

Annual Report

RotoruaNZ Limited

For the year ended 30 June 2023



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Who we are

RotoruaNZ Limited

For the year ended 30 June 2023

RotoruaNZ is a values-led organisation committed to developing and promoting Rotorua as a destination of choice to work, study, visit, invest and live in. We connect people, land, capital and ideas.

Our work directly supports the development of the Rotorua economy, unlocking opportunities for commercial investment and providing employment, wealth and wellbeing for all of our people. RotoruaNZ works in partnership with iwi, the private sector, local government, community organisations and central government to support their growth aspirations and enhance the identity and reputation of Rotorua.

We operate as a neutral entity and a trusted advisor, balancing the needs of each group of stakeholders for the benefit of the destination.

RotoruaNZ is a Council Controlled Organisation (CCO), 100% owned by Rotorua Lakes Council (RLC). RotoruaNZ is the Economic Development Agency (EDA) and Regional Tourism Organisation (RTO) for the Rotorua district. RotoruaNZ also operates as the Convention Bureau for Rotorua.

RotoruaNZ is led by Chief Executive Andrew Wilson and governed by an independent board of directors:

Tim Cossar (Chair) – appointed 9 June 2020

Chris Auld (Director) – appointed 27 July 2016

David Tapsell (Director) - appointed 01 May 2021

Keri-Anne Tane (Director) - appointed 01 May 2021



Mihi from the Board Chair and Chief Executive

RotoruaNZ Limited

For the year ended 30 June 2023

Tēnā koutou,

We are pleased to present a summary of our 2022-23 financial year. At RotoruaNZ, our purpose is to unlock Rotorua's economic potential, and we achieve this through strong partnerships with Rotorua Lakes Council and our valued stakeholders.

In this past year, we made substantial progress in our ongoing journey to transform Rotorua into a premier destination of choice. This success spans across both destination development and investment sectors.

One notable achievement is the establishment of Tiaki Taiao, an intensive sustainability mentoring programme. It includes a diverse mix of education, site audits, and action plans, catering to businesses seeking a path to carbon neutrality. Concurrently, we've been diligently advancing a wayfinding strategy in collaboration with Te Tatau o Te Arawa to enhance our district's navigational infrastructure.

Moreover, we played a pivotal role in facilitating the creation of the Peka Industrial Park. This effort secured \$6 million in funding through an agreement between the Peka Lands Trust and Rotorua Lakes Council. Our commitment extends to nurturing commercial prospects in various domains, including the Titokorangi Forest, Whakarewarewa Forest, and the lakefront. In partnership with landowners, developers, and business owners, we're collectively unlocking their untapped commercial potential.

In the vibrant region of Rotorua, renowned for its rich cultural heritage and breath-taking landscapes, a multitude of economic opportunities beckon. Our thriving tourism and hospitality sector, celebrated for its geothermal attractions and Māori culture, offers fertile ground for businesses engaged in accommodation, tours, dining, and cultural experiences.

Simultaneously, the expansive forests of our region underpin a robust forestry and wood-processing industry. And our stunning landscape has made it a sought-after destination for filmmakers, generating employment opportunities in film production and services.

In addition, Rotorua's geothermal springs and wellness centers are contributing to the growth of health and wellness tourism, reinforcing our position as the spa and wellness capital of the Southern Hemisphere.

We are excited about the possibilities that lie ahead and remain committed to our mission of unlocking Rotorua's economic potential. Together with our partners, we look forward to a future of growth and prosperity in our unique and culturally rich region.



Tim Cossar

Board Chair



Andrew Wilson

Chief Executive



Our Focus

RotoruaNZ Limited

For the year ended 30 June 2023

As the combined EDA and RTO for Rotorua, our work focuses on unlocking the economic potential of the district, destination development and tourism transformation, and the provision of visitor services and experience. Our work supports the development of the Rotorua economy, opening up opportunities for commercial investment and providing employment, wealth and wellbeing for all of our people. RotoruaNZ is committed to developing and promoting Rotorua as a destination of choice to work, study, visit, invest and live in. RotoruaNZ's key trading activities and brands are RotoruaNZ and I-Site.



Our Successes & Achievements

RotoruaNZ Limited

For the year ended 30 June 2023

Destination development and tourism transformation: Making Rotorua a destination of choice

Rotorua has been named host city for New Zealand's 28th national business events showcase, MEETINGS, to be held at the Energy Events Centre on 19-20 June 2024. MEETINGS 2023 post-event survey results reveal a projection of NZD\$157 million in business value over the next five years.

We exceeded our Business Events target by achieving a result of \$15.246m (vs target of \geq \$4.5m), this was an accumulation of 149 business events including eight international business events.

We developed and implemented a tourism and hospitality workforce development strategy and we're now planning its second year of activity. The campaign is aimed at encouraging rangatahi to learn about what it's like working in the visitor economy.

We developed a talent incubator programme to mentor and develop our young tourism and hospitality leaders so they can grow their leadership capability.

We delivered Rotorua's first tourism community perception survey to ascertain the social license tourism has in Rotorua.

We've commenced work on a wayfinding strategy for the destination in collaboration with Te Tatau o Te Arawa.

We established Tiaki Taiao, an intensive sustainability mentoring program which includes a mix of education, site audits and mix of short, medium and longer term action plans that businesses can utilise as a step towards being carbon neutral. This kaupapa currently involves 31 Rotorua tourism and hospitality businesses.

We're showcasing success stories from within our business community.

We've increased the visibility and use of te reo Māori in our marketing and communications material.

We took 20 Rotorua operators on a Rotorua Roadshow around Australia to reconnect with 200 key contacts and multiple industry partners, developing business from Trade to Rotorua.

Investment and Development

We supported the unlocking of Rotorua's newest heavy industrial park, the Peka Industrial Park. The development received \$6m in funding from Kānoa following the signing of a memorandum of understanding between the Peka Lands Trust and Rotorua Lakes Council.

We continue to support Te Manuka, an innovative digital hub created in partnership with Te Arawa, Datacom and Toi Ohomai that will create employment opportunities for locals.

We continue to work alongside landowners, developers and business owners to support the commercial potential and opportunities that exist in Titokorangi Forest, Whakarewarewa Forest, and at the Rotorua lakefront.

We have continued to support the film sector, setting up processes and documentation in RotoruaNZ for film requests.

We're finalising the Forest Futures Action plan, an industry-led action plan which brings together existing and new initiatives across Rotorua's forestry sector.

We've supported iwi and land trusts to investigate opportunities for development on their whenua, including master planning and support to access central government funding to support aspirations.

We have continued to develop the insights offering on our website, with the addition of Market Share Calculators and the Tourism Covid Recovery Dashboard.



We commissioned a piece of work which showed the economic impact of mountain biking in Rotorua, which was \$139.8m in 2021.

Visitor Services and Experience: The home of manaakitanga

We opened a new isite location at the Waipa mountain bike park with performance already exceeding expectations.

We worked with sports teams and event organisers to navigate the challenges involved with large accommodation bookings.

We've achieved 60% pre-Covid sales, ahead of the national isite network average.

We assisted operators with staff to allow them to return to seven-day week operations. In total we had 4 FTE working in various positions assisting frontline operations, administration and online bookings.

We've significantly grown our retail space with a focus on Rotorua and New Zealand made or produced products.

We contracted a shuttle to service from the isite in the CBD to and from Wai-o-Tapu Thermal Wonderland and Waimangu Volcanic Valley as pre-Covid transport options were no longer available.

We've continued providing internships (five) who work in various areas including frontline and our finance department. One of the interns is now in a fulltime role with the isite.

We are continuing to grow the number of school groups participating in the Rotorua Education Network initiative and are now seeing an increasing number of requests from the South Island.

Statement of Responsibility

RotoruaNZ Limited

For the year ended 30 June 2023

The Directors of Rotorua Economic Development Limited accept responsibility for:

- the preparation of the Company's financial statements, and statements of expenses and capital expenditure, and statement of service performance, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and statement of service performance; and
- The accuracy of any end-of-year performance information prepared by the Company, whether or not that information is included in the annual report.

In the Directors opinion:

- The financial statements fairly reflect the financial position of the Company as at 30 June 2023 and its operations for the year ended on that date.

Chairperson

Date 5/2/2024

Entity Information

RotoruaNZ Limited

For the year ended 30 June 2023

Date of Incorporation

11 April 2012

Company Number

3776876

IRD Number

108-936-868

Nature of Business

RotoruaNZ is the Economic Development Agency and Regional Tourism Organisation for the Rotorua district. The organisation works as a key partner in the delivery of the economic development components of Rotorua Lakes Council's Vision 2030. RotoruaNZ's purpose is to improve the Rotorua economy and its ability to create employment, wealth and wellbeing for all Rotorua people.

Business Location

1167 Fenton Street, Rotorua 3010

Registered Office

1061 Haupapa Street, Rotorua, 3010

Directors

Tim Cossar (Chair) - appointed 9 June 2020
Christopher Auld - appointed 27 July 2016
David Tapsell - appointed 01 May 2021
Keri-Anne Tane - appointed 01 May 2021
John McRae - retired 14 April 2023
Aaron Donnelly - retired 12 April 2023
Desterney Newton - retired 14 April 2023

Shareholders

Rotorua Lakes Council	100% Shareholder	100 Ordinary Shares
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Main Sources of Entity's Cash and Resources

Funding under Rotorua Lakes Council Long Term Plan
Funding Applications
I-Site Retail Trading

Main Methods Used by the Entity to Raise Funds

Funding Applications
I-Site Retail Trading

Entity's Reliance on Voluntary & Donated Goods & Services

Reliance on volunteer hours and donated goods & services is not paramount to the Entity

Auditor

Silks Audit Chartered Accountants, on behalf of the Auditor-General

Chartered Accountant

BWTL Advisory Limited, Rotorua

Bankers

BNZ Bank, Rotorua

Statement of Service Performance

RotoruaNZ Limited

For the year ended 30 June 2023

Measures		YE Result June 2022	YE Target June 2023	YE Actual June 2023	Result	Comments
BUSINESS DEVELOPMENT						
1.	The number of Te Arawa economic development projects directly supported by RotoruaNZ.	3	>= 3	4	Achieved	<ul style="list-style-type: none"> • RotoruaNZ has supported a Te Arawa entity to investigate development opportunities in the Ngongotaha region • Tiny house development approved for site near Te Putake O Tawa - RotoruaNZ coordinated RLC, Iwi, CNI and Timberlands to pilot initial development for forest accommodation • RotoruaNZ supported initial discussions with iwi collective on a tourism product development on a new site • RotoruaNZ worked closely with Tauhara North to put an application in for the tourism innovation fund for a forest development tourism product
2.	Level of satisfaction of businesses going through the ACCELERATE programme.	92%	>= 80%	100%	Achieved	Cohort #11 completed in September 2022 with five participants.
ATTRACT INVESTMENT AND DELIVER TRANSFORMATIONAL PLACEMAKING PROJECTS						
3.	Stakeholder satisfaction with the quality of RotoruaNZ's destination data and	#N/A (New measure)	>= 75%	74%	Not Achieved	Question in the RotoruaNZ customer satisfaction survey, asking Rotorua businesses to rate RotoruaNZ



	insights developed to support decision making by businesses (survey of all business stakeholders).					effectiveness at providing 'Data, research and insights'. The figure is calculated using the weighted average of responses on the five point effectiveness scale.
4.	The number of new developments (residential, industrial and commercial) supported or led by RotoruaNZ that are initiated.	3	>= 3	3	Achieved	<ul style="list-style-type: none"> • RotoruaNZ put together a memorandum of understanding between RLC and Peka trust that was signed to move forward on Kanoa funding • RotoruaNZ is also supporting the investigation of a specific inner city site for potential development • RotoruaNZ supported a buyer to purchase of a large piece of land for a significant development in the CBD
DEVELOP & PROMOTE THE DESTINATION						
5.	i-SITE to be financially sufficient.	-\$827,153	>= \$0	-\$189,880	Not Achieved	Strong growth in demand driven by rapid recovery in the international market following the New Zealand border fully re-opening in August 2022 along with the opening of a new i-SITE location at Waipa Mountain Bike Park significantly boosted revenue, however significant challenges remained and therefore this target was not achieved.
6.	Business events - value of bids won in financial year based on MBIE data and RotoruaNZ lead sheet confirmed conferences.	\$2.8m*	>= \$4.5m	\$15.2m	Achieved	The removal of Covid restrictions and the re-opening of the New Zealand border has resulted in strong demand for business events. Rotorua has been successful at securing many high value business events and has many

	<p>* Events are typically won more than 12 months in advance of the event date. As business events occur the tentative room nights held are adjusted to reflect actual room nights and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value in RotoruaNZ business records for the June 2022 year.</p>					more sales enquiries that are being progressed.
7.	<p>Domestic visitor card expenditure for Rotorua (based on MBIE TECT data set).</p> <p>* MBIE estimates are subject to revision and therefore the value published herewith and in the Statement of Intent will not reconcile to the latest value published by MBIE for the June 2022 year.</p>	\$272m*	>= \$330m	\$303m	Not Achieved	Domestic visitor card expenditure had been growing strongly as a result of continuing demand for domestic travel and rising inflation, however the extraordinary weather events this year dampened some domestic demand resulting in the target not being achieved.
8.	Stakeholder satisfaction (Survey of the local visitor economy; attraction, hospitality, food & beverage).	63%	>= 75%	67%	Not Achieved	Question in the RotoruaNZ customer satisfaction survey, asking Rotorua businesses to rate their satisfaction that RotoruaNZ supports 'Rotorua as a whole', 'their industry' and 'their own business'. The figure is calculated as an average of these three selections using % satisfied plus % very satisfied (Tourism, Accommodation and Hospitality & Food Services businesses only).
9.	Domestic consumer perception - % intend to visit (Delve loyalists + considerers) Rotorua from	3 markets (incl AKL)	2 markets (incl AKL)	3 markets (incl AKL)	Achieved	Intention to visit targets were achieved in each key market. The results were similar to the previous year for the Auckland

	Auckland AND one target market is at least approximately the same or better than the June 2017/18 year					market (up slightly from 53% to 54%). The Wellington market declined for the second consecutive year and is at the lowest point of the six Wellington survey periods equalling the 2019 year result (41%). The Christchurch market declined over the previous year (down from 29% to 25%) and is at the mid-point over the seven Christchurch survey periods.
% Auckland market "intend to visit" Rotorua AND	53%	>= 50%	54%			
% Wellington market "intend to visit" Rotorua OR	45%	>= 40%	41%			
% Christchurch market "intend to visit" Rotorua	30%	>= 20%	25%			

Statement of Comprehensive Revenue and Expense

RotoruaNZ Limited

For the year ended 30 June 2023

	NOTES	2023	2022
Revenue			
Council Funding	2	4,507,000	4,390,000
Government Funding	2	550,437	1,017,669
Other Income	3	2,356,216	1,783,573
Interest Received	4	28,639	6,089
Total Revenue		7,442,292	7,197,331
Expenses			
Advertising, Marketing and Communications	5	1,050,930	2,111,507
Depreciation and Amortisation	12	96,203	98,854
Personnel Costs	6	3,292,636	2,831,456
Other Expenses	7	2,963,398	2,399,418
Total Expenses		7,403,168	7,441,236
Surplus/(Deficit) before tax		39,124	(243,904)
Surplus/(Deficit) after tax		39,124	(243,904)
Total comprehensive income & expense		39,124	(243,904)

NOTE: The accompanying notes form an integral part of these financial statements.



Statement of Financial Position

RotoruaNZ Limited

As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Cash and Cash Equivalents	9	581,522	1,267,691
Trade and Other Receivables	10	312,258	284,163
Other Current Assets	11	283,656	149,857
Total Current Assets		1,177,435	1,701,711
Non-Current Assets			
Property, Plant and Equipment	12	288,360	298,962
Intangible Assets	14	-	41,321
Total Non-Current Assets		288,360	340,283
Total Assets		1,465,795	2,041,994
Liabilities			
Current Liabilities			
Trade and Other Payables	15	1,015,587	1,603,865
Employee Entitlements	16	223,608	250,653
Total Current Liabilities		1,239,195	1,854,518
Total Liabilities		1,239,195	1,854,518
Net Assets		226,600	187,476
Equity			
Share Capital	17	232,493	232,493
Retained Earnings	17	(5,893)	(45,018)
Total Equity		226,600	187,476

NOTE: The accompanying notes form an integral part of these financial statements.



Statement of Changes in Equity

RotoruaNZ Limited

For the year ended 30 June 2023

	NOTES	2023	2022
Equity			
Balance 1 July		187,476	431,380
Surplus/(Deficit)	17	39,124	(243,904)
Balance at 30 June		226,600	187,476

NOTE: The accompanying notes form an integral part of these financial statements.



Statement of Cash Flows

RotoruaNZ Limited

For the year ended 30 June 2023

	NOTES	2023	2022
Cash flows from Operating Activities			
Interest Received		28,639	6,089
Receipts from Providing Goods and Services		6,858,136	7,672,339
Realised Currency Gains/(Losses)		764	(191)
Payments to Suppliers and Employees		(7,447,197)	(7,146,234)
Directors Remuneration Paid		(160,538)	(106,250)
Goods and Services Tax (net)		89,883	(43,898)
Resident Withholding Tax Paid to IRD		(8,019)	(1,705)
Net Cash Flows from Operating Activities		(638,332)	380,150
Cash flows from Investing Activities			
Purchase of Property, Plant & Equipment		(47,924)	(227,012)
Receipts from Sale of Property, Plant & Equipment		87	-
Net Cash Flows from Investing Activities		(47,837)	(227,012)
Cash flows from Financing Activities			
Loan Repayments		-	-
Proceeds from Shareholders		-	-
Net Cash Flows from Financing Activities		-	-
Net Increase/(Decrease) in Cash & Cash Equivalents		(686,169)	153,138
Cash and Cash Equivalents at the beginning of the Year		1,267,691	1,114,553
Cash and Cash Equivalents at the end of the Year	9	581,522	1,267,691

NOTE: The accompanying notes form an integral part of these financial statements.



Notes to the Financial Statements

RotoruaNZ Limited

For the year ended 30 June 2023

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Rotorua Economic Development Limited ('the Company') is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company is fully owned by the Rotorua Lakes Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2023. The audited financial statements were authorised for issue by the directors on 5 February 2024

Basis of Preparation

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

Statement of compliance

The Company is a reporting entity for the purposes of the Financial Reporting Act 2013. These financial statements comply with the Financial Reporting Act 2013, the Companies Act 1993, and Section 69 of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE Reduced Disclosure Regime (RDR) accounting standards.

The entity is eligible and has elected to report in accordance with Tier 2 PBE RDR Standards on the basis that the entity has no public accountability and has expenses >\$2m and <\$30m.

These financial statements comply with PBE standards.

Measurement base

The financial statements have been prepared on a historical cost basis.

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 the Company is New Zealand dollars.

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial results and financial position have been adopted in the preparation of the financial statements.

Revenue

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



Council and Government Funding

Council and Government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

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

Sale of services

Revenue from the sale of services is recognised when the service is provided.

Interest

Interest income is recognised as it is earned during the year.

Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by balance date. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and call deposits.

Trade debtors and other receivables

Trade debtors and other receivables are recognised at their face value less any provision for doubtful debts. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Property, Plant & Equipment

Property plant and equipment consists of:

Operational assets

These assets include building fit-out and various plant and equipment.

Additions

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

Disposal

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the statement of comprehensive revenue and expense.

When revalued assets are sold, the amount included in revaluation reserve in respect to those assets is transferred to retained earnings.

Depreciation

Depreciation is provided on a diminishing value basis on all property, plant and equipment at rates that will write-off the cost of the assets over their useful lives.

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

Capital work in progress

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

Operational assets

Building Fit-Out 8 - 20% DV

Plant and equipment 10 - 75% DV

Intangible assets

Software acquisition and development

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 attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of the 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 the surplus or deficit.



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

Intangible assets

Computer software 40% SL

Trade creditors and other payables

Trade creditors and other payables are stated at their face value. Creditors and accrued expenses are measured at the amount owed.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, the sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance date, taking into account the risks and uncertainties surrounding the obligation.

Employee entitlements

Liabilities for accumulating short-term entitlements are measured at nominal value based on unused entitlement accumulated at current rate of pay at balance date.

Leases

The Company leases buildings in the normal course of its business. The majority of these leases have terms between 12 and 60 months which are cancellable on certain conditions.

Leases can be renewed at the Company's option, with rents set by reference to current market rates for items of equivalent age and conditions. There are no restrictions placed on the company by any of the leasing arrangements.

Goods and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated 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 is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the Inland Revenue Department, including GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

In preparing these financial statements the company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Any estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities will be specified in the note disclosures.

Other changes in accounting policies

There have been no changes in accounting policies.



	2023	2022
2. Council and government funding		
Rotorua Lakes Council Funding	4,507,000	4,390,000
MBIE - Funding	550,437	1,017,669
Total Council and government funding	5,057,437	5,407,669

	2023	2022
3. Other income		
Commission received	626,124	212,588
Events & Roadshows	146,658	8,298
Promotion Income	11,890	-
Rotorua Tourism Investment Program Inc.	-	80,174
Sundry Income	150,487	114,401
Trading Revenue	1,419,265	287,769
Vax Vegas Funding	1,792	1,080,343
Total Other income	2,356,216	1,783,573

	2023	2022
4. Interest received		
Interest Received	28,639	6,089
Total Interest received	28,639	6,089

	2023	2022
5. Advertising, marketing and communications		
Advertising, Marketing and Communications	1,050,930	2,111,507
Total Advertising, marketing and communications	1,050,930	2,111,507

	2023	2022
6. Personnel Costs		
Salaries & Wages	3,180,459	2,729,429
Defined contribution plan employer contributions	112,177	102,027
Total Personnel Costs	3,292,636	2,831,456

	2023	2022
Employees remuneration exceeding \$100,000:		
\$100,000 - \$109,999	2	5
\$110,000 - \$119,999	3	2
\$120,000 - \$129,999	2	-
\$130,000 - \$139,999	2	2
\$140,000 - \$149,999	-	-
\$150,000 - \$159,999	2	-
\$160,000 - \$169,999	-	-



	2023	2022
\$230,000 - \$239,999	-	-
\$240,000 - \$249,000	-	1
\$250,000 - \$259,999	1	-
Total Employees	12	10

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

Severance payments

For the year ended 30 June 2023, the Company made severance payments totalling \$Nil (2022:\$Nil).

	2023	2022
7. Other Expenses		
Accident Compensation Levies	6,358	5,106
Contractors and Consultants	879,066	1,072,587
Cost of Goods Sold	690,682	143,380
Directors Fees	113,750	120,000
Fees to Silks Audit for financial statements audit	29,202	28,933
Fees to Silks Audit for audit disbursements	450	336
Lease	240,320	253,885
Other Expenses	809,203	689,572
Travel and Accommodation	132,139	29,419
Utilities	62,228	56,200
Total Other Expenses	2,963,398	2,399,418
	2023	2022

8. Income Tax

Components of tax expense

Current tax	-	-
Deferred tax expense	-	-
Tax Expense	-	-

Relationship between income tax expense and accounting surplus

Surplus/(Deficit) for the year	39,124	(243,904)
Tax at 28%	10,955	-
Plus/(Less) tax effects of:		
Tax losses utilised	(10,955)	-
Total tax expense	-	-

A deferred tax asset has not been recognised in relation to temporary differences of \$12,551 (2022:\$20,150).

	2023	2022
9. Cash & cash equivalents		
BNZ business bank account	254,515	977,476
BNZ Tourism bank account	314,807	278,016
Cash on hand	12,200	12,200
Total cash and cash equivalents	581,522	1,267,691

The Company has a Visa Card with a credit facility up to \$100,000.

	2023	2022
10. Receivables		
Receivables from Exchange Transactions		
Trade Receivables		
Trade Receivables (gross)	312,258	205,748
Total Trade Receivables	312,258	205,748
Total Receivables from Exchange Transactions	312,258	205,748
Receivables from Non-Exchange Transactions		
GST Receivable	-	34,646
Other Receivables	-	43,769
Total Receivables from Non-Exchange Transactions	-	78,415
Total Receivables	312,258	284,163

	2023	2022
11. Other current assets		
Inventory	201,802	97,052
Prepayments	72,030	51,000
Resident Withholding Tax	9,724	1,705
Shareholder Current Account - RLC	100	100
Total Other current assets	283,656	149,857

There is no write down of inventory during the year. (2022: Nil). No inventory has been pledged as security. (2022:Nil)

There is a PPSR in place between RotoruaNZ Limited and Coca-Cola Amatil (NZ) Limited, financing statement registration number F36JB2136XB730M3/l and will expire 20 December 2027 11:45:17. The Collateral details are listed as Goods - Other.

12. Property, Plant and Equipment

	Equipment	Building Fit-out	Total
Opening cost 1 July 2021	204,062	-	204,062
Accumulated depreciation opening	148,609	-	148,609
Opening carrying amount	55,453	-	55,453
Additions	39,862	245,300	285,162
Disposals (net of accumulated depreciation)	-	-	-
Depreciation expense	29,894	11,759	41,653
Closing cost	243,923	245,300	489,223
Accumulated depreciation closing	178,502	11,759	190,261
Carrying amount at 30 June 2022	65,421	233,541	298,962

	Equipment	Building Fit-out	Total
Opening cost 1 July 2022	243,923	245,300	489,223
Accumulated depreciation opening	178,502	11,759	190,261
Opening carrying amount	65,421	233,541	298,962
Additions	33,058	11,450	44,508
Disposals (net of accumulated depreciation)	228	-	228
Depreciation expense	27,801	27,082	54,883
Closing cost	276,203	256,750	532,953
Accumulated depreciation closing	205,752	38,841	244,593
Carrying amount at 30 June 2023	70,451	217,909	288,360

No property, plant or equipment has restricted title or has been pledged as security.

13. Capital Work in Progress

There was no capital work in progress at balance date.

14. Intangible Assets

	Computer Software	Website Development	Total
Opening cost 1 July 2021	10,836	137,735	148,571
Accumulated depreciation opening	8,729	41,321	50,050
Opening carrying amount	2,107	96,415	98,522
Additions	-	-	-
Disposals (net of accumulated amortisation)	-	-	-
Amortisation expense	2,107	55,094	57,201
Closing cost	10,836	137,735	148,571
Accumulated amortisation closing	10,836	96,415	107,251
Carrying amount at 30 June 2022	-	41,321	41,321

	Computer Software	Website Development	Total
Opening cost 1 July 2022	10,836	137,735	148,571
Accumulated depreciation opening	10,836	96,415	107,251
Opening carrying amount	-	41,320	41,320
Additions	-	-	-
Disposals (net of accumulated depreciation)	-	-	-
Depreciation expense	-	41,320	41,320
Closing cost	10,836	137,735	148,571
Accumulated depreciation closing	10,836	137,735	148,571
Carrying amount at 30 June 2023	-	-	-

2023 2022

15. Payables and Accrued Expenses

Payables from Exchange Transactions

Creditors	643,928	810,868
Revenue in Advance	249,978	756,595
Total Payables from Exchange Transactions	893,906	1,567,463

Payables from Non-Exchange Transactions

Taxes Payable	34,376	36,402
GST Payable	87,305	-
Total Payables from Non-Exchange Transactions	121,681	36,402

Total Payables and Accrued Expenses	1,015,587	1,603,865
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	2023	2022
16. Employee Entitlements		
Annual Leave	221,955	249,000
Holidays Act Recalculation Liability	1,653	1,653
Total Employee Entitlements	223,608	250,653
	2023	2022

17. Equity

Share Capital		
Balance 1 July	232,493	232,493
Total Share Capital	232,493	232,493
Retained Earnings		
Balance 1 July	(45,018)	198,887
Surplus/(deficit)	39,124	(243,904)
Total Retained Earnings	(5,893)	(45,018)
Total Equity	226,600	187,476

Equity is the shareholder's investment in the Company and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as share capital and retained earnings.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. No ready market for these shares therefore recognised at cost.

100 ordinary shares at \$1 per share are fully paid out and carry the right to dividends per share.

The Company is not forecasting to generate any dividend for the shareholder over the next 3 years. Should a situation arise where distributions to the shareholder could be considered the Board will take into account the following elements in any distribution it may consider:

- The company's working capital requirements
- The retention of an appropriate level of earning for reinvestment in the business

18. Related Party Transactions

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

Further, transactions with other government agencies (for example, government departments and Crown entities) 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 of such transactions

	2023	2022
19. Transactions with Parent		
The Company entered into transaction with:	-	-
Received a grant from Rotorua Lakes Council (excl. GST)	4,507,000	4,220,000
Rent paid to Rotorua Lakes Council (excl. GST)	232,320	217,718
Total Transactions with Parent	4,739,320	4,437,718



	2023	2022
Balance Receivable/Payable - Rotorua Lakes Council		
Balance receivable from Rotorua Lakes Council	115,623	49,981
Balance payable to Rotorua Lakes Council	45,502	27,988
	2023	2022

20. Key Management Remuneration

Senior Management Team including Chief Executive		
Full Time Equivalent Members	6	4
Remuneration	976,264	634,058
Directors		
Full Time Equivalent Members	7	7
Remuneration	113,750	120,000
Total Full Time Equivalent Personnel	13	11
Total Key Management Personnel Remuneration	1,090,014	754,058
	2023	2022

21. Directors Remuneration

Tim Cossar	17,500	15,000
Christopher Auld	15,000	15,000
David Tapsell	15,000	15,000
Keri-Anne Tane	15,000	15,000
John McRae (Retired 14 April 2023)	25,000	30,000
Aaron Donnelly (Retired 12 April 2023)	15,000	15,000
Desterney Newton (Retired 14 April 2023)	11,250	15,000
Total Directors Remuneration	113,750	120,000

In addition to remuneration an amount of \$5,683 (2022 \$5,310) relating to insurance was paid for Director liability. No other benefits have been provided by the Company to a Director or in any other capacity. No loans have been made by the Company to a Director nor has the Company guaranteed any debts incurred by a Director.

22. Interest Register

The Company is required to maintain an interest register in which the particulars of certain transactions and matters involving the Directors must be recorded. The interest register is available for inspection at the registered office.

INFORMATION USED BY DIRECTORS

During the financial year, there were no notices received from directors of RotoruaNZ Limited as, or any subsidiary, requesting to use information received in their capacity as a director which would not otherwise have been available to them.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Other than the insurance disclaimed in note 21 the Company has not arranged policies of the Directors' and Officers' Liability Insurance and separate Director's and Officers' defence costs insurance.



	2023	2022
23. Reconciliation of Net Surplus/(Deficit) to Net Cash Flow from Operating Expenses		
Net surplus/(deficit)	39,124	(243,904)
Add/(less) non-cash items		
Depreciation and amortisation	96,203	98,854
Total non-cash items	96,203	98,854
Add/(less) items classified as investing activities		
(Gain)/loss on sale of property, plant, and equipment	141	-
Total items classified as investing activities	141	-
Add/(less) movements in statement of financial position items		
(Increase)/decrease in receivables	(28,095)	(146,722)
(Increase)/decrease in other current assets	(133,798)	(31,245)
Increase/(decrease) in payables and accrued expenses	(611,907)	703,167
Total net movement in working capital items	(773,800)	525,200
Net cash flow from operating activities	(638,332)	380,150
	2023	2022

24. Financial Instruments

Financial assets at amortised cost

Cash and cash equivalents	581,522	1,267,691
Receivables (excluding tax receivable)	312,258	205,748
Total Financial assets at amortised cost	893,780	1,473,439

Financial liabilities at amortised cost

Payables (excluding taxes payable)	836,103	1,567,463
Total Financial liabilities at amortised cost	836,103	1,567,463

RotoruaNZ Ltd complies with Rotorua Lakes Council policies to manage the risk associated with financial instruments and is risk averse and seeks to minimise exposure from its financial instruments. The Council has established liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

25. Reporting against Statement of Intent

	Actual 2023	SOI 2023	Variance 2023
Revenue			
Council funding	4,507,000	4,660,000	(153,000)
Government funding	550,437	-	550,437
I-site commission received	626,124	819,519	(193,395)
Trading revenue	1,419,265	820,419	598,846
Other revenue	310,827	300,000	10,827
Interest received	28,639	-	28,639
Total Revenue	7,442,292	6,599,938	842,354
Expenses			
Personnel costs	3,292,636	3,099,893	192,743
Admin & office expenses	552,972	64,500	488,472
Finance costs and charges	143,366	121,950	21,416
Repairs & maintenance	84,499	60,000	24,499
Operating expenses	3,267,467	3,212,520	54,947
Utilities	62,228	57,000	5,228
Total Expenses	7,403,168	6,615,863	787,305
Net Surplus/(Deficit)	39,124	(15,925)	55,049

Commentary:

Increased revenue of \$842k was driven by two key factors. MBIE funding provided from the Strategic Tourism Asset Protection Programme (STAPP) was carried forward from the prior financial year to reflect actual delivery of contracted milestones. Alongside this trading revenue was significantly ahead of forecast reflecting the outcome of significant work to implement a revised i-Site retail sales strategy. The value of the revised strategy is evidenced against lower than forecast commission revenue due to the slower than expected return of international visitors.

Overall expenditure rose to meet the additional contract requirements for delivering the MBIE STAPP deliverables, and increased personnel costs associated with increased trading revenue. Administration and office expenditure was misaligned during preparation of the SOI, and the variance represents a realignment of expenses from operating to administration and office.

Underlying performance, once the revenue and expenses associated with the MBIE STAPP funding are removed, indicates that the overall surplus is broadly consistent with the forecast SOI result, with the small surplus reflecting improved trading revenue.

26. Auditors

The Auditor General is appointed under Section 15 of the Public Audit Act 2001. Silks Audit has been appointed to provide these services on his behalf. Provision for audit fee including disbursements for the year was \$32,702 excl. GST (2022 \$32,433 excl. GST).



27. Donations

No donations were made by the company during the year (2022:Nil).

28. Contingent Liabilities

The company has no contingent liabilities at balance date (2022:Nil).

	2023	2022
29. Operating Leases		
Commitment Type		
Not later than one year	232,320	232,320
Later than one year and not later than five years	929,280	929,280
Later than five years	755,040	987,360
Total Operating Leases	1,916,640	2,148,960

Operating leases relate to leasing of 1167 Fenton Street, Rotorua.

30. Events after Balance Date

There have been no significant events after the balance date.

31. Capital Management

The Company's capital is its equity, which comprise shareholders' funds. Equity is represented by net assets.

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

The Company is reliant for a large part of its revenue from its 100% parent Rotorua Lakes Council.

The Council has accepted the Company's Statement of Intent, which includes funding up to 30 June 2023.

The funding agreement indicates that support will be provided until 30 June 2023. The support provided to RotoruaNZ Limited shall include: \$4.66m excl. GST to support the necessary budgeted operating activities in a timely manner (and all obligations and liabilities incidental to such activities)

32. Breach of Statutory Reporting Dateline

RotoruaNZ Limited was required under Section 67 of the Local Government Act 2002 (5b) to complete its audited financial statements and service performance information by 30 September 2023. This timeframe was not met due to the late completion of the audit.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ROTORUANZ LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of RotoruaNZ Limited. The Auditor-General has appointed me, Cameron Town, using the staff and resources of Silks Audit Chartered Accountants, to carry out the audit of the financial statements and performance information of RotoruaNZ Limited on his behalf.

Opinion

We have audited:

- the financial statements of RotoruaNZ Limited on pages 15 to 32, that comprise the statements of financial position as at 30 June 2023, the statements of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statement that include accounting policies and other explanatory information.
- the performance information of RotoruaNZ Limited on pages 15 to 32.

In our opinion:

- the financial statements of RotoruaNZ Limited:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 Public Benefit Entity Reporting Standards Reduced Disclosure Regime.
- the performance information of RotoruaNZ Limited presents fairly, in all material respects, of RotoruaNZ Limited's actual performance compared against the performance targets and other measures by which performance was judged in relation to of RotoruaNZ Limited's objectives for the year ended 30 June 2023.

Our audit was completed on the 5th of February 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements and the performance information

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

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

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

The Board responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RotoruaNZ Limited's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the of RotoruaNZ Limited's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the of RotoruaNZ Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause RotoruaNZ Limited to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board is responsible for the other information. The other information comprises the Statement of Service Performance included on page 11 and the Mihi from the Board Chair and Chief Executive on page 4, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Cameron Town
Silks Audit Chartered Accountants
On behalf of the Auditor-General
Whanganui, New Zealand