

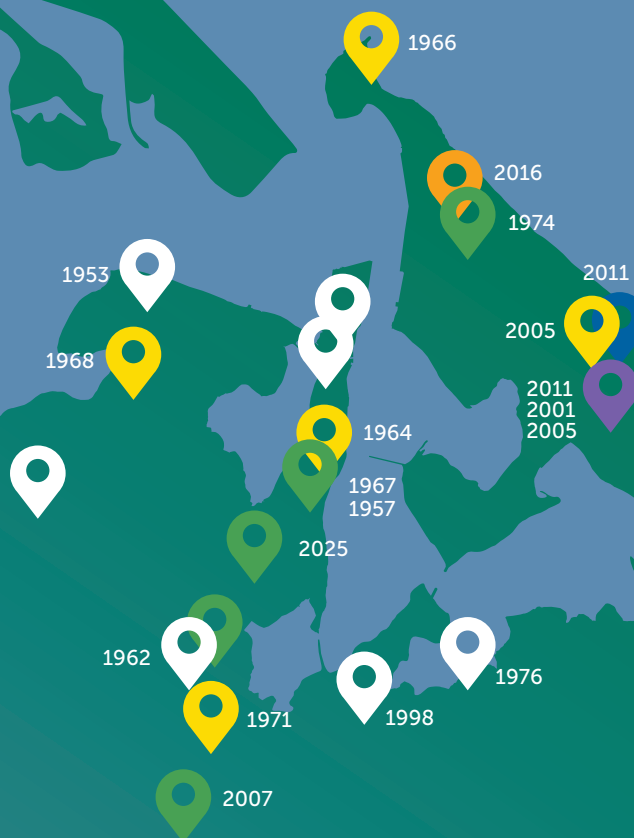


# ANNUAL REPORT

Financial Statements for the  
Year ended 30 June 2025

# Facilities

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





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2006

1994

## Who We Are and What We Do

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

**Tauranga City**

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



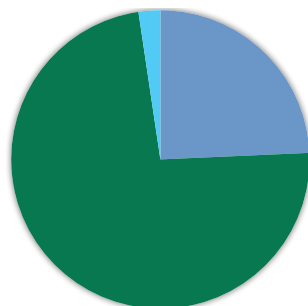
## OUR YEAR IN NUMBERS

### NET PROFIT BEFORE TAX (UNFUNDED)\*

# \$260,772

(\$107,589 or 70% ahead of budget, \$2.85m ahead of prior year)

### OPERATING REVENUE SOURCES



■ TCC Community Operating Grant (24%)  
■ Bay Venues User Fees & Charges (73%)  
■ Other Revenue (3%)

### OPERATING REVENUE

## \$31.28m

(\$190,267 or 1% ahead of budget,  
\$3.8m or 14% ahead of prior year)

**\$7.60m** TCC COMMUNITY OPERATING GRANT\*\*

**\$0.78m** COMMUNITY CENTRES & HALLS

**\$7.05m** AQUATICS

**\$9.46m** EVENTS & ASSOCIATED ACTIVITIES

**\$5.07m** SPORTS & FITNESS

**\$1.32m** BUSINESS SUPPORT

### NON-OPERATING REVENUE

**\$13.80m** TCC RENEWALS FUNDING

**\$1.10m** TCC DEBT SERVICING

### VISITS TO OUR FACILITIES

## 2,173,085

(3% ahead of target,  
1% behind prior year)

### 858,780

AQUATICS

(4% ahead of prior year)

### 311,988

COMMUNITY CENTRES & HALLS

(13% behind prior year)

### 810,073

SPORTS & FITNESS

(1% ahead of prior year)

### 192,244

EVENTS

(8% behind prior year)



### CUSTOMER SATISFACTION SCORE

## 86.7%

(1.7% ahead of target, 0.7%  
ahead of prior year)



### SIGNIFICANT EVENTS (OVER 500 PAX)

## 77

(3% ahead target,  
7% behind prior year)



### SPORTING & AQUATIC TOURNAMENTS

## 57

(16% behind prior year)

**Full Time Equivalent (FTE) – 190 | Number of Staff (Headcount) – 296\***

\*Includes permanent full-time and part-time staff, as well as fixed-term staff. Excludes casuals.

\* Net Profit Before Tax (unfunded) is net profit after funding and capital costs on assets Bay Venues are responsible for funding, it does not include funding and capital costs on assets funded by Council. See breakdown on page 6.

\*\* Tauranga City Council (our shareholder) facilitated the return of Bay Venues to a cash-flow break-even position from FY25 via increased operational funding in the Long-Term Plan. This operating revenue excludes Tauranga City Council renewal and interest funding.





## A YEAR IN REVIEW

### Exceptional Community Outcomes with a Modest Surplus

**Strong and sustained financial discipline saw Bay Venues end the year to 30 June 2025 with a surplus of \$260,772 (against a budget of \$153,183), while maintaining strong customer satisfaction and service standards.**

Our network of community facilities hosted more than 2.1m visits this year – comparable to last year – despite economic uncertainty and fewer large-scale events.

A highlight of the year was the successful opening of The University of Waikato Haumaru Sport & Recreation Centre, Tauranga's first new community indoor sports facility in over a decade.

We also launched new revenue generating initiatives and commercial partnerships, such as two new catering contracts and cafes, and implemented targeted cost savings in response to shifting customer spending and financial pressures.

All these measures helped us maintain financial resilience in a challenging environment and have strengthened our ability to adapt and deliver value for money for the city.

#### Strong Financial Discipline

Bay Venues finished FY25 with Net Profit Before Tax (NPBT – Unfunded) of \$260,772, outperforming budget by \$107,589. Achieving a positive NPBT was a core requirement under our new funding model with Tauranga City Council, which was introduced this year.

Annual revenue of \$31.28m was \$190,267 ahead of budget and \$3.8m ahead of FY24, the year-on-year increase was primarily due to increased operating funding from Council. Underlying user fees fell \$0.83m behind budget during the year, driven by fewer events and an associated drop in event-related revenue, as well as lower average spend through our aquatic venues. This prompted an organisational reset to drive \$0.84m of cost savings, mainly achieved through staff reductions and tight cost control measures.

Looking ahead to FY26, annual operating grant funding from the Council is set to decrease further by around 10%. This has meant we have already had to implement further cost savings, staff reductions, at the same time as progressing near-term additional revenue measures. We will need to work hard to deliver another NPBT surplus in FY26.



#### Community Outcomes

This year our venues hosted 77 significant events and 57 sporting and aquatic tournaments. Our total number of annual visits remained steady and finished the year just 1% behind last year's record high. This resilience was largely thanks to our aquatic facilities, which saw annual visits rise by almost 30,000 (4%). Baywave was the standout and achieved record attendance, and our swim school BaySwim surpassed 10,000 participants for the first time.

Our indoor sports and fitness facilities also recorded a 1% year-on-year increase in visits, boosted by the opening of four new indoor courts at Haumaru in the final quarter of the year. These new courts have been fully booked at peak times since launch, hosting more than 24,000 visits each month. The nearby Queen Elizabeth Youth Centre has likewise remained fully booked during peak periods.

Customer satisfaction remained strong throughout FY25, with an overall score of 86.7% remaining slightly above both target and last year's result. This reflects our commitment to deliver high-quality service, even in the face of disruption and change.

#### Facilities Management

FY25 also marked our most successful year yet in capital programme delivery, achieving over 99% completion and a total investment of \$17 million. Among the renewals and maintenance projects completed across our portfolio was a much-needed refurbishment of four ageing community halls. The project was delivered on time and on budget and met with overwhelmingly positive feedback from the community groups that frequent these facilities on a weekly basis. Other projects included resurfacing three courts at Mercury Baypark Arena, renewals and maintenance at Greerton Aquatic & Leisure Centre, the introduction of digital scoreboards and displays, and new LED sports floodlighting at Mercury Baypark Stadium.

Our energy reduction goals were not met this year, however we did open two new cafes and a new indoor sports facility, which brought additional energy consumption to the network. Sustainability remains a key focus with a series





# A YEAR IN REVIEW



of initiatives underway, including solar projects delivered late in the year which are expected to improve our energy consumption as we enter FY26. This is all aimed at driving operational efficiencies, reducing costs, and minimising our environmental footprint.

Tauriko Hall, dating back to the 1930s, was decommissioned this year due to its poor condition and end-of-life status, with demolition aligned with the SH29 Tauriko Enabling Works. All regular users of the hall were supported to find alternative locations, however losing this venue did mean fewer annual visits to our community centres and halls network in FY25. The Council is planning to replace the hall with a new community centre and library as part of Tauriko West's development.

## Culture & Engagement

Organisational restructuring this year saw several roles removed, resulting in a leaner headcount. Understandably, these changes have affected how our people are feeling at work, and as a result our staff engagement and turnover metrics have fallen below target. Plans are in progress to rebuild our team culture in FY26. A positive development this year was the significant reduction of up to 7% in the pay gaps for Māori and Pacific Peoples. As of the end of FY25, Bay Venues can report the following pay gaps: Gender – 3.9%, Māori – 0.0%, and Pacific Peoples – 3.2%.

A Māori Engagement Strategy was developed this year, and a dedicated Māori Engagement Advisor will be introduced in FY26 to strengthen our partnerships with tangata whenua.

## Revenue Generating Initiatives

This year, new commercial projects and partnerships strengthened and diversified our revenue base. We signed two significant agreements with the University of Waikato – a sports and fitness naming rights partnership, and an events catering contract and cafe at the University's Tauranga campus. We also launched another event catering and cafe contract at the Historic Village.

We continued to maximise the use of our facilities through new initiatives, such as installing a digital billboard at Mercury Baypark and repurposing and leasing under-used spaces to aligned community organisations. Notably, Pavilion 3 at

Mercury Baypark was converted into the Revolution Skate Centre, the first dedicated multi-code indoor skating rink in the region. This work reflects our ongoing commitment to having the community at heart, while being commercial in mind.

## Looking Ahead

As our venue network continues to age and our city grows, ongoing investment in community facilities is crucial. Existing venues like Ōtūmoetai Pool and Queen Elizabeth Youth Centre will now remain open and operating longer than initially planned in previous budgets. They will require investment to meet more modern standards and demand, especially as population growth continues to place pressure on our indoor sports facilities and aquatic centres.

The opening of The University of Waikato Haumaru Sport & Recreation Centre this year was a step in the right direction, and we are working closely with the Council to explore future aquatic facilities, including in the central city at Memorial Park. Two major decisions this year by the Council will shape Mercury Baypark's future as part of the Baypark Master Plan. Firstly, Council has come to an agreement with Tauranga Netball Centre to relocate to Mercury Baypark, with a detailed design and consenting phase now commencing. We look forward to welcoming the netball community in the coming years.

Secondly, following community consultation, Council instructed Bay Venues to re-contract with Speedway to allow them to remain at Mercury Baypark beyond their current contract to 2029, until at least 2039. Planning is underway for the new ownership and operating model at Mercury Baypark Stadium. While the Bay Venues Board felt that more time should have been given to consider alternative uses for the site it also acknowledges Council's decision and we will now work with Speedway to bring commercial effect to what has been agreed with Council.

As we move into FY26, Bay Venues remains committed to financial sustainability, delivering exceptional community outcomes and providing value for money. Through disciplined management, strategic partnerships, and a focus on innovation and adaptation, we are well placed to meet the changing needs of Tauranga's growing population and continue to make a positive impact across our city.



Simon Clarke, Chair



Chad Hooker, CEO



# FINANCIAL PERFORMANCE

	FY25 SOI*	FY25 Budget (Updated)*	FY25 Actual
Operating Revenue	31,361	31,093	31,283
Less: Operating Expenses	(31,143)	(30,695)	(30,878)
<b>EBITDA</b>	<b>218</b>	<b>398</b>	<b>405</b>
Less: Finance & Depreciation Costs (Unfunded)	-	(244)	(144)
<b>Net Profit before Tax (Un-funded)</b>	<b>218</b>	<b>153</b>	<b>261</b>
<b>Add:</b>			
TCC Renewal Funding	15,887	15,887	13,798
TCC Debt Servicing Grant	1,098	1,098	1,098
<b>Less:</b>			
Finance & Depreciation Costs (Funded)	(9,062)**	(7,916)	(10,200)
Profit/(Loss) on Disposal***			(2,664)
<b>Net Surplus/(Deficit) before Tax</b>	<b>8,142</b>	<b>9,223</b>	<b>2,293</b>

\*2024-25 budget was updated after the SOI was approved, therefore we have included both the updated budget & approved SOI figures.

\*\*Finance & Depreciation Costs were not split between funded & non-funded in the FY25 SOI.

\*\*\*During the year, major upgrades to our Halls & Greerton Pools led to partial disposal of building assets. Of the \$2.7m disposal loss recognised, \$2.1m relates to assets with remaining residual value, triggering the loss.





# STATEMENT OF INTENT PERFORMANCE

Activity	Target	Status	Commentary
<b>Maximising Activity &amp; Events</b>	Visitation to our facilities is >2.1 million	✓	2.17 million visits to facilities in FY25.
	Host >75 significant events (500+ people)	✓	77 significant events in FY25. Major events (500+ people) included the Zespri Aims Games, Tauranga Food Show, BOP Home & Outdoors Show, Tauranga Home Show and the Mel Young Classic basketball tournament.
	Achieve a customer feedback rating >85%	✓	Of the 2,227 survey responses received, 1,930 were satisfied* with their experience, equating to a 86.7% customer satisfaction score.
	Zero preventable** serious harm incidents in our facilities	✓	Zero preventable serious harm injuries occurred this year.
<b>Looking After Our Assets</b>	Zero preventable unplanned facility closures (>4 Hours)	✗	Otumoetai Pool closure for a total of 7.5 hours over a period of three days due to pool chemical issue.
	Key capital projects on time & on budget (Stadium lighting project)	✓	The Stadium lighting project was due for completion on 10 of September 2024, and was completed on 6 August 2024, at a cost of \$1.4m against a budget of \$1.5m.
	Capital programme v budget +/- 5%	✓	99.5% of our overall capital programme was delivered. One project has been carried forward into FY26.
	Reduce energy consumption by 5%***	✗	FY25 finished at 5,866,318 KWh, an increase of 2%, with solar delivered late in the financial year. This is expected to improve our energy consumption as we go into FY26.
<b>Leveraging Our Capability</b>	Achieve budgeted financial performance	✓	Bay Venues measures financial performance via EBITDA. EBITDA finished \$187,069 ahead of budget as per the SOI for FY25.
	Six proposals for commercial partnerships	✓	We have initiated more than six new partnership proposals during FY25. Significant ones executed during the year include the University of Waikato naming rights and catering partnerships, a new digital billboard partnership, the Historic Village cafe and catering partnership, and a new tenancy agreement at Mercury Baypark.
<b>Building our Capability</b>	Achieve >75% team engagement score	✗	Our engagement survey, conducted during the first wave of our organisation-wide restructure, returned a full engagement score of 58%. While the target was appropriate in a business-as-usual context, the result reflects the impact of significant organisational change.
	Achieve <30% staff turnover	✗	Our overall turnover was 30.5%, just above the 30% target. This combines full-time turnover of 21.6% and part-time turnover of 39%.
	At least one Memorandum of Understanding with tangata whenua	✗	We didn't meet the target of an MoU with tangata whenua, but made a strong start in how we lead in the Maori Engagement space through the developing a Māori Engagement Strategy.

**Traffic Light Status Key** ✓ On track and remaining so ✗ Off track and needing further monitoring

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

\* This measure is from a survey of customers who on a 5-point rating scale, with 3 being neutral, rated their satisfaction as satisfied or better.

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

\*\*\* Target of 5% reduction was set on 27 November, 2025.



## HIGHLIGHTS

### Board and Senior Management Transitions

This year, Bay Venues farewells two valued Board members whose contributions have helped shape our organisation. We extend our heartfelt thanks to Nick Lowe, who has been a cornerstone of Bay Venues' governance for the past eight years. As the longest-serving Board member in our 12-year history, Nick provided consistent leadership, deep insight, and unwavering commitment to our employees and wider community through periods of growth and change. We also acknowledge Adam Lynch, who has served on the Board for the past four years. Adam's strategic thinking and strong governance in health, safety and wellbeing have been invaluable to our decision-making. We thank him sincerely for his contribution and wish both Nick and Adam every success in their future endeavours. We're delighted to welcome Clare Swallow and Mary-Anne McLeod to the Board, bringing fresh perspectives and expertise to guide our strategic direction. We also introduce our new Board intern, Sam Hastings, who joins us as part of our commitment to developing future governance leaders. A special acknowledgment also to Tina Harris-Ririnui (outgoing General Manager: Operations), who marked 20 years of service this year. Her dedication, deep institutional knowledge, and unique ability to bring fun, enriched our culture and we thank her for her enduring contribution.



Mary-Anne McLeod  
Director

Wayne Beilby  
Director

Jeremy Curragh  
Director

Simon Clarke  
Chair

Julie Hardaker  
Deputy Chair

Gareth Wallis  
Director

Clare Swallow  
Director

Sam Hastings  
Board Intern



### Solar Project

The first stage of our solar panel project has been completed, with panels installed at three facilities – the Mount Hot Pools, the Adams Centre for High Performance, and Pavilion 3 at Mercury Baypark. There are plans to extend the number of solar panels at our venues across the city over the coming years, which will positively contribute to both our environmental and financial sustainability, reducing our reliance on the main grid at time when electricity prices continue to rise.

### Revolution Skate Centre

Revolution Skate Centre opened earlier this year after Pavilion 3 at Mercury Baypark was converted into a purpose-built indoor skating rink for Tauranga. The facility is being leased by Bay Roller Sports, a joint community sports venture between Mount Mustangs Inline Hockey Club and Tauranga Roller Skating Club. Both clubs have spent years hopping between community halls for their training and travelling out of town for events and games. Now, through the collective power and persistence of passionate volunteers, they have somewhere to call their own and both clubs are thriving with growing membership and a space specifically designed for their sports. They are now also able to host regional events and tournaments for the first time in many years. "It's been a dream come true," said Joel Coppins, President of both the Mount Mustangs and Bay Roller Sports. Revolution Skate Centre is also the first dedicated multi-code indoor skating rink in the region, catering to inline hockey, artistic/figure skating, speed skating, roller derby, as well as learn to skate and play programmes, roller discos, and other community events. "To come here and see the rink ready to go just felt like coming home," Tauranga Roller Skating Club President Jackie Evans said.







## HIGHLIGHTS

### The University of Waikato Haumaru Sport & Recreation Centre

Four new indoor courts opened in May in Tauranga, providing the community with much-needed space for sport and recreation as the city continues to grow. The former site of The Warehouse on Cameron Road was purchased by Tauranga City Council in early 2024 with a vision to convert the existing building into a multi-purpose sport and recreation centre, delivering new courts for the city quickly and cost effectively. The University of Waikato Haumaru Sport & Recreation Centre is the first community sports facility to open in Tauranga in more than a decade and will be home to a wide range of community sports, including basketball, volleyball, pickleball, badminton, netball, and more. The venue, which has been fully booked at peak times since day one, will also help host large sports tournaments that come to the city, such as the recent Basketball New Zealand U20 Nationals, and the annual Zespri AIMS Games. There are also opportunities for casual bookings and court hire, as well as recreational activities for local schools and the wider community. This includes Tumble Time play sessions for preschoolers and their parents during weekdays. Feedback from the community has been overwhelmingly positive and more than 3,000 people attended a Community Fun Day to celebrate the venue opening. Max Pringle, a keen basketball player and student at Ōtūmoetai Intermediate, gave Haumaru the tick of approval after attending the Community Fun Day and then playing on the courts the following week. "It's awesome to have more courts to play at. Our basketball team had our first game there on Monday and the courts, rims and backboard were perfect," Max said. "Mum said it was easy to find a park and that me and my mates could even catch the bus there sometimes." The name "Haumaru" was gifted by mana whenua. The name has local significance and also relates to health and wellbeing, which fits with the active sport and recreation activities that will take place in this facility. The University of Waikato is the naming rights partner for Haumaru, through its new commercial partnership with Bay Venues, helping to support the activation and growth of Tauranga's sports and fitness venues.



### New Catering and Cafe Contracts

Bay Catering made major advances this year, securing two new commercial catering and cafe contracts that have expanded our reach and revenue base across the city. The University of Waikato Tauranga campus contract includes both event catering as well as an on-site cafe, 101 Cafe Experiment. The contract at the Historic Village involves catering for the hireable event spaces, including the refurbished Balcony Room, as well as the operation of a new cafe at the Village, Market & Main. We have also introduced on-site composting systems at both cafes, diverting food and coffee waste from landfill and offering customers the opportunity to take home bags of compost.







## HIGHLIGHTS

### BaySwim Bringing Community and Commercial Benefits



Emily McCall was born with progressive hearing loss. She has a cochlear implant in her right ear and wears a hearing aid in her left. When she takes them off to swim, it means she cannot hear her teacher. So, at BaySwim, Emily and her teacher Heidi Dixon use sign language in the pool instead. Emily was the first student to sign up for BaySwim's new sign-supported swimming lessons, which began in August. "We are so grateful to Heidi and BaySwim for getting this off the ground," Emily's mum says. "It is just totally normalising it. She is doing what a 5-year-old girl should be able to go and do." Inclusive programming such as this is driving record growth and national recognition for BaySwim. For the first time, our swim school has climbed above 10,000 annual participants, while still maintaining a high customer satisfaction score above 88%. BaySwim's continued success is grounded in an ongoing commitment to meet people where they are and remove the barriers that are keeping them from learning to swim. For example, instead of busing or ferrying kids in from remote schools and communities like Paengaroa, Maketu, and Matakana Island, BaySwim trained teachers to deliver their own classes in Te Reo Māori, using BaySwim resources. It means learners stay in familiar environments, with trusted adults, speaking their language. And when Tauranga families also shared that language was a barrier, BaySwim hired a trilingual instructor. Now over 100 Korean and Chinese-speaking swimmers, from toddlers to adults, are enrolled and staying longer. Specialist lessons in quiet, low-light settings for people with sensory sensitivities are also fully booked each week. And an ethnic women's swimming initiative that offers culturally safe spaces to learn to swim, which BaySwim piloted with Tauranga City Council support, is also becoming increasingly popular, with high retention and all sessions full.

### Refurbishment of Community Halls

Four of our community halls across the city – Welcome Bay, Greerton, Bethlehem, and Matua – underwent much-needed refurbishment over the summer holiday period (a quieter time of year for these facilities). All four of these halls are more than 40 years old and the project was delivered on time and on budget. Feedback from the community was overwhelmingly positive. Ian Neal, representing Shuttlecocks and Hens Badminton Club, said the refurbishment had made Greerton Hall "very bright and welcoming" and added that it "even seems a more cheerful place". Dianne Mannington from Body & Soul Fitness echoed this sentiment, commending the "great mahi" and highlighting that both Greerton and Bethlehem halls are now "nice and bright and clean, a pleasure to work in". Also impressed by the project, Tony Clarke of The Bay of Plenty Remote Control Stockcar Club described the refurbished Greerton Hall as a "really amazing transformation" and noted a "real wow moment" upon seeing the completed facility for the first time this year. Clarke emphasised that the "refurbishment is top level" and said it is "a very impressive facility to be proud of and have the use of".





# FINANCIAL STATEMENTS 2024-2025

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES for the Year Ended 30 June 2025

	Note	Actual 2025 (\$'000's)	Budget 2025 (\$'000's)	Actual 2024 Restated (\$'000's)
<b>Revenue</b>				
User Revenue	2	22,252	23,339	20,621
Other Revenue	2	736	455	1,276
TCC Operational Grant	2	7,602	7,567	5,167
TCC Debt Servicing Grant	2	1,098	1,098	1,317
TCC Renewal Funding	2,29	13,798	15,887	4,824
Rehabilitation Expense Funding	2	693	-	416
Covid-19 Leave Subsidy	2	-	-	6
<b>Total Operational Revenue</b>	<b>29</b>	<b>46,179</b>	<b>48,347</b>	<b>33,627</b>
<b>Expenditure</b>				
Employee Expense	3	17,922	18,672	17,416
Administrative Expense	7	1,681	1,709	1,659
Consulting & Governance Expenses	4	1,286	761	1,251
Operating Expenses (Incl. Cogs)	5	8,306	8,777	7,967
Repairs & Maintenance Expense		991	1,225	1,191
Rehabilitation Expense		693	-	416
Profit/Loss on Disposal	13	2,664	-	144
Finance Costs		999	655	1,305
Depreciation & Amortisation Expense	6	9,345	8,406	7,981
<b>Total Operating Expenditure</b>		<b>43,887</b>	<b>40,205</b>	<b>39,330</b>
<b>Surplus/(Deficit) Before Tax</b>	<b>29</b>	<b>2,292</b>	<b>8,142</b>	<b>(5,703)</b>
Income Tax Expense	8	(1,043)	-	(6,721)
<b>Surplus/(Deficit) After Tax</b>	<b>29</b>	<b>1,249</b>	<b>8,142</b>	<b>(12,424)</b>
Gain on Property, Plant & Equipment Revaluation		-	-	21,809
Tax on Revaluation		-	-	(6,135)
		-	-	15,674
<b>Total Comprehensive Income</b>	<b>29</b>	<b>1,249</b>	<b>8,142</b>	<b>3,250</b>

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



# FINANCIAL STATEMENTS 2024-2025

## STATEMENT OF CHANGES IN EQUITY for the Year ended 30 June 2025

	Note	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 Restated (\$000's)
<b>Share Capital</b>				
Share Capital at Beginning of the Year		84,232	84,232	84,232
Loan Conversion		-	15,000*	-
<b>Share Capital at End of the Year</b>		<b>84,232</b>	<b>99,232</b>	<b>84,232</b>
<b>Retained Earnings</b>				
Retained Earnings at Beginning of the Year	29	(43,425)	(29,858)	(31,803)
Surplus/ (Deficit) for the Year	29	1,249	8,142	(12,424)
Transfer from Trustpower Reserve		-	-	933
Transfer to Mercury Reserve	18	(140)	(200)	(131)
Transfer to University of Waikato Reserve		(59)	-	-
Disposal of Property, Plant & Equipment		257	-	-
<b>Retained Earnings at End of the Year</b>	<b>29</b>	<b>(42,117)</b>	<b>(21,916)</b>	<b>(43,425)</b>
<b>Asset Revaluation Reserves</b>				
Asset Revaluation Reserves at Beginning of the Year		56,841	41,165	41,165
Net Revaluation Gains/(Loss)	19	(257)	-	15,675
<b>Asset Revaluation Reserves at End of the Year</b>		<b>56,584</b>	<b>41,165</b>	<b>56,840</b>
<b>Other Reserves</b>				
Other Reserves at Beginning of the Year		131	1,133	933
Mercury Reserve	20	140	-	131
University of Waikato Reserve		59	-	-
Trustpower Reserve		-	200	(933)
<b>Other Reserves at End of the Year</b>		<b>330</b>	<b>1,333</b>	<b>131</b>
<b>Equity Contribution from Owners</b>				
Loan Conversion at Beginning of the Year		-	-	-
Loan Conversion	21	15,000	-	-
New Capital Funding		3,097	-	-
<b>Loan Conversion at End of the Year</b>		<b>18,097</b>	<b>-</b>	<b>-</b>
<b>Equity at End of the Year</b>	<b>29</b>	<b>117,126</b>	<b>119,814</b>	<b>97,779</b>

\* Accounting treatment of loan conversion was unknown at time of budget.





# FINANCIAL STATEMENTS 2024-2025

## STATEMENT OF FINANCIAL POSITION as at 30 June 2025

	Note	Actual 2025 (\$'000's)	Budget 2025 (\$'000's)	Actual 2024 Restated (\$'000's)
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	9	1,005	2	1,526
Inventories	10	427	461	475
Debtors & Other Receivables	11	4,607	2,335	1,232
<b>Total Current Assets</b>		<b>6,039</b>	<b>2,798</b>	<b>3,233</b>
<b>Non-Current Assets</b>				
Other Non-Current Assets		-	5,501	-
Intangible Assets	12	380	572	208
Property, Plant & Equipment	13	161,831	139,574	157,035
<b>Total Non-Current Assets</b>	29	<b>162,211</b>	<b>145,647</b>	<b>157,243</b>
<b>Total Assets</b>	29	<b>168,250</b>	<b>148,445</b>	<b>160,476</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Employee Entitlements	14	2,285	1,055	2,195
Creditors & Other Payables	15	5,447	1,322	3,598
Borrowings - Adams Centre Loan	16	1,000	1,000	1,000
<b>Total Current Liabilities</b>		<b>8,732</b>	<b>3,377</b>	<b>6,793</b>
<b>Non-Current Liabilities</b>				
Borrowings - TCC Loan	16	20,011	16,771	34,565
Deferred Tax	8	22,381	8,483	21,339
<b>Total Non-Current Liabilities</b>		<b>42,392</b>	<b>25,254</b>	<b>55,904</b>
<b>Total Liabilities</b>		<b>51,124</b>	<b>28,631</b>	<b>62,697</b>
<b>Net Assets</b>	29	<b>117,126</b>	<b>119,814</b>	<b>97,779</b>
<b>Equity</b>				
Share Capital	17	84,232	99,232	84,232
Retained Earnings	18,29	(42,117)	(21,916)	(43,425)
Other Reserves	20	330	1,333	131
Equity Contribution from Owners	21	18,097	-	-
Revaluation Reserves	19	56,584	41,165	56,841
<b>Total Equity</b>	29	<b>117,126</b>	<b>119,814</b>	<b>97,779</b>

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

Simon Clarke – Director

29 September 2025

Date

Jeremy Curragh – Director

29 September 2025

Date



# FINANCIAL STATEMENTS 2024-2025

## STATEMENT OF CASHFLOWS for the Year ended 30 June 2025

	Note	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 Restated (\$000's)
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers		20,697	22,959	22,908
Grants Received	29	22,499	25,052	11,308
Dividend Received		-	11	6
Cash Received from Other Sources		168	94	356
Goods & Services Tax (Net)		(454)	-	(111)
Resident Withholding Tax		(34)	-	-
Payments to Employees		(17,831)	(18,672)	(16,975)
Payments to Suppliers		(11,133)	(12,472)	(12,567)
Interest Paid		(999)	(655)	(1,305)
<b>Net Cash Flow from Operating Activities</b>	<b>23,29</b>	<b>12,913</b>	<b>16,317</b>	<b>3,620</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of Property, Plant & Equipment		63	88	-
Purchase of Property, Plant & Equipment		(17,038)	(16,887)	(9,513)
Transfer to Depreciation Investment		-	(150)	-
<b>Net Cash Flow from Investing Activities</b>	<b>29</b>	<b>(16,975)</b>	<b>(16,949)</b>	<b>(9,513)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from Borrowings		5,042	560	11,292
Repayment of TCC Borrowings		(1,500)	-	(4,500)
<b>Net Cash Flow from Financing Activities</b>	<b>23</b>	<b>3,542</b>	<b>560</b>	<b>6,792</b>
Net Increase / Decrease in Cash Held		(520)	(72)	898
Cash & Cash Equivalents at Beginning of Year		1,526	72	629
<b>Cash, Cash Equivalents, &amp; Bank Overdrafts at the End of the Year</b>	<b>9</b>	<b>1,006</b>	<b>-</b>	<b>1,527</b>

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



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### 1.1 ENTITY STATEMENT

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

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

The financial statements of Bay Venues Limited are for the year ended 30 June 2025. The financial statements were authorised for issue by Bay Venues Limited Directors on 9 September 2025.

### 1.2 BASIS OF PREPARATION

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

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

These financial statements and service performance information have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards. These financial statements comply with PBE standards.

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

#### Measurement Base

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

#### Functional & Presentation Currency

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

### New Standards Issued & Adopted in Current Annual Reporting

Amendment applicable for the year ending 30 June 2025.

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specific categories. This new disclosure is included in Note 4.

### Standards, Amendments, and Interpretations Issued that are Not Yet Effective

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

### 1.3 REVENUE RECOGNITION

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

#### Sale of Goods

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

#### User Fees & Charges

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

#### Grant Income

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

Revenue is classified as exchange and non-exchange. Subsidised income received is recognised as non-exchange revenue.

### 1.4 BORROWING COSTS

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

### 1.5 INCOME TAXATION

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

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

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





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

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

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

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

### 1.6 LEASES

#### (i) Operating Lease

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

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

### 1.7 CASH AND CASH EQUIVALENTS

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

### 1.8 DEBTORS AND OTHER RECEIVABLES

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

### 1.9 IMPAIRMENT OF FINANCIAL ASSETS

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

#### Receivables

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

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

### 1.10 INVENTORIES

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

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

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

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

### 1.11 PROPERTY, PLANT & EQUIPMENT

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

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

#### Revaluation

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

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



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

The most recent valuations were performed by Quotable Value on buildings & land and by Forbes Valuation on property, plant & equipment, with the valuations being effective as at 30 June 2024.

### Additions

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

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

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

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

### Disposals

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

### Depreciation

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

Class of Asset Depreciated	Estimated Useful Life (Years)	Depreciation Method
<b>Operational Assets</b>		
Buildings & Improvements	1-100	SL
Plant & Equipment	1-100	SL
Computer Equipment	3-10	SL
Office Furniture & Equipment	1-20	SL
Motor Vehicles	4.5-10	SL

### 1.12 INTANGIBLE ASSETS

#### Software Acquisition & Development

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

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

#### Intellectual Property Development

Class of Intangible Asset	Estimated Useful Life	Amortisation Rates
Acquired Computer Software	3-10 years	10% - 33.3%

### 1.13 IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT

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

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

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

### 1.14 CREDITORS AND OTHER PAYABLES

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

### 1.15 BORROWINGS

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

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



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### 1.16 EMPLOYEE ENTITLEMENTS

#### Short-term Employee Entitlements

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

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

#### Long-term Employee Entitlements

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

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

#### Superannuation Schemes

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

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

### 1.17 PROVISIONS

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

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

### 1.18 EQUITY

#### Capital Management

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

Bay Venues Limited is a Council Controlled Organisation as defined by the Local Government Act 2002 which includes restrictions on how it operates and defines reporting and accountability processes. Tauranga City Council has a general security agreement over all Bay Venues Limited assets which restricts the ability to dispose of certain property and to enter into new borrowing arrangements.

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

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

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

#### Accounting Policy

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

- Share Capital - (Note 18)
- Retained Earnings - (Note 19)
- Property, Plant & Equipment Revaluation Reserve - (Note 20)
- Other Reserves - (Note 21)
- Loan Conversion - (Note 22)

#### Property Revaluation Reserves

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

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





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### Other Reserves

This reserve relates to the Mercury & University of Waikato naming rights reserve.

### Loan Conversion

This reserve relates to loan conversions including a one-off loan conversion and an annual loan conversion for funded capital.

### 1.19 GOODS & SERVICES TAX

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

Commitments and contingencies are disclosed exclusive of GST.

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

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

### 1.20 BUDGET FIGURES

The budget figures are those adopted by Bay Venues Limited and approved by Tauranga City Council in its 2024/25 Statement of Intent. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by Bay Venues Limited for the preparation of the financial statements.

### 1.21 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

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

Note 13 - Property Plant & Equipment

Note 28 - Financial Instruments

### 1.22 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Note 27 provides explanations of major variances against budget.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 2: REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

	2025 Actual (\$000's)	Actual 2024 Restated (\$000's)
<b>Non-Exchange</b>		
TCC Operational Grant	7,602	5,167
TCC Debt Servicing Grant	1,098	1,317
TCC Renewal Funding	13,798	4,824
Aquatics	5,097	4,667
Indoor Facilities	2,410	2,158
Memberships	269	262
Rehabilitation Expense Funding	693	416
Covid-19 Leave Subsidy	-	6
<b>Total Non-Exchange</b>	<b>30,967</b>	<b>18,817</b>
<b>Exchange</b>		
Memberships	2,613	2,485
Events & Catering	9,632	9,616
Other User Fees & Charges	1,347	1,304
Learn to Swim	1,619	1,404
<b>Total Exchange</b>	<b>15,211</b>	<b>14,809</b>
<b>Total Exchange &amp; Non-Exchange</b>	<b>46,178</b>	<b>33,626</b>

### NOTE 3: EMPLOYEE EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Salaries & Wages	17,231	16,655
Defined Contribution Plan Employer Contributions (Kiwisaver)	329	321
Other Personnel Expense	362	440
<b>Total Employee Expenses</b>	<b>17,922</b>	<b>17,416</b>

### NOTE 4: CONSULTING & GOVERNANCE EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Fees Incurred for Services Provided by Audit New Zealand		
Audit of the Financial Report*	156	146
<b>Total Fees Incurred for Services Provided by Audit New Zealand</b>	<b>156</b>	<b>146</b>
Consulting**	826	785
Director Fees	254	254
TCC Shared Services	24	20
Tax Advisory	26	46
<b>Total Consulting &amp; Governance Expenses</b>	<b>1,286</b>	<b>1,251</b>

\*Total audit fees incurred for services provided by Audit New Zealand in FY25 were for the annual financial report audit.

\*\* Consultancy includes SaaS costs for Humanforce & Ecoportal.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 5: OPERATING EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Cost of Goods Sold	2,561	2,562
Electricity	1,379	1,347
Insurance	774	720
Other*	3,214	2,886
Events Expenses	-	149
Marketing	378	303
<b>Total Operating Expenses</b>	<b>8,306</b>	<b>7,967</b>

\*Other Operating Expenditure includes such items as: (i) Recoverable expenses that are charged to clients (ii) Other operating costs such as cleaning and rates.

### NOTE 6: DEPRECIATION & AMORTISATION EXPENSE

	2025 Actual (\$000's)	2024 Actual (\$000's)
Buildings & Improvements	4,926	4,090
Intangibles	36	157
Office Furniture & Equipment	1,394	1,048
Plant & Equipment	2,875	2,566
Motor Vehicles	114	120
<b>Total Depreciation &amp; Amortisation</b>	<b>9,345</b>	<b>7,981</b>

### NOTE 7: ADMINISTRATIVE EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Operating Lease Costs	84	102
Other Administrative Expenses	1,596	1,557
<b>Total Administrative Expenses</b>	<b>1,680</b>	<b>1,659</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 8: INCOME TAX EXPENSE / (BENEFIT)

	2025 Actual (\$000's)	2024 Actual (\$000's)
<b>(A) Operational Surplus /(Deficit) Before Taxation</b>	2,292	(5,704)
Prima Facie Taxation at 28% (2024: 28%)	642	(1,597)
Non-Deductible Expenditure	2,755	1,967
Non Taxable Income	(2,755)	(1,967)
Prior Year Adjustment	-	150
Removal of Tax Depreciation on Buildings	-	7,526
Deferred Tax Adjustment	401	642
<b>Deferred Taxation Expense/(Benefit)</b>	<b>1,043</b>	<b>6,721</b>

### (B) Deferred Tax Asset /(Liability)

	Property, Plant & Equipment (\$000's)	Employee Entitlements (\$000's)	Other Provisions (\$000's)	Tax Losses (\$000's)	Total (\$000's)
<b>Entity</b>					
<b>Balance at 30 June 2023</b>	<b>(22,448)</b>	<b>375</b>	<b>18</b>	<b>13,572</b>	<b>(8,482)</b>
Charged to Surplus or Deficit	(8,704)	80	(1)	1,903	(6,721)
Charged to Other Comprehensive Income	(6,135)	-	-	-	(6,135)
<b>Balance at 30 June 2024</b>	<b>(37,287)</b>	<b>456</b>	<b>17</b>	<b>15,476</b>	<b>(21,338)</b>
Charged to Surplus or Deficit	(1,334)	7	9	275	(1,043)
<b>Balance at 30 June 2025</b>	<b>(38,621)</b>	<b>463</b>	<b>26</b>	<b>15,751</b>	<b>(22,381)</b>

### NOTE 9: CASH & CASH EQUIVALENTS

	2025 Actual (\$000's)	2024 Actual (\$000's)
Cash at Bank	993	1,514
Cash in Hand	12	12
<b>Total Cash &amp; Cash Equivalents</b>	<b>1,005</b>	<b>1,526</b>

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





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 10: INVENTORIES

	2025 Actual (\$000's)	2024 Actual (\$000's)
<b>Held for Distribution Inventories</b>		
Chemical at Cost	-	12
<b>Held for Commercial Inventories</b>		
Merchandise at Cost	210	218
Food & Beverages	217	245
<b>Total Inventory</b>	<b>427</b>	<b>475</b>

There is no write down of inventory during the year. No inventory is pledged as security for liabilities (2024 \$nil).

### NOTE 11: DEBTORS AND OTHER RECEIVABLES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Trade Debtors	1,653	888
Accruals	2,237*	17
Provision for Doubtful Receivables	(54)	(18)
GST Receivable	385	-
RWT Receivable	33	-
Prepayments	353	343
<b>Total Debtors &amp; Other Receivables</b>	<b>4,607</b>	<b>1,231</b>
Receivables from Non Exchange Transactions	3,082	205
Receivables from Exchange Transactions	1,525	1,025
<b>Total Debtors &amp; Other Receivables</b>	<b>4,607</b>	<b>1,231</b>

\*Includes TCC Renewal Funding washup.

	2025 Gross (\$000's)	Impairment (\$000's)	2025 Net (\$000's)	2024 Gross (\$000's)	Impairment (\$000's)	2024 Net (\$000's)
<b>Trade &amp; Related Parties Debtors</b>						
Not Past Due	1,298	-	1,298	653	-	653
Aged Receivables: 31-60 Days	75	(4)	71	120	(6)	114
Aged Receivables: 61-90 Days	161	-	161	40	-	40
Aged Receivables: Greater than 90 Days	117	(50)	67	75	(11)	64
<b>Total</b>	<b>1,651</b>	<b>(54)</b>	<b>1,597</b>	<b>888</b>	<b>(17)</b>	<b>871</b>

### FAIR VALUE

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

### IMPAIRMENT

An impairment of \$54,364 was provided for doubtful debt at 30 June 2025. (2024: \$17,934). No debtor is pledged as security for liabilities (2024: \$nil)



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### EXPECTED CREDIT LOSS (ECL) ALLOWANCE

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

### OTHER FINANCIAL ASSETS

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

### RECEIVABLES

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

### NOTE 12: INTANGIBLE ASSETS

	Computer Software (\$000's)	Total (\$000's)
<b>Cost</b>		
Balance as at 1 July 2023	2,369	2,369
Additions	9	9
Work in Progress	(216)	(216)
<b>Balance as at 30 June 2024</b>	<b>2,162</b>	<b>2,162</b>
Balance as at 1 July 2024	2,162	2,162
Additions	126	126
Disposals	(3)	(3)
Work in Progress	82	82
<b>Balance as at 30 June 2025</b>	<b>2,368</b>	<b>2,367</b>
<b>Accumulated Amortisation &amp; Impairment</b>		
Balance as at 1 July 2023	(1,797)	(1,797)
Amortisation Charge	(157)	(157)
<b>Balance as at 30 June 2024</b>	<b>(1,954)</b>	<b>(1,954)</b>
Balance as at 1 July 2024	(1,954)	(1,954)
Amortisation Charge	(36)	(36)
<b>Balance as at 30 June 2025</b>	<b>(1,990)</b>	<b>(1,990)</b>
<b>Carrying Amounts</b>		
As at 1 July 2023	572	572
As at 30 June 2024	208	208
As at 30 June 2025	377	380

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



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 13: PROPERTY PLANT AND EQUIPMENT

	2024 Cost / Valuation (\$000's)	2024 Accum Depn (\$000's)	Opening Book Value (\$000's)	2025 Asset Additions (\$000's)	2025 Asset Disposals (\$000's)	Current Depn (\$000's)	Revaluation 2025 (\$000's)	Cost Reval (\$000's)	2025 Accum Depn (\$000's)	2025 Closing Book Value (\$000's)
<b>At Cost &amp; Valuation</b>										
Land	2,400	-	2,400	-	-	-	-	2,400	-	2,400
Buildings & Improvements	126,049	-	126,049	5,762	(2,467)	(4,926)	-	129,345	(4,926)	124,419
Plant & Equipment	19,729	-	19,729	3,495	(282)	(2,875)	-	22,944	(2,875)	20,068
Office Furniture & Equipment	9,129	(4,618)	4,510	3,321	(15)	(1,394)	-	12,436	(6,012)	6,424
Motor Vehicles	1,110	(500)	610	383	(26)	(114)	-	1,467	(615)	852
<b>Subtotal</b>	<b>158,417</b>	<b>(5,118)</b>	<b>153,298</b>	<b>12,962</b>	<b>(2,789)</b>	<b>(9,309)</b>	<b>-</b>	<b>168,592</b>	<b>(14,427)</b>	<b>154,163</b>
Work in Progress	3,737	-	3,737	16,893	(12,962)	-	-	7,668	-	7,668
<b>Total</b>	<b>162,154</b>	<b>(5,118)</b>	<b>157,035</b>	<b>29,855</b>	<b>(15,751)</b>	<b>(9,309)</b>	<b>-</b>	<b>176,260</b>	<b>(14,427)</b>	<b>161,831</b>

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

	2023 Cost / Valuation (\$000's)	2023 Accum Depn (\$000's)	Opening Book Value (\$000's)	2024 Asset Additions (\$000's)	2024 Asset Disposals (\$000's)	Current Depn (\$000's)	Revaluation 2024 (\$000's)	Cost Reval (\$000's)	2024 Accum Depn (\$000's)	2024 Closing Book Value (\$000's)
<b>At Cost &amp; Valuation</b>										
Land	2,500	-	2,500	-	-	-	(100)	2,400	-	2,400
Buildings & Improvement	113,870	(7,189)	106,680	4,158	-	(4,090)	19,301	126,049	-	126,049
Plant & Equipment	22,942	(4,756)	18,186	1,648	(146)	(2,566)	2,608	19,729	-	19,729
Office Furniture & Equipment	7,124	(3,570)	3,554	2,005	-	(1,048)	-	9,129	(4,618)	4,510
Motor Vehicles	980	(381)	599	130	-	(120)	-	1,110	(500)	610
<b>Sub Total</b>	<b>147,415</b>	<b>(15,896)</b>	<b>131,519</b>	<b>7,941</b>	<b>(146)</b>	<b>(7,823)</b>	<b>21,809</b>	<b>158,417</b>	<b>(5,118)</b>	<b>153,298</b>
Work in Progress	1,953	-	1,953	9,510	(7,725)	-	-	3,737	-	3,737
<b>Total</b>	<b>149,368</b>	<b>(15,896)</b>	<b>133,472</b>	<b>17,451</b>	<b>(7,871)</b>	<b>(7,823)</b>	<b>21,809</b>	<b>162,154</b>	<b>(5,118)</b>	<b>157,035</b>





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### VALUATION

#### CRITICAL ACCOUNTING ESTIMATES & ASSUMPTIONS

##### Land & Buildings

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

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

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

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

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

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

##### Restrictions

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

There is no restriction on the other classes of asset in the account and no amount of any Property, Plant & Equipment was pledged as security for liabilities.

##### Plant

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

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

The age of each asset has been established utilising:

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

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

### WORK IN PROGRESS

The total amount of property, plant, and equipment in the course of construction is \$7,788,922 (2024 \$3,775,862). Intangibles in the course of construction, included in above balance, is \$120,840 (2024 \$38,581).



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### DISPOSAL OF ASSETS

During the year, we undertook major building upgrades to our Halls & Greerton Pools. As part of these works, portions of existing building assets were replaced & removed from the asset register resulting in a partial disposal. Of the \$2.7m loss on disposal recognised in the statement of comprehensive revenue and expense, \$2.1m is related to the partial disposal of building assets with residual value remaining therefore triggering a loss on disposal.

### NOTE 14: EMPLOYEE ENTITLEMENT LIABILITIES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Accrued Pay	449	377
Annual Leave*	1,654	1,628
ACC Employer Contribution	39	42
Payroll Taxes	143	148
<b>Total Employee Entitlements</b>	<b>2,285</b>	<b>2,195</b>

\*Annual Leave includes estimate of \$630k for Holiday Act Remediation in both FY25 & FY24.

### NOTE 15: CREDITORS AND OTHER PAYABLES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Income in Advance	682	540
Trade & Other Payables	2,006	549
Accrued Expenditure	2,732	2,416
Deposits & Bonds	27	24
GST Payable	-	69
<b>Total Creditors &amp; Other Payables</b>	<b>5,447</b>	<b>3,598</b>
Payables from Non Exchange Transactions	440	4
Payables from Exchange Transactions	5,007	3,593
<b>Total Creditors &amp; Other Payables</b>	<b>5,447</b>	<b>3,597</b>

#### Accounting Policy

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

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

There is a liability calculated by ASB Bank for our Credit Card Clearing account \$16,073 (2024 : \$19,087)



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 16: BORROWINGS

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
<b>Current Borrowings</b>		
Adams Centre for High Performance	1,000	1,000
<b>Total Current Portion</b>	<b>1,000</b>	<b>1,000</b>
<b>Non-Current Borrowings</b>		
Loan from Tauranga City Council*	20,011	34,565
<b>Total Non-Current Portion</b>	<b>20,011</b>	<b>34,565</b>

\*Refer to Note 25: Related Party Transactions for details.

### SECURITY

Tauranga City Council loan is unsecured.

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

### FINANCE COSTS

Tauranga City Council charge interest at 5.25%. (2024 : 4.25%)

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

### NOTE 17: SHARE CAPITAL

#### Fully Paid Ordinary Shares

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Balance at Beginning of Financial Year	84,232	84,232
Reclassification of Capital	-	-
<b>Closing Balance of Ordinary Shares Issued</b>	<b>84,232</b>	<b>84,232</b>

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

### NOTE 18: RETAINED EARNINGS

	Actual 2025 (\$000's)	Actual 2024 Restated (\$000's)
<b>Accumulated Funds</b>		
Balance at 1 July	(43,425)	(31,803)
Surplus/(Deficit) for the Year	1,249	(12,424)
Transfer (to) / from Trustpower Reserve	-	933
Transfer to Mercury Reserve	(140)	(131)
Transfer to University of Waikato Reserve	(59)	-
Disposal of Property, Plant & Equipment	257	-
<b>Balance 30 June 2025</b>	<b>(42,117)</b>	<b>(43,425)</b>





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 19: REVALUATION RESERVE

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Balance at 1 July	56,841	41,165
Net Revaluation Gains	(257)	15,675
<b>Balance at 30 June</b>	<b>56,584</b>	<b>56,840</b>

### NOTE 20: OTHER RESERVES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Naming Rights	330	131
<b>Total Reserves</b>	<b>330</b>	<b>131</b>

The Naming Rights reflects the Mercury naming rights arrangement for Mercury Baypark and the University of Waikato sports & fitness partnership.

### NOTE 21: EQUITY CONTRIBUTION FROM OWNERS

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Loan Conversion	15,000	-
New Capital Funding	3,097	-
<b>Total</b>	<b>18,097</b>	<b>-</b>

Loan conversion is the reduction of part of the loan from Tauranga City Council to Bay Venues Limited, converting the loan to equity. This loan was converted to equity, as this is a material one-off transaction.

New Capital Funding is recognising Tauranga City Council's funding of 80% of the funded capital network via debt to equity conversion.

Refer to Note 25: Related Party Transactions for details.

### NOTE 22: CONTINGENCIES

Bay Venues Limited has no contingent liabilities at 30 June 2025 (2024: \$180,000).

Bay Venues Limited has no contingent assets at 30 June 2025 (2024: nil).

Bay Venues Limited has no contingent rent recognised during the year. (2024: nil).

### NOTE 23: RECONCILIATION OF NET SURPLUS / (DEFICIT) AFTER TAX TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Actual 2025 (\$000's)	Actual 2024 Restated (\$000's)
<b>Net Surplus / (Deficit) from Statement of Comprehensive Income</b>	<b>1,249</b>	<b>(12,424)</b>
<b>Add/(Deduct) Non Cash Items</b>		
Depreciation/Amortisation + Loss on Disposal	12,010	8,124
<b>Add/(Deduct) Movements in Working Capital</b>		
Movement in Trade & Other Receivables	(3,342)	1,263
Movement in Inventories	47	(13)
Movement in Employee Entitlements	90	441
Movement in Trade & Other Payables	2,303	(381)
Movement in GST Payable	(454)	(111)
Movement in Deferred Tax Relating to Operating Activities	1,043	6,721
Movement in RWT Payable	(34)	-
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>12,912</b>	<b>3,620</b>



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 23: (A) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Loan from Tauranga City Council 2025 (\$000's)	Loan from Tauranga City Council 2024 (\$000's)
Balance as at 1 July	34,565	27,773
Cash Inflows	5,042	11,292
Cash Outflows	(1,500)	(4,500)
Non-Cash Changes*	(18,097)	-
Balance as at 30 June	20,010	34,565

\*Equity Contribution from Owners, refer to Note 25: Related Party Transactions for details.

### NOTE 24: CAPITAL COMMITMENTS AND OPERATING LEASES

#### Capital Commitments

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

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Mother Grid Truss & Motors	240	-
Total capital commitments	240	-

#### OPERATING LEASES AS LESSEE

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

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Not Later than One Year	37	44
Later than One Year & Not Later than Five Years	-	30
Total Non-Cancellable Operating Leases	37	74

#### OPERATING LEASES AS LESSOR

The Company provides the lease of facilities in the normal course of its business. Signed lease agreements are in place for periods from 12 to 250 months.

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Not Later than One Year	280	320
Later than One Year & Not Later than Five Years	743	632
Later than Five Years	1,634	1,737
Total Non-Cancellable Operating Leases	2,657	2,689

No contingent rents have been recognised during the year (2024: nil).



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 25: RELATED PARTY TRANSACTIONS

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

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

During the year there were multiple related-party non-cash financing transactions which are equity contributions from owners:

- **Loan Conversion:** Council re-allocated \$15m of capital to offset the financial impact of the pandemic and un-funded asset purchases at Baypark & Adams Centre for High Performance by way of converting the loan to equity to re-balance Bay Venues debt-to-equity ratio. This transaction included a loan reduction & an increase in equity, being an increased equity contribution from Council.
- **New Capital Funding:** Council annually funds 80% of the funded new capital programme. Assets are classified as part of the funded network if they deliver community benefit. This transaction includes a loan reduction & an increase in equity, being an equity contribution from Council.

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
<b>Transactions with Key Management Personnel</b>		
Salaries & Other Short Term Employee Benefits	1,352	1,231
Directors Fees & Travel	254	254
<b>Total Key Management Personnel Remuneration</b>	<b>1,606</b>	<b>1,485</b>
<b>Total Full-Time Equivalent Personnel</b>	<b>7</b>	<b>7</b>

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

### NOTE 26: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

2024-25 Budget has been updated after the SOI has been published, therefore explanations for major variances from the Company's updated & approved budget figures for 2024-25 are as follows:

#### Statement of Comprehensive Revenue & Expense

- User fee revenue was \$1.09m behind SOI budget and \$0.76m behind updated budget due to a decline in customer spend in aquatics and lower volumes across Events and Sports & Fitness.
- Employee expenses were \$0.75m below SOI budget and \$0.93m below updated budget due to an organisational reset.
- Renewal funding was \$2m below budget due to a small number of significant projects brought forward to prior year (2023/24) and delayed to the following year (2025/26), as well as funding for SaaS projects transferred to operational funding.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 27: FINANCIAL INSTRUMENTS

#### (A) FINANCIAL INSTRUMENT CATEGORIES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
<b>FINANCIAL ASSETS</b>		
<b>Loans &amp; Receivables</b>		
Cash & Cash Equivalents	1,005	1,526
Debtors & Other Receivables	1,598	870
<b>Total Financial Assets</b>	<b>2,603</b>	<b>2,396</b>
<b>FINANCIAL LIABILITIES</b>		
Financial Liabilities at Amortised Cost		
Creditors & Other Payables	2,043	571
Borrowings - Adams Centre Loan	1,000	1,000
Borrowings - TCC Loan	20,011	34,565
<b>Total Financial Liabilities</b>	<b>23,054</b>	<b>36,136</b>

#### (B) FINANCIAL INSTRUMENT RISKS

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

##### (i) MARKET RISK

###### Fair Value Interest Rate Risk

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

###### Cash Flow Interest Rate Risk

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

###### Currency Risk

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

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

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

###### Sensitivity Analysis

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





# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

	Interest Rate Risk			
	-50BPS Surplus/(Deficit) (\$000's)	Equity (\$000's)	+50BPS Surplus/(Deficit) (\$000's)	Equity (\$000's)
<b>30 JUNE 2025</b>				
Financial Liabilities				
Secured Loans	105	-	(105)	-
<b>Total Sensitivity</b>	<b>105</b>	<b>-</b>	<b>(105)</b>	<b>-</b>

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

### Explanation of Interest Rate Risk Sensitivity

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

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of 50bps/+50bps (2024: 100bps/+100bps).

### (ii) CREDIT RISK

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

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

Bay Venues Limited complies with Councils Treasury Policy which permits a minimum credit rating of A for registered banks and other organisations. On 30 June 2025 all financial instruments were held with the New Zealand registered trading banks which are rated AA-. There are no major concentrations of credit risk in relation to debtors and other receivables, as it has many credit customers.

### Maximum Exposure to Credit Risk

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

	30 June 2025 (\$000's)	30 June 2024 (\$000's)
Cash at Bank	1,005	1,526
Debtors & Other Receivables	1,598	870
<b>Total Credit Risk</b>	<b>2,603</b>	<b>2,396</b>

### Credit Quality of Financial Assets

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

Counterparties with Credit Ratings	30 June 2025 (\$000's)	30 June 2024 (\$000's)
Cash at Bank		
AA-	1,005	1,526
<b>Total Credit Risk</b>	<b>1,005</b>	<b>1,526</b>

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



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### (iii) LIQUIDITY RISK

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

#### Contractual Maturity Analysis

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

	Less than 1 Year (\$000's)	Between 1 & 2 Years (\$000's)	Between 2 & 5 years (\$000's)	Over 5 Years (\$000's)	Total Contractual Cash Flows (\$000's)
<b>30 JUNE 2025</b>					
<b>Contractual Maturity Analysis</b>					
<b>Financial Assets</b>					
Cash & Cash Equivalents	1,005	-	-	-	1,005
Debtors & Other Receivables	1,598	-	-	-	1,598
<b>Total Financial Assets</b>	<b>2,603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,603</b>
<b>Financial Liabilities</b>					
Borrowings - Adams Centre Loan	1,000	-	-	-	1,000
Creditors & Other Payables	2,043	-	-	-	2,043
Borrowings - TCC Loan	-	-	-	20,011	20,011
<b>Total Financial Liabilities</b>	<b>3,043</b>	<b>-</b>	<b>-</b>	<b>20,011</b>	<b>23,054</b>
<b>30 JUNE 2024</b>					
<b>Contractual Maturity Analysis</b>					
<b>Financial Assets</b>					
Cash & Cash Equivalents	1,526	-	-	-	1,526
Debtors & Other Receivables	870	-	-	-	870
<b>Total Financial Assets</b>	<b>2,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,396</b>
<b>Financial Liabilities</b>					
Borrowings - Adams Centre Loan	1,000	-	-	-	1,000
Creditors & Other Payables	570	-	-	-	570
Borrowings - TCC Loan	-	-	-	34,565	34,565
<b>Total Financial Liabilities</b>	<b>1,570</b>	<b>0</b>	<b>0</b>	<b>34,565</b>	<b>36,135</b>

#### NOTE 28: EVENTS AFTER BALANCE DATE

After year end Council has approved the sale of the Stadium North Stand to Speedway Racing Limited for \$1, pending execution of a formal agreement. Bay Venues will seek third party accounting advice to determine the impact to the financial statements in FY26.



# STATEMENT OF ACCOUNTING POLICIES AND NOTES

## for the Year Ended 30 June 2025

### NOTE 29: PRIOR PERIOD ERROR CORRECTION

In accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors, the financial statements have been restated to correct an error identified in the accounting for depreciation contributions to Council. In the prior period from 2016 onwards, Bay Venues classified the depreciation contribution to Council as a non-current asset each year, whereas Council treated that as a revenue. To address this inconsistency in accounting, the error in Bay Venues accounts has been corrected by adjusting the depreciation contributions created till 1 July 2023 to retained earnings and contribution for 2023/24 adjusted in income statement for 2023/24. The correction has no impact on the Statement of Comprehensive Revenue and Expenses for the current period, as the error relates to prior periods. The impact of the adjustments on the comparative information in these financial statements is as follows:

	2024 As Previously Reported (\$000's)	Adjustment (\$000's)	Restated 2024 (\$000's)
<b>Statement of Comprehensive Revenue and Expenses</b>			
Renewals Funding	5,894	(1,070)	4,824
Total Operating Revenue	34,697	(1,070)	33,627
Surplus/(Deficit) Before Tax	(4,633)	(1,070)	(5,703)
Surplus/(Deficit) After Tax	(11,354)	(1,070)	(12,424)
Total Comprehensive Income	4,320	(1,070)	3,250
<b>Statement of Changes in Equity</b>			
Retained Earnings at Beginning of the Year	(27,448)	(4,355)	(31,803)
Surplus/ (Deficit) for the Year	(11,354)	(1,070)	(12,424)
Retained Earnings at End of the Year	(38,000)	(5,425)	(43,425)
Equity at End of the Year	103,204	(5,425)	97,779
<b>Statement of Financial Position</b>			
Other Non-Current Assets	5,425	(5,425)	-
Total Non-Current Assets	162,668	(5,425)	157,243
Total Assets	165,901	(5,425)	160,476
Net Assets	103,204	(5,425)	97,779
Retained Earnings	(38,000)	(5,425)	(43,425)
Total Equity	103,204	(5,425)	97,779
<b>Statement of Cash Flows</b>			
Grants Received	12,378	(1,070)	11,308
Net Cash Flow from Operating Activities	4,690	(1,070)	3,620
Transfer to Depreciation Investment	(1,070)	1,070	-
Net Cash Flow from Investing Activities	(10,584)	1,070	(9,514)

The figures in the notes have been updated for the impact of the prior period error accordingly.



# STATUTORY DISCLOSURES

## for the Year Ended 30 June 2025

### STATUTORY DISCLOSURES

#### NATURE OF BUSINESS

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

#### EMPLOYEES REMUNERATION EXCEEDING \$100,000

	Actual Number of Employees	
	2025	2024*
\$100,001 - \$110,000	4	2
\$110,001 - \$120,000	3	2
\$120,001 - \$130,000	1	5
\$130,001 - \$140,000	3	4
\$140,001 - \$150,000	2	-
\$150,001 - \$160,000	1	1
\$160,001 - \$170,000	1	2
\$170,001 - \$180,000	1	-
\$180,001 - \$190,000	-	2
\$190,001 - \$200,000	2	1
\$200,001 - \$210,000	1	1
\$270,001 - \$280,000	1	-
\$290,001 - \$300,000	-	1
\$300,001 - \$310,000	1	-
<b>Total Employees</b>	<b>21</b>	<b>21</b>

Remuneration includes paid and payable at 30 June 2025.

\*Prior year bands have been restated to include employer's KiwiSaver contribution.

#### CHIEF EXECUTIVE REMUNERATION

Total Remuneration Paid or Payable	2025	2024
\$290,001 - \$300,000	-	1
\$300,001 - \$310,000	1	-

This is also reflected in the employees remuneration table above.





## STATUTORY DISCLOSURES

### for the Year Ended 30 June 2025

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

Director	Appointed Date	Resigned Date	Director Fees 2025	Travel & Accom 2025	Director Fees 2024	Travel & Accom 2024
Nick Lowe	07/01/2017	30/06/2025	35,000	-	35,000	-
Simon Clarke (Chair)	07/01/2021	N/A	70,000	-	70,000	-
Julie Hardaker (Deputy Chair)	07/01/2021	N/A	43,750	-	43,750	-
Adam Lynch	07/01/2021	30/06/2025	35,000	-	35,000	-
Jeremy Curragh	07/01/2021	N/A	35,000	-	35,000	-
Wayne Beilby	25/07/2022	N/A	35,000	-	35,000	-
Gareth Wallis*	05/10/2021	N/A	-	-	-	-

*Sam Hastings & Carey Ulrich were Board Interns in 2025.*

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

*\*Gareth Wallis is not paid Director fees as he is a Tauranga City Council staff appointment.*

### DONATIONS

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

### INTEREST REGISTER

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



# FINANCIAL PERFORMANCE

## for the Year Ended 30 June 2025

	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 (\$000's)
Revenue	31,283	31,361	27,485
Less Expenses	(33,542)	(31,143)	(30,045)
<b>EBITDA</b>	<b>(2,259)</b>	<b>218</b>	<b>(2,560)</b>
<b>Add back Adjustments for Prior Year &amp; Capital Transactions</b>			
Holiday Act Remediation Provision	-	-	180
Loss on Disposal of Assets	2,664	-	144
<b>Adjusted EBITDA</b>	<b>405</b>	<b>218</b>	<b>(2,236)</b>

### Notes:

- Revenue includes TCC Operational Grant, user fees and charges and other sundry revenue. Excludes TCC funding for depreciation, debt servicing and renewals.
- Expenditure includes costs relating to employees, administration, cost of goods sold, marketing, governance, normal business operations and repairs and maintenance. Excludes depreciation and debt servicing.
- During the year, major upgrades to our Halls & Greerton Pools led to partial disposal of building assets. Of the \$2.7m disposal loss recognised, \$2.1m relates to assets with remaining residual value, triggering the loss.
- Details on the results and variances to budget are reported within the Annual Financial Statements and notes.

### RECONCILIATION TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

	Actual 2025 (\$000's)
<b>Adjusted EBITDA</b>	<b>405</b>
Add	
TCC Debt Servicing Grant	1,098
TCC Renewal Funding	13,798
Less	
Finance Cost	(999)
Depreciation	(9,346)
Loss on Disposal of Assets	(2,664)
<b>Surplus Before Tax</b>	<b>2,292</b>



# INDEPENDENT AUDITOR'S REPORT

## TO THE READERS OF BAY VENUES LIMITED'S FINANCIAL STATEMENTS AND STATEMENT OF INTENT PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

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

We have audited:

- the financial statements of the Company on pages 11 to 35, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of intent performance of the Company for the year ended 30 June 2025 on pages 7 and 38.

### OPINION

In our opinion:

- the financial statements of the Company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of intent performance:
  - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and
  - has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 29 September 2025. This is the date at which our opinion is expressed.

### BASIS FOR OUR OPINION

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

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

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

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS AND THE STATEMENT OF INTENT PERFORMANCE

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

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

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

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



# INDEPENDENT AUDITOR'S REPORT

## RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE STATEMENT OF INTENT PERFORMANCE

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

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

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

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

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

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

whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of intent performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We evaluate the overall presentation, structure and content of the statement of intent performance, including the disclosures, and assess whether the statement of intent performance achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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

Our responsibilities arise from the Public Audit Act 2001.

## OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and the statement of intent performance, and our auditor's report thereon.

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

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





# INDEPENDENT AUDITOR'S REPORT

## INDEPENDENCE

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

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

**Leon Pieterse**

Audit New Zealand

On behalf of the Auditor-General

Tauranga, New Zealand



**[bayvenues.co.nz](http://bayvenues.co.nz)**