

Tauranga City Aquatics Limited

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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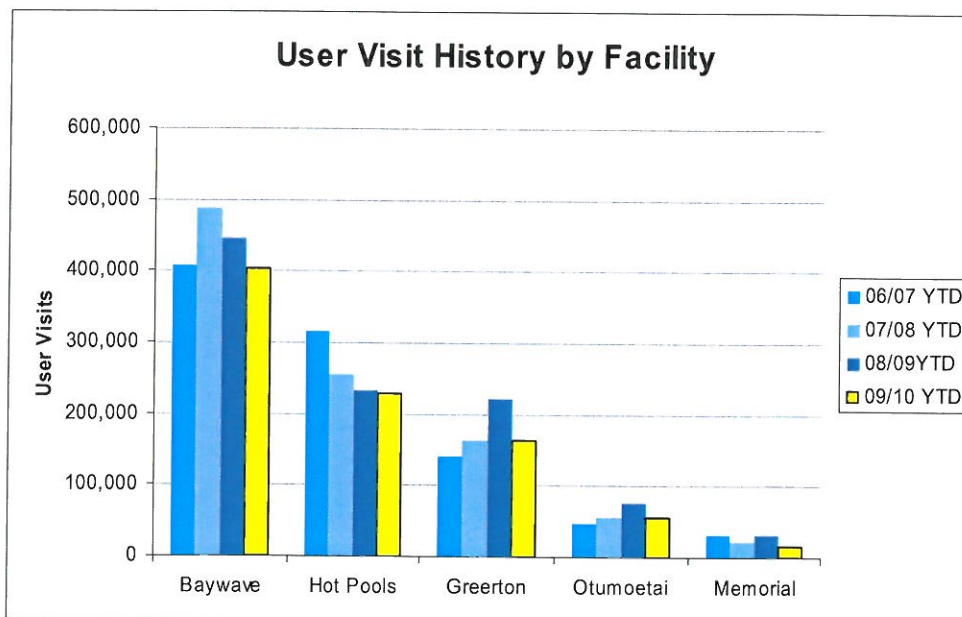
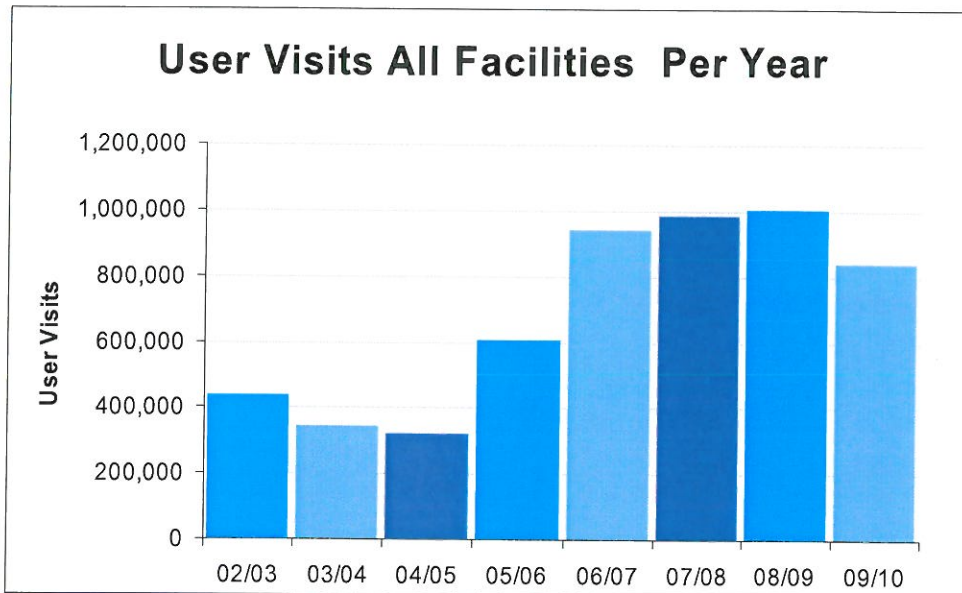
CHAIRMAN'S REPORT

Tauranga City Aquatics Limited (TCAL) was formed in 2005 and had contracted LeisureCo New Zealand (LCNZ) to manage the aquatics network under a fixed fee management contract.

This arrangement was terminated on the 29 June 2009 when TCAL assumed management. LCNZ was placed into liquidation on 13 July 2009. These reports represent TCAL's fourth full year of trading and its first full year of directly managing the day to day business operations and service delivery.

Operations

User visits across all facilities decreased for the 2009-10 year. In part this was the change over in reporting processes and systems following termination with LCNZ. TCAL have established robust user reporting through the CLASS point of sale system for future reporting.



Financial

The audited results for the year ended 30 June 2010 show a deficit of \$1,278,000 (2009 \$966,000), after depreciation and debt servicing. In comparing the 2009-10 reports and the 2008-09 year, the most significant change is due to the termination with LCNZ and the fact that TCAL now directly collects all revenue and pays all expenditure. Previously this occurred within the LCNZ financial reports and only net contract payments were recorded by TCAL. In terminating the management contract with LCNZ, TCAL incurred an estimated \$400,000 in either lost revenue or additional termination costs such as legal fees. However this impact was funded from within the operating revenue of TCAL and the rates contribution, by way of an operating grant from Council to TCAL, remained unchanged at \$733,000 (2009 \$733,000). Council do not provide funding for the depreciation expense of \$1,189,000 (2009 \$1,150,000) within TCAL financials.

The one-off increase in income tax expense of \$3,000,000, with a corresponding increase in deferred tax liabilities has been in the Statement of Income and Financial Position. This is a result of tax changes announced in the New Zealand Government budget, which were enacted on 27 May 2010. It is a non-cash adjustment to the income statement and has no impact on the underlying trading performance or cash flows for the year ended 30 June 2010. The adjustment is required under International Financial Reporting Standards (IFRS).

Governance

Councillor David Stewart joined the Board on 1 September 2009 and an incumbent director, Grant Seagar, resigned 31 March 2010. The decision on 29 June 2009 to terminate the management contract with LCNZ, was made once TCAL were made aware of serious financial issues within LeisureCo and following discussions with TCAL shareholder, TCIL. Once TCAL were made aware of the financial issues within LCNZ, TCAL acted swiftly to terminate the contract and protect the aquatic assets on behalf of the shareholder and the community. With the subsequent liquidation of LCNZ and Australia, this decision was validated.

Strategic Direction

Following termination of the management contract, TCAL has assumed the day to day operations of the aquatics network. The period proceeding termination has been about reviewing the existing business and establishing an effective organisation structure and staff that will allow us to improve and grow our services and programmes. During this time all facilities have remained open, safe and enjoyable for our community.

TCAL have ensured all procedures and processes for key business functions are now in place. These include financial and user reporting, point of sale systems, water quality and OSH policies and Poolsafe staff rostering. We have remained compliant with all legislation required regarding water quality and staffing throughout the post termination operations.

TCAL have also developed and branded a new learn to swim program called Bayswim. We have also developed a new Health Club brand, Clubfit which operates in our two Health Club facilities.

Despite the events of the past twelve months, TCAL is in a strong position and in full control of the aquatic business on behalf of the community. TCAL are committed to supporting a community that not only swims by ensuring affordable and accessible facilities are offered, but also supporting healthy, active lifestyles and the wellbeing this brings.



Acknowledgments

The Directors wish to acknowledge the assistance and support we have received from our shareholder, TCIL, and from Council staff and the Elected Members. TCAL can only succeed in its goals through collaborative relationships with our shareholder, the Council and the Community.

A handwritten signature in blue ink, appearing to read "Warren Banks", with a large, sweeping flourish extending to the left.

Warren Banks
Chairman

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2009/10 (\$000's) Actuals	2009/10 (\$000's) Budgets	2008/09 (\$000's) Actuals
Revenue				
Operational Revenue	2	4,838	5,122	0
Grants	3	895	947	986
Other Revenue	4	98	50	1,263
Total		5,831	6,119	2,249
Expenditure				
Personnel Costs	5	3,202	2,903	2
Other Expenditure	6	2,386	2,435	1,760
Depreciation & Amortisation	7	1,189	1,162	1,150
Loss on Disposal		0	0	0
Interest Paid		332	328	303
Total		7,109	6,828	3,215
Operational Surplus / (Deficit)		(1,278)	(709)	(966)
Revaluation of Plant and Equipment		0	0	(1,114)
Surplus / (Deficit) including revaluations		(1,278)	(709)	(2,080)
Taxation Expense/(Benefit)	8a	3,006	0	(672)
Net Surplus / (Deficit) for the Year		(4,284)	(709)	(1,408)
Other Comprehensive Income				
Gains /(Losses) on property revaluation		0	0	3,093
Tax relating to other comprehensive income		61	0	(928)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(4,223)	(709)	757


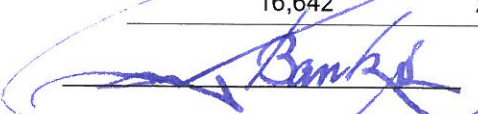
The Notes and Statement of Accounting Policies form part of these Financial Statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Share Capital	Retained Earnings	Asset Revaluation Reserves	Schools in pools Reserve	Total Equity
Balance at 1 July 2008	18,861	1,226	0	20	20,107
Net deficit for the year	0	(1,408)	0	0	(1,408)
Building & Improvement Revaluation	0	0	3,093	0	3,093
Taxation on Equity	0	0	(928)	0	(928)
Transfers to Reserves	0	(20)	0	20	0
Balance at 30 June 2009	18,861	(202)	2,165	40	20,864
<i>Changes in Equity for 2010</i>					
Net deficit for the year	0	(4,284)	0	0	(4,284)
Building & Improvement Revaluation	0	0	0	0	0
Taxation on Equity	0	0	62	0	62
Transfers to reserves	0	(20)	0	20	0
Balance at 30 June 2010	18,861	(4,506)	2,227	60	16,642

The Notes and Statement of Accounting Policies form part of these Financial Statements

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	Note	2009/10 (\$000's) Actuals	2008/09 (\$000's) Actuals
Assets			
Current Assets			
Cash and Cash Equivalents	9	52	119
Stock on Hand		44	48
Prepayment		0	2
Debtors and Other Receivables	10	186	40
Total Current Assets		<u>282</u>	<u>209</u>
Non Current Assets			
Property, Plant and Equipment		25,835	26,892
Intangible Assets – Software		7	17
Total Non Current Assets	24	<u>25,842</u>	<u>26,909</u>
Total Assets		<u>26,124</u>	<u>27,118</u>
Liabilities			
Current Liabilities			
Employee Entitlements	14	197	0
Trade and Other Payables	15	386	420
Total Current Liabilities		<u>583</u>	<u>420</u>
Non Current Borrowings			
Loan from Tauranga City Council	17	1,698	1,568
Leisure Co NZ Security Bond	17	0	10
Tauranga Energy Consumer Trust RPS	17	4,000	4,000
Deferred Tax	8c	3,201	256
Total Non Current Liabilities		<u>8,899</u>	<u>5,834</u>
Total Liabilities		<u>9,482</u>	<u>6,254</u>
Net Assets		<u>16,642</u>	<u>20,864</u>
Equity			
Share Capital	18	18,861	18,861
Retained Earnings	19	(4,506)	(202)
Revaluation Reserves	20	2,227	2,165
Reserve – Schools in Pools	21	60	40
Total Equity		<u>16,642</u>	<u>20,864</u>
 _____ DIRECTOR		 _____ DIRECTOR	
Date <u>22/9/2010</u>		Date <u>22/9/10</u>	

The Notes and Statement of Accounting Policies form part of these Financial Statements

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2009/10 (\$000's) Actuals	2008/09 (\$000's) Actuals
Operating Activities			
Cash was Provided From:			
Grants		4,867	1,230
Other Revenue		926	1,377
		5,793	2,607
Cash was Applied To:			
Payments to Employees		3,004	
Payments to Suppliers		2,505	1,704
Interest Paid		332	303
Goods and Services Tax (net)		17	0
		5,858	2,007
Net Cash from Operating Activities	13	(65)	600
Investing Activities			
Cash was Applied To:			
Purchase of Property, Plant and Equipment		(492)	(525)
Net Cash from Investing		(492)	(525)
Finance Activities			
Cash was Provided From:			
Tauranga City Council Loans		500	30
Proceeds from Borrowings			0
		500	30
Cash was Applied To:			
Repayment of Tauranga City Council Loans		10	0
Reserves – SIP			0
Net Cash from Financing Activities		490	30
Net Increase / Decrease in Cash Held		(67)	104
Add Opening Cash	9	119	15
Closing Cash and Bank	9	52	119

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The Notes and Statement of Accounting Policies form part of these Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2009

ENTITY STATEMENT

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

Tauranga City Aquatics Limited was incorporated on 17 February 2005.

The primary objective of Tauranga City Aquatics Limited is to provide goods and services for the community or social benefit, rather than making a financial return. Accordingly, Tauranga City Aquatics Limited, as part of the Tauranga City Council group, has designated itself as a Public Benefit Entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements of Tauranga City Aquatics Limited are for the year ended 30 June 2010. The financial statements were authorised for issue by Tauranga City Aquatics Limited Directors on _____.

CHANGES TO ACCOUNTING POLICY

The Company no longer qualifies for Differential Reporting exemptions as such has not applied any differential reporting exemptions and has updated relevant comparative figure, as required by NZ IAS 8. it has no public accountability.

The Company has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners.

Financial statement information for the year ended 30 June 2009 has been restated accordingly.

Amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk.

BASIS OF PREPARATION

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

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate to public benefit entities.

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

The measurement base adopted is that of historical cost.



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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income.

SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION

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

- Grants and Subsidies

Grants and Subsidies are recognised when the conditions of the grant or subsidy have been met.

- Leases

Lease revenue is recognised on a straight line basis over the term of the lease

- Other Revenue

Products held for sale are recognised when a product is sold to the customer.

TAXATION

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted at balance date.

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

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

The measurements of deferred tax reflects the tax consequences that would follow from the manner in which Tauranga City Aquatics Limited expects to recover or settle the carrying amount of deferred tax 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.

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

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

BORROWING COSTS

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



GOODS & SERVICES TAX

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

Commitments and contingencies are disclosed exclusive of GST.

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

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

PROPERTY, PLANT & EQUIPMENT

Property, Plant and Equipment consist of assets including buildings, improvements, computer equipment, office furniture/equipment and plant and equipment.

Depreciation: All assets are depreciated over their expected useful life. Depreciation is provided on a straight line (SL) or diminishing value (DV) basis, at rates calculated to allocate the asset cost less estimated residual value over the estimated useful life.

	Useful Life (Years)	Depreciation Method
Non Infrastructural Assets		
Land	N/A	N/A
Buildings	8-100	SL
Improvements	5-25	SL
Computer Equipment	4-5	SL
Office Furniture / Equipment	8-12	SL
Other Plant & Equipment	8-20	SL
Vehicles	5-7	SL

Valuation

Those asset classes that are revalued are valued on a three yearly valuation cycle on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of all assets not revalued in any year are reviewed at each balance date to ensure that those values are not materially different to fair value.

Buildings and improvements were valued at fair value as determined from market-based evidence by an independent valuer. The most recent valuations were undertaken on 1st July 2008 by Property Solutions BOP Limited and related to all buildings and improvements.

Tauranga City Aquatics Limited accounts for revaluations of Property, Plant and Equipment on a class of asset basis.

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 Tauranga City Aquatics Limited and the cost of the item can be measured reliably.

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

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 included in the statement of comprehensive income.

INTANGIBLE ASSETS

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with computer software are recognised as an expense when incurred.

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 the asset is derecognised. Amortisation charge for each period is recognised in the statement of financial performance. Intangible assets capitalised to other assets are amortised at the rate of the principal asset to which they have been capitalised.

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

Computer Software	3 to 4 years	25% to 33%
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IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependant on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the statement of financial performance.

LEASES

Operating lease revenue, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased item, are recognised as revenue on a straight line basis over the term of the lease.

The assets subject to the lease are included in the statement of financial position according to the nature of the asset. The leased assets are depreciated over the period Tauranga City Aquatics Limited expect to benefit from their use.

CASH AND CASH EQUIVALENTS

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

DEBTORS AND OTHER RECEIVABLES

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

A provision for impairment of receivables is established when there is objective evidence that Tauranga City Aquatics Limited will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of an impaired receivable is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of financial performance. When the

receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due)

INVENTORIES

Inventories held for sale on a commercial basis are valued at the lower of cost and net realisable value. The cost of the inventory is determined using the first-in-first-out method.

STATEMENT OF CASHFLOWS

The following definitions have been used for the preparation of the Statement of Cashflows:

Cash

Coins, notes, demand deposits, or highly liquid investments for which there is a recognised ready market and which are unconditionally convertible to coins and notes at Tauranga City Aquatics Limited's option within no more than two working days and which Tauranga City Aquatics Limited regards as part of its day-to-day cash management.

Operating Activities

Includes cash received from all sources of the company and records the cash payments made for the supply of goods and services.

Investing Activities

Activities relating to the acquisition, holding and disposal of fixed assets and of investments; such as securities.

Financing Activities

Activities which result in changes in the size and composition of equity and the capital structure of Tauranga City Aquatics Limited.

CREDITORS AND OTHER PAYABLES

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

PROVISIONS

Tauranga City Aquatics Limited recognises a provision 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 expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

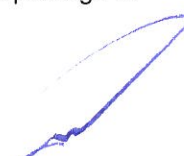
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost

BORROWINGS

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements Tauranga City Aquatics Limited has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent



actual results. Estimates and assumptions are continually evaluated and are based in 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 with the next financial year are discussed below:

Property, plant and equipment useful lives and residual value

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

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive income and carrying amount of the asset in the statement of financial position. Tauranga City Aquatics Limited minimises the risk of this estimation uncertainty by:

- Physical inspection of assets
- Asset replacement programs
- Review of second hand market prices for similar assets
- Analysis of prior asset sales

Tauranga City Aquatics Limited has not made significant changes to past assumptions concerning useful lives and residual values. The carrying amount of property, plant and equipment are disclosed in note 24.



NOTES TO THE FINANCIAL STATEMENTS

2. OPERATIONAL REVENUE

	2009/10 (\$000's) Actuals	2009/10 (\$000's) Budget	2008/09 (\$000's) Actuals
Operating Revenue	4,838	5,017	0
	<u>4,838</u>	<u>5,017</u>	<u>0</u>

In the 2009 financial year operational revenue was received by LCNZ, with the termination of the management contract Tauranga City Aquatics Limited receives the operational revenue directly.

3. GRANT REVENUE

	2009/10 (\$000's) Actuals	2009/10 (\$000's) Budget	2008/09 (\$000's) Actuals
Tauranga City Council - Operational	733	733	733
- Renewal	121	173	118
- Poolsafe	0	0	74
- Debt Retirement	41	41	61
	<u>895</u>	<u>947</u>	<u>986</u>

4. OTHER REVENUE

	2009/10 (\$000's) Actuals	2009/10 (\$000's) Budget	2008/09 (\$000's) Actuals
Lease Revenue	48	40	159
Contract Revenue	0	0	1,086
Share of contract surplus	0	0	13
Miscellaneous Revenue	50	10	5
	<u>98</u>	<u>50</u>	<u>1,263</u>

5. PERSONNEL COSTS

	2009/10 (\$000's) Actuals	2009/10 (\$000's) Budget	2008/09 (\$000's) Actuals
Salaries and Wages	3,180	2,903	2
Defined contribution plan employer contributions (kiwisaver)	22	0	0
Total Personnel Costs	<u>3,202</u>	<u>2,903</u>	<u>2</u>

In the 2009 financial year personnel costs were paid by LCNZ, with the termination of the management contract Tauranga City Aquatics Limited paid the personnel costs directly.

6. OTHER EXPENDITURE

	2009/10 (\$000's) Actuals	2009/10 (\$000's) Budget	2008/09 (\$000's) Actuals
Administration	514	435	395
Consultants - General	108	68	101
- Legal	90	15	25
Contract Payments	0	0	583
Audit - Annual Report	25	12	11
- Operations	12	26	32
- Financial	0	0	36
Operating Costs	1,405	1,464	308
Maintenance	232	415	269
	<u>2,386</u>	<u>2,435</u>	<u>1,760</u>

7. DEPRECIATION & AMORTISATION

	2009/10 (\$000's) Actuals	2009/10 (\$000's) Budget	2008/09 (\$000's) Actuals
Buildings and Improvements	900	879	896
Office Furniture and Equipment	102	100	36
Plant and Equipment	170	166	209
Vehicles	9	9	0
Software	8	8	9
	<u>1,189</u>	<u>1,162</u>	<u>1,150</u>

8. TAXATION

	2009/10 (\$000's)	2008/09 (\$000's)
a) Operational Surplus /Deficit) before Taxation	<u>(1,277)</u>	<u>(2,080)</u>
Prima Facie Taxation at 30% (2008:33%)	(383)	(624)
Non-deductible expenditure	301	345
Non Taxable income	(233)	(260)
Deferred Tax Adjustment	3,499	(133)
Tax rate adjustment	(169)	0
Prior year adjustment	(9)	0
Taxation Loss	<u>3,006</u>	<u>(672)</u>
Represented As:		
Current Taxation	0	0
Deferred Taxation expense/(benefit)	3,006	(672)
	<u>3,006</u>	<u>(672)</u>

A deferred tax asset has not been recognised in relation to tax losses of \$0 (2009: Nil).

The one-off increase in income tax expense of \$3.0 million, with a corresponding increase in deferred tax liabilities has been booked in the accounts. This is a result of tax changes announced in the New Zealand Government budget, which were enacted on 27 May 2010.

The amount represents a one-off charge resulting from the withdrawal of tax depreciation deductions for buildings with an estimated life of 50 years or more and is required under International Financial Reporting Standards (IFRS).

It is a non-cash adjustment to the income statement and has no impact on the underlying trading performance or cash flows for the year ended 30 June 2010.

Tax Receivable (Payable)

	2009/10 (\$000's)	2008/09 (\$000's)
Opening Balance	0	0
Prior period adjustment	0	0
Subvention payment	0	0
<u>Current tax liability</u>	0	0
Tax paid	0	0
	0	0

b) Imputation Account

	2009/10 (\$000's)	2008/09 (\$000's)
Opening balance 1 July	654	766
Tax Paid	0	0
Imputation credits attached to dividends paid out	(112)	(112)
Other Adjustments	0	0
Closing balance at 30 June	542	654

c) Deferred Tax Liability

	Property, plant and equipment	Other Provisions	Tax losses	Total
Balance at 30 June 2008	(517)	0	517	0
Charged to Income	239	32	401	672
Charged to equity	(928)	0	0	(928)
Balance at 30 June 2009	(1,206)	32	918	(256)
Charged to Income	(3,344)	6	332	(3,006)
Charged to equity	61	0	0	61
Balance at 30 June 2010	(4,488)	38	1,250	(3,201)

9. CASH AND CASH EQUIVALENTS

	2009/10 (\$000's)	2008/09 (\$000's)
Cash	49	116
Till Floats	3	3
	52	119

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and Bank overdrafts. The carrying value of cash and till floats approximates their fair value.

10. DEBTORS AND OTHER RECEIVABLES

	2009/10 (\$000's) Gross	Impairment (\$000's)	2009/10 (\$000's) Net	2008/09 (\$000's) Gross	Impairment (\$000's)	2008/09 (\$000's) Net
Debtors and other Receivables						
Not Past Due	163	0	163	147	(107)	40
Aged Receivables: 31-60 days	6	0	6	0	0	0
Aged Receivables: 61-90 days	0	0	0	0	0	0
Aged Receivables: greater than 90 days	19	(2)	17	0	0	0
GST Receivable	0	0	0	0	0	0
	188	(2)	186	147	(107)	40

The carrying value of receivables approximates their fair value.

11. STATEMENT OF COMMITMENTS

The statement represents extraordinary or exceptionally large commitments for that type of expenditure within the normal course of business, which have been contractually entered into.

Capital Commitments

	2009/10 (\$000's)	2008/09 (\$000s)
Capital expenditure (property, plant and equipment) contracted for at balance date but not yet incurred.		
Ross Maguire Architect – Hot Pools Redevelopment *	277	327
Rawlinsons – Quantity Surveyor – Hot Pools Redev.*	110	110
SGL Consulting Group Ltd	27	0
Davis Langdon – Project Management Services	106	0
Total Capital Commitments	520	437

* The Hot Pools redevelopment is budgeted to be completed by 30 June 2012

Operating Commitments

The Company leases equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	2009/10 (\$000's)	2008/09 (\$000s)
Operating Leases		
Not later than one year	49	32
Later than one year and not later than five years	90	0
Later than five years	0	0
	139	32

12. CONTINGENCIES

Contingent Liabilities

Tauranga City Aquatics Limited has no contingent liabilities. (2009: nil)

13. RECONCILIATION OF NET SURPLUS WITH NET CASHFLOWS FROM OPERATIONS

	2009/10 (\$000's)	2008/09 (\$000s)
Net Surplus / (Deficit) from Statement Financial Performance	(1,277)	(2,080)
Add/(Deduct) Non Cash Items		
Asset revaluation	0	1,114
Depreciation + Loss on disposal	1,189	1,150
Add/(Deduct) Movements in Working Capital		
Decrease / (Increase) in Trade and other Receivables	(144)	556
Decrease / (Increase) in Inventories	4	(47)
Increase in Trade and other Payables	163	(93)
Net Cash from Operating Activities	(65)	600

14. EMPLOYEE ENTITLEMENTS

	2009/10 (\$000's)	2008/09 (\$000s)
Accrued pay	33	0
Annual leave	126	0
ACC Employer contribution	38	0
Total Employee Entitlements	197	0

15. TRADE AND OTHER PAYABLES

	2009/10 (\$000's)	2008/09 (\$000s)
Trade and Other Payables		
Income in Advance	94	0
Trade & Other Payables	102	32
Accrued Expenditure	179	382
GST Payable	11	6
Total Trade and Other Payables	386	420

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

16. RELATED PARTY TRANSACTIONS

	2009/10 (\$000's)	2008/09 (\$000s)
Tauranga City Council (Shareholder of TCIL who wholly own Tauranga City Aquatics Limited)		
Grants Received (including accruals)	(895)	(986)
Loans Received	(1805)	(1,566)
Interest Paid	104	75
Administration Services Provided	125	171
Loans Repaid	1,745	1,611
SGL (Tauranga City Aquatics Limited Director)		
Consultation regarding Hot Pools Redevelopment	10	48
Tauranga Aquatics Trust (Tauranga City Aquatics Limited Director is a trustee of this Trust)		
Grants Paid	0	10
Transactions with key Management Personnel		
	2009/10 (\$000's)	2008/09 (\$000s)
Salaries and other short term employee benefits	360	0

Key management personnel include the Chief Executive, and other senior management.

17. BORROWINGS

	2009/10 (\$000's)	2008/09 (\$000s)
Non-current Borrowings		
Loan from Tauranga City Council	1,698	1,568
LCNZ Security Bond	0	10
TECT Redeemable Preference Shares	4,000	4,000
Total Non-Current Borrowings	5,698	5,578

Loan from Tauranga City Council

The loan from Tauranga City Council (TCC) to Tauranga City Aquatics Limited (Tauranga City Aquatics Limited) was recognised at cost under previous NZ GAAP. Tauranga City Aquatics Limited designated the loan as a Financial Liability and recognised it initially at fair value under NZ IFRS 39. After initial recognition it is on demand.

Security

The loan from TCC is unsecured.

TECT Redeemable Preference Shares

Tauranga City Aquatics Ltd has classified the \$4m fixed rate redeemable preference shares (RPS) issued to TECT as debt under NZ IFRS. The maturity date is 25 July 2011. The interest of \$227,733 (2009: \$227,733) paid in relation to these shares is recognised as an expense in the Statement of Financial Performance. The loan is secured by a guarantee from Tauranga City Council.

18. SHARE CAPITAL

	2009/10 (\$000's)	2008/09 (\$000s)
a) Fully paid ordinary shares		
Balance at beginning of financial year	18,861	18,861
Shares issued to Parent	0	0
Total Closing Share Capital	18,861	18,861

- i) Fully paid ordinary shares carry one vote per share and carry the right to dividends
ii) No ready market for these shares so recognised at cost.

19. RETAINED EARNINGS

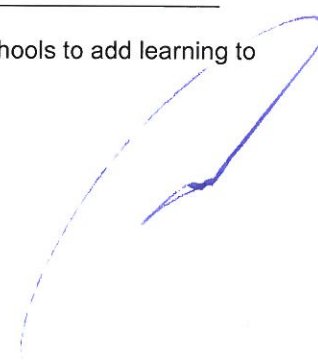
	2009/10 (\$000's)	2008/09 (\$000s)
Retained Earnings Opening Balance	(202)	1,226
(Deficit) / Surplus after Tax	(4,284)	(1,408)
Transfer to Reserves	(20)	(20)
Dividends paid to parent	0	0
Total Retained Earnings	(4,506)	(202)

20. RESERVE – REVALUATIONS

	2009/10 (\$000's)	2008/09 (\$000s)
Buildings & Improvements Revaluation Reserve	2,165	3,093
Taxation on Revaluation Movement	62	(928)
Total Revaluation Reserve	2,227	2,165

21. RESERVE – SCHOOLS IN POOLS

	2009/10 (\$000's)	2008/09 (\$000s)
Opening Balance	40	20
Transfer from Retained Earnings	20	20
Total Schools in Pools Reserve	60	40

- i) The Schools in Pools Reserve has been set up to encourage schools to add learning to swim to their curriculum.
- 

22. CAPITAL MANAGEMENT

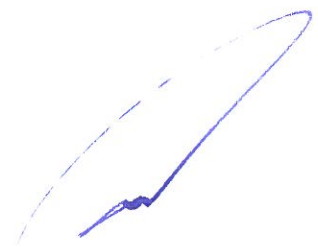
Tauranga City Aquatics Limited's capital is its equity, which comprises Tauranga City Aquatics Limited capital and retained surpluses. Equity is represented by net assets.

Tauranga City Aquatics Limited's constitution requires the Board of Directors to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing Tauranga City Aquatics Limited's equity is to ensure that Tauranga City Aquatics Limited effectively achieves its objectives and purpose, whilst remaining a going concern.

23. SIGNIFICANT EVENTS AFTER BALANCE DATE

No significant events after balance date.



24. ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

2010

Tauranga City Aquatics Limited	2008/09 Cost/Val & Reval (\$000s)	2008/09 Acc Depn (\$000s)	2009/10 Opening Book Value (\$000s)	2009/10 New Assets (\$000s)	2009/10 Assets Disposed (\$000,s)	2009/10 Cost Reval (\$000's)	2009/10 Current Depn (\$000,s)	2009/10 Accum Depn (\$000,s)	2009/10 Cost/Val (\$000s)
At Cost									
Buildings	23,398	(896)	22,502	45	0	23,443	(900)	(1,796)	21,647
Office Furniture & Equip	268	(113)	155	120	0	388	(49)	(162)	226
Plant and Equipment	3,819	(209)	3,610	168	0	3,987	(223)	(431)	3,556
Vehicles	0	0	0	55	0	55	(9)	(9)	46
Work In Progress	625	0	625	0	0	359	0	0	359
	28,110	(1,218)	26,892	0	0	28,232	(1,181)	(2,398)	25,834
Software	39	(23)	17	0	0	39	(8)	(31)	8
	28,149	(1,241)	26,909	0	0	28,271	(1,189)	(2,429)	25,842

2009

Tauranga City Aquatics Limited	2007/08 Cost/Val (\$000s)	2007/08 Acc Depn (\$000s)	2008/09 Opening Book Value (\$000s)	2008/09 New Assets (\$000s)	2008/09 Assets Disposed (\$000,s)	2008/09 Reval (\$000's)	2008/09 Current Depn (\$000,s)	2008/09 Accum Depn (\$000,s)	2008/09 Cost/Val (\$000s)
At Cost									
Buildings	21,423	(1,247)	20,176	129	0	3,093	(896)	(896)	22,502
Office Furniture & Equip	323	(117)	166	25	0	0	(36)	(113)	155
Plant and Equipment	5,138	(681)	4,497	436	0	(1,114)	(209)	(209)	3,610
Work In Progress	692	0	692	(67)	0	0	0	0	625
	27,576	(2,045)	25,532	523	0	1,979	(1,141)	(1,218)	26,892
Software	37	(13)	24	2	0	0	(9)	(23)	17
	27,613	(2,058)	25,555	525	0	1,979	(1,150)	(1,241)	26,909

Notes: Change in classification of asset in 2009 of \$40k between Office Furniture & Equip & Plant & Equipment.

25. EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Company's budget figures in the 2009-2010 Financial Statements are as follows:

Statement of comprehensive income

Operating revenue was lower than budgeted by \$284k due to:

User numbers were lower than expected for Hot Pools by \$87k due to the need to upgrade the facility

Revenue the Learn to Swim Programme was lower than expected due to revenue retained by LCNZ and lower than expected user numbers \$180k

Café revenue was lower than expected \$17k

Operating expenses are greater than budgeted by \$250k due to:

Additional personnel costs with the transfer from LCNZ to Tauranga City Aquatics Limited \$250k

26. FINANCIAL INSTRUMENTS

	2009/10 (\$000's)	2008/09 (\$000s)
Financial Assets		
Cash and equivalents	52	119
Debtors and other receivables	186	40
Total loans and receivables	238	159
Financial Liabilities		
Creditors and other payables	583	420
TCC Loan	1,698	1,568
Secure Loans (including Redeemable Preference Shares)	4,000	4,010
Total financial liabilities	6,281	5,998

STATUTORY DISCLOSURES

There have been no changes to the nature of the business of the company. Some comparative figures are not available for 2008/09 due to the contract with LCNZ which ceased on the 29th of June 2009.

Transactions involving self-interest have been disclosed in the interests register during the period. These relate to consultancy work undertaken by SGL.

Chief Executive Remuneration

Total Remuneration paid or payable	2009/10	2008/09
100,000-109,999		
110,000-119,999	1	
120,000-129,999		
130,000-139,999		
140,000-149,999		

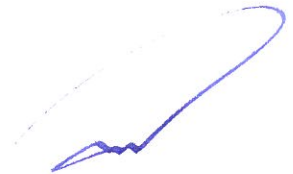
Directors during the year and directors fees paid and accrued (including reimbursements for travel and accommodation) were as follows:

Director	Start Date	End Date	Payments 2010	Payments 2009
Frances Denz	01 July, 2008	Still a Director	\$14,400	\$12,400
Warren Banks	01 April 2008	Still a Director	\$14,800	\$17,198
David Stewart	01 September 2009	Still a Director	\$0	\$0
Shirley Baker	01 May 2010	Still a Director	\$0	\$0
Grant Seagar	01 September 2007	31 March 2010	\$10,400	\$12,200
Mike King	22 March 2005	Still a director	\$39,500	\$48,085

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

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

The company paid \$24,850 in Financial Audit Fees during the year.



STATEMENT OF INTENT PERFORMANCE

The company has complied with section 64 of the Local Government Act 2002 and has had the Statement of Intent formally adopted by Council for the year ended 30 June 2010.

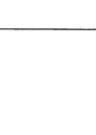
Objectives

As required by Section 59 of the Local Government Act 2002, the objectives of Tauranga City Aquatics Limited are:


Principal Objectives

The principal objectives of Tauranga City Aquatics Limited are:

	Objectives for 2009/10	Performance Indicators	Actual	Target
1	To meet, and where possible exceed, the expectation of Tauranga City Investments Limited, Tauranga City Council, and all of the stakeholders of the company.	<ul style="list-style-type: none"> To ensure we comply with our adopted Statement of Intent. 	100%	100%.
2	To operate the aquatic and leisure facilities within its control so that the company meets all financial and non-financial targets.	<p>Business and Financial Monitoring</p> <ul style="list-style-type: none"> To implement year four of the five year aquatic facilities management contract and consolidate all financial, business and management practices to ensure Tauranga City Aquatics Limited continues to accurately monitor our facilities, programmes and services. To achieve and or exceed the fourth year contract targeted use and financial performance of facilities, programmes and services. 	<p>The management contract with LeisureCo NZ was terminated 29th June 2009. At this date, Tauranga City Aquatics Limited assumed direct management of the network of aquatic and leisure facilities.</p>	<p>100%</p> <p>100%</p>

Objectives for 2009/10	Performance Indicators	Actual	Target																
	<p>Financial Contract Monitoring</p> <ul style="list-style-type: none"> Tauranga City Aquatics Limited will monitor the five year fixed operating budgets to ensure the contract payments are met. 	<table border="1" data-bbox="432 607 679 954"> <thead> <tr> <th></th> <th>2009/10</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>\$5,831,442</td> </tr> <tr> <td>Expenditure</td> <td>\$7,108,359</td> </tr> <tr> <td>Net Operating Surplus / (Deficit)</td> <td>(\$1,277,918)</td> </tr> </tbody> </table> <p>The above expenditure includes depreciation of \$1,188,852. This is not included in the target expenditure under the management contract. The target performance was also only for the management contract with LeisureCo NZ and did not include the performance of Tauranga City Aquatics Limited. The actual results are a total performance of the network of facilities under Tauranga City Aquatics Limited management.</p>		2009/10	Income	\$5,831,442	Expenditure	\$7,108,359	Net Operating Surplus / (Deficit)	(\$1,277,918)	<table border="1" data-bbox="432 1391 679 1738"> <thead> <tr> <th></th> <th>2009/10</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>\$5,056,625</td> </tr> <tr> <td>Expenditure</td> <td>\$3,969,532</td> </tr> <tr> <td>Net Operating Surplus / (Deficit)</td> <td>\$1,087,092</td> </tr> </tbody> </table> <p>Review and adopt LCNZ business Plans annually.</p> 		2009/10	Income	\$5,056,625	Expenditure	\$3,969,532	Net Operating Surplus / (Deficit)	\$1,087,092
	2009/10																		
Income	\$5,831,442																		
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	2009/10																		
Income	\$5,056,625																		
Expenditure	\$3,969,532																		
Net Operating Surplus / (Deficit)	\$1,087,092																		
	<ul style="list-style-type: none"> Tauranga City Aquatics Limited will ensure that the contractor provides a business plan for the network that meets the contract obligations and that all agreed outcomes and targets are compared quarterly. 	<p>Management contract with LeisureCo terminated 29th June 2009.</p>																	

Objectives for 2009/10	Performance Indicators	Actual	Target
	<p>Tauranga City Aquatics Limited, in association with its aquatic facility management contractor, will continue using reporting systems that compare monthly, quarterly, half yearly and annual financial offer and usage levels with the actual financial and usage performance.</p> <p>NON FINANCIAL TARGETS</p> <p>Quality Assurance</p> <ul style="list-style-type: none"> Tauranga City Aquatics Limited will ensure quality assurance plans (as part of the business plan) are in place for each pool and that these are properly monitored with any breach being acted upon in a timely manner. Tauranga City Aquatics Limited will continue to commission quarterly independent operational audits of its facilities and management contractor to ensure all facilities are operated within Pool Safe guidelines and meet all public health, safety and OSH requirements. Tauranga City Aquatics Limited will ensure that annual building inspections are undertaken to ensure compliance with the Building Act warrant of fitness requirements. Tauranga City Aquatics Limited will ensure independent water testing at its facilities to ensure the New Zealand standard governing the safe maintenance of water quality (NZ 5826:2000 or any replacement standard) is met and maintained. Tauranga City Aquatics Limited will ensure all facilities meet all standards of pool safety as defined by PoolSafe NZ. 	<p>Tauranga City Aquatics Limited has set up robust financial systems and reporting processes.</p> <p>Management contract with LeisureCo terminated 29th June 2009.</p> <p>Management contract with LeisureCo terminated 29th June 2009.</p> <p>Targets met.</p> <p>Tauranga City Aquatics Limited carry out water testing to ensure water meets all required standards. Any variances were investigated and water returned to standard</p> <p>Tauranga City Aquatics Limited have complied with all Poolsafe standards and</p>	<p>Tauranga City Aquatics Limited monitor and review reports on a monthly basis.</p> <p>Tauranga City Aquatics Limited will provide quality assurance plans and measure and report against these annually.</p> <p>Quarterly monthly audits completed.</p> <p>Annually.</p> <p>Tauranga City Aquatics Limited to carry out water testing to meet all required monitoring and report quarterly.</p> <p>Tauranga City Aquatics Limited to report monthly on all network facilities comply</p>

Objectives for 2009/10	Performance Indicators	Actual	Target
	<p>Marketing</p> <ul style="list-style-type: none"> The aquatic facility management contractor will be required to maintain the marketing and promotion plan as part of the annual business plan. <p>Customer Service</p> <ul style="list-style-type: none"> Tauranga City Aquatics Limited will continue to commission Centre for Education and Recreation Management (CERM) to undertake independent surveys at the three facilities to monitor customer satisfaction and business performance. Tauranga City Aquatics Limited will ensure there is an ongoing easy to use customer service and complaints process maintained in line with the customer service charter and any customer complaint will be acted upon within five working days of identification/lodgement. Tauranga City Aquatics Limited will ensure the aquatic facility management contractor will meet all its obligations under the terms of the agreement. 	<p>passed independent Poolsafe audits.</p> <p>Management contract with LeisureCo terminated 29th June 2009.</p> <p>Tauranga City Aquatics Limited have systems in place and record and report on customer complaints and feedback. CERM independent survey carried out January 2010.</p> <p>Customer satisfaction results: Mount Hot Pools 87.1% Greerton 85.7% Baywave 87.1% Average overall <u>86.6%</u></p> <p>Tauranga City Aquatics Limited monitor all customer feedback, providing a response where required within reporting timeframes. Summary reports provided to the board.</p>	<p>with PoolSafe standards.</p> <p>Tauranga City Aquatics Limited will provide marketing plans annually to Tauranga City Aquatics Limited and that they report as required on marketing initiatives.</p> <p>Tauranga City Aquatics Limited will constantly monitor the results and endeavour to achieve CERM attributes meet a benchmark of 75% (or greater) overall satisfaction rating.</p>  <p>Tauranga City Aquatics Limited will through quarterly operational audits monitor a sample of customer service documents to ensure contractual obligations.</p>

Objectives for 2009/10	Performance Indicators	Actual	Target
	<p>Programming and Usage of Facilities</p> <ul style="list-style-type: none"> Tauranga City Aquatics Limited will continue to monitor the following CERM Operational Management attributes as key performance indicators of facility programming and usage: <ul style="list-style-type: none"> Visits per centre; Programme range x programmable area; Catchment multiple (visits/year by catchment population); Program occupancy by weekly schedule of available time slots; Class occupancy by programme; User profile compared with demographic profile and priority users; User profile by priority community service obligation users. <p>Risk Management</p> <ul style="list-style-type: none"> To maintain risk management strategies in our key business areas. 	<p>Tauranga City Aquatics Limited annually reviews the facilities performance indicators and ensures remedial action against indicators that are below the median result or previous year result. Indicators such as monthly user, visits, dry programme and learn to swim programme occupancy and CERM statistics are all recorded, maintained and remedial action taken</p> <p>With the termination of the management contract on 29th June 2009 a significant element of the strategy is now redundant. New strategy to be completed.</p>	<p>Tauranga City Aquatics Limited will annually review the facilities performance indicators and ensure remedial action against indicators that are below the median result or previous year result.</p> <p>Reviewed and updated quarterly.</p>
3	<p>Asset Management</p> <ul style="list-style-type: none"> Tauranga City Aquatics Limited will implement the asset management plans (AMPs) completed for each facility and negotiate with its shareholder appropriate budget allocations to meet the cost of annual maintenance renewals and improvements. Tauranga City Aquatics Limited will maintain a monthly maintenance works monitoring and reporting process to ensure all planned and budget works are completed. To ensure long term maintenance data recording Tauranga City Aquatics 	<p>The existing AMP is currently being updated and due to be completed 30th September 2010.</p> <p>Confirm will be updated for the AMP.</p>	<p>Tauranga City Aquatics Limited will ensure appropriate maintenance per the AMP is scheduled each year.</p> <p>Tauranga City Aquatics Limited will update our asset management system Confirm.</p>

Objectives for 2009/10	Performance Indicators	Actual	Target
4	<p>Limited will ensure all works are listed on Tauranga City Council's Confirm asset register.</p> <ul style="list-style-type: none"> Tauranga City Aquatics Limited will develop a Strategic Plan to meet the companies' mission statement. To complete a three yearly resident aquatic participation needs survey to identify participation levels, constraints to participation and future aquatic needs and demands. To identify aquatic facility and service needs and conduct feasibility and business plans for such improvements. To create strategic partnerships that assist in enhancing and developing our facilities. 	<p>Strategic Plan completed in draft June 2010.</p> <p>Will be completed as part of the Aquatics Strategy 2012-22 currently in progress by TCC.</p> <p>Undertaken as part of the Annual Plan process, Strategic Plan process and ongoing as new opportunities arise.</p> <p>Ongoing strategic partnership developed to enhance business growth, this includes Life Partner Scheme and BOP Rugby Union.</p>	<p>Completed and reviewed annually.</p> <p>Completed each three years.</p> <p>Completed as required.</p> <p>To maximise strategic partnerships.</p>
5	<ul style="list-style-type: none"> To implement and maintain communication procedures to ensure all stakeholders are provided with appropriate and timely information on the operation of all facilities under Tauranga City Aquatics Limited control. These procedures to include regular meetings with LCNZ, quarterly newsletters to users and stakeholders, six monthly reports to Council and quarterly report meetings to the shareholder. To provide financial reporting to Elected Members that reflects the total performance of both the contract and Tauranga City Aquatics Limited as a whole. 	<p>All communication strategies complied with.</p> <p>Undertaken six monthly.</p>	<p>All communication strategies completed.</p> <p>Six monthly.</p>