



QUAYSIDE
SECURITIES

Annual Report 2021



Quayside Securities Limited

Directors' Declaration

For the year ended 30 June 2021

Quayside Securities Limited is part of the 'Quayside Group'. The Group's Statement of Intent, prepared in accordance with the Local Government Act 2002, covers prudent financial management and risk management. The Quayside Group achieved the majority of its objectives as set out in the Statement of Intent for the year ended 30 June 2021. Refer to Note 4 for further information.

Quayside Securities Limited acts as corporate trustee for Quayside Unit Trust, Quayside Investment Trust and Toi Moana Trust.

The performance of Quayside Securities Limited in undertaking its monitoring and advisory functions will be assessed with respect to:

- The quality of financial and other analysis.
- The robustness and accuracy of the information relied upon in providing advice.
- The clarity, timeliness and materiality of advice.
- Compliance with the shareholder's expectation that there should be "no surprises" arising from the company.
- Compliance with the shareholder's expectation for optimal commercial performance from the company.

Achievements

During the year the Bay of Plenty Regional Council (Council) has been fully informed by the directors of the company as to the performance of Quayside Securities Limited. The performance has met the shareholder's expectations as defined in the Quayside Group's Statement of Intent.

The directors are pleased to present the financial statements of Quayside Securities Limited for the year ended 30 June 2021.

For and on behalf of the Board of Directors:



Director



Director

Quayside Securities Limited

For the year ending 30 June 2021

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Independent Auditor's Report

To the readers of Quayside Securities Limited's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Quayside Securities Limited (the company). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 5 to 11 and 17 to 18, that comprise the statement of financial position as at 30 June 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 12 to 16.

In our opinion:

- the financial statements of the company on pages 5 to 11 and 17 to 18:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company on pages 12 to 16 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2021.

Our audit was completed on 31 August 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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

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

The Board of Directors' responsibilities arise from the Local Government Act 2002.

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

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

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

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 19 to 22, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

Other than the audits of the company and Quayside group entities, we have no relationship with, or interests in, the company.



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

Quayside Securities Limited
Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
Income			
Trustee fees		159	159
Total income		159	159
Expenditure			
Directors fees		(77)	(78)
Management fees		(77)	(77)
Audit fees		(5)	(4)
Total expenditure		(159)	(159)
Profit before income tax			
		-	-
Income tax expense	8	-	-
Profit for the period			
		-	-
Other comprehensive income		-	-
Total comprehensive income			
		-	-

Quayside Securities Limited
Statement of Changes in Equity
For the year ended 30 June 2021

	2021	2020
	\$000	\$000
Balance at 1 July	38	38
Comprehensive income		
Profit for the year	-	-
Balance at 30 June	38	38

Quayside Securities Limited
Statement of Financial Position
As at 30 June 2021

	Note	2021 \$000	2020 \$000
Assets			
Current assets			
Cash and cash equivalents		42	42
Trade and other receivables		2	2
Total assets		44	44
Liabilities			
Current liabilities			
Trade and other payables		6	6
Total liabilities		6	6
Net assets		38	38
Equity			
Share capital	5	-	-
Retained earnings		38	38
Total equity		38	38

These financial statements have been authorised for issue by the Board of Directors on 31 August 2021.



Director



Director

Quayside Securities Limited
Statement of Cash Flows
For the year ended 30 June 2021

	2021 \$000	2020 \$000
Cash flows from operating activities		
Trustee fees received	159	159
Payments to suppliers and directors	(159)	(160)
Net increase in cash and cash equivalents	-	(1)
Cash and cash equivalents at the beginning of the year	42	43
Cash and cash equivalents at the end of the year	42	42

Quayside Securities Limited

Notes to the Financial Statements

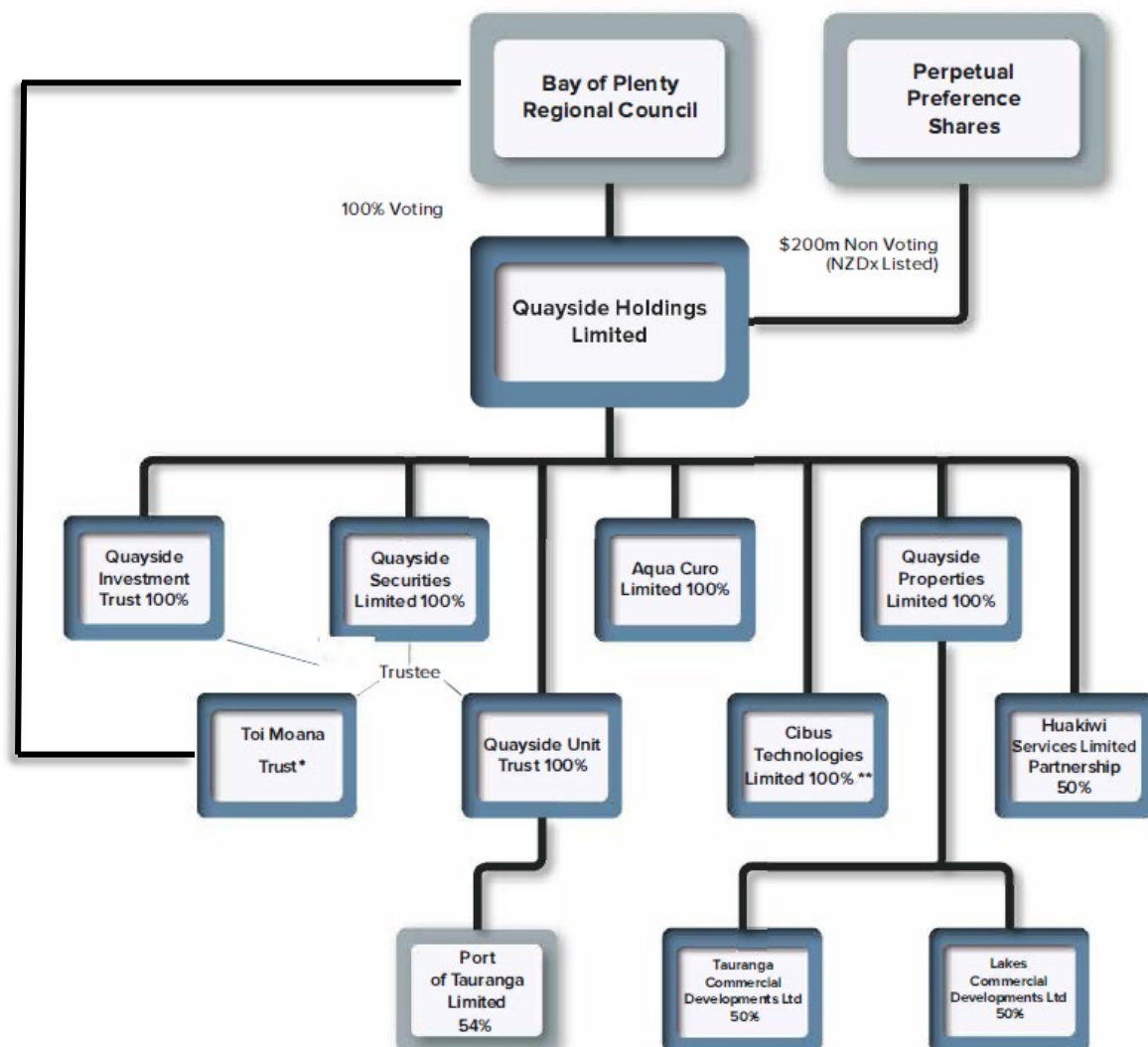
For the year ended 30 June 2021

1 Reporting entity

Quayside Securities Limited is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Parent is Quayside Holdings Limited and the ultimate controlling entity is the Bay of Plenty Regional Council. The Company is a council-controlled trading organisation as defined under Section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Quayside Holdings Limited.

The purpose of the Company is to act as Trustee to Quayside Investment Trust, Quayside Unit Trust and Toi Moana Trust.

The diagram below illustrates the Quayside Group structure:



*Quayside Securities Ltd is the Trustee for the Toi Moana Trust. Bay of Plenty Regional Council holds the majority of units.
 ** Cibus Technologies Ltd - public notice was given in the NZ Gazette on 15 June 2021 to remove the company from the Register under section 318(1)(d) of the Companies Act 1993.

2 Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards – Reduced Disclosure Regime (“NZ IFRS RDR”) and other applicable Financial Reporting Standards as appropriate to for-profit entities. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

NZ IFRS – reduced disclosure regime

The Company applies External Reporting Board Standard A1 ‘Accounting Standards Framework (For-profit Entities Update)’ (‘XRB A1’). For the purposes of complying with NZ GAAP, the Company is eligible to apply Tier 2 For-profit Accounting Standards (NZ IFRS RDR) on the basis that it is not a large for-profit public sector entity.

The financial statements were approved by the Board of Directors on 31 August 2021.

Basis of measurement

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

Presentation currency

These financial statements are presented in New Zealand dollars (\$), and where presented, rounded to the nearest thousand.

Changes in accounting policies

There have been no changes in accounting policies. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3 Significant accounting policies

Revenue

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

Cash and cash equivalents

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

Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

Trade and other payables

Trade and other payables are stated at cost.

Goods and services tax

Quayside Securities Limited is registered for Goods and Services Tax (GST). Trade receivables and trade payables are stated inclusive of GST.

Income tax

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

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Non-derivative financial instruments


Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables. A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

4 Quayside Group Statement of Service Performance

The Company is a member of the *Quayside Group*. The *Quayside Group* is required to prepare a Statement of Service Performance reporting on performance measures and results. Recorded below are the ten targets and results of the *Quayside Group's* Statement of Intent categorised under five portfolio activities.

(a) Port portfolio

The *Quayside Group* has a majority shareholding in Port of Tauranga.

Performance measure	Performance target	2021 result
1. Maintain a majority holding in the Port of Tauranga Limited	Holding of greater than 51%	Quayside held 54.14% of Port of Tauranga shares as at 30 June 2021. 

Target met: **Yes**

The *Quayside Group* has a majority shareholding in the Port of Tauranga. The *Quayside Group* and Council deem maintaining a majority shareholding in the Port of Tauranga as strategically important, as well as providing long-term financial security. The Port of Tauranga continues to provide the *Quayside Group* and Council with dividend returns and capital growth. The *Quayside Group* is a long term investor in Port of Tauranga and must maintain a majority shareholding in accordance with Council policy. The *Quayside Group* cannot go below a majority shareholding without the consent of Council.

Of significant interest to shareholders of Quayside is the financial performance of the Port of Tauranga and the participation rate of Quayside as shareholder in governance of the Port of Tauranga.

Port of Tauranga financial highlights are tabled below:


	30 June 2021	30 June 2020
Shareholding		
Issued shares*	680,581,230	680,581,230
Quayside shares	368,437,680	368,437,680
% held By Quayside	54.14%	54.14%
Operations		
Operating revenues	\$338.3m	\$302.0m
Results from operating activities	\$177.1m	\$162.2m
Net profit	\$102.4m	\$88.7m
Cash flows		
Ordinary dividends paid out	\$84.4m	\$90.5m
Special dividend paid out	-	\$34.0m
Ordinary dividends received by Quayside	\$45.7m	\$49.0m
Special dividend received by Quayside	-	\$18.4m
Ordinary dividends as percent of profit	82%	102%
Dividend declared post balance date	\$51.0m	\$45.5m
Asset Backing		
Share price (last bid price)	\$6.98	\$7.60
Market value of Port	\$4,750.5m	\$5,172.4m
Market value of Quayside Holding	\$2,571.7m	\$2,800.1m
Net tangible assets per share (dollars per share)	\$2.04	\$1.75

4 Quayside Group Statement of Service Performance (continued)

	30 June 2021	30 June 2020
Governance		
Number of directors	7	7
Number of Quayside affiliated directors	2	2
<i>*Includes treasury shares</i>		

Further information on Port of Tauranga's non-financial performance can be found in their Annual Report or on their website www.port-tauranga.co.nz.

(b) Investment portfolio

Performance measure	Performance target	2021 result	
2. Generate commercial returns across the Investment portfolio.	Five year rolling gross return of $\geq 7.5\%$ p.a	Five year rolling gross return of 14.49% for the Quayside consolidated group achieved at 30 June 2021.	

Target met: **Yes**

The *Quayside Group* manages a diversified investment portfolio with a market value of \$246.5 million at 30 June 2021. These investments include domestic and foreign equities, and cash. Quayside holds equity investments as part of a portfolio of non-port assets, to diversify our investments in a targeted manner, reducing our reliance on one investment stream and thereby supporting sustainable, intergenerational shareholder returns over time.

The 7.5% p.a. five year rolling gross return target is based on current industry and analyst expectation of long-term performance of equity markets. This target is reviewed annually. During the year the Quayside Group exceeded its rolling five year gross return objective with a return of 14.49%.

Quayside's Statement of Investment Policy and Objectives (SIPO), sets out the investment governance and management framework that ensures Quayside invests in a manner that is complementary to the policies and objectives of the Bay of Plenty Regional Council and is a responsible and commercially focused investor. The primary objectives underlying the strategic investment policies for the portfolio, are to ensure that the value of the assets are protected long term, managed and grown appropriately, while generating income opportunities that could be distributed to the shareholder as required.


There was one passive breach of the SIPO noted during the year. This was due to the outperformance of a share.

Quayside Consolidated Group Investment Portfolio financial highlights are tabled below:

	30 June 2021	30 June 2020
Investment portfolio value	\$246.5	\$207.9m
1 year gross return (actual)	22.22%	10.09%
5 year rolling gross return (actual)	14.49%	12.13%
5 year rolling gross return (target)	7.50%	7.50%

4 Quayside Group Statement of Service Performance (continued)

(c) Real asset portfolio

Performance measure	Performance target	2021 result
3. Generate long term commercial returns and / or regional benefit through a portfolio of real assets	Annual board assessment of the benefit of real assets, considering portfolio alignment, long term commercial return and any regional benefit factors.	The annual board assessment was completed in June 2021, reaffirming long term objectives. 

Target met: **Yes**

The real asset portfolio refers to direct investment in commercial return regional infrastructure including (but not exclusively) water, energy, communications, transport, land and buildings.

The *Quayside Group* real asset portfolio currently comprises Rangiuru Business Park, a 148 hectare industrial business park development currently used as rural and horticultural blocks, residential land in Tauriko, commercial buildings in Mount Maunganui, Tauranga and Rotorua central business districts and a forestry/horticultural block at Paengaroa. An annual board assessment carried out in June 2021 of each of these assets has determined that they continue to provide short-term benefit in the form of cash returns to the group and remain strong long-term assets for future growth.

During the year, the Rangiuru Business Park progress continued, with design and consent work undertaken. The Business Park, once completed, will provide much needed industrial development for the region, with a focus on connectedness to direct transport links. The Business Park will be a modern, high quality, vibrant industrial development, creating a shared vision that benefits the whole Bay of Plenty community.


The land in the Business Park zone continues to provide positive short-term returns from operating the land as dairy grazing and kiwifruit orchards. The return from these operations delivered a gross profit to the group of over \$3.3 million this year (2020: \$3.7 million).

Investment continued into the commercial property joint ventures, with demolition completed on two properties.

Real asset portfolio financial highlights are tabled below.

	30 June 2021	30 June 2020
Invested	\$75.8	\$70.8m
Committed	-	\$4.3m

(d) Private equity

Performance measure	Performance target	2021 result
4. Generate long term commercial returns and or regional benefit through a portfolio of private equity assets.	Annual board assessment of the benefit of each private equity asset holding, considering portfolio alignment, long term commercial return and any regional benefit factors.	The annual board assessment was completed in June 2021, noting short term performance and reaffirming long term objectives. 

Target met: **Yes**

4 Quayside Group Statement of Service Performance (continued)

The *Quayside Group* has created a commercial portfolio of investments deriving long term growth and income performance with targeted regional benefits where possible. This portfolio is part of a financial strategy to reinvest retained profits for the purpose of enhancing regional development and diversifying investments to make the dividend to Council more stable.




Quayside currently has investments in a number of private equity entities both through direct holdings and third party management. These investments continue to provide promising returns for the Group, Council and the wider region, with further capital invested into these entities during the year.

Quayside also has a joint venture interest in Huakiwi Developments Ltd, developing kiwifruit orchards on prime horticultural Maori Land. This investment provides governance and employment opportunities and significant GDP opportunity for these areas. Transformation of Maori-owned land into profitable kiwifruit orchards provides more than commercial returns, with full ownership of the orchards targeted to transfer back to tangata whenua within a generation.

	30 June 2021	30 June 2020
Invested	\$80.7m	\$54.9m
Undrawn Commitments	\$33.5m	\$50.9m

(e) Governance

This activity relates to the policies and procedures the *Quayside Group* will adopt to satisfy governance requirements and expectations and ensures that open dialogue exists between the *Quayside Group* and Council, so that Council are kept informed of all significant matters relating to the *Quayside Group* at the earliest opportunity.

Performance measure	Performance target	2021 result
5. Keep Council informed on a 'no surprises' basis, providing quality and timely information.	A minimum of four presentations per annum to Council, as shareholders. Timely advice and support as required. Matters of urgency are reported to Council at the earliest opportunity.	Presentations to Council in September 2020, December 2020, April 2021 and June 2021. Open communication with Council maintained throughout the year through regular meetings with Quayside CE and Council management. 
6. Ensure Group policies and procedures are current and appropriate.	All policies and procedures to be reviewed no less than biennially.	Four policies were not updated and approved biennially: - One was approved by the Board in July - One is having a final review completed by an external party  Two policy reviews are with the executive for review with a targeted completion by the end of 2021.
7. Meet shareholder distribution expectations as outlined in SOI or otherwise agreed.	Distributions paid to agreed values.	Cash dividend of \$33.1m (target \$33.1m) paid to Council as per the SOI.  Gross PPS dividend of \$4.9m (target \$4.9m) paid to PPS holders.

4 Quayside Group Statement of Service Performance (continued)

Performance measure	Performance target	2021 result
8. Compliance with NZX listing requirements for PPS holders.	Matters of material impact are disclosed in line with QHL framework for continuous disclosure. Board reporting of PPS compliance and monitoring.	Filing of interim and annual financial statements achieved within deadlines. Internal audit compliance systems show no open issues or instances of non-compliance with NZX requirements.
9. Investments must be in accordance with the Group Principles of Responsible Investment.	Investments must be screened from an ethical perspective and meet the following criteria. We must avoid investing in companies whose principal business activity is: <ul style="list-style-type: none"> The manufacture and sale of armaments The manufacture and sale of tobacco The promotion of gambling Investment selection and management of investments in accordance with the principles for responsible investment set out in the Quayside SIPO. Board reporting of SIPO compliance dashboard at each meeting. Annual audits of investment adherence to SIPO, including responsible investment principles.	A review of holdings was done as at 30 June 2021 against the New Zealand Super Fund Responsible Investment Exclusion List (February 2021), no breaches were identified. Exchange Traded Funds (ETF's) were reviewed down to a constituent level of 5% against the Exclusion list no breaches were identified. SIPO compliance was reported at each board meeting. There was one passive breach due to the out performance of a share as a result of a takeover offer.
10. Investments must be in accordance with principles of socially responsible investment.	Management to screen all investments for their environmental social and governance (ESG) impact, including climate change and sustainability. A summary to be included in all investment papers presented to the board. Annual report to the board on Quayside Group compliance with responsible investment principles, including ESG industry standards and best practice.	While investments were selected in alignment with ESG principles, several of the investment papers did not expressly include specific ESG considerations. The annual report to the board on Quayside Group compliance with responsible investment principles will be done at the September board meeting.

Target met: **No**

Focus on ESG reporting within the business has now increased and it is now included in all investment cases. The annual report to the board will be presented at the September board meeting. Policy reviews are currently underway and will be completed in 2021. The passive breach of the SIPO was a result of the out performance of a share.

Key



Met



Substantially met



Not met



Not applicable

Quayside Securities Limited
Notes to the Financial Statements (continued)
For the year ended 30 June 2021

5 Share capital

	2021 No.	2020 No.
Number of ordinary shares		
Balance at 1 July	100	100
Issue of ordinary shares	-	-
Balance at 30 June	100	100

At 30 June 2021, share capital comprised 100 shares (2020: 100). All shares are fully paid to \$1 per share. The holders of the ordinary shares are entitled to dividends as declared from time to time and all shares have equal voting rights at meetings of the Company, and rank equally with regard to the Company's residual assets on wind up. Quayside Securities Limited

6 Financial instruments

	2021 \$000	2020 \$000
Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	42	42
Financial liabilities at amortised cost		
Trade and other payables	6	4

Taxes payable/receivable included within trade and other payables and trade and other receivables in the statement of financial position, are not classified as financial instruments

7 Related party transactions

Parent and ultimate controlling entity

The Parent entity of the Company is Quayside Holdings Limited, which is 100% owned by the Bay of Plenty Regional Council – refer to Note 1.

Key management personnel

The Company has a related party relationship with its directors. The Company does not have any employees as Quayside Securities Limited contracts with Quayside Holdings Limited for management services. A monthly management fee is charged by Quayside Holdings Limited.

Trustee services

Quayside Securities Limited acts as corporate trustee to other group entities Quayside Investment Trust, Quayside Unit Trust and Toi Moana Trust. Quayside Securities Limited charges trustee fees for this service.

Other related entities

Other related parties include subsidiaries in the Group – refer Note 1.

7 Related party transactions (continued)

Related party transaction values and balances outstanding for the year are as follows:

	2021 \$000	2020 \$000
Management fees paid to Quayside Holdings Limited	77	77
Trustee fees received from Quayside Unit Trust	53	53
Trustee fees received from Quayside Investment Trust	53	53
Trustee fees received from Toi Moana Trust	53	53
Subvention payment made to Bay of Plenty Regional Council	-	2

No related party debts have been written off or forgiven during the year.

Transactions with key management personnel

The Company does not provide any non-cash benefits to Directors in addition to their Directors' fees or salaries. Directors' fees paid during the year were \$77,000 (2020: \$78,000). No directors fees were owed at 30 June 2021 (2020: nil).

8 Income tax

	2021 \$000	2020 \$000
Net surplus before tax	-	-
Tax at 28%	-	-
Use of Quayside Group tax losses	-	-
Income tax receivable / (expense)	-	-
Income tax expense is represented by:		
Current tax expense	-	-
Deferred tax expense	-	-

9 Capital commitments and contingencies

The Company has no commitments or contingencies at 30 June 2021 (2020: nil).

10 Subsequent events

The Directors are aware of circumstances that have arisen after balance date with regards to the Coronavirus (Covid-19) pandemic. Subsequent to the end of the financial year the Delta variant was discovered in New Zealand and the Government has taken action to reduce the spread of the virus in the form of lockdowns and an increased vaccination rollout.

As Quayside Securities Limited is only a Trustee entity there are no foreseen future potential negative effects.

There were no subsequent events in 2020.

Quayside Securities Limited

Statutory Information

For the year ended 30 June 2021

Interests register

The Company is required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interest register for Quayside Securities Limited is available for inspection at the registered office. The directors of the Company have made general disclosures of interest in accordance with S140(2) of the Companies Act. Current interests and those which ceased during the year, are tabulated below. New disclosures advised since 1 July 2020 are italicised.

Director	Entity	Position
R McLeod	<i>Archipelago Capital Management Limited – ceased, advised May 2021</i>	<i>Director</i>
	<i>Ngāti Porou Holding Company Limited - appointed 1 Jan 2021)</i>	<i>Director Chair</i>
	Port of Tauranga Limited	Director
	QHL Perpetual Preference Shares	Shareholder
	Quayside Holdings Limited	Director Chair
	Quayside Properties Limited	Director Chair
	Quayside Securities Limited	Director Chair
	Sanford Limited	Chair
	Sanford LTI Limited	Director
S Crosby	Bay of Plenty Regional Council	Councillor
	Equip GP Limited	Director
	Quayside Holdings Limited	Director
	Quayside Properties Limited	Director
	Quayside Securities Limited	Director
	Templogger NZ Limited	Director Shareholder
B Hewlett	Bluelab Corporation Limited	Director
	Bluelab Holdings Limited	Director
	Comvita Limited	Chair Director
	Oriens Capital	Shareholder
	<i>Priority One – ceased, advised July 2021</i>	<i>Chair</i>
	Quayside Holdings Limited	Director
	Quayside Properties Limited	Director
	Quayside Securities Limited	Director
K Horne	Hamilton City Council	ARC Chair
	New Zealand Lotteries Commission	Commissioner ARC Chair
	Quayside Holdings Limited	Director
	Quayside Securities Limited	Director
	Quayside Properties Limited	Director
	ScreenSouth Limited	Director Chair
	Spey Downs Limited	Shareholder
	Television New Zealand Limited	Director
	<i>Timaru District Council – ceased, advised July 2021</i>	<i>ARC Member</i>
	University of Canterbury	Council Member <i>ARC Chair</i>

Quayside Securities Limited
Statutory Information (continued)
For the year ended 30 June 2021

Director	Entity	Position
F McTavish	Bay of Plenty Regional Council	Officer
	BOPLASS Limited	Director
	McTavish – Huriwai Investments Limited	Director Shareholder
	Priority One WBOP Inc	Executive Board Member
	Quayside Holdings Limited	Director
	Quayside Properties Limited	Director
	Quayside Securities Limited	Director
W Parker	Farmlands Cooperative Society Limited	Director
	Focus Genetics	Director
	Landcorp Estates Limited	Director Chair
	Landcorp Holdings Limited	Director Chair
	Landcorp Pastoral Limited	Director Chair
	PAMU, Landcorp Farming Limited	Director Chair
	<i>Predator Free 2050 Limited – ceased, advised October 2020</i>	<i>Director</i>
	Quayside Holdings Limited	Director
	Quayside Properties Limited	Director
Quayside Securities Limited	Director	
Warrens Insights Limited	Director Shareholder	
T White (appointed 10 March 2021)	<i>Bay of Plenty Regional Council</i>	<i>Councillor</i>
	<i>Indigenuity Limited</i>	<i>Director</i>
	<i>Kahukiwi Management Limited</i>	<i>Director</i>
	<i>Noa New Zealand Limited</i>	<i>Director Shareholder</i>
	<i>NZ Baywide Credit Union</i>	<i>Director</i>
	<i>Quayside Holdings Limited</i>	<i>Director</i>
	<i>Quayside Properties Limited</i>	<i>Director</i>
	<i>Quayside Securities Limited</i>	<i>Director</i>
	<i>Te Taru White Consultancy Limited</i>	<i>Director Shareholder</i>
<i>Toitu Te Waonui Operations Limited</i>	<i>Director Shareholder</i>	
P Thompson (Retired as a Director 1 April 2021)	<i>Bay of Plenty regional Council</i>	<i>Councillor</i>
	<i>Bay of Plenty Regional Council, Regional Direction and Delivery Committee</i>	<i>Chair</i>
	<i>Eastern Bay of Plenty Economic Development Trust (Toi EDA)</i>	<i>Trustee</i>
	<i>Quayside Holdings Limited (Retired 1 April 2021)</i>	<i>Director</i>
	<i>Quayside Properties Limited (Retired 1 April 2021)</i>	<i>Director</i>
	<i>Quayside Securities Limited (Retired 1 April 2021)</i>	<i>Director</i>
	<i>Woman Walking Limited</i>	<i>Director Shareholder</i>

Quayside Securities Limited
Statutory Information (continued)
For the year ended 30 June 2021

Information used by directors

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

Indemnification and insurance of directors and officers

The Company has arranged policies of Directors' and Officers' Liability Insurance and separate Directors' and Officers' defence costs insurance.

Donations

No donations were made by Quayside Securities Limited during the year ended 30 June 2021.

Remuneration of directors

The following directors of Quayside Securities Limited held office during the year ended 30 June 2021.

	Remuneration \$000
R McLeod (Chair)	19
S Crosby	11
B Hewlett	11
K Horne	14
F McTavish *	-
W Parker	11
P Thompson <i>retired 31 March 2021</i>	8
T White <i>appointed 11 March 2021</i>	3
Total	77

* F McTavish was remunerated by the Bay of Plenty Regional Council.

The fees above are exclusive of GST.

Loans

There were no loans by Quayside Securities Limited to directors.

Employees

Quayside Securities does not have any employees.

Auditor's remuneration

The following amounts are payable to the auditors of the company for the year:

Audit NZ: Audit Fees \$4,589

Quayside Securities Limited Directory

Registered office

Level 2, 41 The Strand
Tauranga 3110
Ph: (07) 579 5925

Postal address

PO Box 13564
Tauranga 3141

Auditors

Audit New Zealand
On behalf of the Auditor-General
745 Cameron Road
PO Box 621
Tauranga 3110
New Zealand

Solicitor

Cooney Lees Morgan
PO Box 143
Tauranga 3110

