ANNUAL REPORT

financial year 2013

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COVER AND OPPOSITE: NEW ZEALAND'S GOT TALENT

CHAIRMAN'S INTRODUCTION

I am pleased to report that TVNZ has exceeded the financial result forecast in our Statement of Intent by $0.4 million, resulting in a Net Profit after Tax of $14.4 million.

The result – an increase of $0.2 million on the previous year – is satisfactory, particularly given a $6.6 million drop in advertising revenue.

The company has slightly exceeded the Shareholder's expectations regarding Return on Investment. TVNZ 's full year operating profit of $14.4 million gives a return on shareholder's equity of 9.2% compared with the target of 9%.

This time last year I noted that the converged media market was changing so substantially that new definitions were required.

We have addressed this in a thorough revision of our company strategy, through which we now intend to "engage the hearts and minds of New Zealanders with the most-watched content."

The primary aim of this is transitioning from being the leading TV broadcaster to being the leading multi-media video content provider.

The first of our strategic themes focuses on creating and acquiring the most compelling content, which has progressed positively with TVNZ presenting all 20 out of the 20 most popular shows this year.

A second theme – of maximising content accessibility – has also been strongly progressed through the extremely successful launch of the TVNZ Ondemand Apple device apps and Samsung Smart TV app. TVNZ's leading content combined with increased online reach has generated richer opportunities for our advertising clients to exploit the benefits of multi-media delivery.

The launch of our joint venture start-up, Igloo, has strengthened TVNZ's participation in the pay-per-view market.

Our strategy also acknowledges the need to align cost structures to a changing market reality in a way that sustains earnings performance. In addition to a significant reduction in non-content costs, the business sold the Avalon Studios complex and closed the Teletext magazine service as part of a tighter focus on the core business.

TVNZ secured more than 61% share of television advertising revenue, delivered strong growth in online advertising revenues, and materially reduced non-content costs during the year as result of the efforts from management and staff throughout the company, and I wish to acknowledge and recognise their hard work.

It is a sound base for an exciting year to come.

Wayne Walden

CHIEF EXECUTIVE'S OVERVIEW

2013 has been a year of change for TVNZ. We abandoned our television - only thinking a long time ago, but in the last 12 months we've seen significant growth in online viewing as more and more Kiwis are watching content online – this leads TVNZ to think of itself as being more of a video content business than just a TV business.

At the heart of all this change is the seemingly insatiable consumer demand for compelling video content and with the ongoing advances occurring in screen and network technology, video content is increasingly accessible.

The depth and breadth of our content has never been more vital, and we are committed to creating and acquiring the very best of local and international, news and entertainment programming – and making it available where and when our viewers want to watch it.

The business made encouraging progress during the 2013 fiscal year and produced a solid financial performance. Profits held steady, and although TV revenue was down, our ability to reduce overhead costs meant we were still able to invest where it matters most – our programming content.

Along the way we achieved several important milestones and delivered against the priorities set out in our Statement of Intent:

1 *Grow the commercial performance of TV ONE and TV2*

Television viewing remained strong and TV ONE and TV2 continued to enjoy the largest television audience in New Zealand by delivering the shows that more New Zealanders choose to watch. Impressively, all 20 of the year's 20 most popular TV shows aired on TVNZ channels.

TV ONE's biggest success story was *New Zealand's Got Talent*. The show exceeded all ratings expectations, becoming the most popular local entertainment series in a decade. *MasterChef New Zealand* broke ratings records and *Agent Anna* was the highest rating local scripted comedy show on TV.

"The depth and breadth of our content has never been more vital, and we are committed to creating and acquiring the very best of local and international, news and entertainment programming"

KEVIN KENRICK, TVNZ CHIEF EXECUTIVE

News and Current Affairs had another strong year. TVNZ has the country's number one rating news, *ONE News*; the number one current affairs programme, *Sunday;* and broke new ground with the launch of *Seven Sharp* in February.

Over on TV2 we increased our 18-49 audience share. The channel's 7pm mainstay, *Shortland Street,* continues to be the most successful local drama on New Zealand television 21 years on. TV2 also delivered hit cooking show *My Kitchen Rules* – the most watched multi-night programme on TV, and *Big Bang Theory* – the number one rating comedy for the sixth year in a row.

To ensure TVNZ sustains channel performance in future years we locked in strategically significant programming deals with major international studios; inked a deal with Coliseum Sports Media to bring Premier League football back to free-to air; and secured the return of *Home and Away* to TV2 after an 11 year absence.

2 *Grow TVNZ's advertising revenues and be the preferred television and digital media company for advertisers and agencies*

TVNZ's advertising revenue was $311.6 million, down 2.1% on the prior year. And while the TV advertising market was tougher than anticipated, TVNZ claimed the biggest market share with 61.8%. Our digital media sales business has come of age and we saw revenue jump by 21% to $9.9 million. Online currently makes up only a small part of our overall revenue – but its big part of our future.

3 *Build a profitable portfolio of diversified activities*

While time spent watching broadcast TV has remained strong, the popularity of TVNZ Ondemand has surged, fuelled by new apps on Samsung Smart TVs and Apple devices. By the end of the financial year TVNZ Ondemand was nudging close to four million streams per month, and multi-screening – both on-air and online – has become the new norm.

We upped the ante on *onenews.co.nz* with a fresh commitment to publish more news content and break more stories online first. The changes are part of our ongoing work to create one integrated newsroom across all platforms and lift our online news performance.

Together with SKY Television, we launched IGLOO – a low cost pay TV market offering that bridges the gap between free-to-air and full-service pay TV - in December 2012.

Contribution from our pay TV channels, TVNZ Heartland and TVNZ Kidzone, grew 7% year on year.

After two years of running at a loss, TVNZ made a commercial decision to take its free-to-air youth channel, TVNZ U, off air in the first quarter of FY2014.

4 *Accelerate TVNZ's transformation into a consumer and customer focussed organisation*

In 2013 TVNZ went further to meet the demands of our viewers. The difference between ad and programme sound volume has been a big deal for our viewers for a long time – and this year we did something about it. TVNZ led the charge to reduce the volume of ads by implementing new controls to moderate sound levels.

5 *Improve efficiency and productivity*

We remain committed to strengthening our financial performance and successfully initiated a focus to align the cost structure of the business to market reality. Operational expenses were reduced by $18.1 million, which freed up money for programming and online performance improvements.

During the year TVNZ completed the sale of the Avalon Studios complex in Wellington and closed the technologically obsolete Teletext service as part of a programme of work to discontinue non-core activities. We also committed to transfer the television captioning and audio description service currently operated by TVNZ to an independent entity before the end of the 2013 calendar year. This is a logical solution that has the full support of the service's users and will allow TVNZ to focus our resources more tightly on our primary business.

6 *Shape a commercially focussed culture*

As a business we need to think and act outside the box as much as on it. With an eye to the future, we shaped and began implementing a new growth strategy that focuses on what's most important to our business, our viewers and our advertisers. Put simply, we are concentrating our efforts on engaging the hearts and minds of New Zealanders with the most watched content.

We have an exciting plan in place for the business and a very capable team that is motivated to make it happen. It's a fast-changing dynamic industry and our staff have demonstrated great commitment to deliver solid results during a time of significant change.

2014 begins a new chapter in our organisation's history as we embark on a major project to transform our business culture alongside a major online technology upgrade. Over the next two years we'll refurbish our central Auckland facility into a state-of-the-art work environment that's fit for the needs of a modern media business. The benefits for our business will be significant.

The year ahead is set to be an exciting period for us all. I am looking forward to the opportunities and challenges it will bring and to building on our current positive momentum.

Kevin Kenrick

"The show exceeded all ratings expectations, becoming the most popular local entertainment series in a decade"

▲ NEW ZEALAND'S GOT TALENT, TV ONE

FINANCIAL PERFORMANCE

TVNZ has reported a net profit after tax of $14.4 million, a modest increase on the prior year result of $14.2 million.

Total revenue declined $19.7 million primarily due to the reduction of government funding of $14.8 million following the closure of TVNZ7 in June 2012, and Christchurch earthquake insurance settlement of $4.2 million in the prior year.

Operating revenue declined slightly to $345.0 million, driven by the $6.7 million (2.1%) decline in television advertising partially offset by the $1.7 million (20.7%) increase in digital media revenue and $3.1 million (15.3%) increase in other revenues. TVNZ's share of television advertising revenue for the year was 61.8%.

Operating expenditure reduced by $18.1 million (5.1%) reflecting both the discontinuation of TVNZ7 and the on-going disciplined approach to managing costs. During the year TVNZ discontinued Teletext operations, settled the sale of the Avalon studios complex and sold surplus land in Christchurch. This is part of an on-going programme of work to exit non-core activities and reduce non-programming operating expenditure.

Underlying earnings of $26.3 million decreased by $1.6 million on the prior year. Excluding the proceeds of Christchurch insurance recovery and gain on sale of land, underlying earnings increased from $23.7 million to $25.3 million.

TVNZ recognised $4.9 million (49%) share of losses relating to the start-up losses of Igloo Limited. The Igloo service launched during the year and is forecast to make losses in the initial years. At 30 June 2013, additional equity was invested into Igloo Ltd by SKY Television Network Ltd and TVNZ's interest in IGLOO was reduced to 34%.

TVNZ also released $1.1 million of the provision for analogue transmitter removal and remediation following negotiations of a fixed price to lower these costs and liabilities.

The net profit after tax of $14.4 million is an increase of $0.2 million on the prior year, and represents a 9.2% return on Shareholders' Equity.

FINANCIAL MEASURES

	FY2013		FY2012
Measurement	**Actual**	**Target**	**Actual**
Profitability			
Return on average equity (reported earnings)	9.2%	9.0%	9.2%
Return on average equity (normalised earnings)*	11.6%	9.0%	12.5%
EBITDA/core television revenue	13.9%	13.5%	16.2%
Gearing			
Net interest bearing debt/net interest bearing Debt plus equity	0.0%	Less than 40%	6.1%
Financial stability			
Total equity/total assets	72.7%	More than 40%	63.5%
Interest cover			
EBITDA/interest expense	38.7 times	More than 4 times	31.5 times

** Normalised earnings excludes net tax effect of financial instruments/foreign currency gains/(losses), associate earnings, asset impairments and income tax changes.*

PERFORMANCE MEASURES

The following set of measures demonstrate efficiency and productivity at TVNZ.

Return on programme investment

Programme yield is lower than budget and the prior year due to the decline in aggregate programme revenue and programme revenues have decreased at a higher rate than programme costs.

	FY2013	FY2013	FY2012
Measurement	**Actual** *$000*	**Budget** *$000*	**Actual** *$000*
Aggregate programme revenue [1]	326,303	343,272	348,377
Programme amortisation cost	199,005	203,480	199,596
% programme cost of revenue	59.8%	59.3%	57.3%

Note 1: Aggregrate programme revenue includes advertising and sponsorship revenue, programme funding, licensing revenue.

Revenue productivity – employees

Revenue per employee was in line with budget with a reduction in FTE numbers offsetting the below budget revenue performance. The decrease from the prior year results from the lower revenues including Government funding for TVNZ 7.

	FY2013	FY2013	FY2012
Measurement	**Actual** *$000*	**Budget** *$000*	**Actual** *$000*
Total revenue	362,110	372,860	381,837
Employees (FTE)	913.0	940.7	949.8
Revenue per FTE	396.6	396.4	402.0

Business efficiency – non-programme costs

Non-programme costs as a percentage of revenue are lower than budget and the prior year reflecting the on going focus on reducing non-core activities and costs.

	FY2013	FY2013	FY2012
Measurement	**Actual** *$000*	**Budget** *$000*	**Actual** *$000*
Total revenue	362,110	378,124	381,837
Total non-programme costs	140,820	145,343	154,317
% non-programme costs to revenue	38.9%	39.0%	40.4%

"Agent Anna was the highest rating scripted local comedy show on TV"

AGENT ANNA, TV ONE

TVNZ IN SOCIETY

TVNZ's unique place in the homes of the nation brings with it a special responsibility to set an example as a good corporate citizen. Special attention is given to environmental factors and high standards as an employer.

ENVIRONMENTAL SUSTAINABILITY

TVNZ remains committed to reducing its impact on the environment. The focus on energy management and the continued transition to diesel powered vehicles have been key initiatives in FY2013.

Vehicle Fleet

During the year a further 18 petrol driven vehicles were replaced by diesel powered alternatives as vehicle leases were renewed. This programme is reducing TVNZ's carbon emissions as well as costs. In total 83% of TVNZ vehicles are now diesel powered.

Electricity Usage

The drive to reduce electricity costs has continued during FY2013. A programme to replace fluorescent lighting in common areas was completed. This programme was supported with funding from the Energy Efficiency and Conservation Authority (EECA).

Total electricity consumption for FY2013 was 9,371,433 kWhrs (excluding Avalon Studios which was sold during the year). This represents a reduction of 7% compared to the previous year.

Air Travel

The total number of kilometres travelled by TVNZ staff in FY2013 reduced by 14% over the previous year.

A focus on rigorously managing costs resulted in a reduction in domestic travel that was partially offset by increases in travel on international and trans Tasman routes.

General Waste to Landfill

The amount of waste transferred to land fill increased from 84.2 tonnes to 87.6 tonnes in FY2013. This has primarily resulted from the removal of obsolete equipment from long term storage and the improved waste management reporting systems.

Despite this one-off result the focus remains on recycling and reducing the amount of waste transferred to landfill.

COST SAVINGS

TVNZ is an active participant in the All of Government (AoG) Procurement initiatives relating to:

- Vehicles
- Multifunctional devices
- Desktops and laptops
- Mobile voice and data
- External legal services
- Air travel
- Travel management
- Office consumables
- External recruitment
- Electricity supply
- Energy management

We will continue our participation in areas that are identified as having the potential to provide cost savings for TVNZ

PEOPLE CAPABILITY & CAPACITY

TVNZ's people strategy is focused on enhancing company performance through selection, reward, development and talent-management practices based on merit, and increasing TVNZ's organisational efficiency and effectiveness through developing a diverse, high-performing workforce.

Particular areas of focus to achieve these objectives have included:

- Developing an outcome-focused, merit-based performance management process
- Building an integrated approach to talent and performance management including implementing new e-recruitment and online performance management systems
- Programmes to identify and accelerate development of key talent
- Designing a new careers site which promotes equal employment opportunity and diversity
- Building internal and external talent pipelines in hard to fill areas
- Enhancing employee engagement via employee-led initiatives

TVNZ continues to be recognised as one of New Zealand's most attractive employers.

In the 2013 Randstad awards the media industry was regarded as the most attractive industry to work in by prospective employees. TVNZ was regarded as the most attractive media company to work for and was considered the fourth most attractive company overall to work for in New Zealand.

GOOD EMPLOYER

TVNZ is committed to its responsibilities as a good employer and has an Equal Employment Opportunity programme in place. TVNZ's EEO policy recognises equality and diversity as essential elements of growth and performance for individuals and for the company.

To this end TVNZ ensures that its recruitment, promotion and talent development activities reinforce its commitment to equality and diversity. Set out below is a summary of TVNZ's key activities against the seven key elements that identify a good employer including its EEO activities:

1. Leadership, accountability and culture
TVNZ continued its strong focus on ensuring that it creates a culture and leaders that support and embrace EEO and a diverse workforce. During the year there was ongoing implementation of initiatives focused on key cultural and leadership behaviours and these have been incorporated into TVNZ's performance management system.

An annual engagement survey is run which solicits feedback from staff on a range of issues relating to the company's culture and what it is like to work at TVNZ. The survey includes questions focused on EEO and diversity such as: *"Are all employees in this organisation treated fairly regardless of individual differences?"*

2. Recruitment, selection and induction
TVNZ has completed preparation, ready for launch in September 2013, for a new e-recruitment system and a new careers site that will reference TVNZ's EEO policy and showcase TVNZ's commitment to creating a diverse and talented workforce. This commitment is reflected in TVNZ's induction programme and in the internal and external talent pools the company creates for critical roles. The new recruitment system is intended to enable more transparent reporting of applicants and appointees into roles and ensure a fair, transparent and merit-based approach to selection.

TVNZ's EEO policy expressly recognises the aspirations of Maori, ethnic and minority groups, women, and people with disabilities. With a Maori and Pacific department within its News and Current Affairs division, TVNZ regularly recruits and develops significant numbers of Maori and Pacific employees.

3. Employee development and promotion
TVNZ is implementing a new performance management system to provide greater transparency and simplify the process of setting and reviewing performance outcomes. All performance reviews are peer reviewed to ensure a fair, consistent, transparent and merit-based approach to employee performance assessment and the resulting development opportunities and promotions. The company continues to provide functional/technical training and leadership coaching for people managers.

4. Flexibility and work design
TVNZ supports and encourages flexible working - whether part-time, job share, working from home or other forms of flexible working. As a 24 hour 7 day business, a culture of flexibility is inherent, and is reflected in the substantial number of part-time and casual positions, the number of females in senior roles, and a positive approach to work/life balance and family-oriented activities. There is also a high quality child care centre on site.

5. Remuneration, recognition and conditions
TVNZ has a transparent and published remuneration framework, with remuneration clearly linked to performance. TVNZ regularly obtains external market data to ensure that its remuneration policy is consistent with the market. The company has also launched a new business unit recognition programme designed to enable peers, and managers, to recognise great work.

6. Harassment and bullying prevention
TVNZ has a published policy and protocols on harassment and bullying which enable staff to get support and make it clear that such behaviour is unacceptable to the company and will not be tolerated. Clear policy has also been provided regarding conduct required while using social media. The Human Resources team are trained in handling complaints.

7. Safe and healthy environment
TVNZ has invested heavily in health and safety during the year. This has included commissioning the BBC to review and report on TVNZ's health and safety processes; developing and launching a new Safety Guide and hazard register; new online deployment and risk assessment forms and safety training for News and Production crews; the launch of a health and safety awareness campaign; and a health and safety week with external speakers including the Minister of Labour.

TVNZ also continued various wellbeing initiatives including inviting nutritionists speak on healthy eating, and establishing employee running clubs. An Employee Assistance Programme is available to all employees as well as outplacement support during times of change. The company also offers subsidised gym membership and a subsidised cafeteria presenting healthy food options.

Workforce Profile
TVNZ has recently introduced a formalised process for collating information on both the ethnicity and the disability requirements of employees, alongside the traditional workplace profile analysis of gender, age, tenure and remuneration. This is a voluntary process.

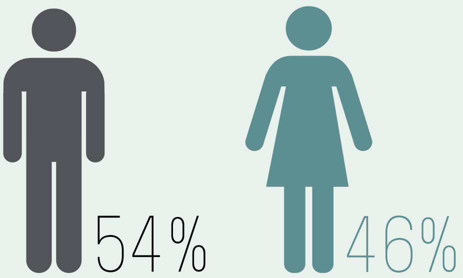
New employees will be given the opportunity to record ethnicity and any disabilities they may wish to note, but this will not be a compulsory requirement and privacy is safeguarded. Existing employees now have the option of adding such information to their online profiles.

Because this process is not yet fully embedded the data so far is not statistically robust. It is expected that this will develop over time and will provide a benchmark for future analysis.

The charts opposite illustrate available workplace profile measures for permanent and fixed term employees as at June 30, 2013.

Workforce profile

GENDER



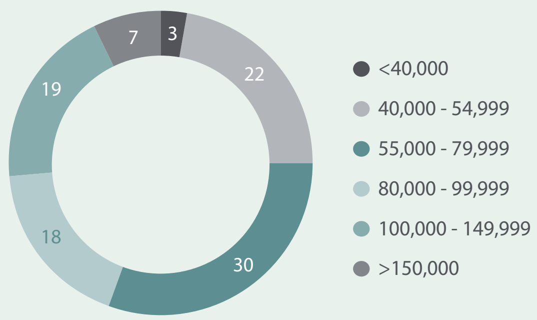
AGE

15-24	8%
25-34	31%
35-44	31%
45-54	18%
55 and over	13%

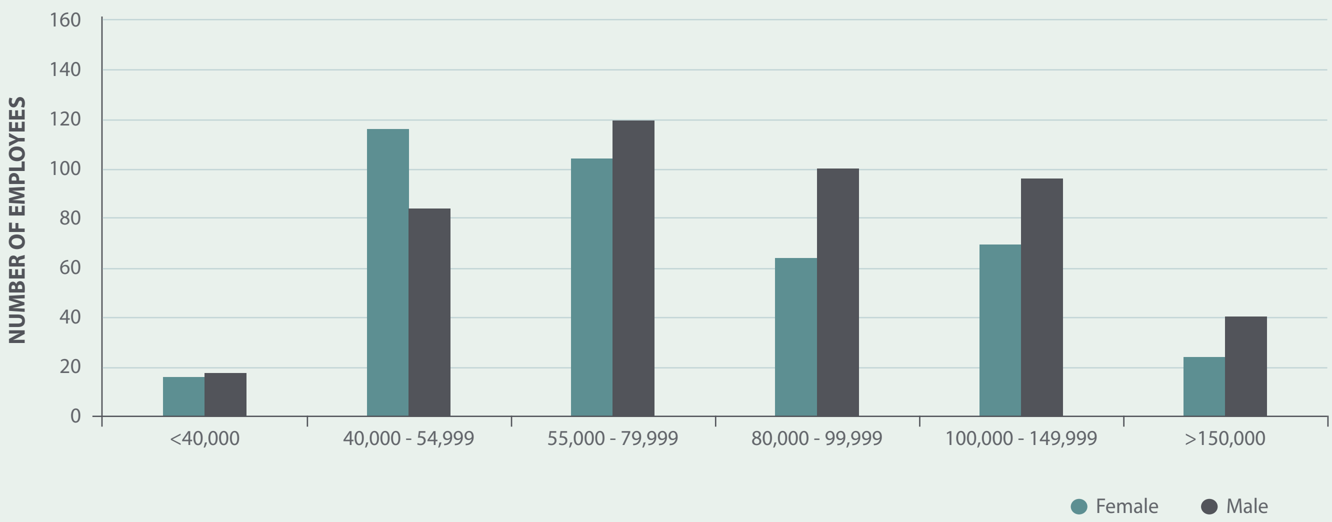
TENURE

Less than 1 year	16%
1-2 years	25%
3-4 years	12%
5-9 years	23%
10-19 years	13%
20 years and over	11%

TOTAL FIXED REMUNERATION (%)



SALARY RANGE BY GENDER




Dan

▲ MY KITCHEN RULES, TV2

PERFORMANCE AND ENGAGEMENT MEASURES

TVNZ connects to more New Zealanders than any other media – nearly 95% of Kiwis will tune into a TVNZ channel at some stage in a typical month.

With more time spent watching than ever before, TV remains at the heart of popular culture. These measurements provide an indication of viewership and public interest in TVNZ's programming.

ON AIR PERFORMANCE
Average monthly cumulative audience:

3,869,657

People aged 5+ watched a TVNZ channel in an average month in FY2013, representing 96% of the 5+ poulation.
Source: Nielson TAM, consolidated

ONLINE PERFORMANCE
Streams across all devices:

30,447,967

During the year TVNZ Ondemand had over 30 million streams across all devices. In June, the final month of the financial year, 32% of TVNZ Ondemand streams were through mobile devices.

ONLINE PERFORMANCE
Increase in monthly stream views:

34%

TVNZ Ondemand average monthly stream views have shown strong growth, bolstered by successful launches on Samsung Smart TV and Apple devices – up 34% compared with the same period last year.

TVNZ.CO.NZ
Unique browsers:

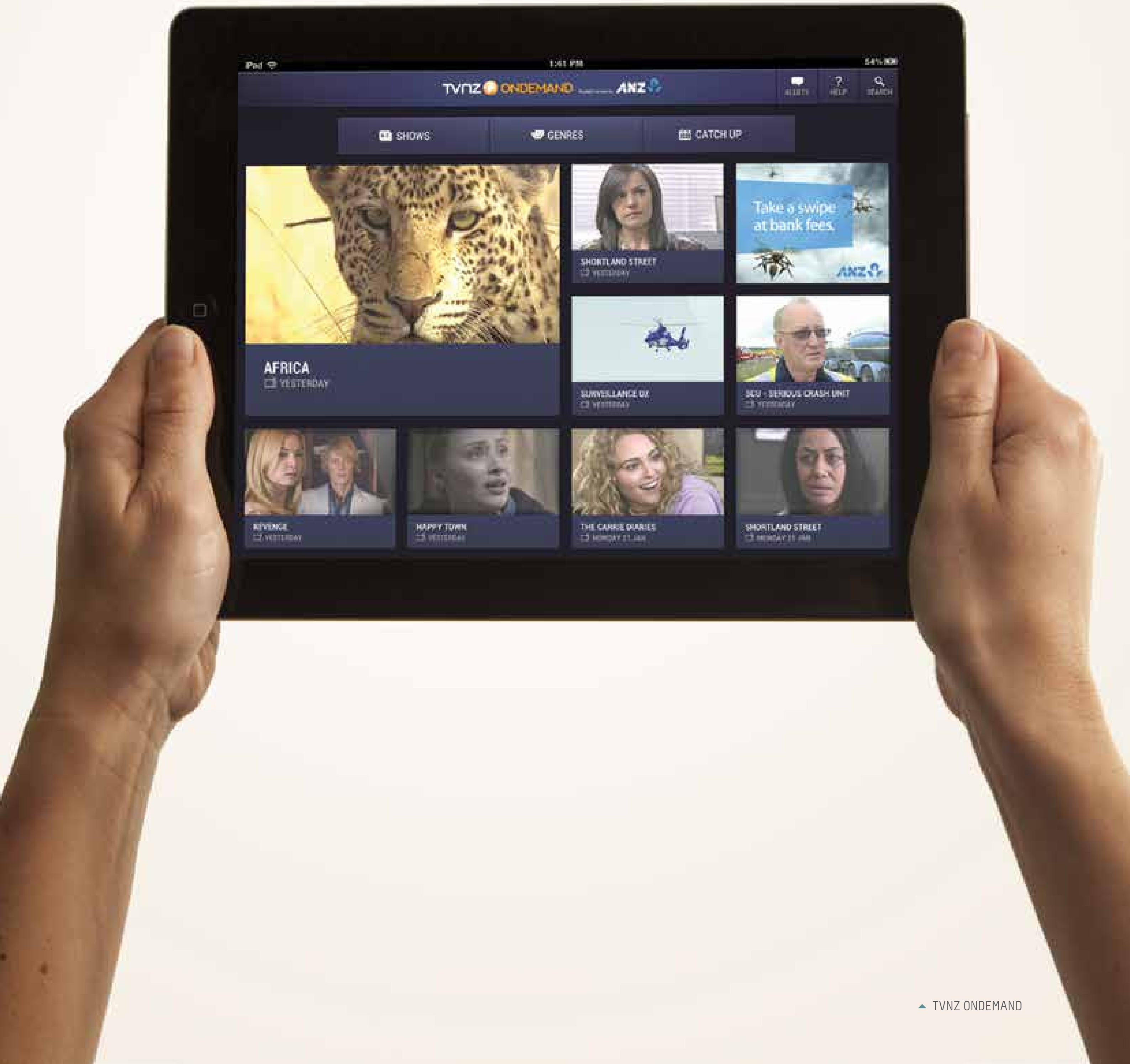
2,336,085

Average monthly number of unique browsers for the overall TVNZ website was 2,336,085 – up 23% compared to FY2012.
Source: Nielsen Net Ratings

TVNZ ONDEMAND
Average monthly stream vIews

	FY2011	FY2012	FY2013
Avg monthly stream views	1,363,393	1,887,682	2,537,331*
Year on year % increases	5%	38%	34%

Source: Nielsen Net Ratings, Adobe Omniture
**Includes mobile streams from March*


TVNZ ONDEMAND
ANZ
SHOWS
GENRES
CATCH UP
AFRICA
YESTERDAY
SHORTLAND STREET
Take a swipe
at bank fees.
ANZ
SURVEILLANCE OZ
SCU - SERIOUS CRASH UNIT
REVENGE
HAPPY TOWN
THE CARRIE DIARIES
SHORTLAND STREET

COMPLIANCE WITH STANDARDS AND CODES

Formal Complaints
The Broadcasting Standards Authority (BSA) is responsible under the Broadcasting Act 1989 for administering standards in programming and presentation of programming. All formal complaints must be first made in writing to the broadcaster (with the exception of allegations of privacy). Complainants may refer their complaint to the BSA if they are not satisfied with the outcome of the TVNZ process.

From 1 July 2013 unique online news and current affairs material is now regulated by OMSA (the Online Media Standards Authority). Figures reported in the next financial year will include complaints to this body.

In the period under review, TVNZ answered 792 formal complaints.

- 363 fewer than the previous year.
- Of the 792 complaints, 35 were upheld by the TVNZ Complaints Committee.

2010	800 complaints 211 upheld (182 for 2 programmes)
2011	2757 complaints 1839 upheld (1752 for 3 programmes)
2012	1155 complaints 211 upheld
2013	**792 complaints** **35 upheld**

In FY2013 the BSA handled 57 referrals about TVNZ programming.

- 2 referrals fewer than the previous year (referrals are counted per programme).
- Of these 2 were upheld by the BSA*.

2010	73 referred 12 upheld
2011	83 referred 12 upheld
2012	59 referred 6 upheld
2013	57 2 upheld**

* 1 FY2012 referral yet to be determined by the BSA.
**23 FY2013 referrals yet to be determined by the BSA.

AWARDS AND RECOGNITION

CAANZ media brand of the year

TVNZ was named Media Brand of the Year by CAANZ the industry body representing Communications Agencies of New Zealand.

Gold at the 2013 PromaxBDA Global Excellence Awards.

A promo for TV ONE's *Breakfast* won gold at the 2013 PromaxBDA Global Excellence Awards. The international competition recognises stand out work in television promotion, marketing and design. TVNZ also picked up a silver for its *Fear Factor* promo.

In the local Promax New Zealand competition, TVNZ collected 10 golds and 4 silvers for its work across a wide range of categories. It also won gold and silver awards in the Promax Australasian competition.

Top 5 most attractive places to work

TVNZ was named among the top five most attractive places to work in the Annual Randstad New Zealand Awards.

Multiple wins at the 2012 television awards

TVNZ's *ONE News, Breakfast, Close Up* and *Sunday* picked up key news and current affairs reporting and craft awards at the 2012 New Zealand Television Awards. The Best Coverage Breaking News award was given to *ONE News*. In the entertainment categories, TVNZ was awarded Best Factual Series for *Radar Across the Pacific*, Best Observational Reality Series for *SPCA Rescue*: Christchurch Earthquake Special, Best Constructed Reality Series for *The Food Truck*, Best Information Series for *Global Radar*, and Best Drama Series for *Go Girls*, among others.

TV Guide Best on the Box Awards

Shortland Street was a big winner in the TV Guide Best on the Box Awards. TVNZ picked up seven wins in total at the awards, which honour the nation's most-loved talent and favourite locally produced shows on-air – as voted by the public.

All 20 of the 20 most popular shows for the year were aired on TVNZ channels.

TOP 20 PROGRAMMES - ALL PEOPLE 5 PLUS

Rank	Programme	Channel	Rating	Average Audience
1	New Zealand's Got Talent	TV ONE*	21.9	895,600
2	Dynamo Magician Impossible	TV ONE*	18.3	743,500
3	Border Patrol	TV ONE*	15.8	646,600
4	ONE News	TV ONE*	15.7	642,600
5	Dog Squad	TV ONE*	15.4	631,300
6	The Zoo	TV ONE*	15.3	625,000
7	Sunday	TV ONE*	15.1	619,400
8	The Force	TV ONE*	14.9	610,300
9	Fair Go	TV ONE*	14.7	601,700
10	Beyond The Darklands	TV ONE*	14.7	599,900
11	Border Security	TV ONE*	14.6	599,700
12	Highway Cops	TV ONE*	14.4	588,300
13	MasterChef New Zealand	TV ONE*	14.0	573,700
14	Mrs. Brown's Boys	TV ONE*	13.9	568,800
15	Coastwatch	TV ONE*	13.7	562,000
16	Shortland Street	TV2	13.7	562,900
17	Wildest India	TV ONE*	13.5	553,800
18	Border Security (repeat)	TV ONE*	13.2	538,500
19	My Kitchen Rules	TV2	12.8	524,500
20	High Country Rescue	TV ONE*	12.6	516,900

TOP 20 PROGRAMMES - ALL PEOPLE 18-49

Rank	Programme	Channel	Rating	Average Audience
1	The Big Bang Theory	TV2	16.6	318,900
2	My Kitchen Rules	TV2	16.2	310,700
3	Shortland Street	TV2	15.9	305,000
4	New Zealand's Got Talent	TV ONE*	15.8	304,600
5	Neighbours At War	TV2	14.6	281,100
6	Dynamo Magician Impossible	TV ONE*	14.5	275,500
7	2 Broke Girls	TV2	13.5	258,800
8	Two and a Half Men	TV2	13.1	250,300
9	Desperate Housewives	TV2	12.6	242,400
10	The Middle	TV2	12.3	236,900
11	Police Ten 7	TV2	12.3	236,000
12	The Block NZ	TV3*	12.2	233,600
13	Arrow	TV2	12.1	232,000
14	The X Factor NZ	TV3*	12.1	231,800
15	Beyond The Darklands	TV ONE*	11.4	220,000
16	The Amazing Race Australia	TV2	11.3	218,400
17	MasterChef New Zealand	TV ONE*	11.3	217,300
18	The Neighbors	TV2	11.3	214,600
19	Suburgatory	TV2	11.2	214,700
20	Mrs. Brown's Boys	TV ONE*	11.1	213,600

TOP 20 PROGRAMMES - ALL PEOPLE 25-54

Rank	Programme	Channel	Rating	Average Audience
1	New Zealand's Got Talent	TV ONE*	18.9	335,200
2	The Big Bang Theory	TV2	16.8	303,700
3	My Kitchen Rules	TV2	16.5	297,500
4	Dynamo Magician Impossible	TV ONE*	16.4	300,400
5	Shortland Street	TV2	16.0	286,100
6	Mrs. Brown's Boys	TV ONE*	13.9	248,900
7	Neighbours At War	TV2	13.8	249,100
8	The Block NZ	TV3*	13.7	245,800
9	MasterChef New Zealand	TV ONE*	13.6	245,000
10	2 Broke Girls	TV2	13.4	241,500
11	Beyond The Darklands	TV ONE*	13.1	232,500
12	Police Ten 7	TV2	12.8	229,500
13	Two and a Half Men	TV2	12.6	230,000
14	Desperate Housewives	TV2	12.5	226,000
15	The X Factor NZ	TV3*	12.4	227,400
16	Arrow	TV2	12.4	226,600
17	Highway Cops	TV ONE*	12.3	221,100
18	Miranda	TV ONE*	12.1	215,900
19	The Amazing Race Australia	TV2	11.8	208,500
20	The Middle	TV2	11.6	208,700

TV ONE* = TV ONE and TV ONE plus 1 combined. TV3* = TV3 and TV3+1 combined. Excludes movies and one off special telecasts
Source: Nielsen TAM, Consolidated 1/7/2012 - 30/6/2013

FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2013

The Board and management of Television New Zealand Limited are responsible for:

- The preparation of these financial statements and the judgements used in them.
- Establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board and management these financial statements fairly reflect the financial position of Television New Zealand Limited as at 30 June 2013 and its financial performance and cash flows for the year ended on that date.

The Directors have pleasure in presenting the following financial statements for the year ended 30 June 2013.

For and on behalf of the Board of Directors,

Wayne Walden
Chairman

Alison Gerry
Chair, Audit and Risk Committee

30 September 2013

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		Group		Company	
		2013	*2012*	*2013*	*2012*
	Notes	*$000*	*$000*	*$000*	*$000*
Revenue					
Operating revenue	4	344,964	346,766	344,964	346,766
Government funding	18a	16,060	30,819	16,060	30,819
Insurance recovery - Christchurch earthquake	11	0	4,200	0	4,200
Interest income		58	41	58	41
Gain on sale of property, plant and equipment		1,028	11	1,028	11
		362,110	381,837	362,110	381,837
Expenses					
Programme amortisation	12	(195,005)	(199,596)	(195,005)	(199,596)
Employee benefits	5	(60,821)	(65,616)	(60,821)	(65,616)
Depreciation and amortisation	5	(16,991)	(22,964)	(16,991)	(22,964)
Transmission		(19,798)	(20,687)	(19,798)	(20,687)
Marketing		(9,841)	(11,243)	(9,841)	(11,243)
Other		(33,369)	(33,807)	(33,369)	(33,807)
		(335,825)	(353,913)	(335,825)	(353,913)
Earnings before interest, impairments, remediation expenses, financial instruments, associate and tax		26,285	27,924	26,285	27,924
Interest expense		(1,118)	(1,618)	(1,118)	(1,618)
Remediation expense and asset impairment	6	1,074	(5,663)	1,074	(5,663)
Financial instruments/foreign currency gains	7	394	856	394	856
Share of results of associate	14c	(4,969)	(1,250)	0	0
Impairment and provision of associate	14	0	(800)	(5,876)	(800)
Profit before income tax		21,666	19,449	20,759	20,699
Income tax expense	8	(7,226)	(5,242)	(7,226)	(5,242)
Profit for the year		14,440	14,207	13,533	15,457

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
Profit for the year	14,440	14,207	13,533	15,457
Other comprehensive income/(loss) reclassifiable to profit or loss in subsequent periods				
Net changes in the fair value of cash flow hedges	365	(25)	365	(25)
Income tax on other comprehensive income	(102)	0	(102)	0
Share of results of associate cash flow hedge	29	0	0	0
Other comprehensive income/(loss) for the year net of income tax	292	(25)	263	(25)
Total comprehensive income for the year	14,732	14,182	13,796	15,432

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Share capital *$000*	*Cash flow hedge reserve* *$000*	*Retained earnings* *$000*	*Total* *$000*
Group				
At 1 July 2012	**140,000**	**(263)**	**14,898**	**154,635**
Profit/(loss) for the year	0	0	14,440	14,440
Other comprehensive income net of income tax	0	263	29	292
Total comprehensive income/(loss) for the year	0	263	14,469	14,732
Equity transactions				
Dividend paid in the year	0	0	(11,287)	(11,287)
At 30 June 2013	**140,000**	**0**	**18,080**	**158,080**
At 1 July 2011	**140,000**	**(238)**	**14,519**	**154,281**
Profit/(loss) for the year	0	0	14,207	14,207
Other comprehensive income net of income tax	0	(25)	0	(25)
Total comprehensive income/(loss) for the year	0	(25)	14,207	14,182
Equity transactions				
Dividend paid in the year	0	0	(13,828)	(13,828)
At 30 June 2012	**140,000**	**(263)**	**14,898**	**154,635**
Company				
At 1 July 2012	**140,000**	**(263)**	**16,148**	**155,885**
Profit/(loss) for the year	0	0	13,533	13,533
Other comprehensive income net of income tax	0	263	0	263
Total comprehensive income/(loss) for the year	0	263	13,533	13,796
Equity transactions				
Dividend paid in the year	0	0	(11,287)	(11,287)
At 30 June 2013	**140,000**	**0**	**18,394**	**158,394**
At 1 July 2011	**140,000**	**(238)**	**14,519**	**154,281**
Profit/(loss) for the year	0	0	15,457	15,457
Other comprehensive income net of income tax	0	(25)	0	(25)
Total comprehensive income/(loss) for the year	0	(25)	15,457	15,432
Equity transactions				
Dividend paid in the year	0	0	(13,828)	(13,828)
At 30 June 2012	**140,000**	**(263)**	**16,148**	**155,885**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

		Group		Company	
		2013	*2012*	*2013*	*2012*
	Notes	*$000*	*$000*	*$000*	*$000*
ASSETS					
Current assets					
Cash and cash equivalents	9	6,385	5,376	6,385	5,376
Trade and other receivables	10	68,206	60,766	68,206	60,766
Programme rights - intangible assets	12	44,439	56,051	44,439	56,051
Property, plant and equipment held for sale	11	0	5,000	0	5,000
Inventories		102	150	102	150
Derivative financial instruments	20	978	178	978	178
Total current assets		120,110	127,521	120,110	127,521
Non-current assets					
Property, plant and equipment	11	74,615	83,484	74,615	83,484
Other intangible assets	12	15,113	18,536	15,113	18,536
Deferred tax asset	8	1,261	2,796	1,261	2,796
Derivative financial instruments	20	197	2	197	2
Investment in associate	14	6,060	11,000	6,374	12,250
Other investments		42	42	42	42
Total non-current assets		97,288	115,860	97,602	117,110
Total assets		217,398	243,381	217,712	244,631
LIABILITIES					
Current liabilities					
Trade and other payables	17	48,082	61,877	48,082	61,877
Deferred income	18	6,367	6,184	6,367	6,184
Derivative financial instruments	20	910	658	910	658
Provisions	19	1,915	4,721	1,915	4,721
Total current liabilities		57,274	73,440	57,274	73,440
Non-current liabilities					
Employee entitlements	17	1,541	1,840	1,541	1,840
Derivative financial instruments	20	0	4	0	4
Provisions	19	503	3,462	503	3,462
Loans and borrowings	16	0	10,000	0	10,000
Total non-current liabilities		2,044	15,306	2,044	15,306
Equity					
Share capital	22	140,000	140,000	140,000	140,000
Cash flow hedge reserves	22	0	(263)	0	(263)
Retained earnings		18,080	14,898	18,394	16,148
Total equity		158,080	154,635	158,394	155,885
Total equity and liabilities		217,398	243,381	217,712	244,631

The accompanying notes form part of these financial statements.
For and on behalf of the Board, who authorised the issue of these financial statements on 30 September 2013.

Wayne Walden
Chairman

Alison Gerry
Chair, Audit and Risk Committee

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

		Group		Company	
		2013	*2012*	*2013*	*2012*
	Notes	*$000*	*$000*	*$000*	*$000*
Cash flows from/(used in) operating activities					
Receipts from customers		337,774	347,713	337,774	347,713
Receipt of government grants		14,560	25,667	14,560	25,667
Interest received		58	41	58	41
Payments to suppliers and employees		(325,046)	(330,253)	(325,046)	(330,253)
Interest paid		(1,121)	(1,623)	(1,121)	(1,623)
Income tax paid		(8,743)	(5,795)	(8,743)	(5,795)
Net cash flows from/(used in) operating activities	23	17,482	35,750	17,482	35,750
Cash flows from/(used in) investing activities					
Proceeds from sale of property, plant and equipment		7,321	11	7,321	11
Proceeds from insurance claim		4,200	510	4,200	510
Purchase of property, plant and equipment		(4,037)	(6,311)	(4,037)	(6,311)
Purchase of intangibles		(1,955)	(1,851)	(1,955)	(1,851)
Investment in and advances to associates		(714)	(13,230)	(714)	(13,230)
Net cash flows from/(used in) investing activities		4,815	(20,871)	4,815	(20,871)
Cash flows from/(used in) financing activities					
Repayment of borrowings		(10,000)	0	(10,000)	0
Dividends paid		(11,287)	(13,828)	(11,287)	(13,828)
Net cash flows from/(used in) financing activities		(21,287)	(13,828)	(21,287)	(13,828)
Net increase/(decrease) in cash and cash equivalents		1,010	1,051	1,010	1,051
Net foreign exchange differences		(1)	(16)	(1)	(16)
Cash and cash equivalents at the beginning of the year		5,376	4,341	5,376	4,341
Cash and cash equivalents at the end of the year	9	6,385	5,376	6,385	5,376

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1. Corporate information

Television New Zealand Limited (the "Company") and its subsidiaries (the "Group') operate as a multi channel television and digital media broadcasting and production company in New Zealand.

The Company is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is wholly owned by the Crown. The Company is bound by the requirements of the Television New Zealand Act 2003. The Crown does not guarantee the liabilities of Television New Zealand Limited in any way.

These consolidated financial statements were approved for issue by the Board of Directors on 30 September 2013.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and the requirements of the Television New Zealand Act 2003, Financial Reporting Act 1993 and the Companies Act 1993. The financial statements have been prepared on a historical cost basis except for derivative financial instruments that have been measured at fair value.

The carrying values of recognised assets and liabilities that are hedge accounted are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The financial statements are presented in New Zealand dollars ($), which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand unless otherwise stated.

b) Statement of compliance

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 profit orientated entities. The financial statements comply with International Financial Reporting Standards (IFRS).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

c) Changes in accounting policies and disclosures

i) New and amended standards adopted by the Group

There were no new or amended standards adopted during FY2013 that had a material impact on the financial statements.

ii) Accounting standards and interpretations issued but not yet effective

Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 30 June 2013. These are noted below.

NZ IFRS 9 – Financial Instruments

This standard is part of a wider project to replace *NZ IAS 39 Financial Instruments: Recognition and Measurement*. The standard establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification will depend on the Group's business model for managing the financial asset and contractual cash flow characteristics of the financial asset. The existing *NZ IAS 39* requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: the change attributable to the changes in credit risk are presented in other comprehensive income, the remaining change is presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. The Group has not yet assessed the impact of this standard. The application date for this standard is for accounting periods beginning on or after 1 January 2015, the application date for the Group is 1 July 2015.

c) Changes in accounting policies and disclosures (continued)

ii) Accounting standards and interpretations issued but not yet effective

NZ IFRS 10 – Consolidated Financial Statements

NZ IFRS 10 establishes a new control model and replaces parts of *NZ IAS 27 Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and *SIC 12 Consolidation Special Purpose Entities*. The new control model broadens the situations when an entity is considered to control another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority rights may give control. This could lead to more entities being consolidated. This change should have no material impact on the Group's financial statements. The application date for this standard is for accounting periods beginning on or after 1 January 2013, the application date for the Group is 1 July 2013.

NZ IFRS 11 – Joint Arrangements

NZ IFRS 11 replaces *NZ IAS 31 Interests in Joint Ventures* and *SIC-13 Jointly Controlled Entities – Non Monetary Contributions by Venturers*. NZ IFRS 11 uses the principle of control in NZ IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. NZ IFRS 11 distinguishes joint arrangements between joint operations and joint ventures. NZ IFRS 11 removes the option to account for jointly controlled entities (JCEs) using the equity method or the proportionate consolidation method. JCEs that are joint operations are required to be accounted for by recognising the share of those assets and obligations. JCEs that are joint ventures are required to use the equity method. This change should have no material impact on the Group's financial statements. The application date for this standard is for accounting periods beginning on or after 1 January 2013, the application date for the Group is 1 July 2013.

NZ IFRS 12 – Disclosure of Interests in Other Entities

NZ IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements (joint operations or joint ventures), associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, subsidiaries and structured entities with non controlling interests. NZ IFRS 12 is a disclosure standard and will not impact recognition and measurement in the financial statements. However the standard may impact disclosures. The application date for this standard is for accounting periods beginning on or after 1 January 2013, the application date for the Group is 1 July 2013.

NZ IFRS 13 – Fair Value Measurement

NZ IFRS 13 establishes a single source of guidance under NZ IFRS for determining the fair value of assets and liabilities.

NZ IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under NZ IFRS when fair value is required or permitted by NZ IFRS. Application of this guidance may result in different fair values being determined for relevant assets. *NZ IFRS 13* also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The application date for this standard is for accounting periods beginning on or after 1 January 2013, the application date for the Group is 1 July 2013.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Television New Zealand Limited and its subsidiaries at 30 June.

Subsidiaries are those entities controlled, directly or indirectly, by the Group. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies are eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Investments in subsidiaries are accounted for at cost, less allowance for impairment, in the separate financial statements of the Company.

e) Foreign currency

The functional and presentational currency of Television New Zealand Limited and its subsidiaries is the New Zealand dollar ($).

Transactions in foreign currencies are translated to the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at balance date.

e) Foreign currency (continued)
Differences arising on the translation of monetary assets and liabilities in foreign currencies are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

f) Revenue recognition
Revenue is stated exclusive of goods and services tax (GST) and consists of sales of goods and services to third parties. Revenue from the sale of goods and services is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Key classes of revenue are recognised on the following basis:

i) Rendering of services
Revenue from advertising and sponsorship is recognised as income at the time of transmission.

ii) Government grants
Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised as income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised as income in the income statement on a systematic basis over the useful life of the asset.

iii) Other revenue
Other revenue is recognised when the product has been delivered or in the accounting period in which the actual service has been provided.

iv) Interest
Revenue is recognised as interest accrues using the effective interest method.

g) Income tax expense
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes.

Deferred tax assets are recognised where realisation of the asset is probable.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences reverse, based on tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

h) Leases
Operating lease payments, where the lessors substantially retain all the risks and benefits of ownership of the leased items, are recognised as an expense in the income statement on a straight-line basis over the lease term.

i) Dividends
Provision is made for the amount of dividend declared on or before balance date but not distributed at balance date.

j) Property, plant and equipment
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost to acquire the asset and other directly attributable costs incurred to bring the asset to the location and condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Items of work in progress are transferred to the appropriate class of property, plant and equipment on completion. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

j) Property, plant and equipment (continued)
Depreciation is calculated on a straight-line basis to allocate the cost of assets over their estimated useful lives. Land and work in progress is not depreciated.

The estimated useful lives for the current and comparable period are:

Buildings	40 years
Plant and equipment	3 to 10 years
Motor vehicles	5 to 10 years

Impairment
The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit the asset belongs to. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Where an item of property, plant and equipment is derecognised, the gain or loss (calculated as the difference between the net proceeds and the carrying value of the item) is included in the income statement in the period the item is derecognised.

k) Intangible assets
Programme rights
Television programmes which are available for use, including those acquired overseas, are recorded at cost less amounts charged to the income statement based on management's assessment of the useful life, which is regularly reviewed and additional write downs are made as considered necessary. Programmes produced internally for the purpose of broadcast are initially recognised as intangible assets at production cost. Production costs only include direct costs associated with the programme.

Programme rights are amortised on the following basis:

(i) Certain programme rights including news and current affairs, sports and locally commissioned programmes are amortised on transmission.

(ii) All other programme rights (movie and non movie programme rights) are amortised on a straight line basis such that all rights are amortised within a period not exceeding one year from the broadcast licence period start date.

Frequency licences
Frequency licences are recorded at cost less amortisation and impairment losses. Amortisation is calculated on a diminishing value methodology using the sum of digits over the remaining life of the licence, between one and two years.

Other intangible assets
Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. These costs are amortised on a straight line basis over their estimated useful economic lives of two to ten years.

Development costs
Development costs on internal projects are only capitalised by the Group when it can be demonstrated that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Any development costs capitalised are amortised over the period of the estimated economic life of the asset to which they relate.

Where an intangible asset is derecognised, the gain or loss (calculated as the difference between the net proceeds and the carrying value of the item) is included in the income statement in the period the item is derecognised.

l) Cash and cash equivalents
Cash and short term deposits in the statement of financial position comprise cash at the bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and cash equivalents as defined above, net of outstanding overdrafts.

m) Trade and other receivables
Trade receivables are recognised and carried at original invoice amount and subsequently measured at amortised cost, less an allowance for impairment.

Collectability of trade receivables is reviewed on an on going basis and debts that are known to be uncollectible are written off immediately. An allowance for impairment is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment.

n) Inventories
Inventories comprise technical stores and videotape. All inventories are recorded at the lower of cost or net realisable value.

o) Derivative financial instruments
The Group uses derivative financial instruments, within predetermined policies and limits, to manage its exposure to foreign currency exchange rate risk and interest rate risk. The Group also enters into programme supply contracts that contain a foreign currency embedded derivative.

Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative contract is designed to hedge a specific risk and qualifies for hedge accounting.

Each derivative that is designated as a hedge is classified as either: i) a fair value hedge when they hedge the exposure to changes in the fair value of a recognised asset or liability or a firm commitment; or ii) a cash flow hedge where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

ii) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement. Amounts accumulated are recycled in the income statement in the period when the hedged item affects profit or loss. When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, or when the hedge no longer meets the criteria for hedge accounting. At that point any cumulative gain or loss existing in equity remains in equity until the forecast transaction occurs. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss is immediately transferred to the income statement.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recognised immediately in the income statement. The fair value of forward exchange contracts and embedded derivatives are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to the current market values of similar instruments.

In accordance with its treasury policy, the Group does not engage in speculative transactions or hold derivative financial instruments for trading purposes.

p) Borrowings and borrowing costs
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur.

q) Trade and other payables
Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchases of goods and services.

r) Investment in associate
The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements. Associates are entities over which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the income and expenses of the associate from the date that significant influence commenced until the date that significant influence ceases. The Group's share of its associate post acquisition profits or losses is recognised in the income statement and its share of post acquisition movements in other comprehensive income is recognised in the statement of other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate.

s) Interest in a jointly controlled entity
The interest in a jointly controlled entity is accounted for in the consolidated financial statements using the equity method of accounting and is carried at cost by the parent entity. Under the equity method, the Group's share of the profits or losses of the joint venture is recognised in the income statement and the share of movements in other comprehensive income is recognised in the statement of other comprehensive income. The cumulative movements are adjusted against the carrying amount of the investment.

t) Employee benefits
Provision is made for employee benefits accumulated as a result of employees rendering services up to balance date. The benefits include wages and salaries, incentives, compensated absences and retirement leave which are expensed in the income statement when services are provided or benefits vest with the employee. The provision for employee benefits is stated at the present value of the estimated future cash outflows to be incurred resulting from employees' services provided up to balance date.

u) Provisions
Provisions are recognised when the Group has present legal or constructive obligations as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Estimates and assumptions are reviewed by management on an on going basis. Actual results may differ from these estimates.

Management has identified the following accounting policies for which significant judgements, estimates and assumptions are made:

Estimation of useful lives of property, plant and equipment and finite-lived intangible assets
The estimated useful life of a particular asset is based on historical experience, the expected service potential of the assets and technological advances. Adjustments to useful lives are made when considered necessary.

Income taxes and deferred tax
The Group's accounting policy for taxation requires management to make estimates as to, amongst other things, the amount of tax that will be payable, the availability of losses to be carried forward and the recovery of deferred tax assets.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Capitalised development costs
Development costs are only capitalised by the Group when it can be demonstrated that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use. Actual results may differ from these estimates as a result of reassessment by management or taxation authorities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
4) Operating revenue				
Television revenue	311,607	318,259	311,607	318,259
Digital media revenue	9,925	8,237	9,925	8,237
Other trading revenue	23,432	20,270	23,432	20,270
	344,964	346,766	344,964	346,766

Television revenue includes advertising, sponsorship and programme production funding on TVONE, TV2, TVNZ Heartland and TVNZ U.

The operating revenue breakdown has been amended from prior years to better reflect the business, this has resulted in changes to the prior year comparatives but not the total operating revenue amount.

5) Expenses

Expenses include:

Employee benefits expense				
Wages and salaries and other short term benefits	89,354	94,284	89,354	94,284
Defined contribution superannuation expense	2,649	2,474	2,649	2,474
Less employee benefits charged to programmes/capitalised	(31,182)	(31,142)	(31,182)	(31,142)
	60,821	65,616	60,821	65,616
Depreciation and amortisation				
Depreciation	11,580	15,849	11,580	15,849
Amortisation - software	5,008	6,578	5,008	6,578
Amortisation - licences	403	537	403	537
	16,991	22,964	16,991	22,964
Auditor's remuneration				
Audit of financial statements	288	277	288	277
Reorganisation costs				
Reorganisation costs	2,489	3,294	2,489	3,294

Costs associated with the reorganisation of parts of the Company have been fully recognised in the current financial year. These costs include redundancy, outplacement, consultancy and sundry other costs associated with the reorganisation.

Rental and operating lease costs				
Rental and operating lease costs	3,021	3,060	3,021	3,060
6) Remediation expense and asset impairment				
Transmitter decommissioning and remediation	(1,074)	3,000	(1,074)	3,000
Transmitter impairment	0	672	0	672
Frequency licences impairment	0	327	0	327
Avalon asset impairment	0	1,664	0	1,664
	(1,074)	5,663	(1,074)	5,663

The Government has announced that analogue television transmission will cease by November 2013. The Group has an obligation to decommission its analogue transmitters which are located on Kordia Limited transmission sites. In FY2012 an assessment of the estimated costs of decommissioning the analogue transmitters and remediating the sites was $3,000,000. The decommissioning and remediation costs are now expected to be $1,074,000 below the original estimate and the surplus provision has been reduced accordingly and recognised in the income statement. Impairment of transmitter assets and frequency licences that will be obsolete post cessation of analogue transmission was allowed for in the prior period, (refer note 19 for provision details).

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
7) Financial instruments and foreign currency gains/ (losses)				
Fair value changes of derivative financial instruments	380	704	380	704
Foreign currency realised gains/(losses)	(74)	114	(74)	114
Foreign currency unrealised gains	205	38	205	38
Interest rate swaps realised losses	(117)	0	(117)	0
	394	856	394	856

8) Income tax

a) Income tax

The major components of income tax expense are:

	Group 2013 $000	Group 2012 $000	Company 2013 $000	Company 2012 $000
Income statement				
Current income tax				
Current period	5,747	9,029	5,747	9,029
Adjustments for prior period	46	(55)	46	(55)
	5,793	8,974	5,793	8,974
Deferred income tax				
Origination and reversal of temporary differences	1,433	(2,898)	1,433	(2,898)
Impact of change to income tax legislation	0	(7)	0	(7)
Change in asset use intention	0	(827)	0	(827)
	1,433	(3,732)	1,433	(3,732)
Total income tax expense	7,226	5,242	7,226	5,242
b) Income tax recognised in other comprehensive income				
Net movement on revaluation of cash flow hedges	(102)	10	(102)	10
Total income tax recognised directly in equity	(102)	10	(102)	10

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

8) Income tax (continued)

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
c) Reconciliation of income tax expense				
Profit/(loss) before income tax for the year	21,666	19,449	20,759	20,699
Taxation at 28%	6,066	5,446	5,812	5,796
Adjusted for the tax effect of:				
Non deductible expenditure	85	111	85	111
Non assessable income	(362)	0	(362)	0
Share of results and impairment of associate	1,391	574	1,645	224
Income tax (over)/under provided in prior years	46	(55)	46	(55)
Impact of change to income tax legislation	0	(7)	0	(7)
Change in asset use intention	0	(827)	0	(827)
Total tax expense	7,226	5,242	7,226	5,242

d) Recognised deferred tax assets/(liabilities)

	Group		Company	
	2013		*2013*	
	Current income tax	*Deferred income tax*	*Current income tax*	*Deferred income tax*
	$000	*$000*	*$000*	*$000*
Opening balance	(4,314)	2,796	(4,314)	2,796
Charged to income statement - tax expense	(5,793)	(1,433)	(5,793)	(1,433)
Charged to equity	0	(102)	0	(102)
Other payments/(receipts)	8,743	0	8,743	0
Closing balance	(1,364)	1,261	(1,364)	1,261
Tax expense in income statement		(7,226)		(7,226)
Amounts recognised in the balance sheet:				
Deferred tax asset		1,261		1,261

	Group		Company	
	2012		*2012*	
	Current income tax	*Deferred income tax*	*Current income tax*	*Deferred income tax*
	$000	*$000*	*$000*	*$000*
Opening balance	(1,135)	(936)	(1,135)	(936)
Charged to income statement - tax expense	(8,974)	2,898	(8,974)	2,898
Charged to income statement - income tax changes	0	7	0	7
Charged to income statement - change in asset use intention	0	827	0	827
Other payments	5,795	0	5,795	0
Closing balance	(4,314)	2,796	(4,314)	2,796
Tax expense in income statement		(5,242)		(5,242)
Amounts recognised in the balance sheet:				
Deferred tax asset		2,796		2,796

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

8) Income tax (continued)

	Group		Company	
	Balance sheet		*Balance sheet*	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
Deferred income tax at 30 June relates to the following:				
Deferred tax assets/(liabilities)				
Programme rights	8,313	7,998	8,313	7,998
Employee entitlements	2,304	2,766	2,304	2,766
Property, plant and equipment and software	(10,341)	(11,298)	(10,341)	(11,298)
Provisions	583	2,373	583	2,373
Frequency licences	485	593	485	593
Doubtful debts	14	6	14	6
Other	237	299	237	299
Derivative financial instruments	(334)	59	(334)	59
	1,261	2,796	1,261	2,796

	Group and Company	
	2013	*2012*
	$000	*$000*
e) Imputation credit account		
The amount of imputation credits available for use in subsequent reporting periods	15,946	15,086

The Company and subsidiaries are part of the same consolidated tax group, therefore the imputation credits available to the Group and the Company are the same.

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
9) Cash and cash equivalents				
Cash at bank and in hand	6,070	4,761	6,070	4,761
Short term deposits	315	615	315	615
Cash and cash equivalents	6,385	5,376	6,385	5,376
Bank overdrafts used for cash management purposes	0	0	0	0
Cash and cash equivalents in the statement of cash flows	6,385	5,376	6,385	5,376

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
10) Trade and other receivables				
Trade receivables	46,349	41,702	46,349	41,702
Less provision for receivables impairment	(49)	(20)	(49)	(20)
Prepaid programme rights	15,719	12,075	15,719	12,075
Prepayments - other	6,187	7,009	6,187	7,009
	68,206	60,766	68,206	60,766

a) Provision for receivables impairment

Trade receivables are non interest bearing and are generally on 30-60 day terms. A provision for receivables impairment is recognised when there is objective evidence that the receivable is impaired.

Movements in the provision for receivables impairment				
At 1 July	20	259	20	259
Charge/(reversal) for the year	59	(50)	59	(50)
Amounts written off	(30)	(189)	(30)	(189)
At 30 June	49	20	49	20

Trade receivables that are less than 90 days overdue are not considered impaired. As at 30 June 2013 trade receivables of $1,150,000 (2012: $288,000) were past due but not considered impaired. Direct contact has been made with these debtors and the Company believes that payment will be made in full. Payment terms on these amounts have not been renegotiated however credit has been stopped until full payment is made. At 30 June, the ageing analysis of trade receivables is as follows:

Current	45,150	41,394	45,150	41,394
Up to 30 days overdue	1,031	246	1,031	246
Between 30 and 90 days overdue	119	36	119	36
Over 90 days overdue - past due not impaired	0	6	0	6
Over 90 days overdue - past due considered impaired	49	20	49	20
	46,349	41,702	46,349	41,702

b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value (refer note 21 for details of credit risk).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

11) Property, plant and equipment

	Group and Company				
	Land & buildings	*Plant & equipment*	*Motor vehicles*	*Work in progress*	*Total*
	$000	*$000*	*$000*	*$000*	*$000*
Year ended 30 June 2013					
At 1 July 2012 net of accumulated depreciation and impairment	56,253	25,750	881	600	83,484
Additions	165	3,326	57	478	4,026
Transfers from WIP	0	543	10	(553)	0
Transfer open WIP to intangibles	0	0	0	(34)	(34)
Disposals	(1,250)	(31)	0	0	(1,281)
Depreciation charge	(2,626)	(8,709)	(245)	0	(11,580)
Closing net book amount	**52,542**	**20,879**	**703**	**491**	**74,615**
At 30 June 2013					
Cost	99,312	179,464	2,974	491	282,241
Accumulated depreciation and impairment	(46,770)	(158,585)	(2,271)	0	(207,626)
	52,542	**20,879**	**703**	**491**	**74,615**
Year ended 30 June 2012					
At 1 July 2011 net of accumulated depreciation and impairment	61,373	37,439	403	1,168	100,383
Additions	1,011	4,533	213	554	6,311
Transfers from WIP	87	489	521	(1,097)	0
Transfer open WIP to intangibles	0	0	0	(25)	(25)
Disposals/transfers to assets held for sale	(3,000)	(2,000)	0	0	(5,000)
Depreciation charge	(3,159)	(12,434)	(256)	0	(15,849)
Impairment	(59)	(2,277)	0	0	(2,336)
Closing net book amount	**56,253**	**25,750**	**881**	**600**	**83,484**
At 30 June 2012					
Cost	101,378	173,997	2,980	600	278,955
Accumulated depreciation	(45,125)	(148,247)	(2,099)	0	(195,471)
	56,253	**25,750**	**881**	**600**	**83,484**

Christchurch earthquakes

The Christchurch earthquakes of 4 September 2010 and 22 February 2011 resulted in the destruction of the buildings and plant and equipment located at the Company's Christchurch premises on Gloucester Street. The assets were fully insured and insurance proceeds for the loss of the building were recognised in FY2011. Insurance claims for plant and equipment destroyed as a result of the earthquakes were recognised in FY2012. The table below notes the insurance proceeds that have been recognised in the income statement.

	2013	*2012*
	$000	*$000*
Insurance proceeds - plant and equipment	0	1,882
Insurance proceeds - business interruption, increased cost of working	0	2,318
	0	4,200

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

11) Property, plant and equipment (continued)

Transfers to assets held for sale

At 30 June 2012 the Company had a conditional sale agreement for the sale of land, buildings and equipment at the Avalon Studios site ($5,000,000). The sale was settled on 2 April 2013.

Impairment loss

The impairment loss at 30 June 2012 includes the excess book value over the agreed sale price of the Avalon Studios' assets and the impairment of transmitter assets that will be obsolete post cessation of analogue transmission.

12) Intangible assets

	Group and Company			
	Programme rights	*Software*	*Licences*	*Total*
	$000	*$000*	*$000*	*$000*
Year ended 30 June 2013				
At 1 July 2012 net of accumulated amortisation and impairment	56,051	18,021	515	74,587
Additions (internally generated)	61,639	0	0	61,639
Additions (externally purchased)	121,754	1,954	0	123,708
Reclassification from PPE WIP	0	34	0	34
Amortisation charge	(195,005)	(5,008)	(403)	(200,416)
Closing net book amount	**44,439**	**15,001**	**112**	**59,552**
At 30 June 2013				
Cost	228,993	58,396	16,341	303,730
Accumulated amortisation	(184,554)	(43,395)	(16,229)	(244,178)
	44,439	**15,001**	**112**	**59,552**
Current asset	44,439	0	0	44,439
Non-current asset	0	15,001	112	15,113
	44,439	**15,001**	**112**	**59,552**
Year ended 30 June 2012				
At 1 July 2011 net of accumulated amortisation and impairment	44,212	22,723	1,379	68,314
Additions (internally generated)	63,297	0	0	63,297
Additions (externally purchased)	148,138	1,851	0	149,989
Reclassification from PPE WIP	0	25	0	25
Amortisation charge	(199,596)	(6,578)	(537)	(206,711)
Impairment	0	0	(327)	(327)
Closing net book amount	**56,051**	**18,021**	**515**	**74,587**
At 30 June 2012				
Cost	217,747	56,507	16,341	290,595
Accumulated amortisation	(161,696)	(38,486)	(15,826)	(216,008)
	56,051	**18,021**	**515**	**74,587**
Current asset	56,051	0	0	56,051
Non-current asset	0	18,021	515	18,536
	56,051	**18,021**	**515**	**74,587**

Included in software are assets under development of $157,000 (2012: $402,000).

13) Investments in subsidiaries

The Company's investment in its subsidiaries comprises shares at cost less impairment and advances to subsidiaries less any provision for impairment. The shares in subsidiaries have been written down to nil value and all outstanding loans have been fully provided for (total impairment of $10,256,000). Advances to subsidiaries are interest free, unsecured and repayable on demand.

Subsidiaries of Television New Zealand Limited comprise:

		% holding	
Name	Principal Activity	*2013*	*2012*
TVNZ Satellite Services Limited	Non trading	100%	100%
nzoom Limited	Non trading	100%	100%
TVNZ International Limited	Non trading	100%	100%
TVNZ Investments Limited (previously Avalon Studios Limited)	Non trading	100%	100%
Horizon Pacific Television Limited and subsidiaries	Non trading	100%	100%

All companies are incorporated in New Zealand. All have balance dates of 30 June.

14) Interest in associate

Igloo Ltd was incorporated in July 2011. The Group's initial investment was $12,250,000 for a 49% interest with Sky Network Television Ltd (Sky) owning the other 51%. On 30 June 2013 Igloo issued additional shares to Sky and Sky's shareholding increased to 66% and the Groups shareholding reduced to 34%. At this time an impairment on the initial investment of $5,875,590 was recognised by the Company. The Company also has an option to purchase an additional 216 shares that is exercisable between 1 July and 30 September 2015 at an agreed price.

The Group acquired a 33.33% interest in Hybrid Television Services (ANZ) Pty Ltd in 2009. Due to the uncertainty of Hybrid generating future surpluses an impairment charge equal to the value of the outstanding loans to Hybrid was recognised in prior periods. In addition, the Group has also provided for costs associated with the future financial support of Hybrid (refer note 19).

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
a) Movement in carrying amount of the Group's investment in associate				
Igloo Limited				
At 1 July	11,000	0	12,250	0
Increase in investment	0	12,250	0	12,250
Share of losses after income tax	(5,108)	(1,250)	0	0
Gain on deemed disposal	139	0	0	0
Share of comprehensive income after income tax	29	0	0	0
Impairment	0	0	(5,876)	0
At 30 June	6,060	11,000	6,374	12,250

	2013	*2012*
	$000	*$000*
b) Summarised financial information		
The following table illustrates summarised financial information relating to the Group's associates; Hybrid and Igloo.		
Current assets	6,841	15,820
Non-current assets	12,955	12,999
	19,796	28,819
Current liabilities	6,025	13,101
Non-current liabilities	32,600	28,611
	38,625	41,712
Net liabilities	(18,829)	(12,893)
Revenue	890	733
Net profit/(loss)	(10,425)	(2,550)

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
14) Interest in associate (continued)				
c) Share of results and impairment of associate				
Share of profits/(losses) in associate	(5,108)	(1,250)	0	0
Gain on deemed disposal	139	0	0	0
Impairment and provision of associate	0	(800)	(5,876)	(800)
	(4,969)	(2,050)	(5,876)	(800)

There are no contingent liabilities relating to the Company's interest in the associate companies and no contingent liabilities of the associates themselves. Igloo Limited has capital commitments of $1.27 million (2012: nil), Hybrid has no capital commitments (2012: nil).

15) Interest in joint venture

The Company has a 44.9% interest in Freeview Limited, an incorporated joint venture with TVWorks Limited, Maori Television Service and Radio New Zealand Limited. Freeview Limited is audited by Ernst & Young and has a balance date of 30 June.

The carrying amount of the Company's investment in Freeview Limited is $nil (2012: $nil).

The following table provides summarised financial information relating to the Company's joint venture:

Extract from the joint venture balance sheet:

	2013	*2012*
	$000	*$000*
Current assets	889	690
Non-current assets	77	199
	966	889
Current liabilities	966	880
Non-current liabilities	0	9
	966	889
Net assets	0	0
Share of joint ventures net assets	0	0

Extract from joint venture income statement:

Revenue	6,940	6,950
Net profit	0	0

There are no contingent liabilities relating to the Company's interest in the joint venture and no contingent liabilities or capital commitments of the venture itself. Under the terms of the joint venture shareholder agreement the company is required to fund its agreed share of net costs for the services provided by the joint venture.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
16) Loans and borrowings				
Non-current				
Bank borrowings (unsecured)	0	10,000	0	10,000

The Group has three revolving cash advance facilities committed to a maximum amount of $50 million (June 2012: $70 million); these facilities expire in December 2014. The borrowings at 30 June are drawn down from these facilities. Refer Note 21 for details on management of interest rate risk related to these borrowings. The financing cash flow has been presented as a net movement.

a) Fair values
The carrying amounts of the Group's current and non current borrowings approximate their fair value.

b) Defaults and breaches
During the current and prior years, there were no defaults or breaches of any loan covenants.

17) Trade and other payables

Current				
Trade payables and accruals	39,632	49,754	39,632	49,754
Employee entitlements	7,086	7,809	7,086	7,809
Tax payable	1,364	4,314	1,364	4,314
	48,082	61,877	48,082	61,877

Fair value
Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Non-current				
Employee entitlements	1,541	1,840	1,541	1,840

18) Deferred income

Government funding	4,159	3,765	4,159	3,765
Other	2,208	2,419	2,208	2,419
	6,367	6,184	6,367	6,184

a) Government funding

	Group and Company			
	MCH	*NZOA*	*TMP*	*Total*
	$000	*$000*	*$000*	*$000*
Year ended 30 June 2013				
At 1 July 2012	2,308	1,237	220	3,765
Received/invoiced during the year	1,757	9,555	5,361	16,673
Released to the income statement	(2,222)	(8,415)	(5,423)	(16,060)
Digital channels funding repaid	(219)	0	0	(219)
Closing net book amount	**1,624**	**2,377**	**158**	**4,159**
Year ended 30 June 2012				
At 1 July 2011	7,156	1,329	255	8,740
Received/invoiced during the year	12,257	8,359	5,228	25,844
Released to the income statement	(17,105)	(8,451)	(5,263)	(30,819)
Closing net book amount	**2,308**	**1,237**	**220**	**3,765**

Government funding received during the year was in the form of cash, and has been recorded at fair value. The Ministry for Culture and Heritage (MCH) provides funding to TVNZ to provide transmission of TVNZ programmes to Pacific nations, maintain non commercial transmission sites and funded TVNZ 7 digital channel broadcast (to 30 June 2012) on the Freeview platform. New Zealand On Air (NZOA) funds TVNZ for specific programmes, programme captioning and audio description. Te Mangai Paho (TMP) provides funding for the production and broadcast of specific programmes. The funding will be recognised in the income statement to match the expenditure associated with this funding.

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
19) Provisions				
Reorganisation	1,412	3,462	1,412	3,462
Transmitter remediation	0	3,000	0	3,000
Hybrid	1,006	1,721	1,006	1,721
	2,418	**8,183**	**2,418**	**8,183**

a) Movement in provisions

	Group and Company			
	Reorganisation	*Transmitter Remediation*	*Hybrid*	*Total*
	$000	*$000*	*$000*	*$000*
At 1 July 2012	3,463	3,000	1,720	8,183
Raised during the year	1,412	0	0	1,412
Utilised during the year	(3,463)	(1,926)	(714)	(6,103)
Reversed during the year	0	(1,074)	0	(1,074)
At 30 June 2013	**1,412**	**0**	**1,006**	**2,418**
Current	1,412	0	503	1,915
Non-current	0	0	503	503
At 30 June 2013	**1,412**	**0**	**1,006**	**2,418**
Current 2012	3,463	628	630	4,721
Non-current 2012	0	2,372	1,090	3,462
At 30 June 2012	3,463	3,000	1,720	8,183

b) Nature and timing of provision

i) Reorganisation provision

The current reorganisation provision balance relates to the costs of redundancy, outplacement and other costs associated with changes in operational areas of the business to align with the Company strategy and technology changes. The opening reorganisation provision related to redundancy, outplacement and other costs associated with the sale of Avalon Studios. This was utilised in the current year.

ii) Transmitter remediation

The Government has announced that analogue television transmission will cease by November 2013. The Group has an obligation to decommission its analogue transmitters which are located on Kordia Limited transmission sites. The initial provision ($3,000,000) was the estimated cost of decommissioning, disposing and restoring the buildings as appropriate. These costs have now been finalised and the surplus provision was reversed to the income statement during the year.

iii) Hybrid provision

As a 33.33% shareholder in Hybrid Television Services (Pty) Ltd, the Group is committed to financially support Hybrid. This provision covers expected future costs based on current Hybrid forecasts and contractual commitments over the next two years.

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
20) Derivative financial instruments				
Current assets				
Forward currency contracts - held for trading	0	96	0	96
Forward currency contracts - fair value hedge	3	82	3	82
Foreign currency embedded derivative contracts	975	0	975	0
	978	178	978	178
Non-current assets				
Forward currency contracts - fair value hedge	0	2	0	2
Foreign currency embedded derivative contracts	31	0	31	0
Interest rate swap contracts	21	0	21	0
Share option	145	0	145	0
	197	2	197	2
Current liabilities				
Forward currency contracts - held for trading	907	0	907	0
Forward currency contracts - fair value hedge	3	82	3	82
Foreign currency embedded derivative contracts	0	211	0	211
Interest rate swap contracts - cash flow hedge	0	365	0	365
	910	658	910	658
Non-current liabilities				
Forward currency contracts - fair value hedge	0	2	0	2
Foreign currency embedded derivative contracts	0	2	0	2
	0	4	0	4

a) Instruments used by the Group
Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposures to fluctuations in foreign exchange and interest risk.

i) Forward currency contracts – held for trading
The Group has entered into forward exchange rate contracts which are economic hedges but do not satisfy the requirements for hedge accounting. The following table details the notional amounts of these derivative financial instruments at balance date.

Forward Currency Contracts held for trading

	Group and Company	
	2013	*2012*
	NZD	*NZD*
	$000	*$000*
Buy AUD/sell NZD - maturity 0-12 months	26,327	24,090

ii) Forward currency contracts – fair value hedge
The Group has entered into forward exchange rate contracts which are economic hedges against the purchase of certain capital, programme rights and production expenditure. The fair value gains/(losses) on the hedged item are equal to the fair value gains/(losses) of the hedging instrument. The following table details the notional amounts of these derivative financial instruments at balance date.

Forward currency contracts – fair value hedge		
Buy GBP/sell NZD - maturity 0-12 months	0	650
Buy USD/sell NZD - maturity 0-12 months	82	1,582
Buy USD/sell NZD - maturity 13-24 months	0	82

20) Derivative financial instruments (continued)

	Group and Company	
	2013	*2012*
	$000	*$000*

iii) Foreign currency embedded derivative contracts

The Group has entered into programme supply contracts that contain a foreign currency embedded derivative. The following table details the notional amounts of these embedded derivatives at balance date.

Embedded derivatives		
Sell AUD/buy NZD - maturity 0-12 months	21,955	22,974
Sell AUD/buy NZD - maturity 13-24 months	505	672

iv) Interest rate swaps – cash flow hedge

To protect against rising interest rates the Group hedges its borrowings by entering into interest rate swaps contracts under which it has the right to receive interest at variable rates and pay interest at fixed rates. The interest swaps require settlement of net interest receivable or payable each 91 days. The settlement dates coincide with dates on which the interest is payable on the underlying debt. Swaps that are matched directly against the appropriate loans and interest expense are considered highly effective. They are settled on a net basis. The swaps are measured at fair value and all gains and losses attributable to the hedged risk are recognised in other comprehensive income and reclassified into profit or loss when the interest expense is recognised. As at 30 June 2013 there were interest rate swaps with a notional value of $10,000,000 (2012: $10,000,000) that were not designated as cash flow hedges, the fair value gains and losses are recognised in profit or loss.

At 30 June the notional principal amounts and period of expiry of the interest rate swap contracts are as follows:

Maturity 0-12 months	0	0
Maturity 13-24 months	0	10,000
Maturity 25-36 months	10,000	0
Maturity 37-60 months	0	10,000
	10,000	20,000

v) Share option

The Company has an option to purchase additional shares in Igloo Limited which is exercisable between 1 July 2015 and 30 September 2015. The fair value gain of this option has been recognised in the income statement.

21) Financial risk factors

The Group's activities expose it to a variety of financial risks including currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management policy seeks to minimise potential adverse effects on the Group's financial performance.

Treasury policies have been approved by the Board for managing each of these risks including levels of authority on the type and use of financial instruments. The Group enters into derivative transactions, principally forward currency contracts and interest rate swaps, only if they relate to underlying exposures.

The Group has the following categories of financial instruments:
Held for trading financial assets (including derivative financial instruments); loans and receivables (including cash and cash equivalents and trade receivables); held for trading financial liabilities (including derivative financial instruments); and financial liabilities measured at amortised cost (including trade and other payables and loans and borrowings).

The carrying amounts of these financial instruments are disclosed on the face of the statement of financial position or in each of the applicable notes.

21) Financial risk factors (continued)

Currency risk

The Group undertakes transactions denominated in foreign currencies, predominately Australian dollars, for programme rights' purchases. As a result of these transactions the Group has exposure to foreign exchange risk. The Group's foreign exchange policy is to hedge a portion of material foreign currency denominated costs at the time of the commitment on a rolling 24 month basis. The Group ensures that its net exposure to foreign denominated cash balances is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

At 30 June the Group had the following foreign currency exposures that are not specifically hedged.

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
Financial assets				
Cash and cash equivalents	169	148	169	148
Trade and other receivables	93	171	93	171
	262	319	262	319
Financial liabilities				
Bank overdraft	0	0	0	0
Trade and other payables	(12,347)	(19,386)	(12,347)	(19,386)
	(12,347)	(19,386)	(12,347)	(19,386)
Foreign currency derivatives				
Forward contracts	26,409	26,404	26,409	26,404
Embedded derivatives	(22,460)	(23,646)	(22,460)	(23,646)
	3,949	2,758	3,949	2,758
Total net exposure	(8,136)	(16,309)	(8,136)	(16,309)

At 30 June, had the New Zealand dollar strengthened/(weakened) by 10% against foreign currencies with all other variables held constant, post tax profit and equity would have been (lower)/higher as follows:

	Group and Company			
	Post tax profit		*Equity*	
	+10%	*(10%)*	*+10%*	*(10%)*
2013	584	(584)	0	0
2012	1,363	(1,363)	0	0

Interest rate risk

The Group's exposure to interest rate risk relates primarily to long term borrowings.

At 30 June, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges:

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
Financial assets				
Cash and cash equivalents	6,385	5,376	6,385	5,376
Financial liabilities				
Bank overdrafts	0	0	0	0
Bank loans	0	0	0	0
Net exposure	6,385	5,376	6,385	5,376

21) Financial risk factors (continued)

The Group's interest rate policy is to have between 0% and 100% of its borrowings at fixed rates over the medium term. The Group uses interest rate swaps in order to achieve the desired mix between fixed and floating rates. These swaps are designated to hedge underlying debt obligations.

At 30 June, if interest rates had increased/(decreased) by 1% with all other variables held constant, post tax profit and equity would have been (lower)/higher as follows:

	Group and Company			
	Post tax profit		*Equity*	
	+1%	*(1%)*	*+1%*	*(1%)*
2013	41	(41)	0	0
2012	(34)	34	310	(314)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its obligations. In the normal course of business the Group incurs credit risk with financial institutions and trade receivables. The Group has a credit policy which is used to limit counterparty risk through restrictions on the amount of short-term investments that may be placed with any one approved financial institution.

The maximum exposure at balance date equals the carrying value of cash, derivative financial instruments (assets) and trade receivables as shown in the statement of financial position and specified in applicable notes.

The major concentration of credit risk within trade receivables is the extension of credit to advertisers through accredited advertising agencies. These agencies are required to comply with a formal accreditation process, which includes the regular review of their financial position. Each accredited agency is required to meet a certain financial ratio or alternatively provide other forms of financial reassurance to the Group. The Group has a credit insurance policy for a selected range of agencies, to protect against loss through default. The Group does not have any other significant concentrations of credit risk.

The Group does not require collateral or security to support financial instruments due to the quality of the financial institutions with which it deals.

Liquidity risk

Liquidity risk is the risk that the Group and Company may be unable to meet its financial obligations as they fall due. It is the Group's policy to ensure that adequate funding is available at all times to meet future commitments as they arise. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

At 30 June 2013 the Group has available $50,000,000 (2012: $60,000,000) of un-drawn committed facilities. These bank facilities expire in December 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2013

21) Financial risk factors (continued)
The table below analyses the contractual cash flows for all financial liabilities and derivatives.

	2013			
Group	*Within one year $000*	*One to two years $000*	*Two to five years $000*	*Total $000*
Trade and other payables	39,632	0	0	39,632
Interest rate swaps	0	0	0	0
Forward exchange contracts - outflow	26,409	0	0	26,409
Forward exchange contracts - inflow	(25,502)	0	0	(25,502)
	40,539	0	0	40,539

Company	*Within one year $000*	*One to two years $000*	*Two to five years $000*	*Total $000*
Trade and other payables	39,632	0	0	39,632
Interest rate swaps	0	0	0	0
Forward exchange contracts - outflow	26,409	0	0	26,409
Forward exchange contracts - inflow	(25,502)	0	0	(25,502)
	40,539	0	0	40,539

	2012			
Group	*Within one year $000*	*One to two years $000*	*Two to five years $000*	*Total $000*
Borrowings	568	568	10,260	11,396
Trade and other payables	49,754	0	0	49,754
Interest rate swaps	57	0	0	57
Forward exchange contracts - outflow	26,322	82	0	26,404
Forward exchange contracts - inflow	(26,418)	(80)	0	(26,498)
	50,283	570	10,260	61,113

Company	*Within one year $000*	*One to two years $000*	*Two to five years $000*	*Total $000*
Borrowings	568	568	10,260	11,396
Trade and other payables	49,754	0	0	49,754
Interest rate swaps	57	0	0	57
Forward exchange contracts - outflow	26,322	82	0	26,404
Forward exchange contracts - inflow	(26,418)	(80)	0	(26,498)
	50,283	570	10,260	61,113

21) Financial risk factors (continued)

Fair value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments is estimated using Level 2 criteria such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. The fair values of financial instruments are presented in the following table.

	Group and Company	
	2013	*2012*
	$000	*$000*
Financial assets		
Derivative instruments		
Foreign currency contracts	3	180
Foreign currency embedded derivative contracts	1,006	0
Interest rate swaps	21	0
Share option	145	0
	1,175	180
Financial liabilities		
Derivative instruments		
Foreign currency contracts	910	84
Foreign currency embedded derivative contracts	0	213
Interest rate swaps	0	365
	910	662

Capital management

The Group's capital includes share capital, reserves and retained earnings.

The Crown has a general preference for state-owned enterprises and Crown-entity companies (including TVNZ) to manage their balance sheets to a BBB credit rating. The Group's capital structure is broadly in line with the Crown's expectations. The Group targets a gearing ratio of less than 40% (refer note 28e).

There have been no material changes to the Group's management of capital during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

22) Share capital and reserves

For movements in share capital and reserves refer to the Statement of Changes in Equity.

a) Share capital

As at 30 June 2013 there were 140,000,000 shares ($1 each) issued and fully paid (2012: 140,000,000). All ordinary shares rank equally with one vote per share and carry rights to dividends.

Upon winding up, shareholders rank equally with regard to the Company's residual assets.

b) Nature and purpose of the cash flow hedge reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

	Group		Company	
	2013	*2012*	*2013*	*2012*
	$000	*$000*	*$000*	*$000*
Movement in cash flow hedge reserve:				
Opening balance	(263)	(238)	(263)	(238)
Transferred to income statement	263	0	263	0
Charged to other comprehensive income	0	(25)	0	(25)
Closing balance at 30 June	0	(263)	0	(263)

23) Cash flow statement reconciliation

Reconciliation of net profit after tax to net cash flows from operations				
Net profit	14,440	14,207	13,533	15,457
Adjustments for:				
Depreciation and impairment	11,580	18,185	11,580	18,185
Amortisation	5,411	7,442	5,411	7,442
Loss/(gain) on disposal of property, plant and equipment	(1,028)	(11)	(1,028)	(11)
Unrealised foreign currency losses/(gains)	(205)	(22)	(205)	(22)
Share of associate net (gains)/losses and provisions	4,969	2,050	5,876	800
Proceeds from insurance claim classified as investing	(4,200)	(510)	(4,200)	(510)
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	(7,436)	(5,468)	(7,436)	(5,468)
(Increase)/decrease derivative financial instruments	(382)	(703)	(382)	(703)
(Increase)/decrease deferred tax asset	1,433	(3,732)	1,433	(3,732)
(Increase)/decrease inventories	48	39	48	39
(Increase)/decrease programme rights	11,612	(11,839)	11,612	(11,839)
Increase/(decrease) trade and other payables	(10,942)	10,797	(10,942)	10,797
Increase/(decrease) deferred income	183	(2,966)	183	(2,966)
Increase/(decrease) income tax payable	(2,950)	3,179	(2,950)	3,179
Increase/(decrease) provisions	(5,051)	5,102	(5,051)	5,102
Net cash from operating activities	17,482	35,750	17,482	35,750

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

24) Related party disclosures

a) Subsidiaries

The consolidated financial statements include the financial statements of Television New Zealand Limited and its subsidiaries, listed in note 13. The company did not purchase or supply goods and services from or to any of its subsidiaries during the year (2012: $nil).

b) Joint venture

The following table provides the total amount of transactions that were entered into with Freeview Limited.

	Company	
	2013	*2012*
	$000	*$000*
Joint venture		
Sales and funding to/from Freeview Limited	2,625	2,615
Purchases from Freeview Limited	485	470
Amounts owed by Freeview Limited	196	203

All transactions with the joint venture arise in the normal course of business on an arm's length basis. None of the balances are secured.

c) Associate

Funding to Hybrid Television Services (ANZ) Pty Ltd	714	980

All funding to the associate has been fully provided for.

d) Government entities

Funding from government entities	16,060	30,819
Sales to government entities	1,588	1,342
Purchases from government entities	21,895	21,268
Amounts owed by government entities	3,298	636
Amounts owed to government entities	0	0
Revenue in advance from government entities	4,159	3,765

All sales and purchases with government owned entities arise in the normal course of business on an arm's length basis. None of the balances are secured.

e) Key management personnel

Key management consists of TVNZ's Chief Executive Officer and the members of the executive team (current and former during the year). Key management personnel compensation is as follows:

Salary and other short term benefits	4,100	5,241
Defined contribution superannuation expense	199	200
Termination benefits	270	0
	4,569	5,441

Certain key management personnel are also non-executive directors of companies with which TVNZ has transactions in the normal course of business. Any transactions undertaken with these entities have been entered into on an arm's length commercial basis. None of these transactions are material in both nature and amount.

f) Directors

Directors' fees	315	316

Certain Directors are also non-executive directors of companies with which TVNZ has transactions in the normal course of business. Any transactions undertaken with these entities have been entered into on an arm's length commercial basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

	Group and Company	
	2013	*2012*
	$000	*$000*
25) Commitments		
a) Programme rights		
Within one year	114,370	98,036
One to two years	87,058	70,436
Two to five years	139,901	84,394
Later than five years	16,696	0
	358,025	252,866

Commitments for programme rights are primarily denominated in Australian dollars and are converted at the exchange rate ruling at the date of transaction and revalued at year end. The commitments are determined with reference to the licence period start dates.

b) Operating leases		
Within one year	3,283	3,134
One to two years	1,887	2,282
Two to five years	1,682	1,308
Later than five years	765	0
	7,617	6,724

Neither the Company nor the Group had any finance lease commitments at balance date (2012: nil).

c) Property, plant and equipment and software		
Within one year	258	2,117

26) Contingent liabilities

In the normal course of business various legal claims have been made against Television New Zealand Limited. Given the stage of proceedings and uncertainty as to the outcomes of the claims, no estimate of the financial effect can be made and no provision for any potential liability has been made in the financial statements.

27) Events after the balance sheet date

On 5 July 2013 the company agreed to sell its property at 93 Hobson Street, Auckland, to SkyCity Auckland Limited for $5,260,000.

On 4 September 2013 the company agreed to sell its properties at 85-91 Hobson Street, Auckland to Sky City Auckland Ltd for $10,650,000.

As a result of the sale of these two properties the company will need to undertake an extensive refurbishment of its building at 100 Victoria Street West. Relocation costs will also be incurred. Due to the significant capital cost of this refurbishment the shareholding Ministers have advised that they will forgo future dividends to a maximum amount equivalent to approved cash requirements for the refurbishment and relocation costs less the amounts received for 85-91 Hobson Street.

There have been no other significant events occurring since balance date requiring disclosure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

28) Comparison of forecast to actual results

	Group	
	Actual	*Forecast*
	$000	*$000*
a) Financial performance		
Revenue	362,110	372,860
Operating expenses	(335,825)	(348,823)
Earnings before asset impairment and remediation expense, interest, tax, financial instruments and associates	26,285	24,037
Interest expense	(1,118)	(1,621)
Asset impairment and remediation expenses	1,074	0
Financial instruments/foreign currency gains/(losses)	394	0
Share of results of associated company	(4,969)	(2,182)
Income tax expense	(7,226)	(6,203)
Net profit/(loss) for the year	14,440	14,031
b) Movements in equity		
Net profit/(loss) for the year	14,440	14,031
Distributions to the shareholder	(11,287)	(7,700)
Other comprehensive income	292	0
Movements in equity for the year	3,445	6,331
Equity at start of the year	154,635	151,445
Equity at end of the year	158,080	157,776

The decrease in operating revenue is because the expected forecast growth in the advertising market did not eventuate due to general economic conditions. Operating expenses are below forecast levels as a result of cost savings initiatives to offset the shortfall in advertising revenues. Interest expense is below forecast due to lower average levels of borrowings. The asset impairment and remediation is the release of the surplus provision made in FY12. Fair value changes in financial instruments are not forecasted due to the inherent volatility in exchange rates; there was a positive result for the year. The share of associate company results (Igloo) are greater than forecast due to higher Igloo trading losses than forecasted. The income tax variance is primarily due to the profit variance.

The dividend paid in FY2013 was higher than forecast as the FY2012 result was higher than forecast.

	Actual	Forecast
c) Financial position		
Current assets	120,110	111,354
Non-current assets	97,288	116,445
Total assets employed	217,398	227,799
Current liabilities	57,274	57,473
Non-current liabilities	2,044	12,550
Total liabilities	59,318	70,023
Share capital	140,000	140,000
Retained earnings	18,080	17,776
Total equity	158,080	157,776
Total equity and liabilities	217,398	227,799

Certain balance sheet forecasted amounts have been reclassified to give a direct comparison to actual results.

Current assets are greater than forecast due to higher levels of funds on deposit. Non-current assets are below forecast as expenditure on property, plant and equipment and software intangibles was below forecast. Current liabilities are below forecast due to higher levels of payables and provision than forecasted. The lower levels of term liabilities than forecast are due to lower borrowings than forecasted.

28) Comparison of forecast to actual results (continued)

	Group	
	Actual	*Forecast*
	$000	*$000*
d) Cash flows		
Net cash flows from/(to):		
Operating activities	17,482	33,746
Investing activities	4,815	(13,000)
Financing activities	(21,287)	(11,860)
Net (decrease)/increase in cash held	1,010	8,886
Add opening cash brought forward	5,376	700
Net foreign exchange differences	(1)	0
Ending cash carried forward	6,385	9,586

Lower revenues and changes to payment terms have resulted in below forecast cash flows from operating activities. Cash flows from investing activities are greater than forecast due to lower capital expenditure and the sale of Avalon Studios, Christchurch land and the Christchurch insurance receipt. Financing activities include the repayment of all borrowings ($10m) during the year and a higher dividend payment than forecasted. These variances have resulted in lower cash holdings at year end.

e) Performance targets		
Profitability		
Return on average equity (reported earnings)	9.2%	9.0%
Return on average equity (normalised earnings)	11.6%	9.0%

(Normalised earnings excludes net tax effect of financial instruments/foreign currency gains/(losses), associate earnings, asset impairments and income tax changes.)

EBITDA/television advertising revenue	13.9%	13.5%
Gearing		
Net interest bearing debt/net interest bearing debt plus equity	0.0%	< 40%
Financial stability		
Total equity/total assets	72.7%	> 40%
Interest cover		
EBITDA/interest expense	38.7 times	> 4 times

EBITDA – earnings before interest, tax, depreciation, amortisation, impairments, remediation expenses, financial instruments and associate earnings.

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2013

This statement reports on the performance of Television New Zealand Limited (TVNZ) in relation to the output targets set in the Statement of Intent for the year ended 30 June 2013.

TVNZ reports under the Crown Entities Act 2004. Under this Act, TVNZ's expectations of revenue and related outputs were stated in the Statement of Intent for the year ended 30 June 2013 for all categories of funding received directly from the Crown.

TVNZ has been granted an exemption under section 143 of the Crown Entities Act from including in its Statement of Service Performance outputs which are not directly funded (in whole or in part) by the Crown.

a) Funding for programme captioning from NZ On Air

NZ On Air funds TVNZ for the purpose of providing a captioning service on TV ONE, TV2 and TV3 and an audio description service on TV ONE and TV2. This funding is used to provide continuous prime time coverage (with any failure rate not to exceed a weekly rate of 10% of non captioned hours) and produce at least ten hours of children's programmes per week. Daily news bulletins *Midday, ONE News at 6pm, Seven Sharp* and *Tonight* are also captioned. An English language subtitling service is provided for the Maori language programmes *Te Karere* and *Waka Huia*. The audio description funding is used to provide at least ten hours a week of audio described programming per week.

Total funding for the captioning service is $2,400,000.

	FY13 actual performance measure	Target performance measure	FY12 actual performance measure
Continuous captioning during primetime (6pm – 10pm) on TV ONE, TV2 and TV3.	100%	90%	100%
At least 10 hours of children's programmes captioned per week (average)	11.3 hrs	10.0 hrs	10.3 hrs
Subtitles for Te Karere (repeat screening) every weekday	99.3%	100%	99.2%
Captions for *Midday* daily	100%	100%	100%
Captions for *ONE News* 6pm daily	100%	100%	100%
Captions for *Tonight* every weeknight	100%	100%	100%
Captions for *Seven Sharp* every weeknight	100%	100%	100%
Minimum 150 hrs per week (average) on TVNZ channels.	202 hrs per week	150 hrs per week	210.7 hrs per week
Minimum 40 hrs per week (average) during primetime on TVNZ channels	55 hrs per week	40.0 hrs per week	57.7 hrs per week
Average 15 hrs per week on TV3	39 hrs per week	15.0 hrs per week	36.6 hrs per week
Average 10 hours audio description per week on TV ONE and TV2	22 hrs per week	10.0 hrs per week	12.9 hrs per week

Outside of contractual expectations of NZ On Air, programmes that played on TVNZ Heartland and FOUR that had previously gone to air with captions on TV ONE, TV2 or TV3 also screen with captions.

TVNZ has achieved the performance standard through meeting, and in most cases exceeding, the contractual conditions agreed with the funding authority.

STATEMENT OF SERVICE PERFORMANCE (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

b) Transmitting TVNZ programmes to Pacific nations with funding from the Ministry for Culture and Heritage
The transmission funding received by TVNZ is to enable it to transmit programming by satellite to Pacific nations.

TVNZ undertakes to provide a minimum 11 hours transmission of TVNZ programming to Pacific nations weekly, such programming to include the daily transmission of ONE News at 6pm, the weekly transmission of Tagata Pasifika and the transmission of other programmes relevant to the Pacific nations.

There are 20 broadcasters from the following Pacific nations receiving programming:

- American Samoa
- Cook Islands
- Fiji
- Kiribati
- Micronesia
- Nauru
- Niue
- Palau
- Samoa
- Solomon Islands
- Tonga
- Vanuatu

Total funding received from the Ministry for Culture and Heritage: $607,000.
Total costs of transmission: $557,635. The unspent funding will be carried forward to FY2014 and will be used on repairs and maintenance and training.

Programmes transmitted	FY2013 Hours	FY2012 Hours
ONE News	365.0	365.5
Te Karere	127.0	129.5
Close Up / Seven Sharp	107.0	117.0
4:30 News	60.5	115.0
What Now	84.0	86.0
Breakfast Weekend	48.0	82.5
Q & A	27.0	39.0
I Am TV	24.0	37.0
Waka Huia	31.5	28.5
Marae	27.0	28.0
Tagata Pasifika	26.0	27.0
Praise Be	26.5	26.0
Fresh	19.0	16.0
Te Kaea	9.0	0.0
Polyfest	9.0	0.0
Midday News	8.0	0.0
Asia Down Under	0.0	11.5
Festival of Pacific Arts	39.0	0.0
Other	17.0	17.0
Total Hours	**1055.0**	**1125.5**
Average hours per week	**20.3**	**21.6**

c) Maintaining non-commercial transmission sites with funding from the Ministry for Culture and Heritage
This funding is to assist the transmission coverage of the TV ONE and TV2 signals to those New Zealand communities that would not otherwise receive a commercially viable terrestrial signal.

The Company operates and maintains 140 non-commercial transmission sites in accordance with the Memorandum of Understanding with the Ministry for Culture and Heritage.

TVNZ undertakes to meet performance standards including the quality of the signal, maintenance and responses to faults, and to provide performance reports at six-monthly intervals. It contracts transmission company Kordia to provide services to discharge these obligations.

The required performance standard was achieved through compliance with covenants contained in the Memorandum of Understanding.

TVNZ incurs annual costs of approximately $13,600,000 for the maintenance and operation of analogue terrestrial transmission including transmission from the non-commercial sites. The estimated annual operating costs of maintaining transmission from the non-commercial sites is approximately $1,550,000.

Total funding received from the Ministry for Culture and Heritage to subsidise the cost of maintaining transmission from the non-commercial transmission sites, was $1,150,000.

Building a better working world

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the readers of Television New Zealand Limited and group's financial statements and non financial performance information for the year ended 30 June 2013

The Auditor-General is the auditor of Television New Zealand Limited (the company) and group. The Auditor-General has appointed me, Brent Penrose, using the staff and resources of Ernst and Young, to carry out the audit of the financial statements and non-financial performance information of the company and group on her behalf.

We have audited:

- the financial statements of the company and group on pages 24 to 56, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the company and group that comprises the statement of service performance on pages 57 to 58 and which includes objectives.

Opinion

Financial statements and non-financial performance information

In our opinion:

- the financial statements of the company and group on pages 24 to 56:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of the company and group's:
    - financial position as at 30 June 2013; and
    - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of the company and group on pages 57 to 58:
  - complies with generally accepted accounting practice in New Zealand; and
  - gives a true and fair view of the company and group's service performance and objectives for the year ended 30 June 2013, including for each class of outputs:
    - the service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
    - the actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Other legal requirements

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

Our audit was completed on 30 September 2013. This is the date at which our opinion is expressed.

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

REPORT OF THE AUDITOR-GENERAL (CONTINUED)

Basis of opinion

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

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

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

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported service performance within the company and group's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

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

In accordance with the Financial Reporting Act 1993 we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and non-financial performance information that:

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

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

The Board of Directors' responsibilities arise from the Crown Entities Act 2004, the Financial Reporting Act 1993 and the Television New Zealand Act 2003.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

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

In addition to the audit we have carried out other assurance assignments for the Company and Group which are compatible with those independence requirements.

Other than the audit and the other assurance assignments, we have no relationship with or interests in the company or any of its subsidiaries.

B R Penrose

Brent Penrose
Ernst and Young
On behalf of the Auditor-General
Auckland, New Zealand

FIVE YEAR TREND STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	2013 $000	2012 $000	2011 $000	2010 $000	2009 $000
Group financial performance					
Television revenue	311,607	318,259	309,414	290,364	305,581
Other revenue	50,503	63,578	68,482	64,973	79,205
Total revenue	362,110	381,837	377,896	355,337	384,786
EBITDA	43,276	50,888	53,088	30,610	27,088
Profit/(deficit) for the year	14,440	14,207	2,080	(26,026)	2,102
Dividends	11,287	13,828	4,871	1,472	0
Group financial position					
Assets employed:					
Current assets	75,671	71,470	59,945	58,419	70,355
Programme rights	44,439	56,051	44,212	47,076	82,181
Property, plant and equipment	74,615	83,484	100,383	114,324	107,395
Other non-current assets	22,673	32,376	24,150	38,870	44,457
Total assets employed	217,398	243,381	228,690	258,689	304,388
Funds employed:					
Share capital	140,000	140,000	140,000	140,000	140,000
Reserves	0	(263)	(238)	(255)	84
Retained earnings	18,080	14,898	14,519	17,310	44,808
Total equity	158,080	154,635	154,281	157,055	184,892
Current liabilities	57,274	73,440	60,725	63,243	117,171
Non-current loan and borrowings	0	10,000	10,000	36,600	0
Other non-current liabilities	2,044	5,306	3,684	1,791	2,325
Total funds employed	217,398	243,381	228,690	258,689	304,388
Financial ratios					
EBITDA*/Total revenue	12.0%	13.3%	14.0%	8.6%	7.0%
Net surplus after taxation**/equity (average)	9.2%	9.2%	1.3%	-16.6%	1.1%
Equity/total assets employed	72.7%	63.5%	67.5%	60.7%	60.7%
Debt/ Debt plus Equity	0.0%	6.1%	6.1%	18.9%	16.3%
Interest cover (times) ***	38.7	31.5	19.6	10.4	10.7

* EBITDA: earnings before interest, tax, depreciation, amortisation, programme amortisation revision, impairments, associate earnings and financial instruments.

** As per reported earnings.

*** EBITDA/Interest expense.

ADDITIONAL INFORMATION

Principal activity
The Group's principal activity during the year was television (programme content supply and delivery, production, acquisition of television programmes, and online services).

Shareholding
The Group is wholly owned by the Crown.

The Shareholding Ministers at balance date were:

Hon Bill English	Minister of Finance
Hon Craig Foss	Minister of Broadcasting

Directors
Ms Therese Walsh was appointed to the Board on 16 July 2012 and Mr Richard Long was appointed to the Board on 1 November 2012.

Auditor
The Auditor-General is the auditor of the Group in accordance with Section 14 (1) of the Public Audit Act 2001 and has appointed Brent Penrose of Ernst & Young to act for and on her behalf as auditor in 2013.

General disclosures
The following disclosure of interests were made to the Board:

Directors' disclosures
General disclosures of interest given by the Company pursuant to Section 211 of the Companies Act 1993 as at 30 June 2013:

Alison Gerry	
Kiwibank Limited	Director
NZ United World College Trust	Trustee
Pioneer Generation Limited	Director
NZX Limited	Director
Queenstown Airport Corporation Limited	Director
Richard Long (appointed 1 November 2012)	
Asia NZ Foundation	Trustee
New Zealand France Friendship Fund	Chairman
Roger MacDonnell	
Auckland Arts Festival	Trustee
Hourigan International (New Zealand)	Chairman
Hourigan International (Sydney)	Director
Ice Capital Investments Limited	Director
MacDonnell & Associates Limited	Director
Image Centre Holdings Limited	Director
Barrie Saunders	
Port CEO Group	Chairman
Saunders Unsworth Limited	Director
Taiwan New Zealand Trade Development Limited	Director
Joan Withers	
Auckland International Airport Limited	Chair
Louise Perkins Foundation	Trustee
Mighty River Power Limited	Chair
Pure Advantage	Trustee
The Tindall Foundation	Trustee
The Treasury	Member
Wayne Walden	
Arcos Investments Limited	Director
Ports of Auckland Limited	Director

ADDITIONAL INFORMATION (CONTINUED)

Directors' disclosures (continued)

Therese Walsh (appointed 16 July 2012)	
ICC Cricket World Cup	Head of New Zealand
International Development Advisory & Selection Panel, Ministry of Foreign Affairs and Trade	Chair
NZ Cricket	Director
NZ Major Events Investment Panel	Member
NZX Limited	Director

Specific disclosures

No specific disclosures were given pursuant to Section 211 of the Companies Act 1993.

Use of Company information

No notices have been given to the Board under Section 145 of the Companies Act 1993 with regard to the use of Company information received by Directors in their capacity as a Director.

Directors' remuneration and benefits

The following persons held the office of Director of the Company during the year and received the total amount of remuneration and other benefits shown.

Director	$
Wayne Walden - Chairman	80,000
Alison Gerry	40,000
Richard Long - appointed 1 November 2012	26,667
Roger MacDonnell	40,000
Barrie Saunders	40,000
Therese Walsh - appointed 16 July 2012	38,484
Joan Withers - Deputy Chair	50,000
	315,151

Directors' indemnity insurance

The Company has arranged Directors' and officers' liability insurance cover with QBE Insurance (International) Limited for $25 million. This cover is effected for all Directors and Officers of the Group.

Employee remuneration

Employee remuneration includes salary, at risk remuneration, payments for projects, programme production, presentation, motor vehicles, employer's contributions to superannuation and health schemes, redundancy, other compensation on termination of employment and other sundry benefits received in their capacity as employees.

Employees include executives and staff involved in programme production and presentation where applicable.

Employee remuneration in overseas locations has been converted to New Zealand dollars at current exchange rates.

	Current employees	Former employees
$100,000 to $110,000	45	3
$110,001 to $120,000	48	2
$120,001 to $130,000	30	5
$130,001 to $140,000	23	1
$140,001 to $150,000	16	7
$150,001 to $160,000	10	3
$160,001 to $170,000	9	4
$170,001 to $180,000	8	4
$180,001 to $190,000	4	3
$190,001 to $200,000	7	3
$200,001 to $210,000	4	3
$210,001 to $220,000	4	0
$220,001 to $230,000	1	0
$230,001 to $240,000	3	2
$240,001 to $250,000	1	1
$250,001 to $260,000	2	0
$260,001 to $270,000	1	0
$330,001 to $340,000	2	1
$350,001 to $360,000	2	0
$360,001 to $370,000	1	0
$380,001 to $390,000	1	0
$410,001 to $420,000	0	1
$530,001 to $540,000	2	0
$630,001 to $640,000	0	1
$650,001 to $660,000	0	1
$680,001 to $690,000	1	0
$720,001 to $730,000	1	0
	226	45

Employee compensation on termination of employment

During the year $4,023,375 compensation was paid in total to 79 employees whose employment was terminated.

Compensation includes redundancy entitlements, payment in lieu of notice and any payments in settlement of disputes.

CORPORATE GOVERNANCE

THE BOARD

Role of the Board
In addition to its duties under the Companies Act 1993, the Board, under Section 92 of the Crown Entities Act 2004, must ensure that the Company acts in a manner consistent with its current Statement of Intent and current output agreement.

Each year the Board negotiates the Statement of Intent with its shareholding Ministers. It includes the Company's objectives, nature and scope of the activities to be undertaken and the performance targets and other measures by which its performance may be judged for the current year and following two years. The Board monitors management's performance relative to these objectives and targets.

The full Board met formally 10 times during the financial year. The Board has delegated day-to-day management to the Chief Executive Officer. Policies are in place that define the individual and collective responsibilities of the Board and management. In particular, the Board has approved specific delegated authorities to enable management to incur expenditure and create binding obligations.

Appointment of Directors
Shareholding Ministers make all appointments to the Board, including that of the Chairman. Appointments are for fixed terms not exceeding three years, which may be renewed.

The Board comprises individuals with a wide range of experiences and skills to ensure that all governance responsibilities are completed in a manner consistent with best possible management practice. Profiles of each of the Directors who were serving at year end are set out on page 66 of this report.

Board Committees
The Board has two standing committees:

Audit and Risk Committee
The Audit and Risk Committee met three times during the year.

The Committee assists the Board in fulfilling its responsibilities by providing recommendations, counsel and information concerning its accounting and reporting responsibilities under the Companies Act 1993 and related legislation, and evaluating risk management practices.

At year end, membership of the Committee was comprised of Alison Gerry (Chair), Barry Saunders, Terese Walsh and Wayne Walden.

Remuneration and HR Committee
The Remuneration and HR Committee met three times during the year. Its work is consistent with TVNZ's obligations to be a good employer under the Crown Entities Act 2004.

In addition to its role of adding value to TVNZ Human Resources' plans and practices at a strategic level, the Committee approves any movement to the remuneration of the Company's senior executives and presenters. The Committee also approves the level of any 'at risk' payments to be awarded to executives, based on the Company's business performance.

TVNZ operates a remuneration system designed to ensure that employees are rewarded for individual performance, for the responsibilities and skills required in their jobs, benchmarked against both external and internal relativities.

At year end, membership of the Committee was comprised of Joan Withers (Chair), Roger MacDonnell and Wayne Walden.

KEY GOVERNANCE STATEMENTS

Business continuity, insurance and risk management
TVNZ has developed business continuity plans for use in any emergency situation facing the Company.

TVNZ maintains a number of insurance policies designed to support the philosophy that, in the event of a disaster, the Company would not be materially affected.

The Company has in place policies and procedures to identify and manage risks. Exposure to foreign exchange and interest rate risk is managed in accordance with a comprehensive Board-approved treasury policy, which sets limits of management authority. Derivative instruments are used by the Company to manage specific business risk; they are not used for speculative purposes.

Editorial independence
TVNZ has in place an editorial protocol that details the duties and responsibilities of TVNZ, its Board and its executives on editorial matters. The principle of editorial independence recognises the importance of isolating control of editorial content from commercial or political influence. This principle is reflected in the Television New Zealand Act 2003 and the Company's Statement of Intent.

External auditor
The Auditor-General is the Company's auditor pursuant to Section 14 of the Public Audit Act 2001. The Auditor-General has appointed Mr Brent Penrose of Ernst & Young to act as external auditor on her behalf in the current financial year.

Legislative compliance
The Company has in place a legislative compliance programme to ensure the Company's compliance with its various statutory obligations. A biannual review is undertaken, the results of which are reported to the Audit and Risk Committee.

Occupational safety and health
TVNZ's health and safety policy is to promote excellence in health, safety and wellness by implementing best practice health and safety systems while seeking continuous improvement.

PROGRAMME STANDARDS

The Broadcasting Act 1989 places an obligation on the Company for the broadcasting of programmes to comply with the requirements of that Act and with programme codes approved by the Broadcasting Standards Authority. TVNZ as a broadcaster is required to receive and consider formal complaints and to have procedures for investigating them.

DIRECTORS' PROFILES

WAYNE WALDEN, CHAIRMAN (AUCKLAND)

Wayne Walden is a successful businessman with an active interest in Youth Development and Environmental Issues. He is affiliated to Ngati Kahu of Tai Tokerau. Wayne is an experienced Company Director, and was previously Managing Director and shareholder of Farmers/Deka Ltd. He has had more than 30 years senior management experience in the liquor, wholesale and retail trades in New Zealand. His past Directorships include Director of Farmlands Co-Operative Society, Director of the Westpac Bank New Zealand Advisory Board, Deputy Chairman of Meat New Zealand, Director of Mighty River Power Limited, Chairman of Transrail and Chair of Maori Television. Wayne is the Founding Chairman of the Project K Youth Development Programme and Founder of the Guardians of The Kaipara, an organisation that is concerned with preserving and creating awareness of the unique natural marine and landscape values of the Kaipara Harbour and its environs. Wayne received an Officer of The New Zealand Order of Merit (ONZM) Honour for Services to Business and the Community in the 2007 Queens Birthday Honours List.

JOAN WITHERS, DEPUTY CHAIRMAN (AUCKLAND)

Joan Withers has a career in media spanning 30 years which includes holding the Chief Executive roles at both The Radio Network and Fairfax Media. She is a professional director and is currently Chair at Mighty River Power and Auckland Airport and is a director of the ANZ New Zealand Bank. She sits on the Advisory Board of The Treasury and is a trustee of The Tindall Foundation, the Louise Perkins Foundation (Sweet Louise) and chairs a steering group in South Auckland which is focused on helping Maori and Pacific Island students attain careers in the health sector. Joan has an MBA from Auckland University, was the author of *A Girl's Guide to Business* and was the 2009 recipient of the CAANZ Media Excellence Award.

ALISON GERRY (QUEENSTOWN)

Alison Gerry has over 20 years experience working for both corporates and for financial institutions in trading, finance and risk roles in Sydney, Hong Kong, Tokyo and London. Alison was also a Visiting Fellow at Macquarie University in Sydney for 12 years until 2012. From 2007, Alison has been a professional company director and is currently Deputy Chair of Kiwibank and holds various governance positions in the infrastructure sector. Alison has a Masters of Applied Finance from Macquarie University.

ROGER MACDONNELL (AUCKLAND)

Roger was a founding partner of Colenso BBDO and retired at the end of 2009 as Chairman and CEO and as a Director of the Clemenger group in Australia. He is currently a Director of the Image Centre (printing and publishing), a Director of Hourigan International, Sydney, (marketing/comms recruitment), a Trustee of the Auckland Arts Festival and consults on branding and marketing. He has been voted into the AdMedia Hall of Fame and is a member of the Cleo Copywriters Hall of Fame in New York.

RICHARD LONG (WELLINGTON)

Richard is a former longtime political editor and then editor of The Dominion newspaper. He was formerly the editors' representative on the board of the Newspaper Publishers Association, the inaugural chairman of the editors' press freedom committee and a former chairman of the New Zealand section of the Commonwealth Press Union, which campaigns for press freedom. He is presently chairman of trustees of the New Zealand France Friendship Fund and a member of the board of trustees of the Asia New Zealand Foundation. He is a former member of the Fulbright New Zealand board and a life member of the Parliamentary Press Gallery.

BARRIE SAUNDERS (WELLINGTON)

Barrie is the co-founder of Saunders Unsworth Limited, a company specialising in the management of public policy issues. He is chair of the Port CEO Group. He has been President of the Wellington Regional Chamber of Commerce, a Wellington City Mission trustee, a member of the Housing New Zealand Board and North American Director of the New Zealand Meat Board. Prior to establishing his business in 1990, Barrie was a radio and television journalist in New Zealand, Australia and the United Kingdom, and he edited the National Business Review.

THERESE WALSH (WELLINGTON)

Therese is the Head of New Zealand, ICC Cricket World Cup 2015, and also serves on the Board of New Zealand Cricket and NZX Limited. She also chairs the International Development Advisory and Selection Panel for the Ministry of Foreign Affairs and Trade and is a member of the Major Events Investment Panel. Previously she was the Chief Operating Officer for Rugby New Zealand 2011 Limited, the company established by the NZRU and the New Zealand Government to deliver the Rugby World Cup Tournament in 2011. She has also been a member of the Executive Team at the New Zealand Rugby Union, and held a senior role with KPMG.

MAIN LOCATIONS

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Television Centre
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Tel: 64 9 916 7000
Fax: 64 9 916 7934
tvnz.co.nz

HAMILTON
Sales
533 Anglesea Street
Hamilton 3204
PO Box 889
Hamilton 3204
Tel: 64 7 957 6300
Fax: 64 7 957 6311

ROTORUA
News
5th Floor, Hinemoa Tower
1154 Hinemoa Street
Rotorua 3010
PO Box 944
Rotorua 3040
Tel: 64 7 350 2540
Fax: 64 7 350 2543

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Level 6
Prime Property Tower
86-90 Lambton Quay
Wellington 6011
PO Box 1752
Wellington 6140
Tel: 64 4 914 5198
Fax: 64 4 914 5140

News & Current Affairs
Level 5
Prime Property Tower
86-90 Lambton Quay
Wellington 6011
PO Box 1910
Wellington 6140
Tel: 64 4 914 5000
Fax: 64 4 914 5043

New Zealand Television Archive
181A Taita Drive
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