

**REGIONAL FACILITIES AUCKLAND LIMITED
ANNUAL REPORT
FOR THE EIGHT MONTHS ENDED
30 JUNE 2011**

REGIONAL FACILITIES AUCKLAND LIMITED

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REGIONAL FACILITIES AUCKLAND LIMITED COMPANY DIRECTORY

**Registered Office and
Address for Service**

Auckland Council
Civic Building
1 Greys Avenue
Auckland
1010

Date of Formation

17 September 2010

Directors

Sir Donald Charles McKinnon
49 Dell Road
Rd 4
Pukekohe
2679

Dame Jennifer Barbara Gibbs
31 Paritai Drive
Orakei
Auckland

John Richard Avery
12 Sylvan Park Avenue
North Shore City
Auckland

Graham Hugh Burrett
Apartment 27 Shed 24
143 Quay Street
Auckland

John Derek Dallow
1 Mckenzie Avenue
Arkle Bay
Whangaparaoa

John Struan Robertson
53 Clevedon Road
Papakura

Rukumoana Tira Marie Schaafhausen
3 Short Avenue
Manukau

Peter Geoffrey Stubbs
15 Peel Street
Westmere

Gary Bertam Troup
204 St George Street
Manukau

REGIONAL FACILITIES AUCKLAND LIMITED DIRECTORS' REPORT

Nature of Business

Corporate Trustee for the Regional Facilities Auckland Trust.

Auditor

In accordance with Section 200 of the Companies Act 1993, Audit New Zealand on behalf of the Auditor-General, was appointed.

Annual Report

The 2011 Annual Report contained in this publication is signed for and on behalf of the Board of Directors.

For and on behalf of the Board



Chairman



Director

29 September 2011

Date

29 September 2011

Date

Independent Auditor's Report

To the readers of Regional Facilities Auckland Limited's financial statements and statement of service performance for the eight months ended 30 June 2011

The Auditor-General is the auditor of Regional Facilities Auckland 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 statement of service performance of the company on her behalf.

We have audited:

- the financial statements of the company on pages 8 to 14, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income and the statement of changes in equity for the eight months ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company on page 15.

Opinion on the financial statements and the statement of service performance

In our opinion:

- the financial statements of the company on pages 8 to 14:
 - comply with generally accepted accounting practice in New Zealand;
 - give a true and fair view of the company's:
 - financial position as at 30 June 2011; and
 - financial performance and cash flows for the eight months ended on that date; and
- the statement of service performance of the company on page 15:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2011.

Opinion on other legal requirements

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

Our audit was completed on 29 September 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the financial statements and statement of service performance that give a true and fair view of the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

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

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

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

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

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

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

Responsibilities of the Auditor

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

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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
Auckland, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of Regional Facilities Auckland and group for the eight months ended 30 June 2011 included on THE EDGE's website. Regional Facilities Auckland Board of Directors is responsible for the maintenance and integrity of THE EDGE's website. We have not been engaged to report on the integrity of THE EDGE's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and the related audit report dated 29 September 2011 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the eight months ended 30 June 2011

	Note	2011 \$
Revenue		223,592
Expense	4	223,592
Surplus before taxation		<u>-</u>
Income Tax		<u>-</u>
Total Comprehensive income		<u>-</u>

The accompanying notes form part of these financial statements

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF CHANGES IN EQUITY
For the eight months ended 30 June 2011

	Share Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 November 2010	-	-	-
Total Comprehensive Income	-	-	-
Balance at 30 June 2011	<u> </u>	<u> </u>	<u> </u>

The accompanying notes form part of these financial statements

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2011

	Note	2011 \$
EQUITY		
Share Capital	3	-
Retained Earnings		-
Total Equity		-
Represented by:		
Total assets		-
Total liabilities		-
Net Assets		-

Signed for and on behalf of the Board

Chairman

Director

29 September 2011

Date

29 September 2011

Date

The accompanying notes form part of these financial statements

REGIONAL FACILITIES AUCKLAND LIMITED
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
For the eight months ended 30 June 2011

The Directors of RFAL are responsible for the preparation of Regional Facilities Auckland Limited the Company, financial statements, and for the judgements made in them.

The Directors of RFAL have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service reporting.

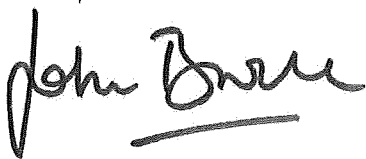
In the Directors opinion, these financial statements fairly reflect the financial position and operations of the Company for the eight months ended 30 June 2011.

Signed



Sir Don McKinnon
Chairman
Regional Facilities Auckland Limited

Signed



John Brockies
Chief Executive
Regional Facilities Auckland

REGIONAL FACILITIES AUCKLAND LIMITED
Notes to the Financial Statements
For the eight months ended 30 June 2011

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Regional Facilities Auckland Limited ('the Company') is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993. The company is wholly owned by Auckland Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002.

The primary objective of the Company is to act as a Corporate Trustee for Regional Facilities Auckland. The only transactions include the payment of Directors fees and associated expenses, which are reimbursed by Regional Facilities Auckland.

Basis of Preparation

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards as appropriate to public benefit entity.

The Company is designated as a public benefit entity. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

Measurement Base

The financial statements are prepared on the historical cost basis.

Presentation Currency

The financial statements are presented in New Zealand dollars (\$) which is the Company's functional and presentation currency, rounded to the nearest thousand.

Differential Reporting

The company is a qualifying entity for differential reporting purposes. The grounds on which the company qualifies are that it:

- Is not publicly accountable within the meaning of the Framework for Differential Reporting; and
- Is not large, as the company has less than 50 employees, total assets less than \$10 million in value and total revenue less than \$20 million for the year.

The financial statements have been prepared so as to take advantage of all available differential reporting concessions.

Significant Accounting Policies

- a) Income Tax: The company is exempt from income tax.
- b) Goods and Services Tax: With the exception of trade payables and receivables, all items are stated exclusive of Goods and Services Tax.
- c) Revenue: The company receives funding from Regional Facilities Auckland to meet costs of director's fees and associated costs.

REGIONAL FACILITIES AUCKLAND LIMITED
Notes to the Financial Statements
For the eight months ended 30 June 2011

2. ESTABLISHMENT OF REGIONAL FACILITIES AUCKLAND LIMITED

Regional Facilities Auckland Limited (The Company) is a new entity established on 1 November 2010 by the Local Government (Tamaki Makaurau Reorganisation) Establishment of Council- controlled Organisations Order 2010. The Company is the sole corporate trustee of Regional Facilities Auckland (RFA) and is a wholly owned subsidiary of Auckland Council.

The Order in Council specifies the objectives of The Company being:

- To ensure that RFA is administered, and its property held, for the purposes set out in RFA's deed of trust.
- To undertake any activities, in accordance with the deed of trust, that further those purposes.
- To work with the Auckland Council, the Government, and the governing bodies of entities that hold or own facilities and amenities of regional significance for which RFA is not responsible with a view to bringing those facilities and amenities within the framework of RFA.

All the assets and liabilities vested in The Company as Corporate Trustee are accounted for in the financial statements of RFA. Similarly all operational matters are routed through RFA with only costs associated with directors remuneration recognised in the financial statements of The Company. RFA reimburses these costs by way of a management fee paid to The Company. (refer Note 4).

3. EQUITY

Share Capital

At 30 June 2011, share capital comprised of 1,000 authorised and issued ordinary shares. All issued shares are unpaid.

4. DIRECTORS FEES

Directors received the following remuneration (including reimbursements):

John Richard Avery	20,416
Graham Hugh Burrett	22,884
Derek John Dallow	22,884
Jennifer Barabara Gibbs	28,605
Donald Charles McKinnon	45,769
John Struan Roberston	19,946
Rukumoana Tira Marie Schaafhausen	23,333
Gary Troup	19,519
Peter Stubbs	20,236
	<u>223,592</u>

5. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There are no capital commitments or contingent liabilities as at 30 June 2011.

REGIONAL FACILITIES AUCKLAND LIMITED
Notes to the Financial Statements
For the eight months ended 30 June 2011

6. RELATED PARTIES

Related Parties include:

Auckland Council – parent entity, no trading or closing balances.

Regional Facilities Auckland - Management fee received \$223,592

7. EVENTS OCCURRING AFTER BALANCE DATE

There have been no events occurring after balance date, which materially affect the financial statements.

8. COMPARATIVES

These are the first year of trading therefore no comparatives are presented.

REGIONAL FACILITIES AUCKLAND LIMITED
Notes to the Financial Statements
For the eight months ended 30 June 2011

STATEMENT OF SERVICE PERFORMANCE

The objectives of Regional Facilities Auckland Limited are stated in the Local Government (Tamaki Makaurau Reorganisation) Establishment of Council-controlled Organisation Order 2010.

These objectives and our performance against them is as follows:

6(a) to ensure that Regional Facilities Auckland is administered, and its property held, for the purposes set out in the deed of trust; and	Regional Facilities Auckland has been administered a manner that has ensured compliance with the Deed of Trust. The property vested in Regional Facilities Auckland Limited as Corporate Trustee of Regional Facilities Auckland has been made available to progress the objectives and performance of Regional Facilities Auckland.
(b) to undertake any activities, in accordance with the deed of trust, that further those purposes; and	All activities of Regional Facilities Auckland Limited have been undertaken in accordance with the Deed of Trust to progress the objectives and performance of Regional Facilities Auckland.
(c) to work with the Auckland Council, the government, and the governing bodies of entities that hold or own facilities and amenities of regional significance for which Regional Facilities Auckland is not responsible with a view to bringing those facilities and amenities within the framework of Regional Facilities Auckland.	Regional Facilities Auckland at request of Regional Facilities Auckland Limited have initiated discussion with a wide range of interested parties to establish ways in which effective relationship and activities can be carried out that maximise the benefits of Regional Facilities in future.

Note 2 above explains the relationship between Regional Facilities Auckland and Regional Facilities Auckland Limited. Given all activities are in effect carried out and assets and liabilities and other matters are also carried out by Regional Facilities Auckland, the overall performance of Regional Facilities Auckland Limited is reflected in the performance of Regional Facilities Auckland.

Regional Facilities Auckland performance against its approved Statement of Intent is reported in Regional Facilities Auckland forming part of its Annual Report.