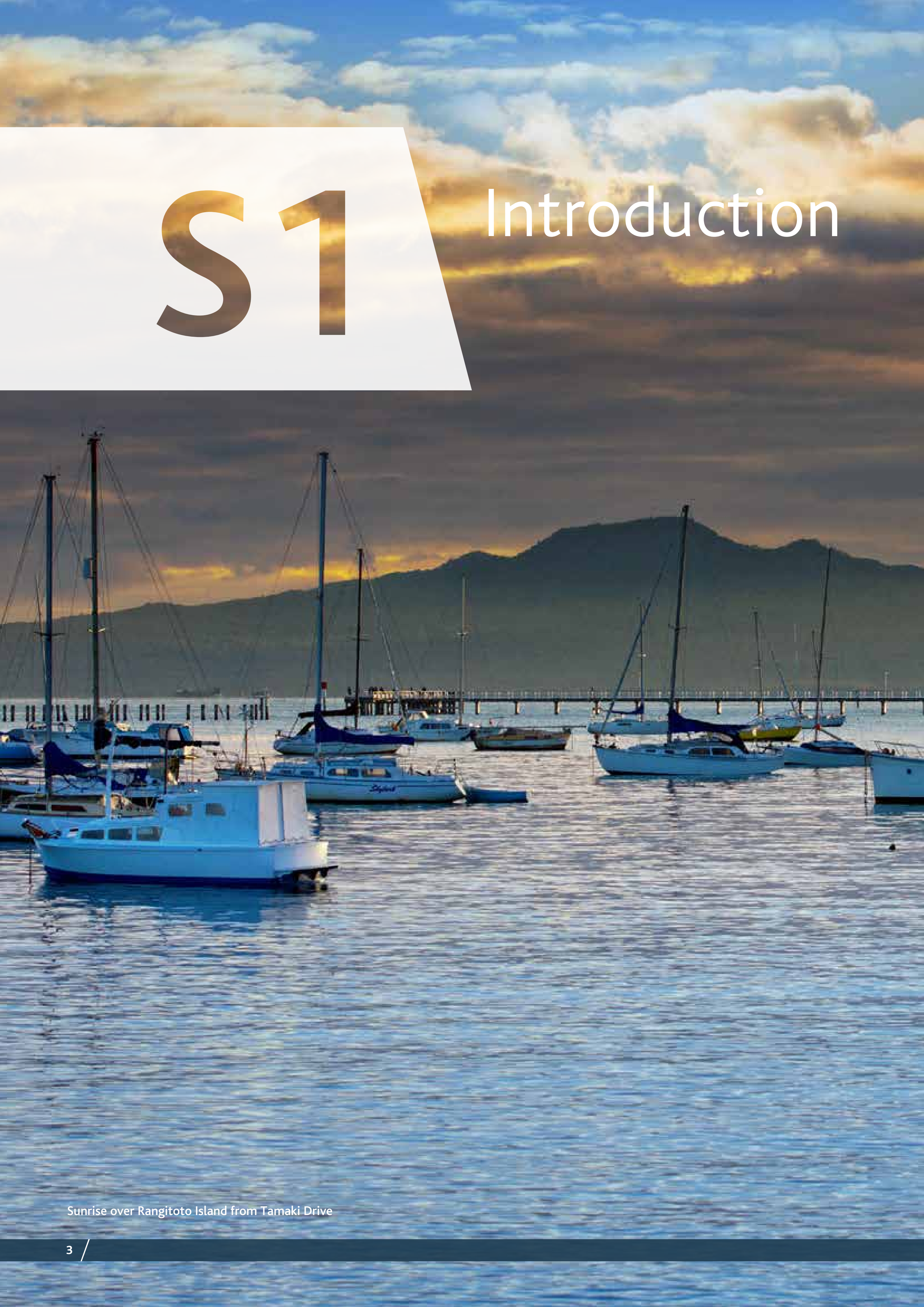
An Auckland Council Organisation

Improving New Zealand's economic prosperity by leading the successful transformation of Auckland's economy

North Wharf, Wynyard Quarter

Contents

S1 Introduction



Sunrise over Rangitoto Island from Tamaki Drive

E tu noa ana nga maunga whakahii i te riu o Tamaki Makaurau. E whakaruruhau ana i nga ahikaa mai tawhiti. E maumahara ana i te nguha a Mataoho.

Ratou kua poto ki tua o te arai, e moe e okioki.

Tatou te hunga ora e kawe ana i te aronganui mo te pai me te whai rawa o Tamaki, tena ra tatou katoa.

The volcanic cones of Tamaki Makaurau stand as sheltering monoliths to the people from an ancient heritage who have kept the home fires burning as a symbol of remembrance of Mataoho whose rage created this beautiful landscape.

To those who have passed into the night, may you find eternal rest.

For those of us who have been left behind to build the most liveable city in the world, greetings to us all.

Statement from the Chairman & Chief Executive

The second full operating year of Auckland Tourism, Events and Economic Development (ATEED) saw the business mature significantly – in its governance, structure and culture.

The focus in ATEED's first 18 months was to put strategic pillars firmly in place and achieve major deliverables such as the Auckland Visitor Plan and the Major Events Strategy.

But new entities such as ATEED, which emerged from legacy organisations, constantly evolve. Recognising this, the Board requested a major strategic review and resource assessment at the start of the year.

The imperative the Board gave the senior leadership team was to ensure ATEED is a lean, nimble and highly skilled business which – on behalf of Auckland Council – can confidently implement Auckland's Economic Development Strategy (EDS) alongside the Government's business growth agenda. ATEED must be capable of accelerating the city towards becoming the most liveable city in the world and an Asia-Pacific innovation hub.

What was paramount in our future-focused and aspirational considerations? **He tangata**.

As a council-controlled organisation, ATEED is unrelenting in its pursuit of Council's ambitious targets for the region.

This year, the EDS' '6-5-2' economic targets became mandatory considerations across all ATEED work.

Those annual targets are: 6 per cent export growth, 5 per cent real GDP growth, and 2 per cent productivity improvement. They underpin everything we do and drive our aspiration to be the world's leading economic growth agency.

During the year, kotahitanga – unity in a common purpose – became the bedrock principle within ATEED's culture. We recognise sustainable economic growth is underpinned by the development of a strong partnership model, based on kotahitanga.

ATEED is committed to being transparent, accessible and easy to do business with. Our mission is to work closely with partners to deliver positive economic outcomes for Auckland and its people.

The 2012/13 year saw ATEED fully or partially achieve 19 of its 25 key performance indicators, and record another year of sound financial management, with financial performance within budget and all cost savings targets met.

ATEED achieved another year of notable milestones and awards which reflect the principle of kotahitanga and a focus on people.

The objectives in Auckland's Visitor Plan, released in 2011, are to grow the annual visitor economy to $6 billion by 2021 – including doubling the 2010 spend by international visitors – and transform Auckland into an urban oasis. We are starting to see great results from our marketing plan to attract global events to Auckland.

The Major Events team added to Auckland's enviable annual portfolio by securing economic anchor events including the V8 Supercars ITM 400 Auckland, Ironman 70.3, and Volvo Ocean Race stopovers in 2015 and 2018; and one-off events including the IRB Junior World Championships 2014.

The post-event independent economic analysis for the ITM 400 Auckland, held at Pukekohe in April, showed the two-day event injected $7.5 million into the Auckland economy.

International stage show *Mary Poppins* had a hit Auckland season amidst our hugely popular anchor cultural events, the Diwali, Pasifika and Lantern festivals.

Auckland's global major events reputation was cemented by a silver medal in the 'Sport City' category at the 2012 International Sports Event Management Awards. Being runner-up to London in the Olympic year was a huge result for Auckland, and a reflection of the innovation and drive within the Major Events team. **He tangata.**

He aha te mea nui o te ao?
He tangata. He tangata. He tangata.

What is the most important thing in the world?
It is people, it is people, it is people.

ITU World Triathlon Grand Final 2012

Everything we do involves partnerships: major events involve organisations from across the globe and within local communities; business investment attraction, export growth and innovation programmes see us collaborate with central government, sector organisations and research institutes; developing Auckland's skilled workforce means working with tertiary institutions. **He tangata**.

Engagement with key partners, including iwi, business improvement districts and Council's local boards, is a priority in all major work programmes. Our focus on kotahitanga was reflected in two Society of Local Government Management awards for ATEED's hosting of Rugby World Cup 2011: the 'Joined Up Local Government' and 'Supreme' awards.

Delivering on Auckland Visitor Plan targets included September's launch of the first domestic tourism campaign for more than a decade – with immediate impact. This campaign led to an increase in domestic guest nights of 15.6 per cent in the September to November period, compared with the previous year. We formalised a partnership with Flight Centre Australia, and extended our relationship with China Southern Airlines; we developed the new Shed 10 cruise ship terminal; and hosted key industry event TRENZ 2013 to great acclaim.

ATEED benchmarks its achievements and capability against the best cities in the world. This level of aspiration and the Board's mandate triggered a major organisational redesign in 2012/13. This involved substantial planning by the senior leadership team and consultation with staff.

A new structure was approved by the Board and communicated to staff. The redesign's key features include new dedicated Business Attraction and Investment, Economic Growth, and Corporate Relations teams. ATEED is now better aligned to deliver on its EDS targets.

We also reviewed and streamlined the i-SITE visitor services network, and continue to adapt the provision of visitor information and bookings to the rapid changes being driven by the adoption of digital services. ATEED worked proactively with affected staff and the Public Services Association, and wherever possible facilitated redeployment within ATEED or with private sector partners.

World-class capability within the leadership team and staff will ensure ATEED continues to perform well against its comprehensive key performance indicators. What determines whether outcomes are achieved? Staff who are inspired, results-driven, skilled and well led. **He tangata.**

We are proud of ATEED's people, and the relationships we are developing regionally, nationally and internationally.

In a further sign of ATEED's maturity, we instigated a comprehensive project governance model, including a 90-day planning process. The first 90-day plan was announced in January and the process ensures ATEED's priority is activities which drive economic growth.

An overview of the 90-day plan can be viewed on ATEED's website.

The EDS outlines a blueprint for ATEED to develop an innovative export-led economy – with support for innovation, by enabling global connections, attracting multi-nationals and international investors, and increasing the skills of Auckland's workforce.

In 2012/13, our Business Growth and Competitiveness programme saw ATEED partner industry groups, Auckland's mayor and government agencies New Zealand Trade and Enterprise (NZTE) and Ministry of Business, Innovation and Employment (MBIE) for trade and investment delegations to North America, Asia and the Pacific Islands. We also hosted a large number of visiting delegations and influencers including the influential US group 'Geeks on a Plane' and the MIT Regional Entrepreneurship Acceleration Programme workshop.

ATEED joined the Auckland District Health Board, MBIE and NZTE to launch the virtual New Zealand Health Innovation Hub pilot project in Auckland, in which like-minded people who want to improve health outcomes can collaborate to test ideas, access trials, gain clinical validation, and get expert advice.

As the reporting year ended, ATEED's major programme to showcase Auckland innovation and leverage economic growth from the 34th America's Cup in San Francisco was about to begin. The investment, in partnership with Ngati Whatua o Orakei, NZTE and Te Puni Kokiri, and Emirates Team New Zealand, will deliver inbound investment and export growth opportunities for Auckland across key sectors identified in the EDS.

ATEED launched the website businessaucklandnz.com. We finalised and launched the Auckland Film Protocol, a significant step in making the region film friendly. The protocol will deliver big wins for this multi-billion-dollar contributor to Auckland's economy. The shooting of Samsung's latest global television commercial at Bethells Beach is an example of the types of major production shoots which will take advantage of the protocol.

Our local area offices in Orewa, Albany, CBD, Henderson, Highbrook and Pukekohe continue to be the major 'open door' for our economic growth programmes and valued partnerships with Business Mentors New Zealand, Lion Foundation Young Enterprise Scheme, NZTE, and Callaghan Innovation (through research and development funding and the Regional Business Partner Network).

ATEED continues to develop the Wynyard Quarter Innovation Precinct with Waterfront Auckland. This hub for ICT and digital innovators has received a lot of interest from potential tenants, and the first stage will take major steps forward in the next reporting year.

Two major material changes to the company began in the reporting period, but flowed into the following year.

In June, the Board approved the formation of a subsidiary limited company to manage Auckland's hosting of World Masters Games 2017, the largest multiple sports event in the world. ATEED secured the event in the previous reporting period.

The company was registered after this financial year ended. The chairman and chief executive for the company were appointed this financial year, but appointments to the company's board occurred after year end.

For much of this reporting period, ATEED was in talks with central government about the future operating model and funding for New Zealand Food Innovation Auckland Ltd (an ATEED operating subsidiary trading as The FoodBowl – Te Ipu Kai).

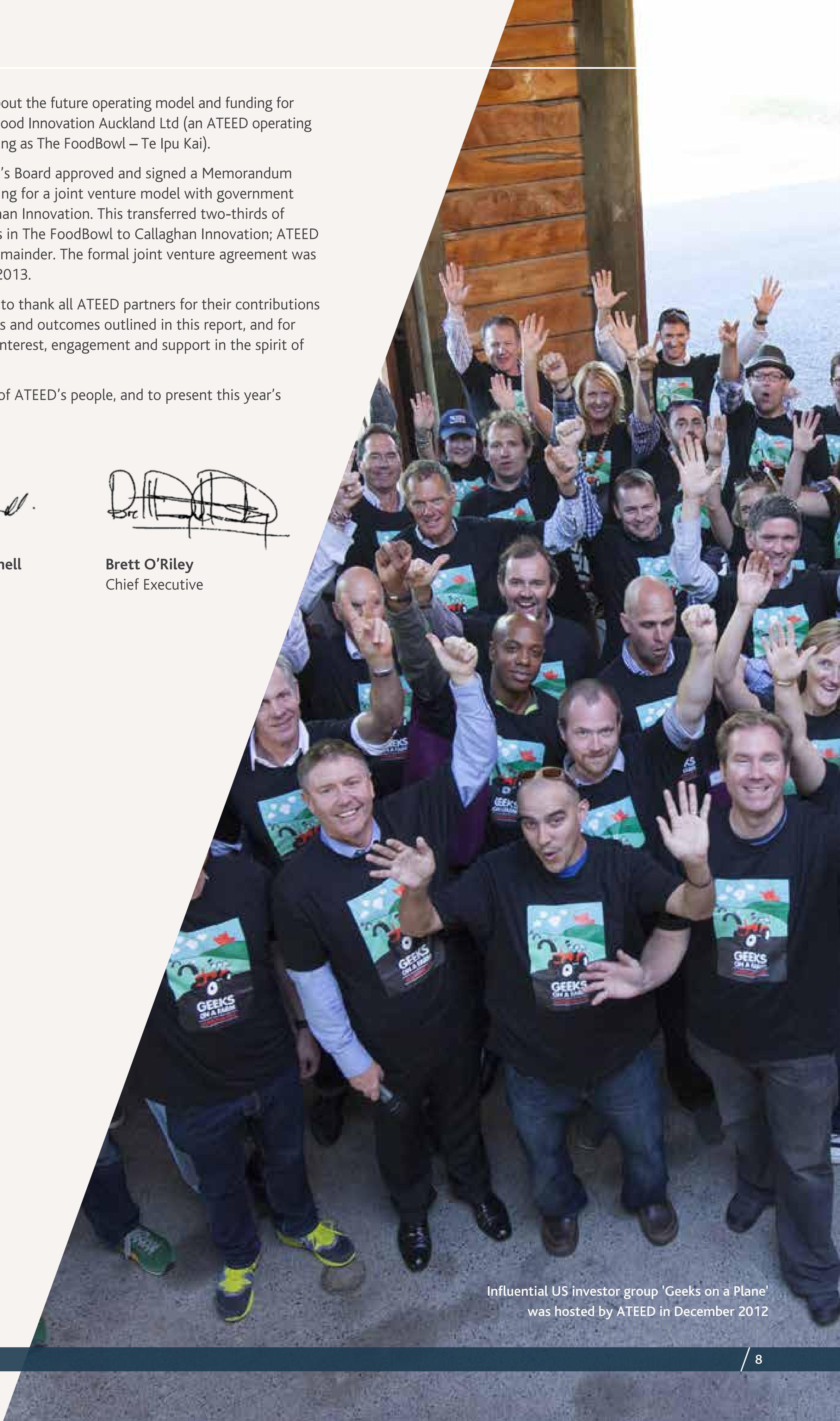
In June, ATEED's Board approved and signed a Memorandum of Understanding for a joint venture model with government agency Callaghan Innovation. This transferred two-thirds of ATEED's shares in The FoodBowl to Callaghan Innovation; ATEED retained the remainder. The formal joint venture agreement was signed in July 2013.

We would like to thank all ATEED partners for their contributions to the activities and outcomes outlined in this report, and for their ongoing interest, engagement and support in the spirit of kotahitanga.

We are proud of ATEED's people, and to present this year's annual report.

David McConnell
Chairman

Brett O'Riley
Chief Executive



Influential US investor group 'Geeks on a Plane' was hosted by ATEED in December 2012

Directors' Report

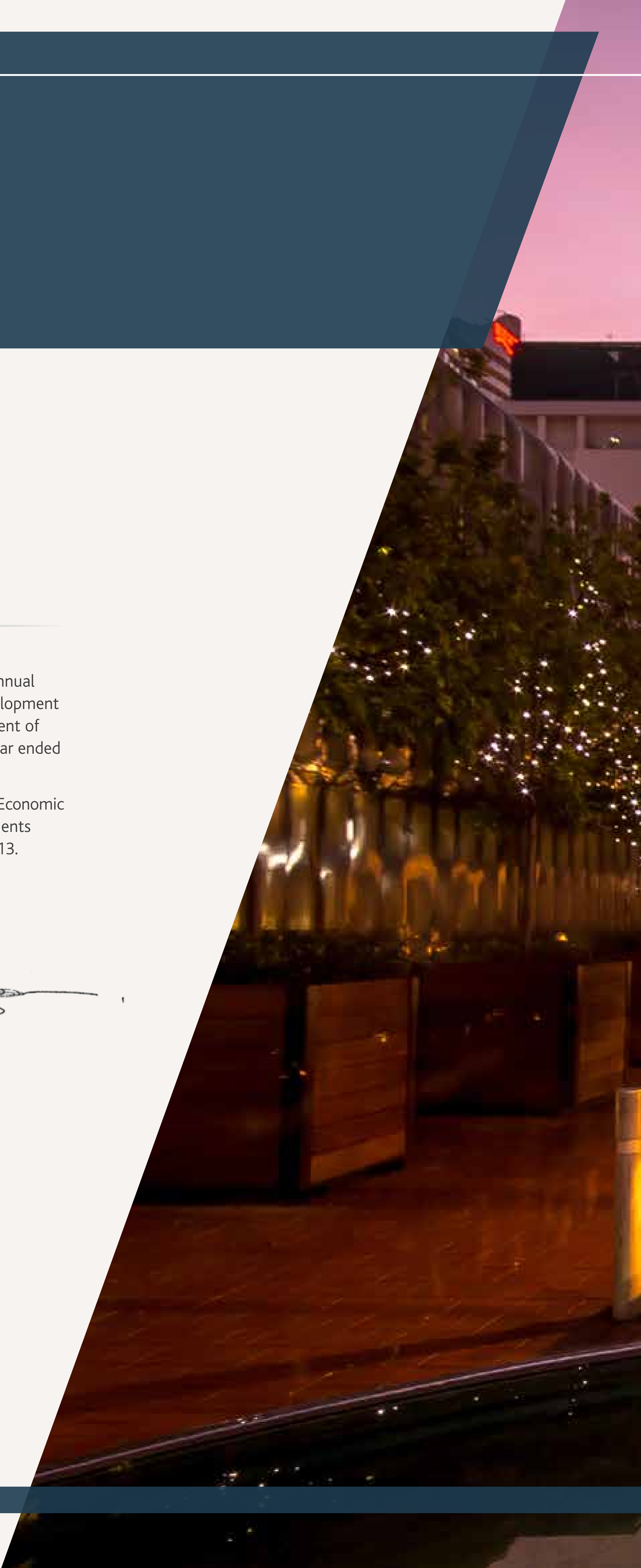

The Board of Directors has pleasure in presenting the annual report of Auckland Tourism, Events and Economic Development Limited, incorporating the financial statements, statement of service performance and the auditor's report, for the year ended 30 June 2013.

The Board of Directors of Auckland Tourism, Events and Economic Development Limited authorised these financial statements presented on pages 33 to 83 for issue on 13 August 2013.

For and on behalf of the Board.

David McConnell
Chairman
15 August 2013

Norm Thompson
Deputy Chairman
15 August 2013



Britomart precinct

Independent Auditor's Report

To the readers of Auckland Tourism, Events and Economic Development Limited and group's financial statements and statement of service performance for the year ended 30 June 2013.

The Auditor General is the auditor of Auckland Tourism, Events and Economic Development Limited (the company) and group. The Auditor General has appointed me, John Scott, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the company and group on her behalf.

We have audited:

- the financial statements of the company and group on pages 33 to 83, that comprise the statement of financial position as at 30 June 2013, 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 statement of service performance of the company and group on pages 86 to 92.

OPINION

Financial statements and statement of service performance

In our opinion:

- the financial statements of the company and group on pages 33 to 83:
  - comply with generally accepted accounting practice in New Zealand;
  - give a true and fair view of the company and group's:
    - financial position as at 30 June 2013; and
    - financial performance and cash flows for the year ended on that date; and
- the statement of service performance of the company and group on pages 86 to 92:
  - complies with generally accepted accounting practice in New Zealand; and
  - gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2013.

OTHER LEGAL REQUIREMENTS

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company and group as far as appears from an examination of those records.

Our audit was completed on 15 August 2013. This is the date at which our opinion is expressed.

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

BASIS OF OPINION

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the preparation of the company and group's financial statements and statement of service performance that give a true and fair view of the matters to which they relate. We consider internal control 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 and group's internal control.

An audit also involves evaluating:

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

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

In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company and group's financial position, financial performance and cash flows; and
- give a true and fair view of its service performance.

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

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

INDEPENDENCE

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

Other than the audit and the audit of the review engagement, we have no relationship with or interests in the company or its subsidiary.

John Scott
Audit New Zealand
On behalf of the Auditor General
Auckland, New Zealand

Auckland Lantern Festival

S2 Highlights for 2012/13

02 Economic Growth

Auckland is already the country's economic powerhouse, and one of the most innovative cities in the Asia-Pacific region – a test bed for world-leading technology.

But this is not enough. Auckland Tourism, Events and Economic Development (ATEED) is driven to transform the economy – to attract foreign direct investment, build Auckland's innovation system, form strong strategic alliances with a regional approach, and support identified sectors with major export potential and the companies within them.

This will be done within a collaborative model based on the principle of kotahitanga, or unity of purpose. There will be an emphasis on the economic, social and environmental pillars of sustainability, and full consideration of the need to ensure Maori economic development.

During the reporting year, ATEED's Business Attraction and Investment team fuelled the region's economy by attracting more than $34 million of international investment, including two new multi-national companies which are now expanding in the city.

ATEED is focused on supporting the delivery of Auckland Council's ambitious targets for the region, outlined in Council's *Economic Development Strategy 2012-2022*. The annual '6-5-2' economic targets are: 6 per cent export growth, 5 per cent real GDP growth, and 2 per cent productivity improvement.

These targets – which are clearly export and innovation-focused – drive ATEED's aspiration to be the world's leading economic growth agency.

In March, Auckland was named as the Asia-Pacific region's fifth most innovative city, beating major centres including Tokyo, Seoul and Taipei. Singapore ranked first, followed by Sydney, Melbourne and Hong Kong.

The Most Innovative Cities in Asia Pacific report was prepared by Singaporean consulting firm Solidiance. Auckland took the number five spot largely on its ability to attract skilled talent, and its tolerance for diversity. The report also singled out Auckland's film industry and ability to host world-class events such as Rugby World Cup 2011 and the 2012 ITU World Triathlon Series.

During the year, ATEED developed its Growth and Competitiveness Framework – a major piece of work which will shape ATEED's implementation of Council's bedrock plans, the EDS and Auckland Plan.

The framework is a defining blueprint which fully integrates ATEED's diverse activities (including the already completed deliverables, the Auckland Visitor Plan, and Auckland Major Events Strategy), its strategic initiatives and work programmes, and links them back to Council's targets.

The framework also confirms ATEED's strategy to partner increasingly powerful iwi businesses to jointly deliver on a target to drive Maori economic growth across Auckland.

ATEED's Business Attraction and Investment and Economic Growth teams facilitated a number of trade missions on Council's behalf during the year, to key markets such as China, Australia, the Pacific Islands and California, and hosted visits from key US-based investor groups and high net worth individuals.

These linked export-ready Auckland businesses and innovators with potential investors and market influencers across the globe, and have resulted in a number of deals.

CALIFORNIA DREAMING

For a significant part of the reporting period, ATEED's Business Attraction and Investment and Economic Growth teams were involved in planning a major strategic initiative around the 34th America's Cup in San Francisco (which took place after the year ended, July to September 2013).

This programme, in partnership with the Government and Emirates Team New Zealand, began just after the reporting year ended, and added to a number of ICT sector initiatives in the year which grew Auckland's relationship with the Bay Area – the gateway to Silicon Valley.

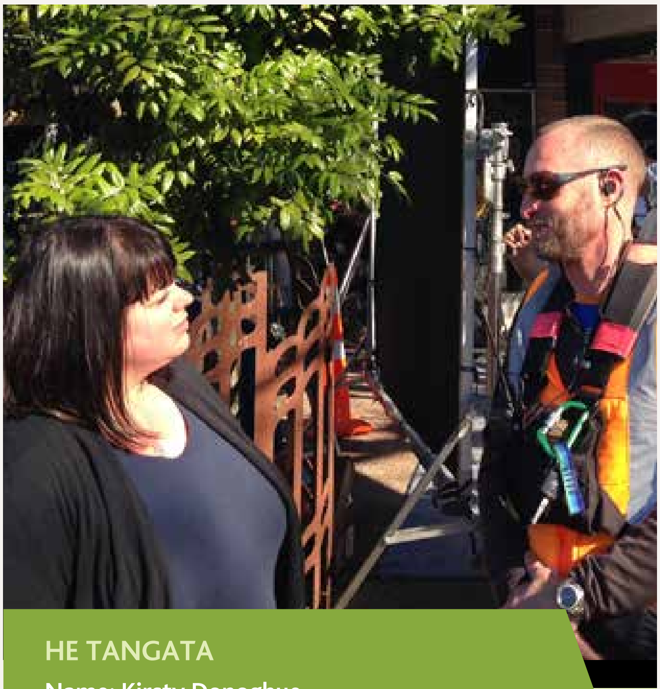
INJECTION INTO AUCKLAND'S ECONOMY FROM INTERNATIONAL INVESTMENT ATTRACTED BY ATEED

$34 MILLION

INCLUDING **2** MULTI-NATIONALS

COMPANIES/INVESTORS IN ATEED'S AFTERCARE PROGRAMME

100



HE TANGATA

Name: Kirsty Donoghue
Position: Film Facilitator, Film Auckland

What do you do at ATEED?
Our team works with screen production companies to ensure they get the best outcomes for their film shoot in Auckland. We advocate on behalf of the industry, Council stakeholders and the public to ensure the domestic and international screen production sector stays sustainable in a competitive global market, and continues to contribute significantly to Auckland's economic prosperity. This includes permitting all filming on public open space across the region and promoting Auckland to the world as a premier filming destination.

What was your 2012/13 highlight, and why?
Earlier in the year I worked on the TV commercial *Samsung Charge*, which was filmed for the global market. It was an epic shoot involving stunts and visual fx to recreate a stampede of action. This involved Roman chariots, a police chase, 'SAS' helicopters, a 'T Rex' dinosaur and many more impressive characters charging along a beach. It was filmed over six days at one of my favourite spots in Auckland, Bethells Beach. The Bethells community really got behind the shoot, helping to bring the ad to life and adding to its success.

What is your major goal for 2013/14?
Working with productions to make their ultimate visions come true, and continuing to put Auckland on the map globally for its amazing locations and talented crews.

High-tech Auckland businesses were invited to be part of a programme involving the New Zealand Trade and Enterprise (NZTE) Kiwi Landing Pad in San Francisco, which would enable them to develop relationships and deals on the doorstep of California's famed ICT region.

The Louis Vuitton Challenger Series and America's Cup regattas were seen as the perfect opportunity to attract and retain overseas investment in the Auckland region, highlight Auckland's ranking in Asia-Pacific's five most innovative cities, and create business growth opportunities across a range of the region's most important economic sectors.

The real impact of the programme to promote Auckland's value proposition to influential investors will be delivered long term as a direct result of the invaluable connections made.

'LIGHTS, CAMERA, ACTION'

The Auckland Film Protocol, developed by ATEED's Film Auckland team and launched during the reporting period, helps Auckland attract and expedite local and international screen production. It was one of the first projects to involve all seven council-controlled organisations (CCOs) on an operational level.

Auckland's skilled production industry and range of film locations make it an attractive film destination and assist Film Auckland's work to facilitate global productions in the region.

In the period, Film Auckland issued 534 filming permits for productions which are estimated to have contributed several hundred million dollars to Auckland's economy, from pre to post-production.

In June, ATEED signed a film production memorandum of cooperation with Shenzhen Municipal Government of the People's Republic of China. This agreement facilitates a series of co-productions between Auckland and Shenzhen – at year end, there were five films in development.

Soon after the reporting period, the Government released its updated international production subsidy programme following a two-year review. This kept the large production grant at the level set in 2007, which has seen New Zealand fall behind key competitors for attracting international productions. Not being able to offer competitive incentives will seriously challenge Auckland's ability to attract major productions in the future, and has begun to affect the region's screen sector.

ATEED will work with Auckland Council and the Government to determine how best to work within the current model without undermining Auckland's international competitiveness.

REGIONAL GROWTH

ATEED's four area offices – North, West, Central and South – supported economic growth across the region during the period, with a suite of programmes which assisted start-ups, and grew existing businesses – particularly those with export potential.

The offices are the delivery agents on behalf of ATEED partners Business Mentors New Zealand, the Lion Foundation Young

Enterprise Scheme (YES), and NZTE's and Callaghan Innovation's Regional Business Partner Network, which supplies training vouchers and research and development grants to qualifying companies. They also run the north, west and south regional Westpac Auckland Business Awards, which celebrate high achievement among local companies, and improve business capability.

YES is a programme where secondary school students form a company and create a product or service which they market and sell. The programme runs throughout the school year and students learn skills including business fundamentals, planning, interpersonal relations, financial decision making, reporting, risk management and teamwork. This year, 635 students from 38 schools participated in the Auckland YES scheme. With ATEED's guidance, Manurewa High School's team won the Auckland South region, and three national awards including 'Company of the Year'.

During the year, ATEED's area office business advisors made 1026 capability assessments for local businesses; the two mentor coordinators made 971 mentor matches; and research and development advisors facilitated $3.6 million in research and development grants funded through government agency Callaghan Innovation.

FUELLING INNOVATION

Innovation is a critical driver of economic growth and a priority for ATEED. During the period, ATEED's Economic Growth team continued to enhance Auckland's innovation ecosystem through its support for the New Zealand Health Innovation Hub and The FoodBowl – Te Ipu Kai, and by progressing activities relating to the Wynyard Quarter Innovation Precinct.

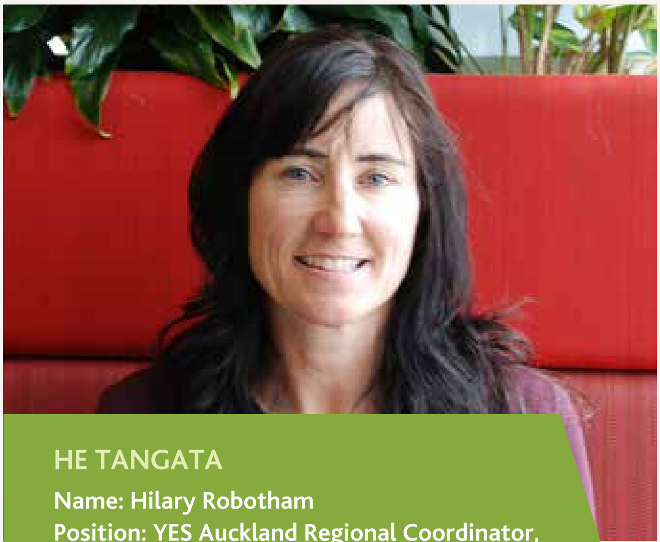
A HEALTHY ECONOMY

Life sciences is one of the major growth sectors for Auckland, and the New Zealand Health Innovation Hub is focused on assisting Auckland's world-class health technology companies with an innovation ecosystem which can help them commercialise and export.

The hub is a virtual network that was set up in 2012 and formally launched in September as a partnership between four of New Zealand's biggest district health boards (three in Auckland, and one in Canterbury), and backed by ATEED, Ministry of Business, Innovation and Employment (MBIE), and the Canterbury Development Corporation.

The hub's debut project – the New Zealand Clinical Trials Portal – was a national first which matches researchers, health providers and the health industry with potential clinical trial participants online. It was delivered in February 2013, on time and under budget.

This has the potential to create major efficiencies for the sector, which is worth about $1.4 billion annually to the New Zealand economy.



HE TANGATA

Name: Hilary Robotham
Position: YES Auckland Regional Coordinator, Customer Operations team

What do you do at ATEED?
I deliver the Lion Foundation YES programme across Auckland. This offers committed students the opportunity to realise their entrepreneurial potential to a high level, before moving into further education and the business world – where I believe they will make a difference on a local and even global scale. The YES pushes students beyond the normal school boundaries and I support them in their endeavours. Students now go further, apply themselves more fully and engage with the programme more completely than I have experienced before, and it is a privilege to work with them in such a vibrant atmosphere.

What was your 2012/13 highlight, and why?
To secure sponsorship from Ernst & Young and BNZ so I can host the inaugural YES CEO conference and financial workshops in 2013 and 2014. These will complement the students' school learning while providing them with extra educational and practical opportunities to focus and work on strategic planning and creating their companies' financial success.

Also, securing opportunities for students to attend various business events and learn from and network with some of New Zealand's most successful business people. I know students truly valued the opportunities and gained experience and knowledge they would not have otherwise. The events included the KEA World Class Inspire Day, TEDx Auckland, Ernst & Young 'Entrepreneur of the Year' awards, and AUT Excellence in Business Support Awards.

What is your major goal for 2013/14?
To host a successful CEO conference at Ernst & Young, and regular workshops and speed mentoring sessions. It is fantastic for students to be mentored by some of New Zealand's most successful business people.

HE TANGATA

Name: Paul Robinson
Position: R&D Specialist, South Area Office

What do you do at ATEED?
I work with companies within southern Auckland, assisting them to access the funds provided through central government (Callaghan Innovation) to undertake research and development activities that will enable them to grow rapidly into export markets.

What was your 2012/13 highlight, and why?
Being able to increase the level of R&D investments made into South Auckland companies from the previous year. The level of funds invested increased by 67 per cent from the 2011 financial year. The bulk of the research and development (R&D) investments are made with companies which are new to the R&D environment. So to increase this level of engagement means we are spreading the word more broadly and demonstrates that we are able to encourage companies to engage in R&D for growth and expansion.

What is your major goal for 2013/14?
The bulk of business investments I am involved with are made to manufacturing companies. Food and beverage companies are a very small (7.5 per cent) component of our current investments, yet they comprise a huge 53 per cent of exports. My mission is to proactively engage with food and beverage sector companies to lift the level of R&D investments provided to them.

JOINT VENTURE FOR NEW ZEALAND FOOD INNOVATION AUCKLAND LTD (THE FOODBOWL – TE IPU KAI)

Since it opened in 2011, The FoodBowl – a state-of-the-art facility in Mangere – has been an ATEED operating subsidiary funded by the Government, and by ATEED on behalf of Auckland Council.

The FoodBowl is one of Auckland's innovation gems. Its processing plant and supporting business development services are used by many of the most innovative food and beverage companies from Auckland and around the country – including established businesses and start-ups.

During the reporting year, ATEED's Board and the Government began discussions on the best funding and operating model for New Zealand Food Innovation Auckland Ltd (NZFIA).

These discussions culminated a month after the year ended when Science and Innovation Minister Steven Joyce announced a new joint venture between ATEED and Crown agency Callaghan Innovation to fund and operate NZFIA.

The company ceased to be a council-controlled organisation and became a Crown entity under the Crown Entities Act 2004.

The joint venture was a significant boost for Auckland's $3 billion-a-year food and beverage sector, and an important strategic and economic growth decision.

ATEED saw significant potential for The FoodBowl from the addition of Callaghan Innovation's skills, resources and business networks. The joint ownership and funding model secures The FoodBowl's long-term future and provides the support required for the facility to identify and capitalise on future opportunities.

The joint venture is a great fit for ATEED's two-part vision for food and beverage – for Auckland to be recognised internationally as the food and beverage innovation hub of the Asia-Pacific region, and for the sector's annual exports to more than double to $6.37 billion by 2025.

The FoodBowl's success in the sector is integral to ATEED's plans to meet the ambitious export and GDP growth targets in Auckland's Economic Development Strategy.

Under the deal, ATEED will continue to own and fund a third

The FoodBowl – Te Ipu Kai

of New Zealand Food Innovation Auckland Ltd, and Callaghan Innovation will own and fund two-thirds. The initial funding level of $3 million a year runs until June 2016, and ATEED expects the level of funding required to reduce as The FoodBowl's revenue grows.

It will continue to operate as an independent entity, with its own five-person board and chief executive. Existing staff including the chief executive retained their roles under their existing terms and conditions.

Food and beverage companies employ more than 40,000 people in Auckland, and the region is home to two-thirds of the top 50 New Zealand companies in the sector. They include multi-national giants such as Nestle, Asahi and Heinz.

PRECINCT ACCELERATES

During the year, there was extensive work to develop a revised business case for the Wynyard Quarter Innovation Precinct, a key deliverable in Auckland's Economic Development Strategy.

This work was done in parallel with ongoing discussions with potential anchor tenants including accelerator and incubator services.

The precinct is being developed by ATEED and Council agency Waterfront Auckland, with a vision that it will be a major generator and showcase of innovation in ICT, digital and high-tech industries within 20 years. It will attract, create and grow world-class research, talent and technology based ventures in the 48,000m^2 of office space.

The revised business case took into account the lower level of Council funding for the precinct than proposed in the original business case, the tenancy market, and implications for the economic benefits of the precinct given the investment levels and proposed activity. The revised case was approved by ATEED's Board in June. It indicated that even at a reduced level of funding the precinct will raise Auckland's regional GDP by $78.8 million.

Following the year end, Council's Strategic and Finance Committee approved accelerated operational expenditure budgets for 2014/15 to 2021/22, and agreed that ATEED reallocate $150,000 of operating expenditure to capital funding in 2013/14.

This allowed ATEED to issue a Request for Proposal for an international operator, and sign a head lease for one of the revitalised buildings – to commence hub operations, take advantage of existing demand from early stage companies, control tenant mix and set the stage for future development.

NETWORKS AND EVENTS

In October, ATEED formalised a partnership with top New Zealand business growth centre The ICEHOUSE, which will help Auckland's innovative high-growth businesses thrive.

ATEED had worked closely with The ICEHOUSE – named as one of the top 10 start-up business growth centres in the world by *Forbes* magazine – for several years to showcase innovation in Auckland, encourage research and development in high-tech sectors, and stimulate angel investment in promising companies.

To mark the new collaboration, ATEED supported the New

HE TANGATA

Name: Suzanne McKinnon
Position: Business Attraction Investment Specialist, Investment team

What do you do at ATEED?
I help match Auckland-based businesses with domestic and international investors who can provide capital, connections and channels to market.

What was your 2012/13 highlight, and why?
The 'Geeks on a Plane' event was a definite highlight. It was one of the first occasions a really broad local representation of Auckland's innovation ecosystem was brought together to meet visiting influential San Francisco-based tech investors.

Heading in the other direction as part of the NZICT Industry Tour to San Francisco was the other major highlight. This guided tour for Auckland-based companies demonstrated what US investors require before they will actually invest, and identified professional local advisors – labour, tax and accounting specialists – who can help them set up a company in the US. The companies learned how to quickly integrate into the US tech network, and received introductions to US-based Kiwi entrepreneurs who are willing to help Auckland businesses grow in the US market.

What is your major goal for 2013/14?
To assist Auckland-based multi-national companies increase their presence in the region. This could be achieved through job creation, new partners bringing new market opportunities or new research and development opportunities, or assistance with location, talent or market issues.

Zealand Angel Investment Showcase, which gave 15 Auckland companies the chance to impress more than 200 potential investors.

In March, ATEED and MBIE hosted the Massachusetts Institute of Technology (MIT) Regional Entrepreneurship Acceleration Programme workshop, attended by teams from Scotland, Finland, Spain, Mexico and China. This workshop enabled team members to learn and collaborate with MIT experts, and connect with Auckland businesses.

ATEED also supported Auckland Startup Weekend, and Technology Innovation Week, which both created opportunities for Auckland technology entrepreneurs to connect with investors and industry leaders.

A PLANELOAD OF GEEKS

A group of 15 self-described 'geeks' visited Auckland in December, but the name did not do their importance justice. They were actually members of 'Geeks on a Plane', a highly influential group of entrepreneurs, technology investors and executives from the US who venture overseas seeking opportunities in start-up hot beds.

ATEED's Business Attraction and Investment team hosted the group in Auckland, including a visit to the stunning Gibbs Farm near Kaipara Harbour. The farm is owned by local entrepreneur and founder of Gibbs Technologies, Alan Gibbs.

Local iwi Ngati Whatua ki Kaipara welcomed the geeks before they were transported to a lake for a demonstration of amphibious vehicles Gibbs Technologies has developed and is looking to sell into the US market, including to the US military.

The demonstration was a great showcase of Auckland innovation, and a good lead-in to an exclusive networking event with hand-picked Auckland businesses with a technology or research and development focus which were seeking capital investment.

The event objective was to match the geeks' skills and capital with the local entrepreneurs in attendance, based on their investment track record and expertise.

Dave McClure, who started 'Geeks on a Plane' about five years ago, was impressed by the energy and initiatives he saw in the Auckland innovation sector.

INTERNATIONAL EDUCATION

ATEED's Study Auckland team continued its work to grow the international education sector. This included leading a trade mission to Germany, and another to China. This involved a group representing three universities and 17 Auckland high schools targeting a key market which makes up nearly 30 per cent of Auckland's international student population.

LOOKING FORWARD

The objectives for the 2013/14 year include an increased focus on investment attraction for Auckland Council's major projects, fostering commercial partnerships, and accelerating development of key strategic initiatives including the Wynyard Quarter Innovation Precinct for ICT and digital companies.

Initiatives expected to drive growth during the 2013/14 financial year include the opening of the Shed 10 cruise ship terminal, expansion of the New Zealand Health Innovation Hub, and the Auckland Tertiary Education Network.

US-based high-tech investors 'Geeks on a Plane' experienced the Gibbs Aquada during their visit to Auckland

03 Major Events

Prestigious international recognition during the year helped to cement Auckland's growing global reputation as a major events region.

This was strengthened by ATEED securing a number of new economic anchor events on behalf of Auckland Council – including the V8 Supercars ITM 400 Auckland, Ironman 70.3, and the 2014/15 and 2017/18 Volvo Ocean Race stopovers.

RETURN ON REGIONAL INVESTMENT FROM MAJOR EVENTS

$39.1 MILLION

VISITOR NIGHTS GENERATED BY MAJOR EVENTS

290,000

Delivering Auckland's Major Events Strategy saw ATEED's 30-strong portfolio of sporting and cultural major events inject $39.1 million into the region's economy[1], and generate 290,000 visitor nights. Both of these results well exceeded ATEED's KPI targets.

The four primary pillars of the Auckland Major Events Strategy are to increase Auckland's international exposure; expand Auckland's economy; grow visitor nights; and help to make Auckland the most liveable city in the world by staging world-class events for Aucklanders to attend, celebrating the region's diverse communities. Many of the major events also act as a catalyst for legacy development.

In the reporting period, Auckland received accolades for its strategic approach to securing events and its ability to deliver successful world-class sporting events. In November, Auckland took a silver medal in the hotly contested 'Sport City' award at the 2012 International Sports Event Management (ISEM) Awards. London, in its Olympics year, won the award.

Held annually, the ISEM Awards are the only international awards to recognise excellence in the global sports event management industry. In this, the competition's sixth year, Auckland beat rivals including Melbourne (which finished third), Copenhagen, Düsseldorf, Glasgow and Manchester.

In May, UK-based Sports Consultancy Group's *The Bid Book* global report on the past decade of sports event hosting and bidding placed Auckland second on the trans-Tasman podium, behind only Melbourne.

The Bid Book's author – prominent UK-based sports research and market intelligence writer David Walmsley – said Auckland's 17 events since 2008 saw it overtake Sydney (with 11). The book also named Auckland "the most ambitious city in the region", saying "[Auckland] has stolen a march on Sydney, and not only as a result of New Zealand staging Rugby World Cup 2011".

[1] From a report by independent economic consultants Covec

CASE STUDY

PUKEKOHE REVERBERATES WITH V8s' RUMBLE

The return of the V8 Supercars to Pukekohe in April 2013 for the ITM 400 Auckland proved to be an economic powerhouse for Auckland.

An independent report by consultants Covec showed the event exceeded its economic target, injecting $7.5 million into the region's gross domestic product (GDP). This represents a return of 147 per cent on the $5.09 million investment made by the Auckland region, including ATEED funding, private sector sponsorship and ticket sales.

The event was broadcast in more than 130 countries, including Auckland's key offshore tourism markets, and beamed into half a billion homes around the world. Covec's report – commissioned by ATEED – showed the three-day event drew more than 117,000 people, which resulted in 36,883 visitor nights from 17,070 visitors to Auckland[2]. Fans who visited the region to watch the event boosted opportunities for local businesses and employment.

The return of the V8s to Pukekohe Park Raceway for the first of a five-year deal gave Aucklanders the chance to be right at the heart of world-class sporting action. Major events such as the ITM 400 Auckland taking place in April extend the peak tourism season.

The first year of ATEED's ITM 400 Auckland programme focused on track upgrades, community engagement and delivering a quality event. There was significant marketing of the event in downtown Auckland in the lead-up to racing, with V8 teams and drivers meeting the public.

A highlight of the lead-up was an ATEED-organised festival celebrating the 50th anniversary of Pukekohe Park Raceway. The 'Golden Autoversary' market day included a display of vehicles which had raced at Pukekohe in the past 50 years.

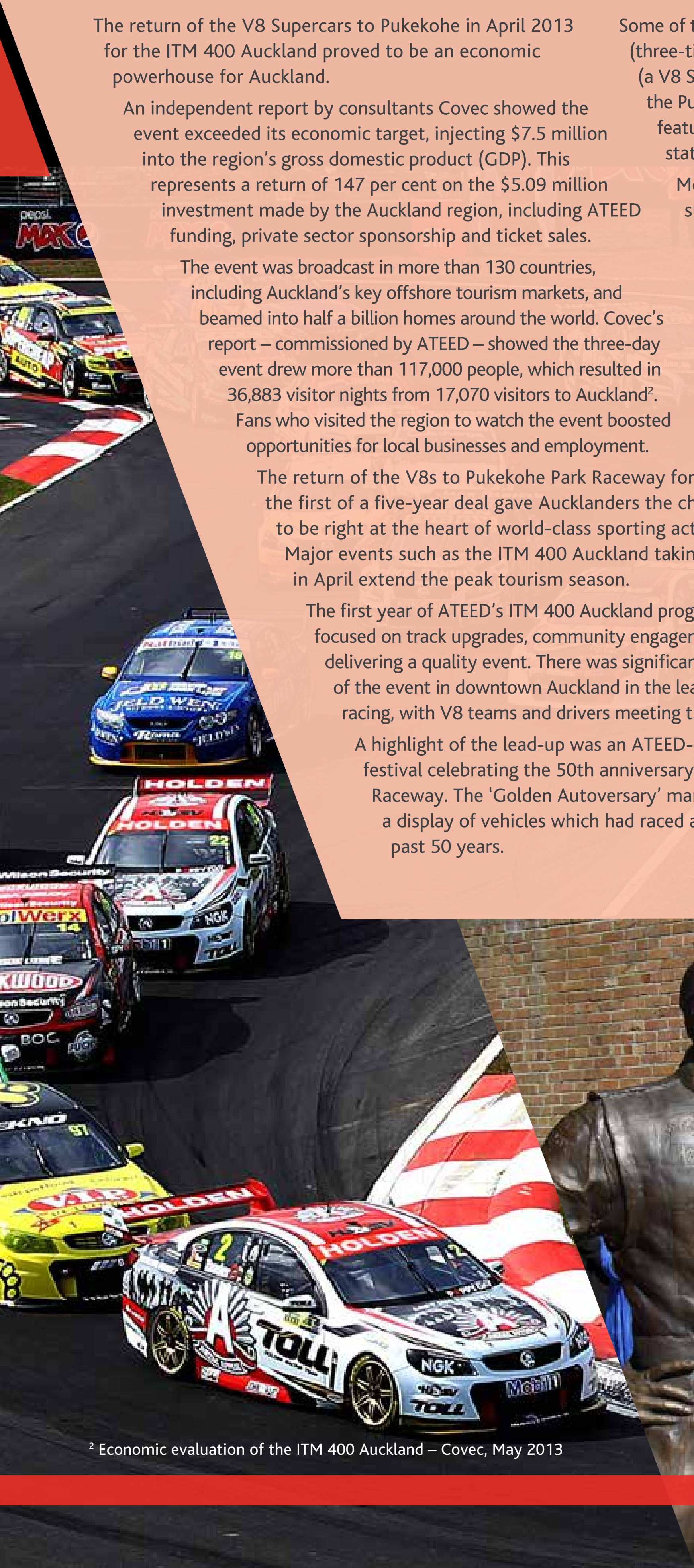
Some of the legends of the sport attended, including Kenny Smith (three-time New Zealand Grand Prix winner) and Greg Murphy (a V8 Supercars ITM 400 ambassador and three-time winner of the Pukekohe V8 Supercars Championship round). A memorable feature of the Golden Autoversary was the unveiling of a bronze statue of late motorsport great Possum Bourne.

More than 95 per cent of ITM 400 Auckland spectators surveyed were satisfied or very satisfied with the event, and 90 per cent agreed that Auckland was a good host.

In addition to the Covec evaluation data, local residents and businesses in Franklin were surveyed. Overall, 97 per cent agreed the event was a success, and 91 per cent said the event met their expectations.

ATEED's five-year investment in the ITM 400 Auckland is $2.1 million per annum. This includes a one-off capital grant of $2.2 million towards the $6.6 million upgrade of Pukekohe Park, which created the legacy of an upgraded motorsport venue, and ATEED's $1 million annual sponsorship.

V8 Supercars is underwriting the event, while the Government (capital upgrade) and venue owners, Counties Racing Club, also have a significant stake in it. In 2014, V8 Supercars will put an increased focus on meeting its visitor night deliverable target, and ATEED will assist the organiser's plans to achieve that.



The mother of late Kiwi motorsport legend Possum Bourne unveils his statue at Pukekohe prior to the ITM 400 Auckland

[2] Economic evaluation of the ITM 400 Auckland – Covec, May 2013

HE TANGATA

Triathlon Starlets
Charlotte Guscott and Sharon Nightingale

Charlotte Guscott and Sharon Nightingale didn't only play key roles in organising Auckland's hosting of the Barfoot & Thompson ITU World Triathlon Grand Final on 22 October 2012 – they proudly lined up representing New Zealand beside more than 4000 international athletes.

For both, the lead-up involved months of daily training to a structured plan, including all three disciplines of swimming, running and cycling. And the nervous excitement of being part of the event built as the banners and race infrastructure went up.

What ATEED work did you do on the event?

Charlotte (30-34 age grade): "I was the Major Event Facilitator assigned to the event. I worked through all of the traffic management with the ITU, stakeholder consultation, communications planning and all things operational. This included licensing and compliance, building consents, liquor licences, health and safety details and fire reports. It was a long list."

Sharon (50-54 age grade): "As Destination Media Coordinator, I looked after the international media supported by Tourism New Zealand. I put together itineraries for them to get out and discover Auckland during their week here, for example, canyoning or sailing. I was also involved in promoting Auckland to the athletes and encouraging them to enjoy what our beautiful city has to offer."

How did it feel to take part?

Charlotte: "I had a bike crash shortly before the event, so my goal became just finishing. I was proud of my performance for that reason. But I had the feeling of having unfinished business, and that inspired me to go on to qualify for the 2013 ITU World Triathlon Grand Final in London."

Sharon: "It was fantastic to represent New Zealand for the first time, and felt amazing to pull on the black uniform with my name on it. Competing at home in front of family and friends was inspiring, and it was a fantastic day."

Cultural events are a key component of Auckland's portfolio, and the highlight this year was a season of *Mary Poppins*, in partnership with Regional Facilities Auckland. In an example of ATEED's cross-sector economic growth focus, the season was supported with an effective domestic marketing campaign.

Other major events included:

- Diwali Festival of Lights
- NZ Fashion Week
- ITU World Triathlon Grand Final
- Auckland Lantern Festival
- Tradestaff ISF World Men's Softball Championships
- Pasifika Festival
- Tall Ships Festival
- Taste of Auckland

During the year, ATEED worked on and submitted a bid in December – with partners Eden Park Trust Board, Auckland Transport, New Zealand Cricket and Auckland Cricket – to host matches in ICC Cricket World Cup 2015.

A month after this reporting period, the ICC announced Auckland had been selected to host a semi-final and three pool matches. An independent report expects the hosting to inject more than $16 million into Auckland's economy, and generate more than 78,000 visitor nights for the region. ATEED will invest $3 million from the Major Events Fund to deliver the host city components on behalf of Auckland Council.

WORLD MASTERS GAMES 2017

As reported in the previous period, ATEED – on behalf of Auckland Council – successfully bid for World Masters Games 2017 with support from the Government and New Zealand Masters Games.

The games, the world's largest participation multiple sports event, are forecast to inject $37 million into Auckland's economy and attract about 35,000 athletes.

This is a major strategic initiative for ATEED, which will manage Auckland's hosting and delivery of the event through a separate limited liability company established solely for the event.

ATEED Chairman David McConnell made two key appointments to World Masters Games 2017 Ltd in May, naming highly respected sports administrator Sir John Wells as Chairman, and experienced major events manager Jennah Wootten as Chief Executive.

Soon after the reporting period, David McConnell appointed a five-person board to join Sir John in overseeing the fiscal management and governance of the Auckland event.

Auckland Diwali Festival of Lights

04 Visitor Experience

The launch of Auckland's first domestic tourism campaign in a decade, and several international partnerships, marked major milestones in the region's maturity as a visitor destination in its own right.

TOTAL VISITOR NIGHTS IN AUCKLAND*

26.7 MILLION

TOTAL VISITOR EXPENDITURE*

$1.96 BILLION

* combined international and domestic

Auckland's vibrant Britomart precinct

ATEED's 10-year Auckland Visitor Plan, released in 2011, set the goal to nearly double income from international tourism to $6 billion by 2021. Auckland's tourism product offering has grown considerably in the last few years – and ATEED has put its strategic focus on marketing to domestic visitors, and in Auckland's key offshore markets, Australia and China.

During the year, ATEED led a two-month domestic campaign which targeted travellers in Waikato, Northland, Bay of Plenty, Wellington and Canterbury using a TV commercial, online media and a range of deals for activities and accommodation on aucklandnz.com.

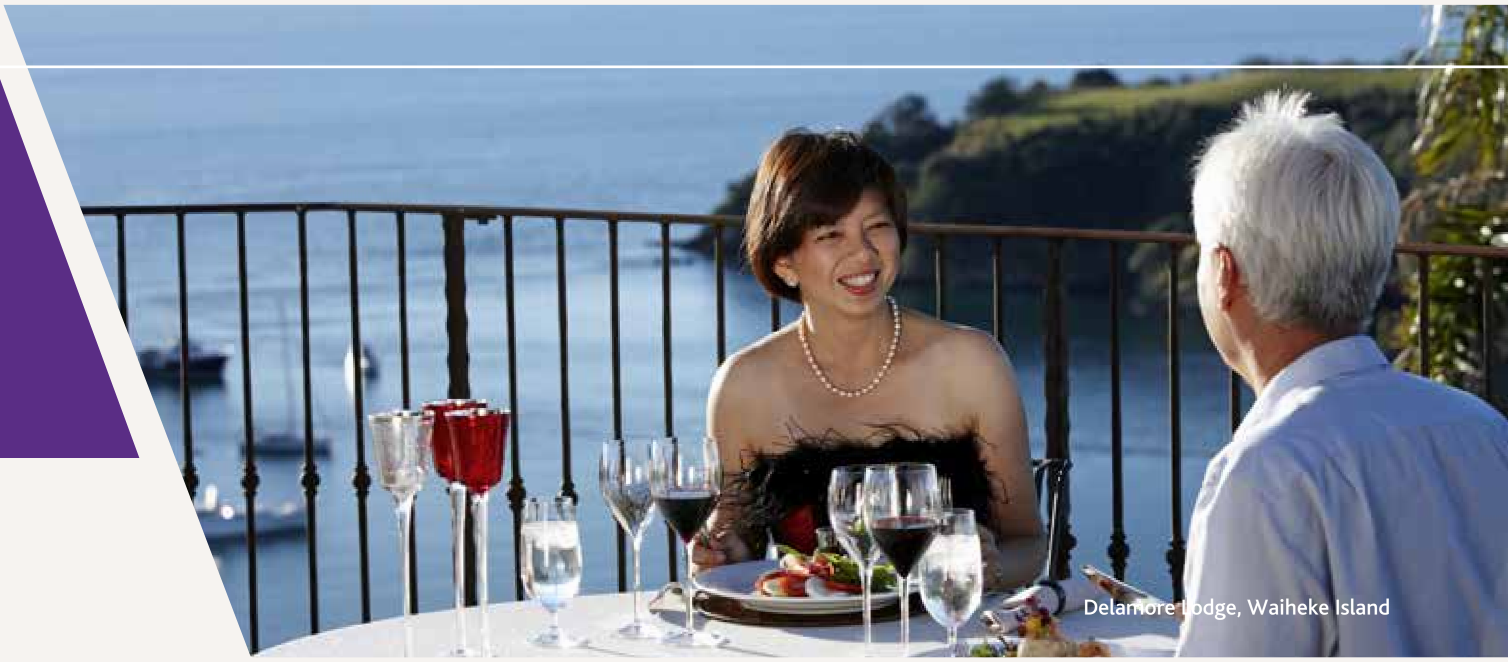
The campaign creative highlighted Auckland's diversity, and positioned the region as an international destination within New Zealand.

During the campaign, web traffic to aucklandnz.com jumped 13 per cent on the same period in 2011, and was 148 per cent higher than in 2010.

Positive perceptions of Auckland rose, with 24 per cent of people exposed to the campaign being more likely to visit the city. Domestic guest nights were up 11 per cent in September (year on year) and the spend on accommodation jumped 18 per cent in September and 23 per cent in October. Travel features generated by ATEED ran in a number of influential publications.

This was a solid start to the first stage of a long-term domestic focus which will evolve in future years to drive Auckland's visitor economy.

As part of its overall strategy, ATEED also reviewed its delivery of iSITE services across Auckland. The emergence of digital channel-focused tourists, and the changing demographic of Auckland's visitors, meant it was necessary to streamline the i-SITE service to better reflect the changing nature of how visitor information needs to be provided. This resulted in five regional i-SITEs closing – wherever possible, ATEED facilitated staff redeployment within the network or with private sector partners.



Delamore Lodge, Waiheke Island

INTERNATIONAL PARTNERSHIPS

Strengthening strategic alliances was a key Destination team focus this year.

ATEED extended its relationship with China Southern Airlines, to maintain momentum in Auckland's fastest-growing visitor market.

A year-long pilot programme with Flight Centre Australia to incrementally grow the number of Australian tourists to Auckland, and get them to stay longer and spend more, was a hit with Australian tourists – delivering an additional $13 million into the Auckland economy.

Funding from ATEED and Flight Centre was used to create a special suite of Auckland-themed publicity material which used new imagery to showcase Auckland as an 'urban oasis', and for training for Flight Centre agents to drive sales.

Other promotions included a national press ad campaign which reached an audience of nine million, window posters and flyers distributed to all stores, targeted emails to Flight Centre's 1.9 million subscribers, and website promotion.

In the last month of the reporting period, ATEED and Flight Centre Australia signed a partnership agreement which formalised the project.

The agreement was signed by ATEED Chief Executive Brett O'Riley in Brisbane during a two-way business and civic exchange.

Flight Centre has more than 700 stores in Australia, and is the third biggest retailer in any sector. Australians are Auckland's largest tourism market, so ATEED worked with Flight Centre to create a range of holiday packages involving Auckland experiences which appealed to different visitor groups. The partnership is worth $1 million (made up of monetary and in-kind support).

As part of the agreement, Flight Centre Australia will also hold a conference on Auckland's Waiheke Island in late 2013 for its state marketing managers.

In a related move, the year saw the launch into the Australian market of a North Island self-drive campaign instigated by ATEED and led by Tourism New Zealand. This $1.9 million campaign, which involved agencies from Northland to Taupo, aimed to build awareness of the upper North Island as a unique destination.

CHINA CUP

As part of its strategy to increase the number of high net worth Chinese visitors to Auckland, and increase the region's visibility in a crucial tourism and business investment market, ATEED became a sponsor of the 2012 China Cup International Regatta – the largest sailing regatta in China.

A senior ATEED team including luxury tourism, major events, and business attraction and investment specialists visited Shenzhen during the regatta in October. They showcased Auckland to influential investors and tourism industry figures, and established important networks.

The sailing event visit was the catalyst for ATEED to forge links with a number of important marine-related organisations including the China Yachting Association, Team China and marina development companies.

As a direct result of the October visit, ATEED hosted a group of China Cup directors in December. They visited Auckland to learn about the region's luxury tourism and world-class marine sector. New relationships were formed with Alloy Yachts, and the Royal New Zealand Yacht Squadron – particularly around a sailing programme for Chinese teenagers, and future training for China's Olympic sailors.

HE TANGATA

Name: Steffan Panoho
Position: Manager Trade Partnerships, Destination team

What do you do at ATEED?
Build relationships with key tourism trade partners with the aim of increasing inbound visitor numbers to Auckland.

What was your 2012/13 highlight, and why?
The Flight Centre partnership programme which was signed in June 2013 and followed a year-long pilot. This promotes Auckland as a destination in its own right. It has created a significant step-change in how Auckland is promoted and sold in Australia, and delivered great results for the visitor economy.

The other major project I worked with my team to develop was GEM (golf, equine, marine) – to attract more high-value visitors from China. We forged solid relationships in and outside the travel value chain. The ultimate goal is to build perpetual business relationships which lead to increased and ongoing visitor spend from China. The programme has already delivered results for the marine industry.

What is your major goal for 2013/14?
We are working on a new major partnership similar to the Flight Centre programme, which will target the luxury travel sector in multiple markets.

A SACRED JOURNEY

During the year, a new multi-day walking experience on Rangitoto and Motutapu islands in the Hauraki Gulf was developed by ATEED in partnership with the Department of Conservation (DOC), Tamaki collective iwi, Fullers and other stakeholders.

Named 'Rangitoto Motutapu Haerenga – A Journey Through Sacred Islands', the walk was designed as a three-day experience, from the summit of Rangitoto and its volcanic landscapes through to Motutapu's ancient landscapes and cultural sites, and the regeneration of native forests.

Visitors should be able to experience the Haerenga by summer 2013/14.

The walk is a cornerstone of a new national range of high-profile multi-day walks being developed by DOC and is a key part of ATEED's drive to deliver on the Auckland Visitor Plan by developing new tourism products.

ON TRENZ

ATEED was a major sponsor of TRENZ 2013 (Tourism Rendezvous in New Zealand), the country's largest annual tourism trade event, which Auckland hosted in the reporting period.

About 250 New Zealand tourism companies and nearly 300 international travel and tourism buyers attended the Tourism Industry Association event to negotiate deals, which allowed ATEED to build relationships and create new business opportunities.

ATEED's project team managed the Auckland 'street' of exhibitors, and its Major Events team delivered a welcome function for about 1000 delegates – who went on to take part in a wide range of diverse tourism experiences across the Auckland region.

The resounding success of the event contributed to Auckland being named the host region for TRENZ 2014, which will inject $2.34 million into the region's economy.

GROWING THE CONVENTION MARKET

The Auckland Convention Bureau – an ATEED business unit – drives Auckland's bids to secure international conferences to the region.

During the year, the bureau managed bids for 14 international conferences with an estimated economic value of $18.9 million, winning nine – these are expected to inject $10.8 million of new money into Auckland's economy.

Two of the larger conferences secured in the reporting period will each involve about 1000 delegates and a $4 million economic injection.

A CRUISE SHIP DESTINATION

ATEED is responsible for enhancing the experience of cruise ship passengers who visit Auckland, and for driving strategies which increase full-service 'exchange' ship stopovers, which are of greater economic value than 'transit' visits.

During the year, ATEED was elected onto the Cruise New Zealand management committee, which means ATEED is closely involved in the cruise sector's ongoing development.

For much of the reporting year, ATEED partnered Waterfront Auckland in a project to transform Shed 10 – a historic cargo shed on Queen's Wharf, into Auckland's new multi-use cruise ship and events facility.

The need for a state-of-the-art facility was confirmed by Auckland's 2012/13 cruise season. The biggest-ever season saw 100 cruise ship arrivals, with 178,000 passengers and 78,000 crew – resulting in a $116.3 million injection into the region's economy.

Auckland's excellent reputation as a cruise destination saw it voted 'Best Turnaround Destination' by the world's leading cruise line executives in Britain's *Cruise Insight* magazine's March 2013 issue.

The new terminal will help ATEED improve this reputation further, and encourage more ships to come to Auckland and passengers to want to return.

Related economic growth opportunities include ship replenishment, training for cruise ship staff, and marine maintenance.

Shed 10's official opening took place in August 2013, ready to operate as Auckland's primary cruise terminal from October's start to the 2013/14 cruise season.

INDUSTRY SUCCESS

Recognition that Auckland has come of age as a destination in its own right, and the success of ATEED's tourism marketing strategy, was confirmed when Auckland was named 'Australasia's top destination' in the 2012 World Travel Awards.

HE TANGATA

Name: Anna Hayward
Position: Manager Auckland Convention Bureau, Destination/Auckland Convention Bureau team.

What do you do at ATEED?
The Auckland Convention Bureau (ACB) is a business unit of ATEED which works collaboratively with Auckland's business events sector to grow conference and incentive (C&I) activity. I manage a small high-performing team of six. We work in partnership with the ACB membership (gold, silver and bronze) and key industry organisations to undertake sales and marketing initiatives for the C&I sector. This includes onshore and offshore activities marketing 'destination Auckland', producing high-quality collateral, attending trade shows, running clients' events, conducting site inspections, hosting familiarisation visits and bidding for international conventions.

What was your 2012/13 highlight, and why?
The development of a new section in the team which focuses on international convention bidding. This saw a part-time role become full-time, and provide a platform to undertake a Convention Plan for Auckland which will help grow the C&I sector. Two bid wins were particularly memorable – the biggest win out of Australia, for 1500 delegates in 2014, worth $2.2 million; and the 2015 Council on Hotel, Restaurant and Institutional Education conference which will inject $800,000 into Auckland's economy. We joined AUT for the winning bid presentation in Macau.

What is your major goal for 2013/14?
To effectively implement the Auckland Convention Plan, including submitting 20 new convention bids for Auckland. Our objective is to win half of those.

Tawharanui Regional Park

S3 Financial statements

Statement of comprehensive income

For the year ended 30 June 2013

		PARENT		GROUP	
		2013	2012	**2013**	2012
	Note	$'000	$'000	$'000	$'000
INCOME					
Service and other revenue	4	**46,645**	63,817	**49,097**	68,731
Finance income (interest)		**13**	14	**14**	20
Other gains/(losses)	5	**-**	-	**3**	-
Total income		**46,658**	63,831	**49,114**	68,751
EXPENDITURE					
Personnel costs	6	**(16,148)**	(16,671)	**(16,772)**	(17,046)
Depreciation and amortisation	14,15	**(470)**	(378)	**(1,024)**	(629)
Finance expenses (bank charges)		**(55)**	(119)	**(55)**	(120)
Other expenses	7	**(30,455)**	(47,041)	**(36,195)**	(48,492)
Total expenditure		**(47,128)**	(64,209)	**(54,046)**	(66,287)
Surplus/(deficit) before tax		**(470)**	(378)	**(4,932)**	2,464
Income tax benefit/(expense)	8	**-**	-	**1,384**	(637)
Profit from continuing operations		**(470)**	(378)	**(3,548)**	1,827
Surplus/(deficit) after tax		**(470)**	(378)	**(3,548)**	1,827
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	24	**152**	(157)	**154**	(157)
Total comprehensive income for the year		**(318)**	(535)	**(3,394)**	1,670
PROFIT IS ATTRIBUTABLE TO:					
Equity holders of Auckland Tourism, Events and Economic Development Limited		**(470)**	(378)	**(3,548)**	1,827
TOTAL COMPREHENSIVE INCOME FOR THE YEAR IS ATTRIBUTABLE TO:					
Equity holders of Auckland Tourism, Events and Economic Development Limited		**(318)**	(535)	**(3,394)**	1,670

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

Statement of changes in equity

For the year ended 30 June 2013

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
		Contributed equity	Hedging reserve	Accumulated funds	Total equity
PARENT	**Note**	$'000	$'000	$'000	$'000
Balance as at 1 July 2011		4,376	-	(146)	4,230
COMPREHENSIVE INCOME					
Deficit for the year		-	-	(378)	(378)
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	24	-	(157)	-	(157)
Total comprehensive income		-	(157)	(378)	(535)
Transactions with owners		-	-	-	-
Balance as at 30 June 2012		4,376	(157)	(524)	3,695
Balance as at 1 July 2012		4,376	(157)	(524)	3,695
COMPREHENSIVE INCOME					
Surplus/(deficit) for the year		-	-	(470)	(470)
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	24	-	152	-	152
Total comprehensive income		-	152	(470)	(318)
Transactions with owners		-	-	-	-
Balance as at 30 June 2013		4,376	(5)	(994)	3,377

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

Statement of changes in equity (continued)

For the year ended 30 June 2013

GROUP	Notes	Contributed equity $'000	Hedging reserve $'000	Accumulated funds $'000	Total equity $'000
		ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Balance as at 1 July 2011		4,332	-	3,220	7,552
COMPREHENSIVE INCOME					
Surplus for the year		-	-	1,827	1,827
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	24	-	(157)	-	(157)
Total comprehensive income		-	(157)	1,827	1,670
Transactions with owners		-	-	-	-
Balance as at 30 June 2012		4,332	(157)	5,047	9,222
Balance as at 1 July 2012		4,332	(157)	5,047	9,222
COMPREHENSIVE INCOME					
Surplus/(deficit) for the year		-	-	(3,548)	(3,548)
OTHER COMPREHENSIVE INCOME					
Cash flow hedge	24	-	154	-	154
Total comprehensive income		-	154	(3,548)	(3,394)
Transactions with owners		-	-	-	-
Balance as at 30 June 2013		4,332	(3)	1,499	5,828

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

Statement of financial position

As at 30 June 2013

		PARENT		GROUP	
		2013	2012	**2013**	2012
	Notes	$'000	$'000	$'000	$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	11	**2,034**	896	**2,034**	1,378
Debtors and other receivables	12	**3,469**	7,740	**3,469**	7,370
Other financial assets	16	**49**	-	**49**	-
Inventories	13	**88**	132	**88**	132
Tax receivables		**-**	-	**-**	2
		5,640	8,768	**5,640**	8,882
Assets of disposal group held for sale	21	**-**	-	**2,919**	-
Total current assets		**5,640**	8,768	**8,559**	8,882
NON CURRENT ASSETS					
Property, plant and equipment	14	**2,219**	2,337	**2,219**	10,280
Intangible assets	15	**6**	13	**6**	13
Debtors and other receivables	12	**1,329**	-	**1,329**	-
Other financial assets	16	**40**	40	**40**	40
Investments in subsidiaries	22	**10**	10	**-**	-
Derivative financial instruments	19	**3**	-	**3**	-
Deferred tax assets	10	**-**	-	**551**	-
Total non current assets		**3,607**	2,400	**4,148**	10,333
Total assets		**9,247**	11,168	**12,707**	19,215

Statement of financial position (continued)

As at 30 June 2013

		PARENT		GROUP	
		2013	2012	**2013**	2012
	Notes	$'000	$'000	$'000	$'000
LIABILITIES					
CURRENT LIABILITIES					
Creditors and other payables	17	**4,093**	5,388	**4,093**	6,327
Employee entitlements	18	**1,092**	1,260	**1,092**	1,300
Derivative financial instruments	19	**3**	51	**3**	51
Provisions	20	**99**	-	**99**	-
		5,287	6,699	**5,287**	7,678
Liabilities of disposal group held for sale	21	**-**	-	**1,009**	-
Total current liabilities		**5,287**	6,699	**6,296**	7,678
NON CURRENT LIABILITIES					
Deferred tax liabilities	10	**-**	-	**-**	1,541
Derivative financial instruments	19	**6**	106	**6**	106
Creditors and other payables	17	**576**	667	**576**	667
Employee entitlements	18	**1**	1	**1**	1
Total non current liabilities		**583**	774	**583**	2,315
Total liabilities		**5,870**	7,473	**6,879**	9,993
Net assets		**3,377**	3,695	**5,828**	9,222
EQUITY					
Contributed equity	23	**4,376**	4,376	**4,332**	4,332
Reserves	24	**(5)**	(157)	**(3)**	(157)
Accumulated funds	24	**(994)**	(524)	**1,499**	5,047
Total equity		**3,377**	3,695	**5,828**	9,222

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

Statement of cash flows

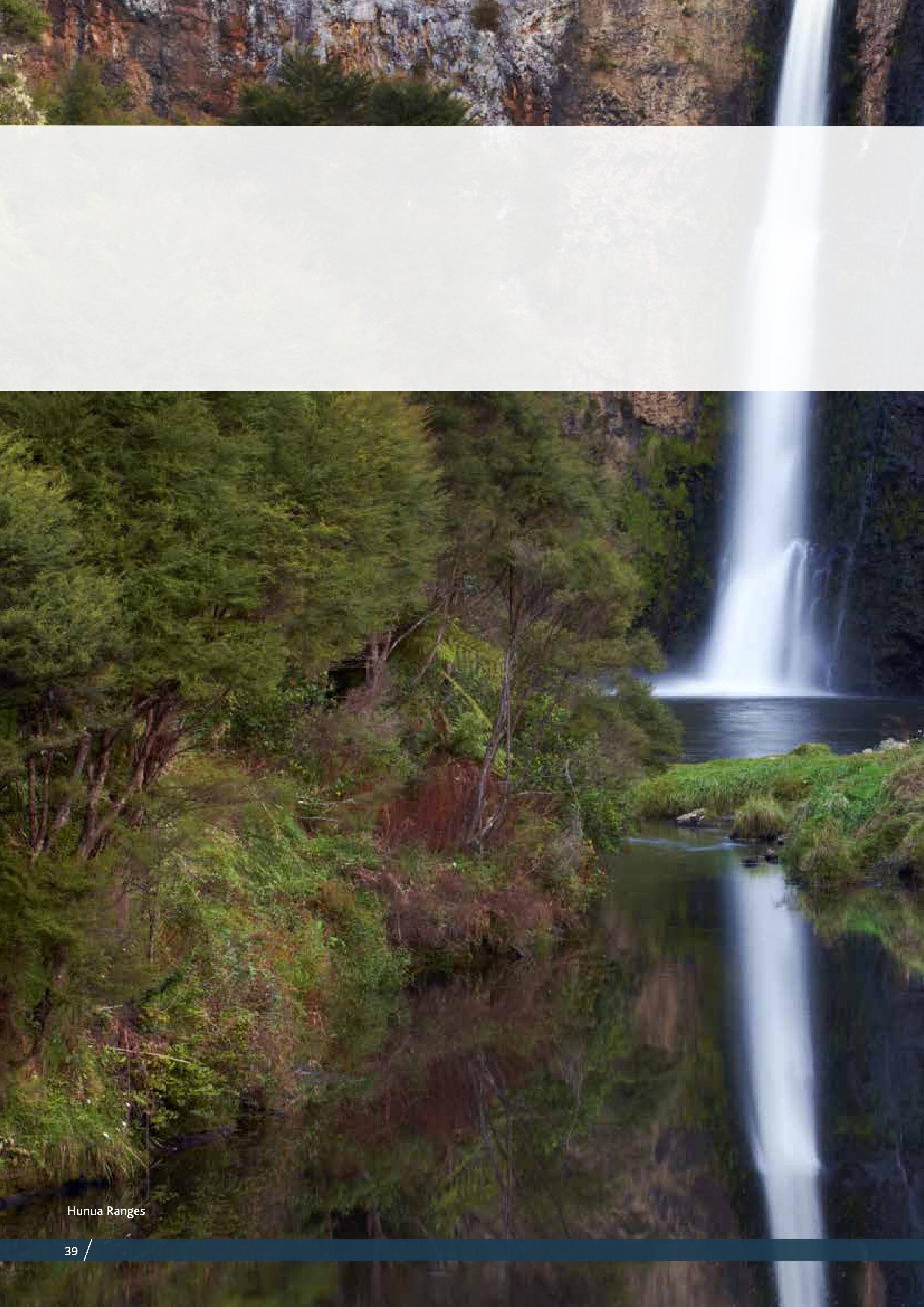
For the year ended 30 June 2013

		PARENT		GROUP	
		2013	2012	**2013**	2012
	Note	$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		**13**	14	**15**	20
Receipts from other revenue		**49,398**	65,058	**51,421**	70,780
Payments to suppliers and employees		**(47,823)**	(65,079)	**(49,083)**	(68,686)
Income tax paid		**-**	(2)	**-**	(4)
Goods and services tax net refunded		**(16)**	1,603	**(182)**	1,472
Other cash flows from operating activities		**2**	-	**2**	(33)
Net cash from operating activities	25	**1,574**	1,594	**2,173**	3,549
CASH FLOWS FROM INVESTING ACTIVITIES					
Disposals/(purchases) of property, plant and equipment	14	**(387)**	(1,892)	**(1,103)**	(5,408)
Other cash flows from investing activities		**-**	558	**-**	558
Net cash from investing activities		**(387)**	(1,334)	**(1,103)**	(4,850)
CASH FLOWS FROM FINANCING ACTIVITIES					
Retained earnings outflows		**-**	-	**-**	44
Other cash flows from financing activities		**(49)**	(9)	**(49)**	(53)
Net cash from financing activities		**(49)**	(9)	**(49)**	(9)
Net increase/(decrease) in cash and cash equivalents		**1,138**	251	**1,021**	(1,310)
Cash and cash equivalents at the beginning of the period		**896**	645	**1,378**	2,688
Cash and cash equivalents transferred to disposal group		**-**	-	**(365)**	-
Cash and cash equivalents at end of the year	11	**2,034**	896	**2,034**	1,378

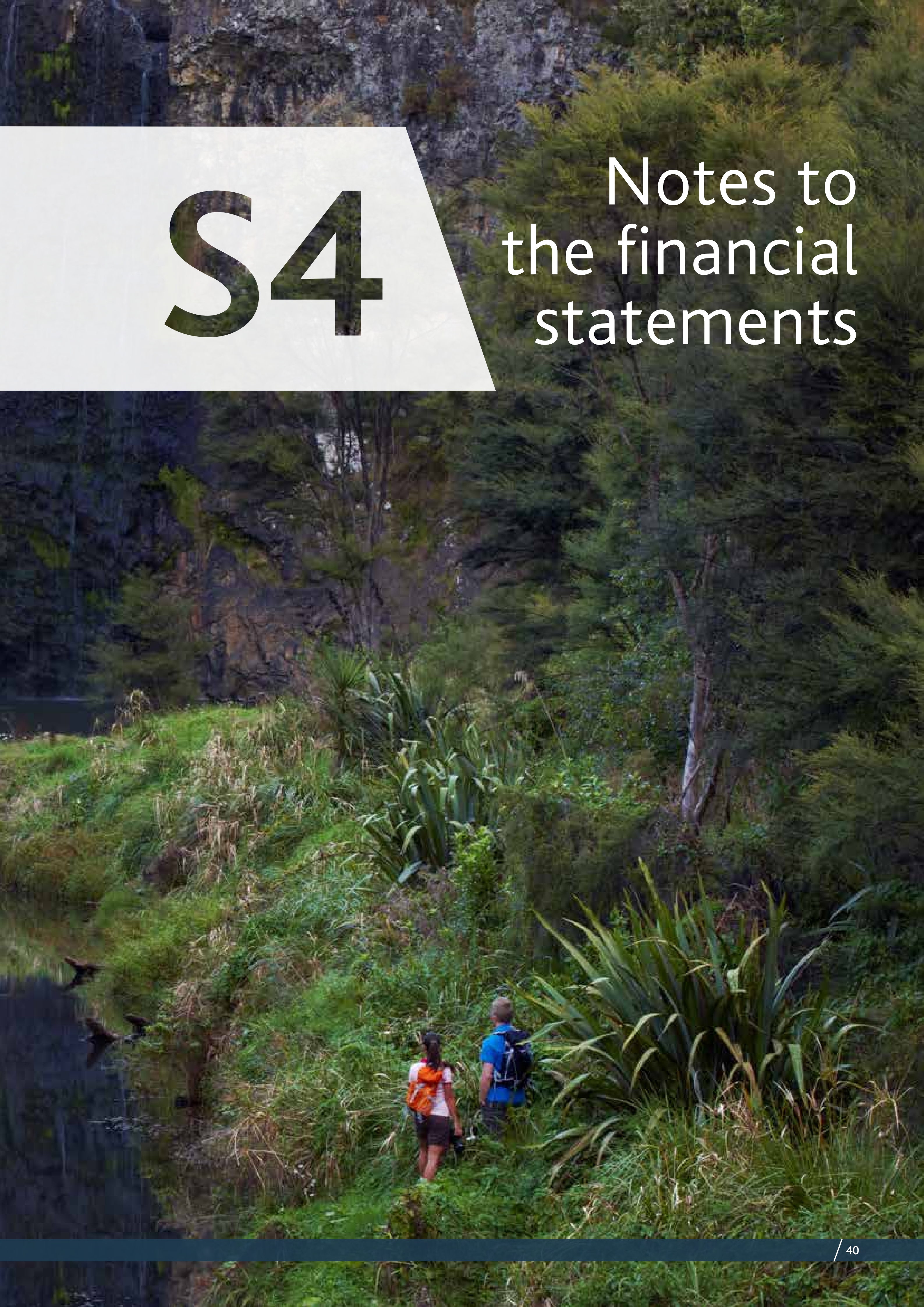
The GST component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation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

The disposal group cash at bank and in hand ($365,000) is excluded from the total cash and cash equivalents balance at the end of the year.

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



Hunua Ranges



S4 Notes to the financial statements

01 General information

Auckland Tourism, Events and Economic Development Limited (ATEED, Parent or the Company) promotes local and regional economic development in New Zealand's most significant economic centre. As the region's economic growth agency, ATEED provides a co-ordinated approach to growing Auckland's business, export and visitor economy through:

- business growth and development through key sectors
- business and investment attraction and facilitation
- supporting the development of an appropriately skilled Auckland workforce
- tourism destination development, promotion, marketing and visitor services
- attraction and/or delivery of major events and convention activity
- articulating and promoting Auckland's unique identity to attract business, residents and visitors.

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

ATEED's vision is to improve New Zealand's economic prosperity by leading the successful transformation of Auckland's economy, rather than make a financial return. Accordingly, the Company has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

ATEED is 100% shareholder of New Zealand Food Innovation Auckland Limited (NZFIA), a company that promotes innovative product development by Auckland based food industry companies. The financial results and position of this company have been consolidated into the ATEED Group accounts. On 28 June 2013, a memorandum of understanding was signed between ATEED and Callaghan Innovation Limited agreeing that ATEED will transfer two-thirds of the shares in NZFIA to Callaghan Innovation Limited for a nominal amount at a mutually agreed date in the future. The nominal amount is reflective of the Government's initial contribution (note 30).

ATEED was also 100% shareholder of two non-operating companies, Bizangels Limited and The Business Shop Limited. Both companies were removed from the Companies Register in February 2013. There are no balances incorporated into the Group accounts for these companies.

02 Summary of significant accounting policies

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

2.1 Basis of preparation

Statement of compliance

The financial statements of the Company and its subsidiaries (together the Group) for the year ended 30 June 2013 have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable New Zealand Financial Reporting Standards as appropriate for public benefit entities.

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

The financial statements have been prepared in accordance with the Financial Reporting Act 1993, Companies Act 1993, Local Government (Tamaki Makaurau Reorganisation) Act 2009 and Local Government Act 2002.

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

Functional and presentation currency
The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000). The functional currency of the Company and Group is New Zealand dollars.

Changes in accounting policies
The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Company is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PBE standards). These standards were issued in May 2013 by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Company expects to transition to the new standards in preparing its 30 June 2015 financial statements. The Company has yet to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

2.2 Consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2013 and the results of all subsidiaries for the year then ended.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Company and Group.

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

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

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

Associates
An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture, generally accompanying a shareholding between 20% and 50% of the voting rights. The investment in an associate is initially recognised at cost. Subsequently, the Group's investments in associates are carried at cost.

The investments in associates in the Group financial statements are recognised using the equity method. Post acquisition the carrying amount is increased or decreased to recognise the Group's share of the surplus or deficit and other comprehensive income of the associate after the date of acquisition. The Group's share of the surplus or deficit of the associate is recognised in the Group's statement of comprehensive income. Distributions received from an associate reduce the carrying amount of the investment in the consolidated financial statements.

If the Group's share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits unless it has incurred obligations or made payments on behalf of the associate. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations made on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of surpluses equals or exceeds the share of deficits not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

2.3 Foreign currency translation

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

2.4 Property, plant and equipment

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

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

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

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

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

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

CLASS OF ASSET DEPRECIATED	ESTIMATED USEFUL LIFE (YEARS)
Plant and machinery	1-50
Computer equipment	1-8
Furniture, fittings and other office equipment	1-15
Motor vehicles	1-10

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note 2.6).

2.5 Intangible assets

Intangible assets are initially recorded at cost. Where acquired in a business combination, the cost is their fair value at the date of acquisition. The cost of an internally generated intangible asset represents expenditure incurred in the development phase only.

Subsequent to initial recognition, intangible assets with finite useful lives are recorded at cost, less any amortisation and impairment losses, and are reviewed annually for impairment losses. Assets with indefinite useful lives are not amortised but are tested, at least annually, for impairment, and are carried at cost less accumulated impairment losses.

Realised gains and losses arising from the disposal of intangible assets are recognised in the statement of comprehensive income in the period in which the disposal occurs.

Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Impairment losses resulting from impairment are reported in the statements of comprehensive income.

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

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

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

Staff training costs are recognised as an expense when incurred.

2.6 Impairment of non-financial assets

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

2.7 Investments and other financial assets

Financial assets
The Company and Group classify their financial assets as loans and receivables.

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

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

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

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

2.8 Impairment of financial assets

Assets carried at amortised cost

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

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

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

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

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

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

2.9 Derivative financial instruments

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

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

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 19. Movements in the cash flow hedging reserve in shareholders' equity are shown in note 24(a). The full value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining hedged item is less than 12 months.

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

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

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

2.10 Inventories

Inventories held for 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.

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

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

2.11 Debtors and other receivables

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

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

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

2.12 Cash and cash equivalents

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

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

2.13 Creditors and other payables

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

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

2.14 Equity

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

- Accumulated funds
- Contributed equity.

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

The Company and Group objectives, policies and processes for managing capital are discussed in note 32.

2.15 Borrowings

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

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

2.16 Borrowing costs

The Company and Group have elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

2.17 Current and deferred income tax

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

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

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

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

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

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

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

2.18 Goods and Services Tax (GST)

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

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

2.19 Revenue recognition

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

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

2.20 Employee entitlements

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

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

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

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

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

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

Superannuation schemes
Defined contribution schemes

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

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

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

2.21 Leases

Lessee
The Company and Group lease certain property, plant and equipment.

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

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

2.22 Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

2.23 Comparative balances

Certain comparative balances have been reclassified (within "Other Expenses" Note 7 in the profit and loss component of the Statement of Comprehensive Income) to conform to current year classification and presentation. There is no impact on total "other expenses", surplus or net assets.

2.24 Major events contracts

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

03 Critical accounting estimates and judgements

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

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

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

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

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

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

04 Service and other revenue

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Rental income	**489**	538	**489**	538
Other services	**2,773**	8,407	**3,016**	8,482
Visitor Information Centres sales and commissions	**2,316**	2,854	**2,316**	2,854
Auckland Council operating fund	**38,598**	46,160	**38,598**	46,160
Central government grants	**2,467**	2,533	**4,676**	7,360
Other grants	**-**	3,325	**-**	3,337
Other income	**2**	-	**2**	-
Total service and other revenue	**46,645**	63,817	**49,097**	68,731

The Auckland Council operating fund was increased in 2012 for the Rugby World Cup 2011.

05 Other gains/(losses)

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Share of profit of associates	**-**	-	**3**	-
Total other gains/(losses)	**-**	-	**3**	-

06 Personnel costs

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Salaries and wages	**15,251**	16,325	**15,867**	16,700
Defined contribution plan employer contributions	**266**	238	**274**	238
Redundancy expense	**769**	-	**769**	-
Other staff expenses	**1**	-	**1**	-
Increase/(decrease) in employee entitlements	**(139)**	108	**(139)**	108
Total personnel expenses	**16,148**	16,671	**16,772**	17,046

Employer contributions to defined contribution plans include contributions to Kiwisaver and Super Trust of New Zealand Fund.

07 Other expenses

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Audit fees for financial statement audit	**113**	106	**137**	129
Service delivery contracts	**1,737**	18,686	**1,737**	18,686
Impairment of receivables	**4**	(32)	**10**	(32)
Marketing expenses	**4,609**	6,719	**4,660**	6,879
Professional services	**2,861**	4,345	**3,126**	5,044
Repairs and maintenance	**41**	154	**87**	175
Utilities and occupancy	**1,512**	1,614	**2,339**	2,473
Other operating expenses	**9,278**	10,725	**9,533**	10,874
Directors' fees and expenses	**314**	364	**359**	404
Grants, contributions and sponsorship	**9,879**	4,019	**8,866**	3,519
Loss on disposal of assets	**44**	342	**44**	342
Impairment of assets	**-**	-	**5,234**	-
Net foreign exchange loss	**63**	(1)	**63**	(1)
Total other expenditure	**30,455**	47,041	**36,195**	48,492

The auditors of the financial statements were Audit New Zealand. Other than fees in relation to the review of the half year financial statements ($8,000) and auditing the annual financial statements ($105,000), the auditors were paid no other remuneration.

Service delivery contracts expenditure was much higher in 2012 due to the Rugby World Cup 2011.

Occupancy expenses are reduced by $129,000 in 2013 (2012: $111,000), for the portion of the lease inducement payment recognised in that year.

An impairment equivalent to two-thirds of NZFIA's property, plant and equipment was made on 30 June 2013.

08 Income tax expense/(benefit)

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
COMPONENTS OF INCOME TAX EXPENSE				
Current tax expense	**-**	-	**-**	-
Deferred tax expense/(benefit)	**-**	-	**(1,384)**	637
Total income tax expense/(benefit)	**-**	-	**(1,384)**	637

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
RELATIONSHIP BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT				
Net surplus/(deficit) before tax	**(470)**	(378)	**(4,932)**	2,464
Prima facie income tax at 28%	**(131)**	(106)	**(1,381)**	690
Prior period adjustment	**(34)**	-	**(34)**	122
Taxation effect of permanent differences	**13**	(23)	**1,091**	(1,075)
Deferred tax recognised on lease incentive received	**23**	(221)	**23**	(221)
Deferred tax recognised on CAPEX funding	**-**	-	**210**	852
Imputation credits attached to dividends received	**(1)**	-	**(1)**	-
Loss transferred to/(from) group companies	**122**	76	**122**	269
Derecognition of deferred tax on NZFIA's impaired assets	**-**	-	**(1,414)**	-
Effect of deferred tax not recognised	**8**	274	**-**	-
Total income tax expense/(benefit)	**-**	-	**(1,384)**	637

The Parent's tax calculation shows a tax loss of $435,000 (30 June 2012: $271,000 tax loss) being offset with tax profits of Auckland Council Group companies with no subvention payments.

09 Imputation credit account

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Imputation credits available for subsequent reporting periods based on a rate of 28%	**1**	2	**2**	4

10 Deferred tax assets/(liabilities)

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
THE BALANCE COMPRISES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:				
Provisions	-	-	**519**	523
Property, plant and equipment	-	-	**(675)**	(2,064)
Total net deferred tax assets/(liabilities)	-	-	**(156)**	(1,541)
DEFERRED TAX ASSETS				
Deferred tax assets to be recovered after more than 12 months	-	-	**214**	187
Deferred tax assets to be recovered within 12 months	-	-	**347**	336
Total deferred tax assets	-	-	**561**	523
DEFERRED TAX LIABILITIES				
Deferred tax liabilities to be recovered after more than 12 months	-	-	**(717)**	(2,064)
Deferred tax liabilities to be recovered within 12 months	-	-	**-**	-
Total deferred tax liabilities	-	-	**(717)**	(2,064)

	Provisions	**Losses to carry forward**	**Property, plant and equipment**	**Total**
PARENT	$'000	$'000	$'000	$'000
Balance at 1 July 2011	-	-	-	-
Credited/(charged) to surplus component of statement of comprehensive income	-	-	-	-
Balance at 30 June 2012	-	-	-	-
Balance at 1 July 2012	-	-	-	-
Credited/(charged) to surplus component of statement of comprehensive income	-	-	-	-
Balance at 30 June 2013	-	-	-	-

	Provisions	Losses to carry forward	Property, plant and equipment	Total
GROUP	$'000	$'000	$'000	$'000
Balance at 1 July 2011	253	151	(1,309)	(905)
Credited/(charged) to surplus component of statements of comprehensive income	270	(151)	(755)	(636)
Balance at 30 June 2012	523	-	(2,064)	(1,541)
Balance at 1 July 2012	523	-	(2,064)	(1,541)
Credited/(charged) to surplus component of statements of comprehensive income	(5)	-	1,389	1,384
Charged to other comprehensive income	1	-	-	1
Balance at 30 June 2013	519	-	(675)	(156)

The opening net deferred tax liability of the Group ($1,541,000) was made up of a deferred tax asset of $523,000 and a deferred tax liability of $2,064,000. On the basis that NZFIA's net assets have been impaired as at 30 June 2013, deferred tax liability of $1,414,000 has been derecognised for NZFIA at the Group level.

The net deferred tax liability of the Group as at 30 June 2013 is $156,000, for which a deferred tax asset of $551,000 is recognised on the statement of financial position and deferred tax liability of $707,000 is recognised as part of the disposal group (note 21).

11 Cash and cash equivalents

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Cash at bank and in hand	**2,034**	896	**2,034**	1,378
Total cash and cash equivalents	**2,034**	896	**2,034**	1,378

The carrying value of cash at bank approximates its fair value. The disposal group cash at bank and in hand ($365,000) is excluded from the Group's total cash and cash equivalents balance.

12 Debtors and other receivables

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
CURRENT ASSETS				
Trade receivables	**368**	174	**368**	213
Less provision for impairment of receivables	**(4)**	(3)	**(4)**	(3)
Sundry receivables	**14**	36	**14**	44
Related party receivables (note 28)	**2,140**	6,864	**2,140**	6,864
Goods and services tax	**216**	224	**216**	225
Prepayments	**735**	27	**735**	27
Related party prepayments	**-**	418	**-**	-
	3,469	7,740	**3,469**	7,370
NON-CURRENT ASSETS				
Prepayments	**1,329**	-	**1,329**	-
	1,329	-	**1,329**	-
Total debtors and other receivables	**4,798**	7,740	**4,798**	7,370

The fair value of receivables approximates their carrying values.

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

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

The status of receivables as at 30 June 2013 is detailed below:
Past due but not impaired

As at 30 June 2013, Parent trade receivables of $23,000 and Group trade receivables of $23,000 were past due but not impaired (2012: Parent $33,000 and Group $43,000). These relate to a number of independent customers for whom there is no recent history of default.

The aging analysis of trade receivables is as follows:

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Current	**341**	138	**341**	167
Past due 1-60 days	**26**	13	**26**	18
Past due 61-90 days	**1**	1	**1**	1
Past due 90+ days	**-**	22	**-**	27
Balance at 30 June 2013	**368**	174	**368**	213

13 Inventories

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Finished goods	**88**	132	**88**	132
Total inventories	**88**	132	**88**	132

No inventories are pledged as security for liabilities.

Inventory expense
Inventories are valued at cost. The realisable value of all inventories is greater than the value held. There has been no write down of inventories during the reporting period (2012: Nil).

14 Property, plant and equipment

	1 JULY 2012		
	Cost	Accumulated depreciation & impairment charges	Carrying amount
PARENT	$'000	$'000	$'000
OPERATIONAL ASSETS (AT COST)			
Plant and machinery	239	(55)	184
Computer equipment	600	(139)	461
Furniture, fittings and equipment	1,938	(251)	1,687
Motor vehicles	8	(4)	4
Capital work in progress	1	-	1
	2,786	**(449)**	**2,337**

	1 JULY 2011		
	Cost	Accumulated depreciation & impairment charges	Carrying amount
PARENT	$'000	$'000	$'000
OPERATING ASSETS (AT COST)			
Plant and machinery	69	(27)	42
Computer equipment	333	(65)	268
Furniture, fittings and equipment	213	(38)	175
Motor vehicles	8	(1)	7
Leased plant and equipment	22	(13)	9
Leasehold improvements	16	-	16
Capital work in progress	307	-	307
Total operational assets	**968**	**(144)**	**824**

CURRENT YEAR MOVEMENTS					30 JUNE 2013		
Current year additions	Current year disposals	Transfers	Impairment charges	Current year depreciation	Cost	Accumulated depreciation & impairment charges	Carrying amount
$'000	$'000	$'000		$'000	$'000	$'000	$'000
-	-	72	-	(39)	267	(51)	216
-	(7)	6	-	(109)	582	(231)	351
-	(31)	310	-	(316)	2,181	(531)	1,650
-	-	-	-	(3)	8	(6)	2
387	-	(388)	-	-	-	-	-
387	**(38)**	**-**	**-**	**(467)**	**3,038**	**(819)**	**2,219**

PRIOR YEAR MOVEMENTS					30 JUNE 2012		
Prior period additions	Prior period disposals	Transfers	Impairment charges	Prior period depreciation	Cost	Accumulated depreciation & impairment charges	Carrying amount
$'000	$'000	$'000		$'000	$'000	$'000	$'000
-	(2)	182	-	(38)	239	(55)	184
-	(46)	359	-	(120)	600	(139)	461
-	(2)	1,728	-	(214)	1,938	(251)	1,687
-	-	-	-	(3)	8	(4)	4
-	(9)	-	-	-	-	-	-
-	-	(16)	-	-	-	-	-
2,405	(458)	(2,253)	-	-	1	-	1
2,405	**(517)**	**-**	**-**	**(375)**	**2,786**	**(449)**	**2,337**

14 Property, plant and equipment (continued)

	1 JULY 2012		
GROUP	Cost $'000	Accumulated depreciation & impairment charges $'000	Carrying amount $'000
OPERATIONAL ASSETS (AT COST)			
Plant and machinery	6,219	(245)	5,974
Computer equipment	706	(144)	562
Furniture, fittings and equipment	4,044	(305)	3,739
Motor vehicles	8	(4)	4
Capital work in progress	1	-	1
	10,978	**(698)**	**10,280**

	1 JULY 2011		
GROUP	Cost $'000	Accumulated depreciation & impairment charges $'000	Carrying amount $'000
OPERATING ASSETS (AT COST)			
Plant and machinery	69	(27)	42
Computer equipment	333	(65)	268
Furniture, fittings and equipment	213	(38)	175
Motor vehicles	8	(1)	7
Leased plant and equipment	22	(13)	9
Leasehold improvements	16	-	16
Capital work in progress	4,982	-	4,982
Total operational assets	**5,643**	**(144)**	**5,499**

There was no capital expenditure funded by Auckland Council this reporting period (2012: $1,160,000) and the Quay Street Landlord $Nil (2012: $899,000). NZFIA assets have been partially written down as noted in note 7, with the residual carrying amount transferred to disposal group held for sale.

CURRENT YEAR MOVEMENTS					30 JUNE 2013		
Current year additions	Current year disposals	Transfers	Impairment charges	Current year depreciation	Cost	Accumulated depreciation & impairment charges	Carrying amount
$'000	$'000	$'000		$'000	$'000	$'000	$'000
216	(2)	(1,706)	(3,807)	(459)	267	(51)	216
4	(7)	(21)	(56)	(131)	582	(231)	351
72	(31)	(330)	(1,371)	(429)	2,181	(531)	1,650
-	-	-	-	(2)	8	(6)	2
387	-	(388)	-	-	-	-	-
679	**(40)**	**(2,445)**	**(5,234)**	**(1,021)**	**3,038**	**(819)**	**2,219**

PRIOR YEAR MOVEMENTS					30 JUNE 2012		
Prior period additions	Prior period disposals	Transfers	Impairment charges	Prior period depreciation	Cost	Accumulated depreciation & impairment charges	Carrying amount
$'000	$'000	$'000		$'000	$'000	$'000	$'000
2,007	(2)	4,155	-	(228)	6,219	(245)	5,974
107	(46)	359	-	(126)	706	(144)	562
1,405	(2)	2,430	-	(269)	4,044	(305)	3,739
-	-	-	-	(3)	8	(4)	4
-	(9)	-	-	-	-	-	-
-	-	(16)	-	-	-	-	-
2,405	(458)	(6,928)	-	-	1	-	1
5,924	**(517)**	**-**	**-**	**(626)**	**10,978**	**(698)**	**10,280**

15 Intangible assets

PARENT	1 JULY 2012 Cost $'000	Accumulated amortisation & impairment charges $'000	Carrying amount $'000
AT COST			
Computer software	18	(5)	13

PARENT	1 JULY 2011 Cost $'000	Accumulated amortisation & impairment charges $'000	Carrying amount $'000
AT COST			
Computer software	18	(2)	16

GROUP	1 JULY 2012 Cost $'000	Accumulated depreciation & impairment charges $'000	Carrying amount $'000
AT COST			
Computer software	19	(6)	13

GROUP	1 JULY 2011 Cost $'000	Accumulated depreciation & impairment charges $'000	Carrying amount $'000
AT COST			
Computer software	19	(3)	16

Amortisation of $3,000 (2012: $3,000) (Parent) and $4,000 (2012: $3,000) (Group) is included in depreciation and amortisation expense in the statements of comprehensive income.

CURRENT YEAR MOVEMENTS				30 JUNE 2013		
Current year additions	Current year disposals	Transfers	Current year amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
$'000	$'000	$'000	$'000	$'000	$'000	$'000
-	(4)	-	(3)	11	(5)	6

PRIOR YEAR MOVEMENTS				30 JUNE 2012		
Prior year additions	Prior year disposals	Transfers	Prior year amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
$'000	$'000	$'000	$'000	$'000	$'000	$'000
-	-	-	(3)	18	(5)	13

CURRENT YEAR MOVEMENTS					30 JUNE 2013		
Current year additions	Current year disposals	Transfers	Revaluation/ eliminations on disposals adjustments on amortisation	Current year amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
6	(4)	(6)	-	(4)	11	(5)	6

PRIOR YEAR MOVEMENTS					30 JUNE 2012		
Prior year additions	Prior year disposals	Transfers	Revaluation/ eliminations on disposals adjustments on amortisation	Prior year amortisation	Cost	Accumulated amortisation & impairment charges	Carrying amount
$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
-	-	-	-	(3)	19	(6)	13

16 Other financial assets

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
CURRENT				
Short term loans	**49**	-	**49**	-
Total current	**49**	-	**49**	-
NON CURRENT				
Community loan	**40**	40	**40**	40
Total non-current	**40**	40	**40**	40
Total other financial assets	**89**	40	**89**	40

The current short term loans relate to loans to Pasifika Festival Villages Charitable Trust and Accelerating Aotearoa Incorporated for the Digital Innovation Showcase. Both loans will be repaid within 12 months of balance date.

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

17 Creditors and other payables

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
CURRENT				
Creditors	**1,064**	860	**1,064**	1,666
Accrued expenses	**2,170**	1,782	**2,170**	1,870
Related party payables (note 28)	**112**	901	**112**	935
Revenue in advance	**264**	1,298	**264**	1,309
Sundry payables	**354**	426	**354**	426
Lease inducement payment	**129**	121	**129**	121
	4,093	**5,388**	**4,093**	**6,327**

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
NON CURRENT				
Lease inducement payment	**576**	667	**576**	667
	576	667	**576**	667
Total creditors and other payables	**4,669**	6,055	**4,669**	6,994

Creditors and other payables are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

18 Employee entitlements

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
CURRENT				
Annual leave	**811**	962	**811**	970
Sick leave	**12**	15	**12**	15
Accrued salaries and wages	**269**	283	**269**	315
Total current	**1,092**	1,260	**1,092**	1,300
NON CURRENT				
Long service leave	**1**	1	**1**	1
Total non-current	**1**	1	**1**	1
Total employee benefit liabilities	**1,093**	1,261	**1,093**	1,301

19 Derivative financial instruments

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
NON-CURRENT ASSETS				
Forward foreign exchange contracts - cash flow hedges	**3**	-	**3**	-
Total derivative financial instrument assets	**3**	-	**3**	-
CURRENT LIABILITIES				
Forward foreign exchange contracts - cash flow hedges	**3**	51	**3**	51
	3	51	**3**	51
NON-CURRENT LIABILITIES				
Forward foreign exchange contracts - cash flow hedges	**6**	106	**6**	106
	6	106	**6**	106
Total derivative financial instrument liabilities	**9**	157	**9**	157
Total net derivative financial instruments assets/(liabilities)	**(6)**	(157)	**(6)**	(157)

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

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

These contracts are hedging highly probable forecasted transactions.

20 Provisions

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
Redundancy provision	**99**	-	**99**	-

As at 30 June 2013 ATEED made a provision for redundancy. The provision was calculated based on contractual obligations with each individual employee.

21 Disposal group held for sale

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	$'000	$'000
DISPOSAL GROUP ASSETS HELD FOR SALE				
Cash and cash equivalents	**-**	-	**365**	-
Debtors and other receivables	**-**	-	**75**	-
Goods and services tax	**-**	-	**31**	-
Property, plant and equipment	**-**	-	**2,445**	-
Investment in associate	**-**	-	**3**	-
Total assets	**-**	-	**2,919**	-
LIABILITIES RELATING TO A DISPOSAL GROUP				
Creditors and other payables	**-**	-	**(285)**	-
Deferred tax liabilities	**-**	-	**(707)**	-
Revenue in advance	**-**	-	**(17)**	-
Total liabilities	**-**	-	**(1,009)**	-
Net assets	**-**	-	**1,910**	-

A memorandum of understanding was entered into prior to balance date to dispose of two-thirds of ATEED's 100% investment in NZFIA to Callaghan Innovation Limited for a nominal amount. Terms were subsequently confirmed in a sale and purchase agreement executed subsequent to balance date but before adoption of these accounts (note 30).

Recognition of the disposal group held for sale at fair value has led to a $5,234,000 impairment of the NZFIA disposal group assets (property, plant and equipment) at the group level to the value reflected above (note 7).

In addition, a portion of an NZFIA's deferred tax liability as at 30 June 2013 ($1,414,000) has been derecognised on consolidation as a result of the decision by ATEED to transfer a two-thirds share of its investment in NZFIA (note 8 and 10).

22 Investments in subsidiaries

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

All subsidiaries are incorporated in New Zealand.

	2013	2012
	%	%
NAME OF ENTITY		
New Zealand Food Innovation Auckland Limited	**100**	100
Bizangels Limited	**-**	100
The Business Shop Limited	**-**	100

New Zealand Food Innovation Auckland Limited is 100% owned by ATEED, and its primary objective is to encourage, promote, and support food innovation within the Auckland region.

Bizangels Limited and The Business Shop Limited were both inactive companies and were removed from the Companies Register during the year ended 30 June 2013.

	2013	2012
	$'000	$'000
New Zealand Food Innovation Auckland Limited	**10**	10
Bizangels Limited	**-**	-
The Business Shop Limited	**-**	-
	10	10

23 Contributed equity

	PARENT		GROUP	
	2013	2012	**2013**	2012
CONSOLIDATED AND PARENT	$'000	$'000	$'000	$'000
Equity contributed by disestablished councils	**3,457**	3,457	**3,413**	3,413
Equity contributed by disestablished CCOs	**919**	919	**919**	919
Total	**4,376**	4,376	**4,332**	4,332

	PARENT		GROUP	
	2013	2012	**2013**	2012
	Shares	Shares	**Shares**	Shares
Opening number of ordinary shares issued	**1,000**	1,000	**1,000**	1,000
Issues of ordinary shares during the year/period	-	-	-	-
Closing balance of ordinary shares issued	**1,000**	1,000	**1,000**	1,000

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

Equity contributed by disestablished councils includes opening accumulated deficit of $44,000 held in the subsidiary of New Zealand Food Innovation Auckland Limited. The Manukau Enterprise and Employment Trust (a subsidiary of Manukau City Council pre Auckland Council amalgamation) was the initial shareholder, with the shareholding transferred to ATEED on 1 November 2010.

24 Reserves and accumulated funds/(losses)

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
(A) HEDGING RESERVE – CASH FLOW HEDGES				
Balance beginning of year	**(157)**	-	**(157)**	-
Fair value gains/(losses) in year	**152**	(157)	**154**	(157)
Balance 30 June	**(5)**	(157)	**(3)**	(157)

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

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	**$'000**	**$'000**	**$'000**
(B) ACCUMULATED FUNDS/(LOSSES)				
Balance beginning of year	**(524)**	(146)	**5,047**	3,220
Surplus/(deficit) for the year	**(470)**	(378)	**(3,548)**	1,827
Accumulated funds/(losses) 30 June	**(994)**	(524)	**1,499**	5,047

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

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Surplus/(deficit) after tax	**(470)**	(378)	**(3,548)**	1,827
ADD/(LESS) NON-CASH ITEMS				
Depreciation and amortisation expense	**470**	378	**1,024**	629
Impairment of receivables	**4**	(32)	**10**	(32)
Loss on disposal of assets	**44**	342	**44**	342
Impairment of NZFIA net assets	**-**	-	**5,234**	-
Income tax benefit	**-**	-	**(1,384)**	-
Net foreign exchange loss	**-**	-	**63**	-
ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES				
Property, plant and equipment financed by working capital	**-**	-	**425**	-
ADD/(LESS) MOVEMENTS IN WORKING CAPITAL				
Derivatives	**-**	-	**-**	(33)
Debtors and other receivables	**2,944**	6,294	**2,404**	6,415
Inventories	**44**	17	**44**	17
Tax payable	**-**	-	**-**	637
Creditors and other payables	**(1,394)**	(5,056)	**(2,033)**	(6,279)
Provisions	**99**	(3)	**99**	(3)
Employee benefits	**(168)**	32	**(208)**	29
Net cash inflow (outflow) from operating activities	**1,574**	1,594	**2,173**	3,549

26 Capital commitments and operating leases

Operating leases as lessee

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

	PARENT		GROUP	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	**$'000**	$'000
MINIMUM OPERATING LEASE PAYMENTS PAYABLE				
Less than one year	**1,643**	1,558	**2,386**	2,365
Between one and five years	**4,380**	5,319	**7,296**	8,546
More than five years	**410**	1,320	**6,313**	8,713
Total non-cancellable operating leases as lessee	**6,433**	8,197	**15,995**	19,624

The total minimum future sublease payments expected to be received under non cancellable subleases at balance date is $273,000 (2012: $27,000).

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

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

27 Contingencies – assets and liabilities

The Parent and Group have a contingent asset of $2,800,000 as at 30 June 2013 (2012: $1,100,000). The contingent asset relates to a memorandum of understanding with the Auckland Council for funds available to be drawn down for the delivery of the Major Events Strategy 2012 - 2022.

The Parent and Group have entered into contracts to hold, deliver and sponsor major events in future financial years. The value of these contracts do not exceed the Auckland Council funding reflected in the Long Term Plan 2012 - 2022.

28 Related party transactions

Related party	Nature of transactions	Relationship with company	REVENUE/ (EXPENSE) TRANSACTION 2013 $'000	REVENUE/ (EXPENSE) TRANSACTION 2012 $'000	RECEIVABLE/ (PAYABLE) YEAR-END 2013 $'000	RECEIVABLE/ (PAYABLE) YEAR-END 2012 $'000
PARENT TRANSACTIONS WITH RELATED PARTIES						
Auckland Council	Rates expense	Parent	-	(19)	-	-
Auckland Council	Shared service expenditure	Parent	**(4,291)**	(4,204)	-	(350)
Auckland Council	Funding revenue and expenditure	Parent	**38,598**	46,148	**2,125**	6,853
Auckland Council	Event delivery	Parent	**17**	2,991	**4**	-
Auckland Council	Loan payable	Parent	-	(2,475)	-	-
Auckland Council	Other services purchased	Parent	**(180)**	(3,527)	**(69)**	(26)
Auckland Council	Funding received in advance	Parent	-	-	-	(500)
New Zealand Food Innovation Auckland Limited	Grant funding	Subsidiary	**(1,000)**	(500)	-	-
New Zealand Food Innovation Auckland Limited	Prepayment	Subsidiary	-	-	-	418
New Zealand Food Innovation Auckland Limited	Other expenditure	Subsidiary	**(13)**	(12)	-	-
Auckland Council Property Limited	Asset disposal	Auckland Council - CCO	-	(7)	-	-
Auckland Transport Limited	Revenue	Auckland Council - CCO	**8**	184	-	-
Auckland Transport Limited	Expenditure	Auckland Council - CCO	**(107)**	(374)	**(30)**	-
Auckland Transport Limited	Asset disposal	Auckland Council - CCO	-	626	-	-
Auckland Waterfront Development Agency Limited	Revenue	Auckland Council - CCO	**33**	75	**3**	6
Auckland Waterfront Development Agency Limited	Expenditure	Auckland Council - CCO	**(6)**	(58)	-	-
Auckland Waterfront Development Agency Limited	Asset disposal	Auckland Council - CCO	-	705	-	-
Regional Facilities Auckland Limited	Revenue	Auckland Council - CCO	**20**	803	**7**	4
Regional Facilities Auckland Limited	Expenditure	Auckland Council - CCO	**(143)**	(456)	**(7)**	(13)
Regional Facilities Auckland Limited	Asset disposal	Auckland Council - CCO	-	3,694	-	-
Watercare Services Limited	Expenditure	Auckland Council - CCO	**(2)**	(2)	-	-

Related party	Nature of transactions	Relationship with company	REVENUE/ (EXPENSE) TRANSACTION 2013 $'000	REVENUE/ (EXPENSE) TRANSACTION 2012 $'000	RECEIVABLE/ (PAYABLE) YEAR-END 2013 $'000	RECEIVABLE/ (PAYABLE) YEAR-END 2012 $'000
Manukau Beautification Charitable Trust	Expenditure	Auckland Council - Subsidiary	-	(8)	-	-
Ports of Auckland Limited	Accounts receivables	Auckland Council - Subsidiary	-	13	-	-
Auckland International Airport Limited	Revenue	Auckland Council - Associate	99	8	-	-
Auckland International Airport Limited	Expenditure	Auckland Council - Associate	(602)	(343)	-	(8)
Air New Zealand Limited	Sponsorship revenue	ATEED Director	-	6	-	-
Air New Zealand Limited	Revenue	ATEED Director	6	-	-	-
Air New Zealand Limited	Expenditure	ATEED Director	(1)	(2)	-	-
AUT University	Revenue	ATEED Director	48	47	-	-
AUT University	Expenditure	ATEED Director	(9)	(47)	(2)	-
Committee for Auckland Limited	Expenditure	ATEED Director	(10)	(30)	-	-
Dairy NZ Limited	Expenditure	ATEED Director	(32)	-	-	-
Massey University - Palmerston North	Expenditure	NZFIA Director	(24)	-	-	-
McConnell Limited	Expenditure	ATEED Director	(2)	-	-	-
NZ Trade and Enterprise Limited	Expenditure	ATEED Key Management Personnel	(3)	-	-	-
Parex Industries Limited	Revenue	ATEED Director	-	2	-	-
PwC	Expense	ATEED Key Management Personnel	(78)	-	-	-
Counties Manukau Pacific Trust T/A Vodafone Events Centre	Revenue	ATEED Director	4	9	1	1
Counties Manukau Pacific Trust T/A Vodafone Events Centre	Expenditure	ATEED Director	(113)	(176)	(3)	-
Tourism Industry Association of NZ	Revenue	ATEED Director	2	-	-	-
Tourism Industry Association of NZ	Membership expenditure	ATEED Director	(10)	(13)	-	-
Tourism Industry Association of NZ	Other expenditure	ATEED Director	(2)	-	-	-

Related party	Nature of transactions	Relationship with company	REVENUE/ (EXPENSE) TRANSACTION 2013 $'000	2012 $'000	RECEIVABLE/ (PAYABLE) YEAR-END 2013 $'000	2012 $'000
ADDITIONAL GROUP TRANSACTIONS WITH RELATED PARTIES						
Auckland International Airport Limited	Expenditure	Auckland Council - Associate	**(713)**	(1,591)	**-**	(34)
NZ Food Innovation Network Limited	Revenue	NZFIA Associate	**129**	-	**-**	-
Gourmet Guru Limited	Revenue	NZFIA Director	**5**	-	**-**	-
Joy Icecream Limited	Revenue	NZFIA Director	**1**	-	**-**	-
Spatial Information Systems Limited	Expenditure	NZFIA Key Management Personnel	**(1)**	-	**-**	-
Sharp Data Electrical Limited	Expenditure	NZFIA Key Management Personnel	**(12)**	-	**-**	-
OTHER RELATED PARTY TRANSACTIONS						
Auckland Council	Hedging	Parent	**153**	-	**(5)**	-

Norman (Norm) Thompson, who is a Deputy Chair of the Company, is the Deputy Chief Executive of Air New Zealand. The Company uses Air New Zealand for national and international air travel where appropriate, although not exclusively. Selection of that carrier is on the basis of seat availability and fit with required travel dates. The Group Travel Policy is applied when booking air travel. Not all of these transactions are made directly between the Company and Air New Zealand, as some travel is booked through third party booking agents. This means that the Company cannot identify the total expenditure for travel with Air New Zealand. The Company's total travel costs for the year are $646,000 (2012: $605,000). Some, but not all of this amount, will be for air travel with Air New Zealand.

The husband of Rachael Carroll (General Manager Destination and Marketing) became a director at PwC in February 2013. The company uses PwC for consultancy services and the independent review and preparation of statutory accounts and has done so in previous years, prior to his becoming a director.

City Parks Services is now included with Auckland Council, being an internal department. North Harbour Stadium is included with Regional Facilities Auckland along with Auckland Zoo, Auckland Art Gallery, Auckland Conventions Venues and Events and Mt Smart Stadium.

Hedging transactions through Auckland Council have been disclosed but have not been reclassified as a Related Party Payable.

Payments for transactions between related parties are made on normal commercial terms and are at arm's length. An interests register is maintained of Directors' and staff's declared interests and updated at each Board meeting. When the Board discusses an issue which may give cause to a conflict for one or more of the Directors, they are asked to leave the room for the duration of the discussion. The key determination when considering whether an interest might create a conflict is whether the interest creates an incentive for the Director or staff member to act in a way that may not be in the interests of the Company.

As at 30 June 2013 there are no provisions for doubtful debts on the outstanding balances and no expense was recognised during the period in respect of bad or doubtful debts due from related parties (2012: Nil).

29 Remuneration

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
KEY MANAGEMENT REMUNERATION				
Directors' fees	**310**	316	**355**	336
Senior management salaries and other short term benefits	**1,699**	1,184	**1,912**	1,184
Total key management remuneration	**2,009**	1,500	**2,267**	1,520

	PARENT		GROUP	
	2013	2012	**2013**	2012
	Number of employees	Number of employees	**Number of employees**	Number of employees
THE NUMBER OF EMPLOYEES THAT RECEIVED OVER $100,000 AS AT 30 JUNE IS AS FOLLOWS:				
$100,000 - $109,999	5	4	5	4
$110,000 - $119,999	4	8	6	8
$120,000 - $129,999	2	9	2	9
$130,000 - $139,999	1	1	1	1
$140,000 - $149,999	4	1	4	1
$150,000 - $159,999	-	3	-	3
$160,000 - $169,999	1	-	1	-
$180,000 - $189,999	-	1	-	1
$190,000 - $199,999	1	-	1	-
$200,000 - $209,999	1	-	1	-
$210,000 - $219,999	-	2	1	2
$230,000 - $239,999	-	1	-	1
$240,000 - $249,999	1	-	1	-
$350,000 - $359,999	1	-	1	-

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
DIRECTORS' FEES BY DIRECTOR				
David McConnell	**79**	73	**79**	73
Franceska Banga	**45**	45	**45**	45
Norm Thompson	**37**	52	**37**	52
Richard Jeffery	**39**	37	**39**	37
Vivien Bridgwater	**39**	37	**39**	37
Andy Higgs	**39**	9	**39**	9
Simon Tucker	**32**	6	**32**	6
Peter Drummond	**-**	30	**-**	30
John Law	**-**	28	**-**	28
Roger Gower	**-**	-	**15**	-
Anthony Nowell	**-**	-	**10**	8
Ross McCallum	**-**	-	**10**	10
Sir Barry Curtis	**-**	-	**5**	2
Colin Wise	**-**	-	**5**	-
Total director's fees	**310**	317	**355**	337

30 Events occurring after the balance date

ATEED transferred two-thirds of the ownership of NZFIA to Callaghan Innovation Limited on 1 August 2013 (note 21).

31 Financial risk management

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

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

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

		CARRYING AMOUNT		FAIR VALUE	
		2013	2012	**2013**	2012
PARENT	**Notes**	**$'000**	$'000	**$'000**	$'000
FINANCIAL ASSETS					
Derivative financial assets	19	**3**	-	**3**	-
Debtors and other receivables	12	**2,515**	7,071	**2,515**	7,071
Cash and cash equivalents	11	**2,034**	896	**2,034**	896
Other financial assets	16	**89**	40	**89**	40
Total financial assets		**4,641**	8,007	**4,641**	8,007
FINANCIAL LIABILITIES					
Derivative financial liabilities	19	**(9)**	(157)	**(9)**	(157)
Creditors and other payables	17	**(3,700)**	(3,969)	**(3,700)**	(3,969)
Total financial liabilities		**(3,709)**	(4,126)	**(3,709)**	(4,126)
Net financial assets/(liabilities)		**932**	3,881	**932**	3,881
GROUP					
FINANCIAL ASSETS					
Derivative financial assets	19	**3**	-	**3**	-
Debtors and other receivables	12	**2,518**	7,118	**2,518**	7,118
Cash and cash equivalents	11	**2,034**	1,378	**2,034**	1,378
Other financial assets	16	**89**	40	**89**	40
Total financial assets		**4,644**	8,536	**4,644**	8,536
FINANCIAL LIABILITIES					
Derivative financial liabilities	19	**(9)**	(157)	**(9)**	(157)
Creditors and other payables	17	**(3,700)**	(4,897)	**(3,700)**	(4,897)
Total financial liabilities		**(3,709)**	(5,054)	**(3,709)**	(5,054)
Net financial assets (liabilities)		**935**	3,482	**935**	3,482

(a) Market risk

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

Foreign currency risk arises when the cost of a product or service sourced offshore rises due to a deterioration in the exchange rate between the New Zealand dollar and the relevant foreign currency (2013: Euro, 2012: Euro) between the time a commitment is made to incur the expenditure and the time payment is actually made. The Company and Group are able to mitigate the risk of such an adverse movement in exchange rates by utilising the services of the Auckland Council Treasury group and by entering into forward foreign exchange contracts.

In applying a sensitivity of 5% (2012:10%) movement in foreign exchange rates, the Company and Group are exposed to either a foreign exchange gain of $183,000 or loss of $171,000 in other comprehensive income (2012: $193,000 gain or $796,000 loss in other comprehensive income). The Company and Group consider this potential movement reflects reasonably possible changes in foreign exchange rates.

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

(b) Credit risk

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

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

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

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

	PARENT		GROUP	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Cash and cash equivalents	**2,034**	896	**2,034**	1,378
Debtors and other receivables	**2,515**	7,071	**2,518**	7,118
Other financial assets	**89**	40	**89**	40
Total	**4,638**	8,007	**4,641**	8,536

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

	PARENT		GROUP	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
CASH AT BANK AND SHORT-TERM BANK DEPOSITS				
"AA" Standard and Poor's rating	-	-	-	-
"AA-" Standard and Poor's rating	2,034	896	2,034	1,378
Total cash at bank and short-term bank deposits	**2,034**	896	**2,034**	1,378

	PARENT		GROUP	
COUNTERPARTIES WITHOUT CREDIT RATINGS				
Existing counterparty with defaults in the past	-	-	-	-
Existing counterparty with no defaults in the past	2,604	7,111	2,604	7,158
Total counterparties without credit ratings	**2,604**	7,111	**2,604**	7,158

(c) Liquidity risk

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

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

The Company and Group have nil overdraft facility.

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

PARENT - 30 JUNE 2013	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount liabilities
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
NON-DERIVATIVES							
Creditors and other payables	3,700	-	-	-	-	3,700	3,700
Total	**3,700**	**-**	**-**	**-**	**-**	**3,700**	**3,700**
DERIVATIVES							
Forward foreign exchange contracts	-	675	697	720	-	2,092	9
- (inflow)	-	(672)	(693)	(718)	-	(2,083)	-
- outflow	-	-	-	-	-	-	-
Total	**-**	**3**	**4**	**2**	**-**	**9**	**9**

GROUP - 30 JUNE 2013	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
NON-DERIVATIVES							
Creditors and other payables	3,700	-	-	-	-	3,700	3,700
Total	**3,700**	**-**	**-**	**-**	**-**	**3,700**	**3,700**
DERIVATIVES							
Forward foreign exchange contracts	-	675	697	720	-	2,092	9
- (inflow)	-	(672)	(693)	(718)	-	(2,083)	-
- outflow	-	-	-	-	-	-	-
Total	**-**	**3**	**4**	**2**	**-**	**9**	**9**

PARENT - 30 JUNE 2012	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
NON-DERIVATIVES							
Creditors and other payables	3,969	-	-	-	-	3,969	3,969
Total	3,969	-	-	-	-	3,969	3,969
DERIVATIVES							
Forward foreign exchange contracts	-	-	-	-	-	-	157
- (inflow)	-	(1,589)	(1,330)	(2,168)	-	(5,087)	-
- outflow	-	1,640	1,372	2,232	-	5,244	-
Total	-	51	42	64	-	157	157

GROUP - 30 JUNE 2012	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
NON-DERIVATIVES							
Creditors and other payables	4,897	-	-	-	-	4,897	4,897
Total	4,897	-	-	-	-	4,897	4,897
DERIVATIVES							
Forward foreign exchange contracts	-	-	-	-	-	-	157
- (inflow)	-	(1,589)	(1,330)	(2,168)	-	(5,087)	-
- outflow	-	1,640	1,372	2,232	-	5,244	-
Total	-	51	42	64	-	157	157

(d) Fair value estimation

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

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

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

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

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2013.

PARENT - 30 JUNE 2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flow hedges	-	3	-	3
Total assets	**-**	**3**	**-**	**3**
LIABILITIES				
Forward foreign exchange contracts - cash flow hedges	-	9	-	9
Total liabilities	**-**	**9**	**-**	**9**

PARENT - 30 JUNE 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flow hedges	-	-	-	-
Total assets	**-**	**-**	**-**	**-**
LIABILITIES				
Forward foreign exchange contracts - cash flow hedges	-	157	-	157
Total liabilities	**-**	**157**	**-**	**157**

GROUP - 30 JUNE 2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flow hedges	-	9	-	9
Total assets	**-**	**9**	**-**	**9**
LIABILITIES				
Forward foreign exchange contracts - cash flow hedges	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**

GROUP - 30 JUNE 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
ASSETS				
Forward foreign exchange contracts - cash flow hedges	-	-	-	-
Total assets	-	-	-	-
LIABILITIES				
Forward foreign exchange contracts - cash flow hedges	-	157	-	157
Total liabilities	-	**157**	-	**157**

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

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

(e) Financial instruments by category

Assets as per balance sheet

PARENT	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2013			
Derivative financial asset - Forward foreign exchange contracts	3	-	3
Cash and cash equivalent	-	2,034	2,034
Debtors and other receivables	-	2,515	2,515
Other financial assets	-	89	89
Total	3	4,638	4,641
AT 30 JUNE 2012			
Cash and cash equivalent	-	896	896
Debtors and other receivables	-	7,071	7,071
Other financial assets	-	40	40
Total	-	8,007	8,007

GROUP	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2013			
Derivative financial asset - forward foreign exchange contracts	3	-	3
Cash and cash equivalents	-	2,034	2,034
Debtors and other receivables	-	2,518	2,518
Other financial assets	-	89	89
Total	3	4,641	4,644
AT 30 JUNE 2012			
Cash and cash equivalent	-	1,378	1,378
Debtors and other receivables	-	7,118	7,118
Other financial assets	-	40	40
Total	-	8,536	8,536

PARENT	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2013			
Derivative financial liability - forward foreign exchange contracts	9	-	9
Trade and other payables	-	3,700	3,700
Total	9	3,700	3,709
AT 30 JUNE 2012			
Derivative financial liability - forward foreign exchange contracts	157	-	157
Trade and other payables	-	3,969	3,969
Total	157	3,969	4,126

GROUP	Derivatives for hedging $'000	Loans and receivables $'000	Total $'000
AT 30 JUNE 2013			
Derivative financial liability - forward foreign exchange contracts	9	-	9
Creditors and other payables	-	3,700	3,700
Total	9	3,700	3,709
AT 30 JUNE 2012			
Derivative financial liability - forward foreign exchange contracts	157	-	157
Creditors and other payables	-	4,897	4,897
Total	157	4,897	5,054

32 Capital management

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

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

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

33 Variances against financial targets in the Statement of Intent

The 2012 financial targets in the Statement of Intent (SOI) were set prior to 1 November 2010.

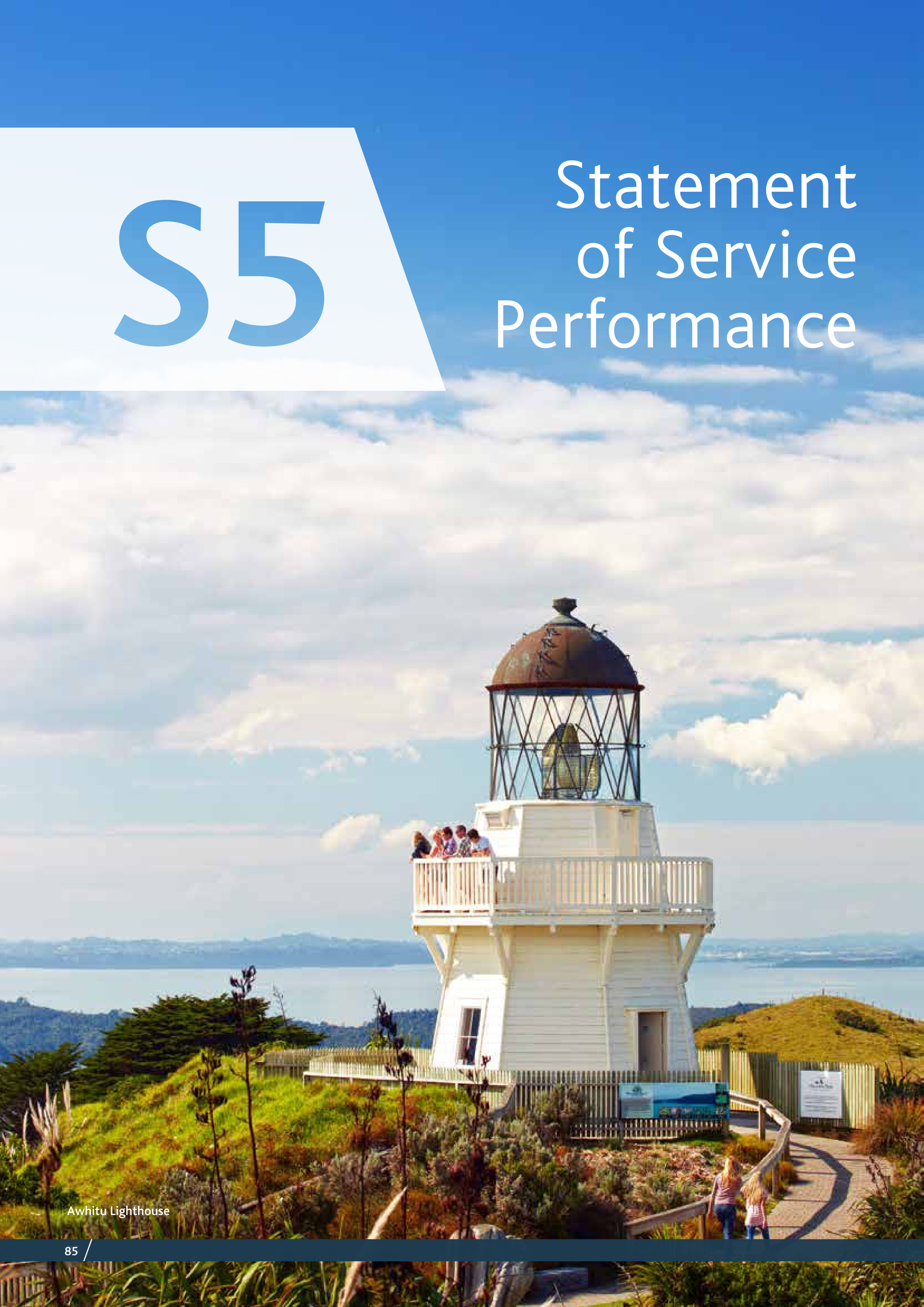
	Actual 2013	Target 2013	Variance 2013
TARGET			
Operating deficit ($'000)	472	181	291
Shareholder's funds ($'000)	3,374	5,318	1,944
Total assets ($'000)	9,244	10,442	1,178
Ratio of consolidated shareholder funds to total assets (%)	36	51	15

Operating deficit
The operating deficit was $291,000 greater than the target due to increased depreciation expense from the capitalisation of office fit outs $254,000 and the purchase of marquees to be used for major events $14,000 (2012: $57,000).

Shareholder's funds
Shareholder's funds as at 30 June 2013 were $1,944,000 less than the 2013 SOI Shareholder funds target due to the major events contingent asset not being reflected in the target (2012: $1,536,000).

Total assets
Total assets as at 30 June 2013 were $1,178,000 less than the 2013 SOI total assets target due to a reduced current account and intercompany receivable account with Auckland Council and the outstanding amount being settled earlier than anticipated (2012: $913,000).

Westhaven Marina



S5 Statement of Service Performance

Awhitu Lighthouse

ATEED Performance Measures - Annual Result

For the period ended 30 June 2013

Auckland Tourism, Events and Economic Development Ltd (ATEED) has progressed well since inception in 2010, and in our work towards the targets set in our 2012-15 Statement of Intent (SOI). The Key Performance Indicators (KPIs) set out in this SOI have been refined from those used in the 2011/12 year.

Against the 25 KPIs contained in the 2012-15 SOI, ATEED has made significant progress towards achieving our vision to improve New Zealand's economic prosperity by leading the successful transformation of Auckland's economy. ATEED has adopted the 5-tier assessment which Auckland Council uses to assess KPIs, with the following statuses applied:

- Achieved – result has met or exceeded target
- Satisfactory – result is within 2% of target
- Progressing – target not achieved, but improvement over last year
- Improvement needed – target not achieved, no improvement over last year
- No result – unable to be measured.

It should be noted that this differs from the 4-tier assessment used in 2011/12 where the following statuses applied:

- Achieved – result has met or exceeded target
- Substantially achieved – result is within 5% of target
- Partially achieved – one or more components of the target have been met, but not all
- Not achieved – the result has not met the target.

ATEED's performance against the KPIs is set out in the following table, along with commentary regarding the results, measurement methods, and previous year's performance as appropriate. In summary, of the 25 KPIs:

- 15 have been achieved
- 3 were satisfactory
- 1 was progressing
- 4 were improvement needed
- 2 have no result.

The management and directors of ATEED consider that the year's performance has been highly successful, with most KPIs achieved in full or in part, and a number of these have well exceeded the targets that had been set. ATEED will continue to refine its KPIs to ensure that these reflect the step-change required to achieve the outcomes of the Auckland Plan and Economic Development Strategy, and to help deliver on the vision for Auckland to be the world's most liveable city.

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

For the period ended 30 June 2013

NO.	HOW WE WILL DEMONSTRATE SUCCESS IN ACHIEVING OUR AIMS	WE WILL MEASURE OUR PROGRESS AGAINST THESE TARGETS AT THESE TIMES	2013 RESULT	2012 RESULT
Aim 1: Auckland's brand is unifying and inspiring for residents, businesses and visitors *Links to Thriving economy, Lifestyle choices, Internationally competitive*				
1.1	Awareness of Auckland regional logo among Aucklanders – when prompted[1]	30 June 2013: 40% 30 June 2014: 70% 30 June 2015: 80%	47%	34%
1.2	Domestic and international campaigns	Campaigns achieve an average 100% of their campaign targets	Multiple results across 4 significant campaigns	Multiple results across 6 significant campaigns
1.3	Percentage of those (Aucklanders) who agree events make Auckland a great place to live (engender pride and sense of place)	30 June 2013: 80% 30 June 2014: 80% 30 June 2015: 80%	80%	78%
Aim 2: Auckland's visitor economy supports amenities that Aucklanders enjoy *Links to Thriving economy, Lifestyle choices*				
2.1	Total visitor nights (international and domestic) in Auckland (captured by MBIE Regional Tourism Statistics) **(LTP measure)**	30 June 2013: 24.4m 30 June 2014: 25.2m 30 June 2015: 26.6m	26.7m	n/a
2.2	Total visitor expenditure (international and domestic) in Auckland (as captured via MED Regional Tourism Statistics) **(LTP measure)**	30 June 2013: $3,479m 30 June 2014: $3,628m 30 June 2015: $3,898m	$3,447m	n/a
2.3	Return on Regional Investment (RORI) from major events attracted **(LTP measure)**	30 June 2013: $30m 30 June 2014: $40m 30 June 2015: $47m	$39.1m	$28.9m

[1] This indicator is not present in ATEED's approved 2013-16 SOI.

STATUS	COMMENT
Achieved	Measured via the Auckland Council Annual Residents Omnibus survey with a sample size of 3981 for this question and a margin of error of +/-1.6%. This result of 47% shows a significant improvement on the 2011/12 result of 34%.
Achieved	Campaigns assessed were the Domestic Tourism Campaign and joint venture (JV) activity with Tourism New Zealand, Flight Centre and Jetstar. The Domestic Tourism campaign was evaluated using quantitative pre and post-campaign research, alongside web metrics. The campaign research showed a 35% increase in the appeal of Auckland as a visitor destination, while domestic website visits increased by 13% compared with the same period in 2011. The three joint venture campaigns were evaluated using booking data. The Jetstar/TNZ JV led to a 145% increase in hotel bookings and a 174% increase in room nights, while the TNZ/Tour the North Island campaign also saw some positive results compared to the same period in 2011. The Flightcentre JV attracted 15,023 Australian visitors against a revised target of 12,500.
Achieved	Measured via the Auckland Council Annual Residents Omnibus survey, with a sample size of 4193 and a margin of error of +/-1.5%. 48% of respondents strongly agreed that events make Auckland a great place to live, 32% agreed. This is an improvement on the 2011/12 result of 78%.
Achieved	This result is for the 2012 calendar year, and has been modelled based on data available from the Commercial Accommodation Monitor, prepared by the Ministry of Business, Innovation and Employment, and the Regional Tourism Estimates 2006-2011.
Satisfactory	This result is for the 2012 calendar year, and has been modelled based on data available from the Regional Tourism Indicators, prepared by the Ministry of Business, Innovation and Employment, and the Regional Tourism Estimates 2006-2011.
Achieved	Based on analysis undertaken by Covec of ATEED's 2012-13 Major Event portfolio. This figure covers 30 events, including ITM 400 Auckland V8 Supercars, the Auckland Marathon, Pasifika, Auckland Lantern Festival and *Mary Poppins*. *(Blues, Breakers and Warriors results still to come)*

NO.	HOW WE WILL DEMONSTRATE SUCCESS IN ACHIEVING OUR AIMS	WE WILL MEASURE OUR PROGRESS AGAINST THESE TARGETS AT THESE TIMES	2013 RESULT	2012 RESULT
2.4	Visitor nights generated by major events	30 June 2013: 95,000 30 June 2014: 120,000 30 June 2015: 150,000	290,000	224,000
2.5	Number of visitors to Auckland **(LTP measure)**	30 June 2013: 13.0m 30 June 2014: 13.3m 30 June 2015: 13.7m	13.7m	n/a
Aim 3: Auckland is nationally and internationally recognised as having exceptional visitor and event experiences *Links to Thriving economy, Lifestyle choices, Internationally competitive*				
3.1	Overall visitor satisfaction (all visitors) with the experience in Auckland (as measured through the Visitor Insights Programme)	30 June 2013: 7.9 30 June 2014: 8.0 30 June 2015: 8.1	7.7	7.8
3.2	Percentage of customers satisfied with visitor information centres and services overall **(LTP measure)**	30 June 2013: 95% 30 June 2014: 95% 30 June 2015: 95%	94%	90%
3.3	Estimated number of attendees at major events **(LTP measure)**	30 June 2013: 1.38m 30 June 2014: 1.45m 30 June 2015: 1.52m	1.05m	1.09m
3.4	Percentage of attendees satisfied with major events overall **(LTP measure)**	30 June 2013: 85% 30 June 2014: 85% 30 June 2015: 85%	87%	83%
3.5	Regular events with high levels of international media exposure into key markets	30 June 2013: 1 30 June 2014: 1 30 June 2015: 2	6	1
3.6	Number of Tier A[2] major international events attracted or facilitated **(LTP measure)**	30 June 2013: 5 30 June 2014: 5 30 June 2015: 5	9	n/a
Aim 4: Auckland is recognized as the innovative and entrepreneurial capital of the Asia-Pacific rim *Links to Thriving economy, Growth engine, Internationally competitive*				
4.1	Number of business capability assessments undertaken through local offices	30 June 2013: 405 30 June 2014: 405 30 June 2014: 405	1,026	713
4.2	Number of mentor matches made through local offices	30 June 2013: 1,150 30 June 2014: 1,150 30 June 2015: 1,150	971	1,029

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

STATUS	COMMENT
Achieved	As per comment above. *(Blues, Breakers and Warriors results still to come)*
Achieved	This result is for the 2012 calendar year, and has been modelled based on data available from the International Travel and Migration figures, prepared by Statistics New Zealand, and the Regional Tourism Estimates 2006-2011, prepared by the Ministry of Business, Innovation and Employment.
Improvement needed	Based on 1229 interviews with visitors to Auckland over the period April 2012 to March 2013 . Respondents were asked to provide a rating on a scale of 1 (not at all satisfied) to 10 (extremely satisfied).
Satisfactory	Based on 323 surveys undertaken across the i-SITE network.
Improvement needed	Based on analysis undertaken by Covec of ATEED's 2012-13 Major Event portfolio. This figure covers 30 events, including ITM 400 Auckland V8 Supercars, the Auckland Marathon, Pasifika, Auckland Lantern Festival and *Mary Poppins*. *(Blues, Breakers and Warriors results still to come)* The method used to derive attendance at the 2012/13 portfolio of events does not align exactly with the method used to derive the targets. At the time the targets were set, accurate information on attendance figures was not available, and in some cases led to an over-estimate of event attendees. The 2012/13 method uses a more scientific approach to measure attendance numbers and is therefore more accurate. ATEED will review attendance numbers as part of an assessment of the Major Event Strategy achievements in 2013/14.
Achieved	Based on an average of surveying undertaken at Pasifika, Lantern Festival and Diwali. Total sample size was 981 and the results have a margin of error of +/-3%.
Achieved	Events with high international media exposure into key markets are ITU World Triathlon Grand Final, Fast 5 Netball, ASB Classic/Heineken Open, Ironman 70.3, ITU World Series and ITM 400 Auckland V8 Supercars.
Achieved	Tier A events facilitated are World Roller Figure Skating Championships, ITU World Triathlon Grand Final, Auckland Marathon, Fast 5 Netball, ASB Classic/Heineken Open, Ironman 70.3, ISF Men's World Softball Champs, ITU World Series, ITM 400 Auckland V8 Supercars.
Achieved	
Improvement needed	The mentors are attracted through combined marketing by ATEED and Business Mentors New Zealand. They are then matched with the business. This process can take time given the importance of finding the right fit between the mentor and business.

NO.	HOW WE WILL DEMONSTRATE SUCCESS IN ACHIEVING OUR AIMS	WE WILL MEASURE OUR PROGRESS AGAINST THESE TARGETS AT THESE TIMES	2013 RESULT	2012 RESULT
4.3	Total value of grants made under the TechNZ programme	Targets to be developed based on current conversations with MBIE	$3.601m	$2.776m
4.4	Percentage of stakeholders satisfied with provision of business advice, start-up, training and mentoring programmes **(LTP measure)**	30 June 2013: 85% 30 June 2014: 85% 30 June 2015: 85%	95%	87%
4.5	GDP Global Investment Promotion Agency (IPA) benchmarking **(LTP measure)**	30 June 2013: n/a 30 June 2014: 65% 30 June 2015: n/a	N/A	55%
4.6	Facilitation of the establishment, or significant expansion of multinational companies in target sectors (cumulative)	30 June 2013: 1 30 June 2014: 2 30 June 2015: 3	2	n/a
4.7	Start-up companies through Wynyard Innovation Precinct Incubator (cumulative)	30 June 2013: 0 30 June 2014: 10 30 June 2015: 20	0	n/a
4.8	Deliver an Innovation Plan for Auckland that is endorsed by Auckland Council	By December 2012	Not completed	n/a
Aim 5: Auckland is a global centre of excellence for high potential economic sectors *Links to Thriving economy, Growth engine, Internationally competitive*				
5.1	Achievement of financial KPIs as specified in New Zealand Food Innovation Auckland Ltd's SOI	30 June 2013: 100% 30 June 2014: 100% 30 June 2015: 100%	Partially achieved	n/a
5.2	Total GDP in targeted sectors compared with total Auckland GDP (sectors include marine, transport and logistics, IT, food and beverage, film, bioscience, creative/digital, export education) **(LTP measure)**	30 June 2013: improve 30 June 2014: improve 30 June 2015: improve	No change	n/a
6.1	Percentage of CCO monitoring and accountability requirements that meet target[3]	30 June 2013: 100% 30 June 2014: 100% 30 June 2015: 100%	100%	n/a

[3] Accountability requirements are as set out in Auckland Council's CCO Accountability Policy.

STATUS	COMMENT
Achieved	
Achieved	Based on 158 surveys undertaken by NZTE to the question: Overall, how would you rate your satisfaction with your Regional Business Partner? The survey result of 95% is for five quarters from April 2012 to June 2013. This represents an increase on satisfaction levels seen during 2011/12 although a different survey approach was taken then.
No result	Biennial measure.
Achieved	The establishment of two multinationals was facilitated during 2012/13. New facilities have been established in Auckland by Youi (Australia) and EIMS (United Kingdom).
No result	Target is 0 for this financial year. Precinct operations planned to commence September 2013.
Improvement needed	Following the ATEED restructure the preparation of the innovation plan was delayed and is now underway and should be completed in the first quarter of 2013/14.
Progressing	At year end the business is in a stable position, with a memorandum of understanding in place for Callaghan Innovation to acquire two-thirds of the ownership and committing to substantial supportive funding and resources for the coming years. Specific financial KPIs align with the key metrics in the Profit & Loss and Balance Sheet. NZFIA grew its operational revenue by 3.3 times compared with the result of the previous year, but did not meet the ambitious SOI FY13 target revenue (10.2 times what was achieved in FY12). NZFIA's Net Profit, inclusive of subsidies from ATEED and the Government, was better than forecast. Net loss from operations (excluding subsidy) was $2.311m against a SOI forecast of $1.985m. Net current assets (working capital) at year end was better than SOI forecast.
Satisfactory	Sector growth results are derived from annual economic modelling for Auckland undertaken by Infometrics. For the year to March 2012, GDP in targeted sectors was $17.046bn (30.7% of the Auckland total) compared with $16,569bn (30.8% of the Auckland total) for the year to March 2011. These figures differ from the results reported last year, due to updating the sector definitions to use ANZSIC 2006 codes.
Achieved	SOI and quarterly reports delivered to required timeframes.

North Head, Devonport

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