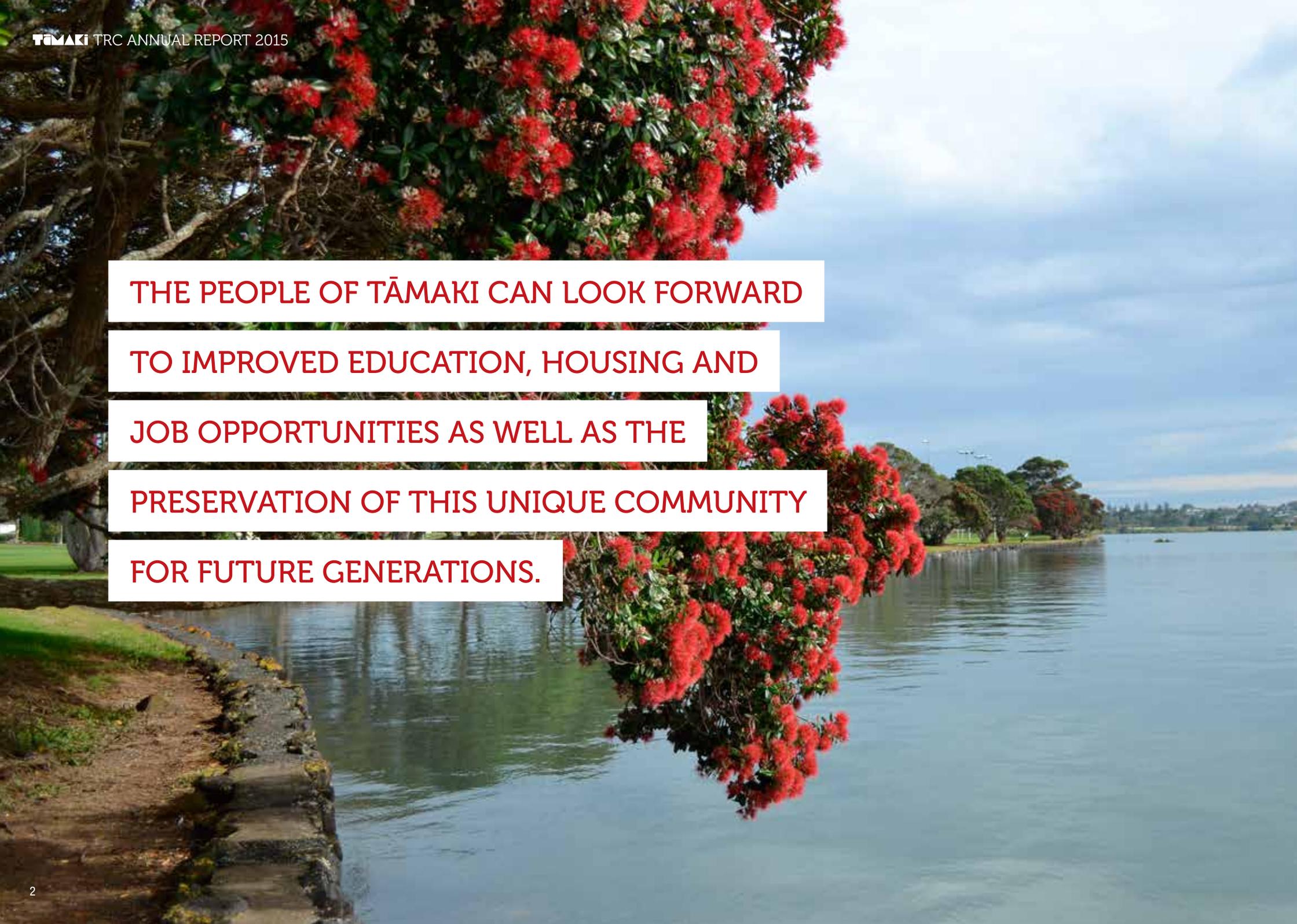


TÄMMÄKI

ANNUAL REPORT 2015



THE PEOPLE OF TĀMAKI CAN LOOK FORWARD
TO IMPROVED EDUCATION, HOUSING AND
JOB OPPORTUNITIES AS WELL AS THE
PRESERVATION OF THIS UNIQUE COMMUNITY
FOR FUTURE GENERATIONS.

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MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE

DELIVERY BASED ON PARTNERSHIP

AND COLLABORATION

The Tāmaki Regeneration Programme is a highly visible and pioneering example of Crown and Auckland Council policy making and implementation.

Whilst the Tāmaki Redevelopment Company's (TRC) shareholding belongs to the Crown and Council, the regeneration vision and narrative must continue to belong to the community. TRC is well aware of the need to continuously build on the strong goodwill within the community and amongst our stakeholders.

HIGHLIGHTS

There have been a number of highlights over the last financial year – both at the strategic level and also on the ground in the community.

The New Zealand Cabinet agreed that the ownership and management of approximately 2,800 social homes currently held by Housing NZ in Tāmaki will be transferred to TRC by 31 March 2016. This is a game changer for the regeneration programme. The announcement on 30 April 2015 provided certainty to both the community and the market.

As Minister English said at the announcement, the Government system has not delivered tangible outcomes for the Tāmaki community over the last 10 years. The Government's commitment to the community was that the next 10 years will be better.



BRIAN DONNELLY
CHAIR



JOHN HOLYOAKE
CHIEF EXECUTIVE

Shareholder agreement to the Tāmaki Business Implementation Plan (BIP) was another highlight. It will guide our development pipeline of work and ensure TRC is accountable in its regeneration delivery over the next five years.

Our neighbourhood catalyst projects of Fenchurch and Elstree/Overlea in partnership with Housing NZ are well underway. We are proud that the first families have moved into their new homes. Having nine of the eleven families from the Fenchurch area rehoused proves that the Tāmaki Commitment can be achieved through transparent and effective communication with residents.

The completion of the Glenbrae KIDS Early Childhood Education Centre and the community hub (Te Whare Piringa) proves that regeneration is more than about houses. The popularity of both projects with local residents is humbling in particular the Early Childhood Education Centre (ECE) which reached its current roll of 48 kids (maximum 60) in four months. Having locals working on these projects whether it is a Tāmaki College student or a local sub-contractor sets a good precedent towards ensuring Tāmaki residents are part of delivering the projects.

Our partnership with Housing NZ is now moving on a different track with the building blocks established for the effective transition work to be completed by 31 March 2016. Expectations are high from Government and Auckland Council but even more so from the 2,800 social housing families who are looking forward to the service offerings provided by TRC. Whilst Housing NZ and TRC have different mandates, the commitment by both organisations to ensure a seamless transfer and prepare TRC for 1 April 2016 is unwavering.

Our contribution to Auckland's housing challenges are unique – TRC is committed to a diversity of housing types, mixed-tenure neighbourhoods, providing affordable homes, developing the community housing sector in

the area, and leveraging the policy settings provided by our Shareholders such as Special Housing Area (SHA) designation. All of this needs to be delivered with the current and future residents in mind.

The last financial year has seen TRC's stakeholder list broaden as community organisations, Iwi, government agencies and Council entities become more involved in helping TRC deliver on the vision for Tāmaki. TRC has and will continue to be an exceptional partner to all stakeholders.

TRC has started its engagement in its third neighbourhood of Derna and Tobruk in Panmure. A different set of challenges but the neighbourhood approach to planning change will also draw out a different set of opportunities.

In addition to our neighbourhood projects, the Tāmaki wide initiatives continue to prosper. The last financial year has seen TRC's and the Auckland Chamber of Commerce's Career Start programme help 76 young people who were previously unemployed into work. TRC continues to fund and support community led initiatives such as Manaiaikalani Education Trust, the 5 Year ECE Strategy, Crime Watch Patrols, and projects in partnership with the Maungakiekie-Tāmaki Local Board and the two business associations. TRC has filled a gap and also sought to help local organisations with their capacity. This has deepened TRC's role as being part of the community. We are no longer an outside entity; we sit on the paepae with the locals. However, we are mindful that with the significant programme of change, these relationships will be tested.

PARTNERSHIPS ARE CRITICAL

The Government's announcement on the transfer of houses has set a clear path forward. Whilst TRC must and will continue to engage with current and incoming residents, we are mindful of the need to ensure that we

regularly deliver on our promises. TRC and its partners must also own the lapses or mistakes.

The next 12 months will see TRC venture out on its own such as with procurement for its own housing redevelopments and seek to work with Government and Council agencies on aligning the Government system of expenditure in the area.

The success of the regeneration effort will hinge on effective partnerships and collaborations. The most important partnership is with the existing 16,000 residents. Residents have told us time and time again that how our projects will be delivered is equally as important as what we deliver. We hear the message loud and clear.

THE NEXT YEAR

On 1 April 2016, TRC will own and manage all current social homes of approximately 2,800 in the Tāmaki area.

We are respectful of the responsibility and mandate provided to us by Shareholders to look after the most vulnerable families in our rohe. At the same time, this will be an opportunity to catalyse community led action and move at pace to achieve our objective of making Tāmaki an awesome place to live.

We are conscious that whilst there is strong goodwill in the community, the maintenance of this can only be achieved through delivery and action. We are also mindful that what we are doing in Tāmaki is being looked at by other regions and cities in New Zealand.

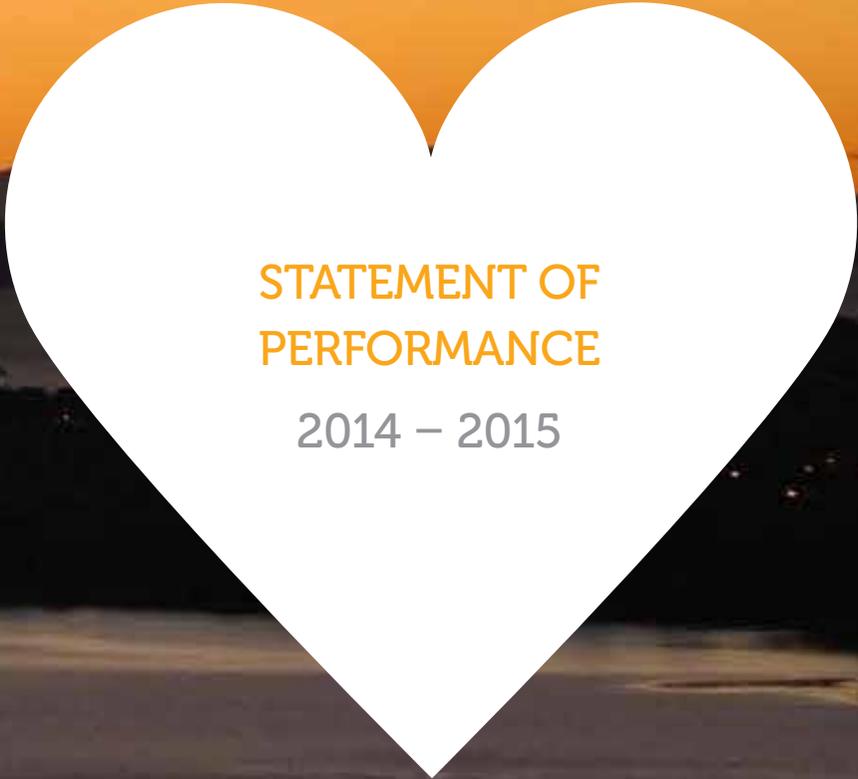
Shareholders have laid down a wero; the Tāmaki community has accepted the challenge.

Brian Donnelly

John Holyoake







STATEMENT OF
PERFORMANCE

2014 – 2015

STATEMENT OF PERFORMANCE (1ST JULY 2014 TO 30TH JUNE 2015)

INTRODUCTION

TRC has outlined in its current Statement of Intent (SOI) the key documents describing its strategic intent over the medium to long term. These are the Heads of Agreement, the Strategic Framework and the Business Implementation Plan (2014 business case submitted to the Shareholders).

The Heads of Agreement, the agreement between the Shareholders of TRC, states that the purpose of the company is to achieve social, spatial, economic and housing transformation of Tāmaki.

The Strategic Framework sets out how regeneration will be achieved in the long term and outlines three key themes; comprising lifestyle & culture, talent & creativity and places & neighbourhoods.

The Business Implementation Plan is derived from the Strategic Framework and outlines a five-year work programme from 2014 to 2018.

The Statement of Performance Expectations (SPE) for the year ended 30 June 2015 set out the targeted outcomes for the year grouped into various categories e.g. Fenchurch, Overlea. The table below describes these categories, explains how they link to TRC's strategic objectives and explains TRC's performance against the targeted outcomes for the year.

This Statement of Performance for the year ended 30 June 2015 should be read in conjunction with the SOI and the SPE covering the same period.

Note:

TRC had two output classes for the year ended 30 June 2015, that being Tāmaki Regeneration under Vote Housing and Loan Facility for TRC under Vote Finance. Under the Crown Entities Act 2004, TRC is required to disclose the revenues earned and the expenses incurred for every output class. The revenues earned and expenses incurred for the Loan Facility for TRC output class were zero due to the output class being a capital appropriation which was not used. By deduction, the revenues earned and expenses incurred in delivering on the Tāmaki Regeneration output class (for which the performance reporting includes all of the below targeted outcomes) are disclosed in the Statement of Comprehensive Revenue and Expense on page 26. Further, the Loan Facility for TRC output class included a reportable performance measure that the loan facility should be established by 30 June 2015. This performance measure was not met because the loan facility was not needed.

TRC meets its obligations to be a good employer under Section 118 of the Crown Entities Act 2004. TRC ensures staff policies, practices and processes are fair and equitable for all job applicants and all of our people.

MEASURING TRC'S ACHIEVEMENT AGAINST TARGETED OUTCOMES

Targeted Outcomes (1 July 2014 to 30 June 2015)	Outcome Achieved?
Fenchurch	
<p>The Fenchurch neighbourhood is the first neighbourhood development project in the Tāmaki regeneration programme. It is being developed in conjunction with Housing New Zealand Corporation (HNZC). The development was chosen for a variety of reasons namely 1) a significant number of existing vacant social houses meaning less people affected by development, 2) low existing housing density to enable higher density output for future rehousing purposes, 3) potential for social regeneration via refurbishment of Scout Hall and ability to use space in the Glenbrae Primary School to build an early childhood education (ECE) facility. Parts of the redevelopment also allowed for local youth to be employed in construction related jobs. Social and economic regeneration are integral parts of TRC's strategic framework and are recognised in the four objectives listed in TRC's Heads of Agreement.</p> <p>The first stage of the Fenchurch neighbourhood development was completion of 32 homes to be built in two parts of 11 and 21 homes respectively. The second stage required master planning work to be undertaken in order to proceed with construction in the following financial year 2015/16 and also included concept planning for revitalising the stormwater way adjacent to the Tāmaki college grounds into a stream to provide safety and spatial benefits to the area.</p>	
Completion of 32 warm, healthy homes in a well-designed neighbourhood	<p>Partially Met 11 homes constructed, 21 are under construction as at 30 June 2015.</p>
Tāmaki commitment up-held - The Tāmaki commitment can be summarised as "those residents who are affected by development in the Tāmaki area will be provided an opportunity to stay in the area".	Met
Stream daylighting concepts complete	Met
Community and neighbourhood support for the programme	Met
Training/skills placements for Tāmaki residents	Met
Safety project delivered jointly with residents	<p>Partially Met TRC has been working successfully with the local community patrol. A meeting will be held with Fenchurch residents during 2015/16 to discuss safety and security in the area.</p>
ECE build, fit out, operational & governance arrangements complete	Met
Scout Hall build, fit out governance arrangements complete	<p>Partially Met Even though the refurbishment was completed by 30 June, the governance arrangements were finalised in August 2015 due to a member of the governance group being away in June-July 2015.</p>
Master Planning for subsequent Fenchurch development completed	Met

Targeted Outcomes (1 July 2014 to 30 June 2015)	Outcome Achieved?
Overlea	
Overlea is another neighbourhood development project in the Tāmaki regeneration programme being undertaken in conjunction with HNZN. It was chosen for low existing density and proximity to the northern boundary of Tāmaki for better financial returns to support the regeneration. A framework (neighbourhood) plan and master plan would need to be done to progress the redevelopment through to construction in 2015/16. In addition to this, an empty site was identified in the neighbourhood that could be revitalized into an information hub for the regeneration programme.	
Overlea neighbourhood plan and master plan completed	Met
Community and neighbourhood support for the programme	Met
Training/skills placements for Tāmaki residents	Met
Information Hub established	Not Met Funding for this work was not approved by Auckland Council, the project was closed.
Maybury	
Maybury is a collection of neighbourhoods in Tāmaki which has low socio-economic characteristics compared with the rest of Tāmaki due to very high concentration of low quality social housing and is therefore a prime location for physical, social and economic regeneration. It is not a candidate for immediate redevelopment (not within the next financial year) as it requires the development of enabling projects such as Fenchurch to provide replacement housing for current social tenants. A precinct plan was finalised to determine the next steps for the redevelopment of Maybury.	
Maybury Precinct Plan finalised with support of key stakeholders	Met
Derna & Tobruk	
Derna & Tobruk is a Tāmaki neighbourhood with high concentration of state housing and a vacant school land within the vicinity that could be used to build an education hub or for some other regeneration initiative. This neighbourhood fulfills most of the key criteria for regeneration both physical and social.	
Derna & Tobruk neighbourhood plan and master plan completed with participation of residents & key stakeholders	Met
Community and neighbourhood support for the programme	Partially Met Affected residents and school representatives have been communicated with throughout the latter part of 2014/15. Resident engagement meetings have been held during July 2015.
Agreement on future land use for the Tāmaki Intermediate site	Met

Targeted Outcomes (1 July 2014 to 30 June 2015)	Outcome Achieved?
General neighbourhood initiatives	
General neighbourhood initiatives cut across housing and spatial strategic objectives. These were initiatives that supported physical redevelopment of Tāmaki through standards, plans and research.	
Tāmaki South (Panmure) Special Housing Area approved	Met
Unitary Plan submissions made and meetings held.	Met Submissions were made and attendance at meetings will continue into the 2015/16 financial year.
Catalysing private sector upgrades, developments in Special Housing Area areas	Met A staff practice note has been developed.
Housing typologies guidelines and case studies complete	Met
Research completed on alternative construction methods	Not Met This research was cancelled and will be incorporated into the large scale procurement.
Guidelines for environmental standards complete	Met
General neighbourhood specific place-making initiatives	
General neighbourhood specific place-making initiatives are physical infrastructure projects. The Business Implementation Plan included specific projects that needed to be approved by the Shareholders. Approval was subject to further discussion and negotiation and this has now been secured.	
Neighbourhood-specific placemaking initiatives as identified in the BIP negotiated and agreed with shareholders	Partially Met Council approved some projects but a few were subject to further discussions that have not been completed.
Community facilities	
Community facilities contribute to urban development, social cohesion and cultural identity objectives. The Ruapotaka Marae is a central hub for the Tāmaki community. A feasibility study was targeted to be completed for the Marae but this has been delayed to enable Auckland Council to integrate the Marae design into their reserve planning process.	
Marae feasibility study reserve master plan complete with Local Board	Not Met This project was put on hold on request of the Local Board to work collaboratively for a better solution. This work will be completed in 2015/16.
Ruapotaka Marae capacity building programme defined	Met
Pilot collaborative delivery partnership with the Local Board	Met
Parks and reserves	
Parks and reserves relates to the spatial strategic objective in the Heads of Agreement. Parks and reserves will also be regenerated as part of the redevelopment. The Maybury Reserve which is part of the Maybury precinct was targeted to be designed in the current financial year, as part of the Maybury Precinct Plan. This has been completed.	
Concept Plan for Maybury Reserve complete, with all major parties participating in the design (Auckland Council, HNZC, Local Board, TRC, residents)	Met

Targeted Outcomes (1 July 2014 to 30 June 2015)	Outcome Achieved?
Non-housing precincts	
Non-housing precincts add to the regeneration of Tāmaki by providing opportunities for skills development, economic development or elderly care for example. They are included in the Tāmaki Implementation Plan (TIP). The TIP is a Tāmaki-wide plan that sets out how the regeneration programme will be delivered.	
Investment proposition for University of Auckland site completed	Met
Tāmaki Implementation Plan completed	Met
Glen Innes Town Centre catalyst projects identified & feasibilities completed	Met
General Tāmaki-wide initiatives	
General Tāmaki-wide initiatives contribute to the spatial objectives of the regeneration programme through activities that help to deliver the neighbourhood developments.	
Community support for the strategic place-making initiatives Tāmaki-wide	Met
Work with Auckland Council on the Mixed Tenure workshops	Met
Tāmaki projects proposed, negotiated and included in the Auckland Council LTP process	Met
Approach to reinvestment of development contributions agreed with Council	Met
Cultural map converted to digital format and launched to Tāmaki schools	Partially Met The cultural map has been converted to digital format but has not been launched to schools. Digital content creation is ongoing however due to historical nature of the content.
Skills and employment	
Skills and employment is one of the elements of the Strategic Framework and the outcomes contribute to social and economic objectives. A skills development strategy was started in the previous financial year (2013/14). This has been completed in 2014/15 as targeted.	
Skills development strategy complete	Met
Implement skills development strategy	Met
More youth “work ready” (have a driver’s license, 80 unemployed youth up-skilled for interviews and the workplace)	Met
More families, especially Maori and Pacific Islanders making better financial decisions (financial literacy delivered to 12 coaches, 100 participants)	Not Met Scope was changed to exclude milestone to deliver financial literacy to 100 families as the coaches did not have this capability.
More youth engaged in skills programmes (music projects implemented in schools)	Met
Emerging leaders programme concept defined	Met

Targeted Outcomes (1 July 2014 to 30 June 2015)	Outcome Achieved?
<p>Safety and security</p> <p>Safety and Security is one of the elements of the Strategic Framework. Neighbourhood safety in general is significantly influenced by neighbourhood design and social & economic regeneration. However, TRC determined that a specific safety strategy was required to enable targeted action. After the success of the five-year early childhood education (ECE) strategy, a targeted outcome for this year was to prepare a five-year safety strategy, which has been completed. TRC funded the local community patrols because they have the experience of the local community and key places and best course of action.</p>	
Implement an “at risk” youth strategy	<p>Not Met</p> <p>This project did not attract funding from MSD as hoped. The project will take a new approach of working with the GI Family Centre. This will be complete in the 2015/6 under the Safety Plan which will be funded from Crown funding.</p>
Five-year community safety plan developed with buy-in from key stakeholders	Met
Implement community patrols support plan	Met
<p>Education</p> <p>Education is one of the elements of the Strategic Framework and contributes to the social and economic objectives of the regeneration programme. TRC has focused its resources on early childhood education (ECE) as research shows that quality outcomes from ECE have significant impact on social outcomes. TRC developed an ECE strategy in the 2013/14 financial year which was a five-year strategy to increase participation in ECE and to increase quality outcomes from ECE. One of the targeted outcomes was achieving 87% participation in ECE by 30 June 2015 which was not met. The absolute number of children participating in ECE has increased but has only increased slightly relative to the increasing population of children under five.</p>	
87% attendance in ECE (implement year 1 of the Tāmaki ECE strategy)	<p>Not Met</p> <p>84% participation achieved, further actions in place to increase participation rate.</p>
Outline an integrated approach to education strategy	<p>Not Met</p> <p>As other entities are working in this space this initiative was closed.</p>
<p>Children's wellbeing</p> <p>Children's wellbeing is one of the elements of the Strategic Framework. An action plan to alleviate unmet physical needs of children going to school such as raincoats, shoes, etc was to be created. Further, a Tāmaki-based basketball club for children of various age groups was setup in the 2013/14 financial year. The target of getting the basketball club to be self-sustaining by 30 June 2015 has been shifted to 30 June 2016. A mental health pilot with the Auckland District Health Board (DHB) was completed.</p>	
Plan defined to alleviate poverty in Tāmaki in partnership with key stakeholders	<p>Met</p> <p>Family by family framework for addressing poverty has been defined. It will be operationally launched in 2016.</p> <p>Support for Tāmaki College study group has commenced. Further poverty related work will be delivered under the new outcomes framework.</p>
Tornadoes basket-ball club becomes self-sustaining	<p>Not Met</p> <p>A team committee has been created and potential sponsors are being approached.</p>
Implement mental health pilot in partnership with DHB	Met

Targeted Outcomes (1 July 2014 to 30 June 2015)	Outcome Achieved?
Community support for the regeneration programme	
It is essential to the success of the regeneration programme that it continues to enjoy community support. TRC consulted on the Strategic Framework with the community and communication has been deeply embedded throughout the TRC work programme since then including holding regular neighbourhood meetings and face-to-face meetings with HNZC tenants affected by redevelopment projects.	
Community support for and engagement for the Tāmaki-wide outcomes	Met
Economic growth	
Economic growth or development is a key part of the regeneration programme and is one of the four strategic objectives in the Heads of Agreement and one of the elements of the Strategic Framework. The actual delivery of programmes to meet the strategic objective was not determined to date and therefore an economic development plan was targeted to be completed in this current financial year. The plan was in draft form as at 30 June 2015 and will be finalised in the 2015/16 financial year.	
In addition, another targeted outcome was to create a framework for social procurement and growth of social enterprise to determine contribution from TRC’s commercial partners. This was met and the framework has been used among other things for a contribution by one of our build partners to building a deck for a community facility.	
Economic development plan complete	Met
Social procurement framework complete	Met
Embed an operating model to attain quality outcomes in a timely and value for money manner	
TRC’s 2013/14 operating model was to use shareholder funding in catalyst projects, both social and physical (in partnership with HNZC). However, TRC found it did not have all the levers, both financial and systemic to achieve more traction. Treasury was working on creating a new operating model for TRC and TRC provided support to develop this. On 30 April 2015, the Minister of Finance announced that TRC would receive a \$200m loan and 2,800 state homes from HNZC.	
In addition, further social service delivery mechanisms was to be created and delivered including creating an overall outcomes framework for the Tāmaki area and mapping existing expenditure and services of organisations to the outcomes framework. This work was delayed due to the finalization of the operating model. TRC has started developing the outcomes framework and subsequent mapping activity in the 2015/16 financial year and this is expected to be completed prior to 30 June 2016.	
Support the development of new operating model	Met
Mapped expenditure of NGOs, Crown and council for social and economic outcome across Tāmaki	Not Met This work was dependant upon the measurement framework being completed.
All internal processes right sized and embedded	Met
Measurement framework implemented	Not Met This work was delayed due to the finalising of the new operating model.
Deepen community integration into the regeneration programme	Met

Targeted Outcomes (1 July 2014 to 30 June 2015)	Outcome Achieved?
Capacity building to enable local entities to deliver regeneration in the long term	
Local entities have significant local knowledge around what needs to be done to regenerate the area. Leveraging this knowledge by providing capacity building enables faster and more meaningful change and is in line with all of our strategic objectives and our focus on involving community.	
Community support for and engagement for the Tāmaki-wide outcomes	Met
Enhancement of the community's ability to deliver regeneration in the long term (Invest in capacity building for local NGO's and community groups)	Met
Develop best practice approach for delivering housing and design outcomes	
Housing is a key driver for TRC. It is one of the four strategic objectives in the Heads of Agreement and one of the elements of the Strategic Framework. In the 2013/14 financial year, TRC established the approach to deliver affordable housing products and services for Tāmaki residents. During the 2014/15 financial year, the service design was further developed. Affordable Housing will be delivered over the coming years as part of the delivery of neighbourhood developments and our approach to working with families.	
Implementation of actions in the affordable homes strategy	Met
The local structure for CHPs to operate is defined	Partially Met Due to the changes that resulted from the announcement of the transfer of all social housing to TRC.

TRC BOARD OF DIRECTORS

The Board of Directors bring extensive experience to lead TRC with strong contacts within the Tāmaki community and iwi, and business skills, with deep knowledge of urban development.

The Board of Directors is responsible for the corporate governance of Tāmaki Redevelopment Company. The Board is committed to ensuring that TRC is governed in accordance with best practice and with integrity for the vision of the Tāmaki community.



BRIAN DONNELLY (CHAIRMAN)

Mr Donnelly has the following interests:

- » Executive Director of the NZ Housing Foundation
- » Trustee of Queenstown Lakes Community Housing Trust
- » AECOM – NZ Housing Foundation is a partner of AECOM
- » Qlcht Developments Limited – Director
- » Bridon Group Limited – Director and Shareholder
- » Qlcht Property Portfolio Limited – Director
- » B & M Family Trust
- » Queenstown Housing Bonds Ltd



DR. SUSAN MACKEN (DEPUTY CHAIR)

Dr. Susan Macken has extensive governance and senior management experience in business. Dr. Macken also has interests in the following companies:

- » Bank of New Zealand – Director
- » Fertility Associates (and related entities) – Director
- » STG Ltd – Director and Sole Shareholder
- » NZ Treasury – Advisory Board Member
- » Blossom Bear Ltd – Director and Sole Shareholder
- » Fa Ventures One Limited – Director
- » Pānuku Development Auckland – Board member (from 1 Sept)
- » Waterfront Auckland – Director



ANNE CANDY

Appointed as Auckland Council's sole discretionary director. Deputy Mayor Manukau City Council from 1998-2007, the first and only Māori woman to hold this position. Ms Candy also has interests in the following:

- » Tainui Iwi – beneficiary roll
- » Raukawa Iwi – beneficiary roll
- » Ngaiterangi Iwi – beneficiary roll
- » NZ Mental Health Foundation – Board Member
- » Māori Womens Welfare League – Life Member
- » Returned Services Association – Patron Manurewa RSA
- » Taonga Education Centre – Trust Chairperson
- » Whanau o Tumanako SS – Trustee, Secretary
- » National Marae Estate Trust – Trustee
- » Reremate Estate Trust – Trustee
- » Manukau National Council of Women – Patron
- » Pan Pacific South East Asia Women's Association – Chairperson
- » Anglican Church Trust Board – Member



MARTIN UDALE

Mr Udale has extensive experience in land and property development. He also has interests in the following companies:

- » Unitec Institute of Technology – Member of Council
- » Waikato Innovation Park Limited (and related entities) – Director
- » Canvas Investments Limited (and related entities) – Director
- » Essentia Consulting Group Limited – Director and Shareholder
- » Primary Wool Cooperative Limited – Director
- » Paparata Ltd – Director
- » Tall Wood Ltd – Director
- » Pānuku Development Auckland – Board member (from 1 Sept)
- » Peterborough Quarter Ltd – Director



ERU LYNDON

Mr Lyndon is the Regional Commissioner for Social Development, Northland, MSD. He is a tribal member of Ngāti Whātua o Ōrākei and affiliates to Ngāti Maru and Ngāti Rehua.

- » Ministry of Social Development Auckland Sport
- » Aktive - Auckland Sport and Recreation – Trustee



SOANA PAMAKA

Principal of Tāmaki College and provides a strong link to the Tāmaki community in which she both lives and works. Ms Pamaka is also actively involved in a number of community initiatives.



JOHN SAX

Appointed as the Crown's sole discretionary director. Mr Sax also has interests in:

- » Kensington Park Limited – Trust owned company
- » Favona and Walmsley Roads – Property owner
- » Founder and Chairman of For the Sake of our Children Trust
- » Autumn Park Limited – Shareholder and Director
- » Baldah Investments Limited – Director
- » Fisk Holdings NZ Limited – Shareholder and Director
- » Fisk Investments (NZ) Limited – Shareholder and Director
- » Industrial Park Coolstores Limited – Shareholder and Director
- » Treetops Aviation Limited – Shareholder and Director
- » Kempton Holdings Limited – Shareholder and Director
- » Mirza Nominees Limited – Shareholder and Director
- » Kensington Park Services Limited – Shareholder and Director
- » Southpark Corporation Limited – Director

- » Global Procurement Supplies Limited – Shareholder and Director
- » South Park Developments Limited – Shareholder and Director
- » Ronyx Holdings Limited – Shareholder and Director
- » Living Spaces Design Limited – Shareholder and Director
- » Southpark Utilities Limited – Shareholder and Director
- » Como Holdings Limited – Director
- » Te Arai Point Properties Limited – Director
- » Kinloch Developments Limited – Director
- » Parent Partner Limited – Director
- » Waterloo Holdings Limited – Shareholder and Director
- » Islington Park Limited – Director
- » Favona Developments Limited – Director
- » Waterloo Park Limited – Director
- » Zirna Developments Limited – Shareholder and Director
- » Karpall Properties Limited – Shareholder and Director
- » Weddings and Honeymoons of New Zealand Limited – Shareholder and Director
- » Kinloch Golf Limited – Director
- » Kinloch Lodge Holdings Limited – Director
- » William David Limited – Shareholder and Director
- » Industrial Park Holdings Ltd – Shareholder
- » Challenge Communications Foundation Ltd – Shareholder
- » Domain Trustee Services No.2 Ltd – Shareholder
- » Chairman of Aspiring Leaders (NZ leadership Trust) – Beehive hosted Trustee of Rotorua Museum Trust
- » Southpark Property Ltd – Director
- » Onethree Chesire General Partner Ltd – Shareholder and Director
- » Taitokerau Fibre Networks Ltd – Director
- » New Market Holdings Ltd – Director
- » Waterloo Holding Ltd – Shareholder and Director

SCHEDULE OF BOARD MEETING ATTENDANCE

Directors Attendance at Board Meetings

Total number of Board meetings held between 1 July 2014 and 30 June 2015: **12**

Brian Donnelly (Chair): **12**

Dr. Susan Macken (Deputy Chair): **11**

Martin Udale: **11**

Eru Lyndon: **11**

John Sax: **10**

Anne Candy: **11**

Soana Pamaka: **8**

CHANGES TO THE COMPOSITION OF THE BOARD DURING THE PERIOD

There were no changes to the composition of the Board during the period.

COMPANY SECRETARY

Simpson Grierson, 88 Shortland St, Auckland Central.

PRINCIPAL ACTIVITIES

The principal activities of the company during the period were:

- » Assisting the Treasury in developing a new operating model for the company
- » Preparing the Overlea and Derna & Tobruk Neighbourhood Plans and engaging with the community on them
- » Refurbishing the Scout Hall and working through the operational arrangements
- » Building and supporting the fit-out of the Early Childhood Education centre at Glenbrae Primary School
- » Delivering on the initiatives within the Business Implementation Plan

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On April 30, Minister of Finance Bill English and Minister of Building and Housing Nick Smith announced that the Tāmaki Redevelopment Company will take over ownership of approximately 2,800 properties currently owned by Housing New Zealand (HNZC) in the Tāmaki area by 31 March 2016.

The government also announced a loan to TRC of \$200 million to enable the company to build an additional 7,500 houses in the coming 10-15 years. Some of these new houses will be sold, but the current amount of social housing will be retained.

DIRECTORS INTEREST IN TRANSACTIONS

No directors' interests in transactions have been declared.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the period the company purchased insurance to cover all directors, officers and employees. They are indemnified for wrongful acts committed, attempted or allegedly committed or attempted during the policy period. The limit of the indemnity for any one act is \$5 million. The indemnity period runs from 1 October 2014 to 30 September 2015.

The total amount of insurance premium paid was \$14,365.00

DONATIONS

The company made donations worth \$4,790.94 during the year.

SENIOR LEADERSHIP TEAM



JOHN HOLYOAKE

Chief Executive Officer

John Holyoake has more than 20 years' experience in business development and delivery and began his career in senior operations roles in the Community and Social Housing sectors. John has a strong track record providing strategic and programme leadership for businesses and working across the commercial and public sectors. His work has spanned to include working with local communities, government, agencies and large stakeholder groups to deliver coordinated solutions.



SHELLEY KATAE

GM Strategy & Operations

Shelley lead the financial and operational aspects of the business across the 2014-15 period and moves into the GM Strategy and Operations position moving forward. She has held a number of general management and operations roles in businesses across NZ, Australia and Fiji. Shelley is currently a board member of Taupo Moana Ltd (Ngāti Tuwharetoa) and Te Waipuna Puawai Mercy Oasis Limited.



PETER FAAFIU

GM Corporate Affairs

Peter was raised in Tāmaki and still has strong family ties to the area. He was previously a legal advisor, diplomat, trade negotiator and government relations manager. Peter’s team leads communications, marketing, brand, stakeholder engagement, government relations and community relations for the company.

He is currently on the Boards of Amnesty International NZ, First Foundation Trust, NZ Press Council and Navigator Limited.



JOHN DUTHIE

Acting GM Asset & Development

John is a Director of Tattico Limited with more than thirty five years’ planning and management experience. He has extensive public and private sector experience including senior executive planning management of major private sector development.



TĀMAKI
REDEVELOPMENT
COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015

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STATEMENT OF RESPONSIBILITY

We are responsible for the preparation of the Tāmaki Redevelopment Company Limited's financial statements and statement of performance and for the judgements made in them.

We are responsible for any end-of-year performance information provided by the Tāmaki Redevelopment Company Limited under section 19A of the Public Finance Act 1989.

We 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 non-financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Tāmaki Redevelopment Company Limited for the year ended 30 June 2015.

Signed on behalf of the Board:



Director
30 October 2015



Director
30 October 2015

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2015

		2015	2015	2014
		ACTUAL	BUDGET	ACTUAL
	NOTES	\$000's	\$000's	\$000's
Revenue				
Revenue from Crown		1,920	1,920	2,830
Revenue from Council		1,600	1,600	1,654
Interest revenue		125	140	85
Other revenue	2	856	766	0
Total revenue		4,501	4,426	4,569
Expenditure				
Personnel costs	3	1,526	2,497	1,674
Directors fees		190	220	186
Contractors and temporary staff		845	0	1,104
Consultants		1,185	4,074	1,151
Other professional services		138	76	117
Depreciation and amortisation expense	7,8	152	140	139
Construction costs		0	1,096	0
Other expenses	4	758	645	610
Total expenditure		4,794	8,748	4,981
(Deficit) before tax		(293)	(4,322)	(412)
Tax expense		0	0	0
Net (deficit) for the year		(293)	(4,322)	(412)
Other comprehensive revenue and expense		0	0	0
Total comprehensive (loss)		(293)	(4,322)	(412)

Explanations of major variances against budget are provided in note 19. The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

		2015	2015	2014
	NOTES	ACTUAL \$000's	BUDGET \$000's	ACTUAL \$000's
ASSETS				
Current assets				
Cash and cash equivalents	5	3,281	534	4,557
Trade and other receivables	6	382	329	189
Prepayments		37	32	18
Total current assets		3,700	895	4,764
Non-current assets				
Property, plant and equipment	7	1,378	331	454
Intangible assets	8	8	9	19
Total non-current assets		1,386	340	473
Total assets		5,086	1,235	5,237
LIABILITIES				
Current liabilities				
Creditors and other payables	9	554	744	424
Employee entitlements	10	72	60	60
Total current liabilities		626	804	484
Total liabilities		626	804	484
Net assets		4,460	431	4,753
Share capital		8,500	8,500	8,500
Accumulated (Deficit)		(4,040)	(8,069)	(3,747)
Total equity	11	4,460	431	4,753

For and on behalf of the Board who authorise the issue of the financial statements on 23 October 2015.



Director
30 October 2015



Director
30 October 2015

Explanations of major variances against budget are provided in note 19. The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

		2015	2015	2014
		ACTUAL	BUDGET	ACTUAL
	NOTES	\$000's	\$000's	\$000's
Balance at 1 July		4,753	4,753	5,165
Total comprehensive (loss)		(293)	(4,322)	(412)
Owners' transactions				
Capital contribution		0	0	0
Repayment of capital		0	0	0
Balance 30 June	11	4,460	431	4,753

Explanations of major variances against budget are provided in note 19. The accompanying notes form part of the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2015	2014
		ACTUAL	BUDGET	ACTUAL
	NOTES	\$000's	\$000's	\$000's
Cash flows from operating activities				
Receipts from Crown		1,920	1,920	2,830
Receipts from Council		1,600	1,600	1,654
Interest received		125	140	85
Other revenue received		573	766	0
Payments to suppliers		(2,117)	(5,804)	(3,683)
Payments to employees		(2,350)	(2,497)	(1,640)
Goods and services tax (net)		38	(140)	28
Net cash from operating activities		(211)	(4,015)	(726)
Cash flow from investing activities				
Purchase of property, plant and equipment		(1,062)	(5)	(15)
Purchase of intangible assets		(3)	(3)	(7)
Net cash from investing activities		(1,065)	(8)	(22)
Cash flow from financing activities				
Capital contributions		0	0	0
Net cash from financing activities		0	0	0
Net (decrease) in cash and cash equivalents		(1,276)	(4,023)	(748)
Cash and cash equivalents at the beginning of the year		4,557	4,557	5,305
Cash and cash equivalents at the end of the year		3,281	534	4,557

Explanations of major variances against budget are provided in note 19. The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Tāmaki Redevelopment Company Limited (TRC) has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for TRC are for the year ended 30 June 2015 and were approved by the Board on 30 October 2015.

BASIS OF PREPARATION

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

Statement of Compliance

The financial statements of TRC have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

TRC is a non-publicly accountable and non-large public benefit entity as defined by the External Reporting Board. For that reason, TRC is allowed and has elected to prepare its financial statements in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

These financial statements comply with PBE accounting standards.

These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There were no material adjustments arising on transition to the new PBE accounting standards.

Functional and 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 TRC is New Zealand dollars (NZ\$).

SIGNIFICANT ACCOUNTING POLICIES

Revenue

The specific accounting policies for significant revenue items are explained below:

Revenue from shareholders

TRC is primarily funded from Crown and Council. This funding is restricted in its use for the purpose of TRC meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funders. TRC considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement. The fair value of revenue from Crown and Council has been determined to be equivalent to the amounts due in the funding arrangements.

Grants received

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Interest revenue

Interest revenue is recognised using the effective interest method.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Receivables

Short-term receivables are recorded at their face value, less any provision for impairment. A receivable is considered impaired when there is evidence that TRC will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Investments

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: leasehold improvements, office equipment and computer equipment. All assets classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRC and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

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

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRC and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Leasehold improvements	5 to 35 years	2.8% to 20%
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Office equipment	5 years	20%
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Computer equipment	5 years	20%
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Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

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

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of TRC's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software	3 years	33.3%
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Developed computer software	4 years	25%
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Impairment of property, plant and equipment and intangible assets

TRC does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant and equipment and intangible assets held at cost that have a finite useful life are 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 assets carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an assets fair value less costs to sell and value in use. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information. If an assets carrying amount exceeds its recoverable service amount, the asset is impaired and the carrying amount is written-down to the recoverable service amount. The total impairment loss is recognised in surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits 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 based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Presentation of employee entitlements

Annual leave and bonuses are classified as a current liability.

Superannuation schemes

Defined contribution schemes

The obligation for contributions to Kiwisaver is accounted for as defined contribution superannuation schemes and is recognised as an expense in surplus or deficit as incurred. TRC's liability is limited to the value of contributions only.

Provisions

A provision is recognised for future expenditure of 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 an outflow of future economic benefits 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 expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Equity

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

- » accumulated (deficit); and
- » share capital.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. 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 the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

TRC is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Budget figures

The budget figures are derived from the statement of performance expectations as approved by the Board. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, TRC 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 of 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 discussed below.

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

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed.

Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by TRC, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. TRC minimises the risk of this estimation uncertainty by:

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

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Leases classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to TRC. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised. TRC has exercised its judgement on the appropriate classification of equipment leases, and has determined that there are no finance leases.

2. OTHER REVENUE

	2015	2014
	ACTUAL	ACTUAL
	\$000's	\$000's
Grants received	843	0
Donations received	10	0
Other	3	0
TOTAL OTHER REVENUE	856	0

3. PERSONNEL COSTS

	2015	2014
	ACTUAL	ACTUAL
	\$000's	\$000's
Salaries and wages	1,482	1,619
Employer contribution to defined contribution plans	32	33
Increase in employee entitlements	12	22
TOTAL PERSONNEL COSTS	1,526	1,674

4. OTHER EXPENSES

	2015	2014
	ACTUAL	ACTUAL
	\$000's	\$000's
Fees to Audit New Zealand for audit of financial statements	48	46
Community events	42	42
Information technology	47	42
Insurance	33	30
Operating lease expense	79	79
Printing and stationery	13	36
Community development	62	99
Staff travel and accommodation	41	18
Telephones and mobiles	26	31
Other	367	187
TOTAL OTHER EXPENSES	758	610

5. CASH AND CASH EQUIVALENTS

	2015	2014
	ACTUAL	ACTUAL
	\$000's	\$000's
Cash at bank and on hand	3,281	4,557
Term deposits with maturities less than 3 months	0	0
TOTAL CASH AND CASH EQUIVALENTS	3,281	4,557

6. TRADE AND OTHER RECEIVABLES

	2015	2014
	ACTUAL	ACTUAL
	\$000's	\$000's
Receivables from sale of goods and services (exchange)	6	58
Recoverables from grants (non-exchange)	283	0
GST recoverable (non-exchange)	93	131
TOTAL TRADE AND OTHER RECEIVABLES	382	189

There is no provision for impairment of receivables (2014 \$nil).

7. PROPERTY, PLANT, AND EQUIPMENT

	Office equipment	Computer equipment	Leasehold improvement	Total
	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	\$000's	\$000's	\$000's	\$000's
Cost				
Balance as at 1 July 2013	114	82	419	615
Balance at 30 June 2014 and 1 July 2014	118	89	423	630
Additions during the year	2	8	1,052	1,062
Balance at 30 June 2015	120	97	1,475	1,692
Accumulated depreciation				
Balance as at 1 July 2013	10	14	26	50
Balance at 30 June 2014 and 1 July 2014	33	34	109	176
Depreciation charge for the year	21	19	98	138
Balance at 30 June 2015	54	53	207	314
Carrying Amount				
At 1 July 2013	104	68	393	565
At 30 June 2014 and 1 July 2014	85	55	314	454
At 30 June 2015	66	44	1,268	1,378

Apart from the restrictions on the early childhood education centre and the community facilities which are to be used for their respective purposes, there are no restrictions on TRC's property, plant and equipment.

The early childhood education centre and the community facility are not part of TRC's core activities and TRC will look to hand these over to appropriate agencies in the foreseeable future.

8. INTANGIBLE ASSETS

	Acquired Software	Developed Software	Total
	ACTUAL \$000's	ACTUAL \$000'ss	ACTUAL \$000's
Cost			
Balance as at 1 July 2013	33	0	33
Balance at 30 June 2014 and 1 July 2014	40	0	40
Additions during the year	3	0	3
Balance at 30 June 2015	43	0	43
Accumulated depreciation			
Balance as at 1 July 2013	8	0	8
Balance at 30 June 2014 and 1 July 2014	21	0	21
Depreciation charge for the year	14	0	14
Balance at 30 June 2015	35	0	35
Carrying amounts			
At 1 July 2013	25	0	25
At 30 June 2014 and 1 July 2014	19	0	19
At 30 June 2015	8	0	8

There are no restrictions over the title of TRC's intangible assets, nor are any intangible assets pledged as security for liabilities.

9. CREDITORS AND OTHER PAYABLES

	2015	2014
	ACTUAL \$000's	ACTUAL \$000's
Creditors	383	210
Accrued expenses	171	214
TOTAL CREDITORS AND OTHER PAYABLES	554	424

10. EMPLOYEE ENTITLEMENTS

	2015	2014
	ACTUAL \$000's	ACTUAL \$000's
Annual leave	72	60
TOTAL EMPLOYEE ENTITLEMENTS	72	60

11. EQUITY

	2015	2014
	ACTUAL \$000's	ACTUAL \$000's
Contributed capital		
Balance at 1 July	8,500	8,500
Balance at 30 June	8,500	8,500
Accumulated (deficit)		
Balance at 1 July	(3,747)	(3,335)
Total comprehensive (loss)	(293)	(412)
Balance at 30 June	(4,040)	(3,747)
TOTAL EQUITY	4,460	4,753

12. CAPITAL COMMITMENTS AND OPERATING LEASES

There are no capital commitments as at 30 June 2015 (2014 \$nil).

Operating leases as leasee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2015	2014
	ACTUAL \$000's	ACTUAL \$000's
Not later than one year	75	75
Later than one year not later than five years	86	161
Later than five years	0	0
TOTAL NON-CANCELLABLE OPERATING LEASES	161	236

13. CONTINGENCIES

On April 30, Ministers announced that TRC will take over the ownership of approximately 2,800 properties in the Tāmaki area, valued at approximately \$1.3b as at 30 June 2016, from Housing New Zealand Corporation (HNZC) by 31 March 2016. The Crown will have ultimate control over the assets. (2014 \$nil).

14. RELATED PARTY TRANSACTIONS

TRC is jointly owned by the Crown (59%) and Council (41%).

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 conditions no more or less favourable than those that it is reasonable to expect TRC would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

	2015	2014
	ACTUAL	ACTUAL
<i>Board Members</i>		
Remuneration (\$000's)	190	191
Full-time equivalent members	0.80	0.80
<i>Leadership Team</i>		
Remuneration (\$000's)	873	1,126
Full-time equivalent members	3.71	4.75
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION (\$000's)	1,063	1,317
TOTAL FULL TIME EQUIVALENT PERSONNEL	4.51	5.55

The full time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

Other than key management personnel compensation and board members remuneration (disclosed above), there were no transactions with key management personnel on other than on an at arms-length basis.

15. BOARD MEMBER REMUNERATION

The total value of remuneration paid or payable to each Board member during the year was:

	2015	2014
	ACTUAL \$000's	ACTUAL \$000's
Brian Donnelly (Chairperson)	46	38
Susan Macken (Deputy Chairperson)	29	27
Martin Udale	23	34
Anne Candy	23	23
Eru Lyndon	23	23
Soana Pamaka	23	23
John Sax	23	23
TOTAL BOARD MEMBER REMUNERATION	190	191

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year. TRC has not provided a deed of indemnity to its Directors during the financial year. TRC has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees. No Board members received compensation or other benefits in relation to cessation (2014 \$nil).

16. EMPLOYEE REMUNERATION

	2015	2014
Total remuneration paid or payable	ACTUAL	ACTUAL
\$100,000 - \$109,000	2	3
\$120,000 - \$129,000	1	2
\$150,000 - \$159,000	0	1
\$160,000 - \$169,000	0	1
\$170,000 - \$179,000	1	0
\$180,000 - \$189,000	2	0
\$300,000 - \$309,000	0	1
TOTAL EMPLOYEES	6	8

17. EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date.

18. FINANCIAL INSTRUMENTS

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2015	2014
	ACTUAL \$000's	ACTUAL \$000's
Financial assets - loans and receivables		
Cash and cash equivalents	3,281	4,557
Trade and other debtors	289	58
TOTAL LOANS AND RECEIVABLES	3,570	4,615
Financial liabilities measured at amortised cost		
Creditors and other payables	554	424
TOTAL FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	554	424

19. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Statement of Comprehensive Revenue and Expense

Personnel costs were \$971k lower than budget due to more contractors hired (\$845k higher than budgeted) during the period in order to maintain flexibility in operations given that key decisions were in the process of being made about the future operating models of the company. Consultant costs are the external resources required to deliver programme objectives. They were \$2,889k lower than budgeted due work on some outcomes delayed for the aforementioned key decisions to be made to give clarity on future direction of the company as well as the company achieving cost savings made by prioritising internal resource over consultants.

Construction costs were nil compared with a \$1,096 budget as the costs to construct the Early Childhood Education Centre and to refurbish the community facility were capitalised.

Statement of Financial Position

Cash and cash equivalents are \$2,748k higher than budgeted due to the lower than budgeted consultant expenditure. Property, plant and equipment were \$1,047k higher than budgeted due to the capitalised construction costs explained above. Creditors and other payables were \$190k lower than budgeted due to timing of cash flow during year end.

Statement of Cash Flows

Payments to suppliers were \$3,687k lower than budgeted due to the lower than budgeted consultant expenditure and the capitalisation of the construction costs which is also the reason for the \$1,057 higher than budgeted cash outflows for purchase of property, plant and equipment. Cash inflows from other revenue were \$193k less than budgeted due to timing. Net GST cash flows were \$178k higher than budgeted due to increased expenditure around year end of 2015 compared with the previous year end. Payments to employees were \$147k less than budgeted due to lower expenditure on personnel costs and contractors and temporary staff.

20. ADJUSTMENTS ARISING ON TRANSITION TO THE NEW PBE ACCOUNTING STANDARDS

Reclassification adjustments

There have been no reclassifications on the face of the financial statements in adopting the new PBE accounting standards.

Recognition and measurement adjustments

There have been no recognition and measurement adjustments to the face of the financial statements in adopting the new PBE accounting standards.

Independent Auditor's Report

To the readers of **Tamaki Redevelopment Company Limited's financial statements and performance information for the year ended 30 June 2015**

The Auditor-General is the auditor of Tamaki Redevelopment Company 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 performance information, including the performance information for appropriations, of the Company, on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Company on pages 26 to 37, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company on pages 10 to 17.

In our opinion:

- the financial statements of the Company:
 - present fairly in all material respects:
 - financial position as at 30 June 2015; and
 - financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with reduced disclosure requirements.
- the performance information of the Company, presents fairly, in all material respects:
 - the Company's performance for the year ended 30 June 2015, including:
 - for each class of reportable outputs:
 - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and

- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - what has been achieved with the appropriations; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 October 2015. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Company's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 appropriateness of the reported performance information within the Company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

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

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and performance information 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 the Company's performance.

The Board of Directors' responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

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

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

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

In addition to the audit we are currently providing an assurance services assignment which is compatible with those independence requirements. Other than the audit and this assignment we have no relationship with or interests in the Company.



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

OUR
GREATEST
THANKS GOES TO
THE COMMUNITY OF
TĀMAKI – GLEN INNES, POINT
ENGLAND AND PANMURE, THE
COMMUNITIES OF INTEREST
THAT EXIST AND THE 'SONS AND
DAUGHTERS' OF TĀMAKI WHO
ADVOCATE STRONGLY FOR
THE AREA WHEREVER
THEY NOW LIVE.



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