Annual Report

FINANCIAL YEAR 2023

tvnz

Contents

FY23 in Review

EARNINGS (EBITDAF)
$14.1m
↓ YOY
FY22 $26.1m

REVENUE
$327.6m
↓ YOY
FY22 $341.7m

NET PROFIT (NPAT)
$1.7m
↓ YOY
FY22 $7.9m

EMISSIONS
2,024 tCO_2e
↑ YOY
FY22 1,700.52tCO_2e
Offsets purchased to achieve carbon neutral status in FY23

COSTS
$313.6m
↓ YOY
FY22 $315.6m

NEW ZEALAND'S MOST WATCHED

TVNZ SCREENED
18/20
of New Zealand's top shows on TV

TVNZ STREAMED
380m
Pieces of content on TVNZ+

TVNZ REACHED
1.59m
New Zealanders daily on broadcast TV

AUDIENCE SHARE
Maintained all day TV audience share
43.0%

TVNZ+ REACHED
Supercharged weekly audience reach
625,300

Chair's Address

Kia ora koutou

It is my pleasure to preface this annual report as the new Chair of Te Reo Tātaki. It hasn't taken long to appreciate the whanaungatanga, connection and ownership that audiences feel towards TVNZ, and this is part of what makes the organisation so special. I feel fortunate to have the opportunity to move from being an avid viewer of TVNZ's content to being an advocate for it.

I would like to welcome Deputy Chair, Ripeka Evans, as well as new Directors Linda Clark and John Quirk to the Board. We are also grateful to have had Directors Aliesha Staples and Megan Matthews reappointed to their positions, providing valuable mātauranga and continuity of leadership at a governance level.

TVNZ's financial result for the year reflects robust financial management while facing challenging economic headwinds. Operational earnings (EBITDAF) of $14.1 million were down $12.0 million year-on-year. Net Profit After Tax (NPAT) of $1.7 million for the period was a decrease of $6.2 million from the previous year.

Total revenue decreased $14.1 million year-on-year to $327.6 million. Total advertising was $309.0 million, $12.1 million lower than the previous year. Declines in TV revenues were supported in part by growth in digital revenues. Viewing trends show us that broadcast audiences will continue to move to streaming options and transitioning these audiences to TVNZ's digital offerings and growing the accompanying digital revenue is critical for the business' future success.

As revenue declined, the business responded appropriately by examining its cost base. Total operating expenses decreased by $2.0 million to $313.6 million as investment in people and technology to deliver strategic priorities were offset by savings in other overhead costs. Similarly, content costs of $178.8 million decreased 5.6% year-on-year with some programming deferred to FY24.

Inflationary pressure and challenging market conditions are likely to continue into the new financial year. TVNZ is well positioned to weather these conditions and to advance its ambitious digital strategy. Retaining sustainable operations while drawing down on cash reserves to complete this transformational programme of work will demonstrate that the business is able to deliver at scale for the audiences of tomorrow.

The New Zealand media and entertainment landscape is experiencing a period of revolutionary change. Global streaming giants and social media platforms continue to reshape viewing habits and in recent years have secured the majority share of the digital advertising market in New Zealand. Standing still is not an option. Aotearoa needs strong local media platforms. International streamers and social media entities may compete in this market for audiences and advertising dollars, but they are far less committed to creating and distributing local content that reflects our identity. Trusted news, exhilarating sports coverage and storytelling through a New Zealand lens serves our people and communities and is unique to TVNZ.

To compete successfully in this new world, TVNZ requires a significant technology upgrade. This mahi is underway and the Board is supportive of this critical investment. Much of TVNZ's current infrastructure is reaching end-of-life, and maintaining the status quo is not an option. There is a need to move from a broadcast organisation with digital bolted on to a digital-first media entity. A new digital foundation will allow TVNZ to move more nimbly and flexibly. It will enable the creation of the future platforms required to serve a broader range of diverse audiences. It is pleasing to see this project underway.

I acknowledge TVNZ's former Chair, Andy Coupe, and the Directors who joined him around the board table over the past few years. They have created a well-considered and bold plan to stare down increased competition and secure a vibrant, technology-driven future for the business.

The Board is focused on providing TVNZ with the strategic support it requires to achieve its aspirations. The recruitment process for a permanent CEO to lead the business is underway. This will be one of the most important decisions we will make as a group.

Nāku noa, nā

Alastair Carruthers

Alastair Carruthers
CNZM

CEO's Address

Kia ora koutou katoa

Te Reo Tātaki | TVNZ began FY23 preparing to join a new public media entity alongside RNZ, and we closed the year by setting an ambitious new strategy to pursue independently.

Despite this significant pivot in direction, TVNZ delivered a solid financial result for FY23. While a cost-of-living crisis and global macro-economic factors impacted television revenues, growth in digital revenues and a keen focus on cost management across the second half of the year secured the business' ongoing profitability.

TVNZ retained its mass audience scale in FY23. Breaking news and live sport drew large broadcast audiences, and TVNZ+ continued to grow – now reaching 1.2 million New Zealanders a week. Maintained viewership will help us move through the ongoing market volatility while simultaneously preparing for our digitally delivered future.

I spent FY23 as TVNZ's General Counsel and Director of Corporate Affairs and I begin FY24 as TVNZ's Interim CEO. I've enjoyed working for TVNZ for the past 14 years and it's a privilege to lead the organisation in this new capacity. I'd personally like to thank former CEO, Simon Power, for the fantastic contribution he made to TVNZ which is reflected in this report.

DELIVERING FOR OUR VIEWERS

'Aotearoatanga', or 'New Zealandness', was at the core of TVNZ's content strategy in FY23. From premiere specials like Whina, to laugh-out-loud Pasifika comedy Duckrockers and emotive reality TV with The Restaurant That Makes Mistakes, there was something for everyone. A true highlight of the year was TVNZ's coverage of Te Matatini. This landmark cultural event was streamed 1.8 million times, reaching viewers of all ages across TVNZ's channels and platforms, including rangatahi and hard to reach audiences.

I'm incredibly proud of our newsroom. Our journalists worked hard to deliver the important stories of the day to New Zealanders. Cyclone Gabrielle posed distinct challenges, with towns and communities isolated and electricity down in many parts of the country. 1News' breaking coverage provided a vital lifeline, from the civil defence notifications through to the Breakfast crew helping cut-off whānau keep in touch. International stories were also a focus, with on the ground coverage of Her Majesty The Queen's funeral, the coronation of His Majesty King Charles III, the Commonwealth Games in Birmingham, Russia's invasion of Ukraine and the Turkish earthquake all provided from a New Zealand perspective. 1News ranked first equal as the nation's most trusted news source in the AUT research centre for Journalism, Media and Democracy's Trust in News annual survey. This demonstrates the indispensable role the service plays in New Zealanders' lives.

In the last four months of the financial year, teams across the business worked tirelessly to develop and implement a new sport hub inside of TVNZ+ to accommodate the sports rights that moved over to us from Spark Sport on 1 July 2023. The platform launched successfully on 30 June, offering viewers the largest volume of free-to-air sport in over two decades. Personally, I'm looking forward to the summer of cricket ahead in Aotearoa.

Our viewers enjoy seeing their communities and stories reflected on screen and our future is dependent on offering a strong local content proposition in the various ways our audiences want to watch it. Trusted news, big sporting moments, and programming with a distinct Kiwi voice; this unique content mix provides a point of difference in this market and is sought after by viewers and advertisers alike.

DELIVERING FOR OUR ADVERTISERS

The support of our advertisers and agencies ensures TVNZ's content is available to viewers across the motu free of charge. 'Free' is a compelling proposition and the support of our partners ensures there are no barriers to access.

In FY23, our Commercial team found new, creative and effective ways for advertisers to connect with audiences. We integrated Sorted.co.nz into New Zealand's favourite gameshow, The Chase, and Hilary Barry partnered with social enterprise Will&Able to raise awareness of its mission to create more jobs for Kiwis with disabilities. The Ministry of Health collaborated with Shortland Street for a storyline specifically designed to promote recruitment of nurses, and Suzanne Paul surprised and delighted in the 'Like A King' campaign during The Coronation. Produced in-house by TVNZ Blacksand, six local brands took part in the ad-break takeover.

We continued to innovate on TVNZ+, launching Audience Amplifier+, enabling advertisers to reach specific audience segments with tailored messaging. Sensible use of data will be a cornerstone of our FY24 commercial strategy as we move toward audience trading, enabling agencies to conduct business with TVNZ in a more digitally focused way, buying across our platforms.

FOCUSING ON OUR FUTURE

FY23 saw the cancellation of the proposed merger of TVNZ and RNZ, which would have seen a new public media entity (ANZPM) created. We were supportive of ANZPM because we could see the opportunities it might provide for TVNZ and the wider industry, and we were ready to go. While ANZPM is no longer on our horizon, the challenges facing the media sector that provided the impetus for the proposal remain.

People are watching more TV shows than ever before, but how they are watching continues to change significantly. The direction consumers are moving is clear and digital streaming is critical to TVNZ's future success. We've made a great start, delivering consistent audience and revenue growth with TVNZ+. It's time for us to move faster though, and that means accelerating our digital transformation.

In March, TVNZ approached the market to procure the services of a Master Systems Integrator to work alongside the business to implement and deliver a new IP platform. This new digital backbone will give us the ability to keep in step with changing viewer needs and preferences. TVNZ also established a transformation office to drive this step-change internally.

Our focus is on our viewers. We are transforming to ensure audiences can find the distinctive content they want, where they want it, when they want it. The future challenge is an exciting one, and it will take the collective mahi of TVNZers to meet it.

Brent McAnulty

Unleashing the Pūmanawa of Aotearoa
Tā tātou nei whāinga

Te Reo Tātaki has a singular purpose –to inspire the conversations of Aotearoa, kia whakaihiihi i ngā kōrero o Aotearoa. Underpinning and informing this aim is our Rautaki Māori. As a founding document it shows us what visionary leadership looks like in New Zealand broadcasting, and how a Māori worldview can enrich our leading voice.

TVNZ is committed to reflecting and advancing te ao and te reo Māori. Our Rautaki provides us with a framework for embedding this authentically throughout our organisation. It ensures the overarching tenets of Te Tiriti o Waitangi are upheld and embodied by our business. It informs how we educate, train and recruit our people, giving us a strong foundation from which to provide our channels and platforms.

In FY23, TVNZers expanded their capabilities and skills. Over 13% of TVNZers engaged in te reo Māori lessons. With new cohorts moving through the classes every year, and some kaimahi continuing their studies to intermediate and advance levels, TVNZ is developing a workplace culture where te reo Māori is heard and spoken, and where tikanga Māori is embraced. We held regular mihi whakatau to welcome our new kaimahi in FY23. Te Wiki o te Reo Māori was celebrated with a kapa haka performance from the Ngā Uri o Ngā Iwi, waiata sessions and a Hāngi. Atrium screenings took place during Te Matatini and for Matariki too.

In addition to increasing our knowledge base, establishing key Rangatira provided us with the necessary expertise and leadership to achieve our ambitions. In FY23, Nevak Rogers was appointed Acting Director of Content (Rongowhakaata / Tongan), the first woman of Māori heritage to join TVNZ's Executive team. Blake Ihimaera (Ngāpuhi, Ngāti Hine) was appointed to the newly created role of Kaiurungi Māori Editor, sitting on the News Leadership Team from FY24. Ripeka Evans (Ngāpuhi, Ngāti Kahu, Te Aupouri and Ngāti Porou) was appointed Deputy Chair of TVNZ's Board, also beginning her role in FY24.

Our mahi behind the camera informed what made it to screen. Dedicated te reo content featured prominently in FY23, with more than half a million viewers reached every week. Driving this viewership was the country's leading news and current affairs programmes from a Māori perspective, Te Karere and Marae. Primetime and TVNZ+ hero content included Whina, No Māori Allowed, Caged: Kai Kara-France, Beyond The Veil, Carlos' Reno Rescue, Speak No Māori, East Coast Rising and Hui Hoppers, as well as new seasons of National Treasures, Origins, The Casketeers, Waiata Anthems, The Walkers and Kura.


WHINA


NO MĀORI ALLOWED


TE MATATINI

Te Matatini Herenga Waka Herenga Tangata 2023 broadcast across TVNZ 2 and TVNZ+ and was a programming highlight for the year, showcasing high-quality reo Māori and culture on stage and engaging audiences across the motu. Te Reo Tātaki's coverage generated more than 1.8 million streams, connecting the festival with digitally native rangatahi. In total, nearly 730,000 New Zealanders watched Te Matatini on TVNZ 2, while 188,000 users watched on TVNZ+.

Matariki was once again celebrated by Te Reo Tātaki with a dedicated content offering. Preparations for our newest public holiday commenced in late FY23. Stacey Morrison and Mātai Smith began festivities providing a traditional Hautapu ceremony from Ngongotahā Mountain (Rotorua). Hongi to Hāngī: And Everything in Between...this time it's Matariki returned with Tāmati Rīmene-Sproat, and tamariki were also covered with animated special, Island of Mystery – Te Wā o Matariki. Purapura Whetū - Stars of Matariki returned to TVNZ+ and TikTok. Featuring some of the country's biggest and brightest musical stars, including Stan Walker, Paige, Muroki, Jordyn with a Why, Seth Haapu, Makayla Purcell-Mainini, and Coterie, this spectacular night of waiata has now become an annual must-watch event.

TVNZ requires a cultural integrity strategy for commissioned programmes to ensure content is accurate, appropriate and authentic. This cultural "warrant of fitness" also requires productions to provide capacity building and ensures that cultural safety is wrapped around the production of the show. This approach has ensured that TVNZ's local slate of programming contributes to the revitalisation and normalisation te reo Māori across Aotearoa. Our focus on promoting te reo Māori as a dynamic and living spoken language can be seen daily. 1News provides visible leadership, with presenters and journalists utilising te reo Māori throughout bulletins and current affairs programming. Popular programming with mass appeal such as Shortland Street, Celebrity Treasure Island and TVNZ's sports offering integrates reo, encouraging viewers to learn new words and have a greater understanding of our unique heritage.

Rārangi Take Matua
Leading Local

Viewers turn to TVNZ to see the best local storytelling on our screens. TVNZ is the largest commissioner of local content. More than 60% of our content budget is dedicated to programming that reflects our Aotearotanga, or our unique biculturalism of Tangata Whenua and Tangata Tiriti.

There are currently more than 120 local shows in development and production at TVNZ. They range from programmes like Puta Mōhio, which teaches our tamariki about science from a Māori perspective to ongoing factual series like The Casketeers and major primetime production, Origins.

Our local content strategy builds on our Rautaki Māori and focuses on producing sought after programming that is valued by viewers and then finding the right place for it to live – either on air or online. A platform-agnostic approach ensures viewer needs and wants are at the heart of our approach. We're committed to reaching underserved audiences and connecting with tamariki and rangatahi viewers. We do this through providing specialist titles alongside our mass-reach 'tentpole' titles. We also consider how popular shows and formats can evolve their storylines and include diverse talent to broaden their appeal and better reflect Aotearoa today.

TVNZ's vibrant storytelling spanned genres and interests in FY23, resonating strongly with audiences of all ages. Robyn Malcolm shared her personal experiences with anxiety in You Me And Anxiety, Sonia Gray and Kiwi families shared their experiences with neurodiverse children in Kids Wired Differently and we took viewers from Cape Reinga to Bluff in Moving Houses. Contemporary Māori issues were explored in No Māori Allowed and Speak No Māori. TVNZ also explored our natural world with new seasons of Our Big Blue Backyard and Country Calendar. Challenge reality entertained extensive audiences, with new seasons of Celebrity Treasure Island, The Great Kiwi Bakeoff, LegoMasters NZ and Grand Designs NZ delivering stellar ratings. The Restaurant That Makes Mistakes drew laughs and tears, and our Kiwi sense of humour was showcased in Taskmaster NZ, Educators and Kid Sister. Premium scripted series established our cultural credentials as a Kaitiaki of national identity. Sione's Wedding prequel, Duckrockers, South Island filmed, Under The Vines and One Lane Bridge and perennial favourite Shortland Street all delivered for drama fans.

The broader industry recognised TVNZ's creative excellence across the year. Local content airing on TVNZ channels and platforms secured 25 wins at the 2022 TV Awards out of the 39 awards on offer. The Panthers scooped eight awards and performers from The Pact and Kura landed all four acting awards.

In addition to entertainment programming, news continues to form the backbone of TVNZ's local content offering. 1News is New Zealand's most-watched news source, operating as a vital part of the fourth estate. The 6pm bulletin was once again the most watched programme across all TV networks in FY23 as well as the most streamed show on TVNZ+. 1News, along with Radio New Zealand and the Otago Daily Times was awarded a joint first in the AUT trust ranking with TVNZ positioned as the number one weekly news source for New Zealanders.

Current affairs programming added further richness to daily reporting. Sunday's stories and journalists secured three wins at the annual Voyager Media Awards out of the eight awards in total TVNZ secured on the night. Fair Go continued to hero consumers, Q+A led the news agenda and Marae and Tagata Pasifika told important stories for the communities they serve.

Rangatahi audiences were also prioritised through Re:'s socially driven news offering in FY23. Alongside news specifically for youth, Māori, Pasifika, LGBTQIA+, migrant and regional audiences, the Re: team also offered specialist series on their dedicated website and TVNZ+. The Voyager award winning, Still Here provided an emotive look at Pasifika history in Auckland's gentrified inner suburbs. Dating While Asian, 2000s Baby and a new season of Conversations With My Immigrant Parents let young New Zealanders tell their own stories in their own words, and Red Light Boys, Naked Week and the Good Sex Project surfaced sexual health and wellbeing authentically and with audience outcomes in mind.

Top Television

AVERAGE AUDIENCE

18 OUT OF 20 OF THE MOST WATCHED PROGRAMMES ON BROADCAST TELEVISION IN FY23 APPEARED ON TVNZ 1. ELEVEN OF THESE TOP TITLES WERE LOCAL SHOWS.

#1 1 NEWS AT SIX
612,200

#4 HARRY: THE INTERVIEW
450,200

#5 SUNDAY
435,700

#2 HYUNDAI COUNTRY CALENDAR
595,900

#6 HM THE KING'S CHRISTMAS MESSAGE
426,500

#7 FAIR GO
419,800

#8 ASB GAME-CHANGER
416,400

#9 SEVEN SHARP
430,800

#3 RUGBY BLEDISLOE CUP*
500,700

#10 ABBA THE MISSING 40 YEARS
428,600

#11 MOVING HOUSES
422,000

#12 COUNTRY HOUSE HUNTERS NEW ZEALAND
417,500

#13 THE CORONATION OF THEIR MAJESTIES
415,200

#14 GRAND DESIGNS NEW ZEALAND
407,500

#15 CRICKET T20 BLACK CLASH
404,800

#16 THE CHASE THE BLOOPERS
397,500

#17 WOMEN'S RUGBY WORLD CUP*
396,000

#18 THE REPAIR SHOP
389,700

#19 UNDER THE VINES
388,400

#20 BEAT THE CHASERS
375,800

*aired on Sky and Three in FY23

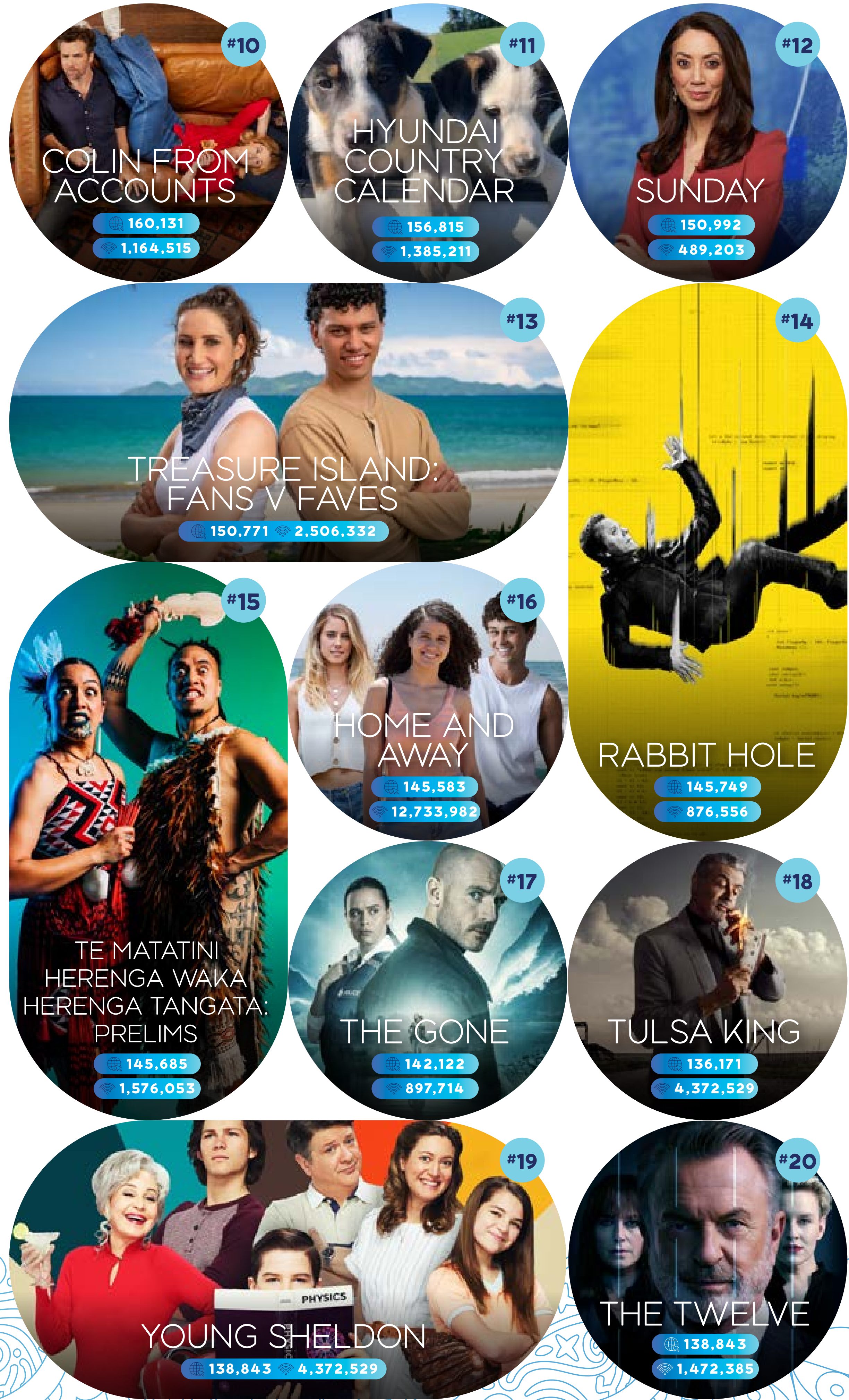
Source: Google Analytics via Tableau; 1/7/23-30/6/23; 0200-2559; AP13+; TVNZ+; Streams, Reach; Ranked by Reach

Streaming Superstars

WITH THE BEST OF LOCAL AND INTERNATIONAL FOR KIWI VIEWERS.SEVEN OUT OF THE TOP 20 MOST STREAMED SHOWS WERE LOCAL.

AVERAGE AUDIENCE | STREAMS

#	Show	Average Audience	Streams
#1	1 NEWS AT SIX	429,583	8,735,716
#2	SHORTLAND STREET	268,075	19,489,444
#3	ROGUE HEROES	258,952	1,556,217
#4	1 NEWS: SPECIAL	214,578	464,285
#5	POKER FACE	204,704	1,511,655
#6	BLUEY	198,713	34,517,455
#7	SHERWOOD	183,827	1,337,961
#8	HAPPY VALLEY	169,891	2,016,271
#9	MASTERCHEF AUSTRALIA	167,624	4,810,207



#	Show	Average Audience	Streams
#10	COLIN FROM ACCOUNTS	160,131	1,164,515
#11	HYUNDAI COUNTRY CALENDAR	156,815	1,385,211
#12	SUNDAY	150,992	489,203
#13	TREASURE ISLAND: FANS V FAVES	150,771	2,506,332
#14	RABBIT HOLE	145,749	876,556
#15	TE MATATINI HERENGA WAKA HERENGA TANGATA: PRELIMS	145,685	1,576,053
#16	HOME AND AWAY	145,583	12,733,982
#17	THE GONE	142,122	897,714
#18	TULSA KING	136,171	4,372,529
#19	YOUNG SHELDON	138,843	4,372,529
#20	THE TWELVE	138,843	1,472,385

Source: Google Analytics via Tableau; 1/7/23-30/6/23; 0200-2559; AP13+; TVNZ+; Streams. Reach: Ranked by Reach

Te Reo Tataki's Sustainable Future

HYUNDAI COUNTRY CALENDAR

TVNZ is committed to becoming New Zealand's most sustainable media business. Our purpose is to inspire the conversations of Aotearoa, and we'll do that by informing and engaging audiences on the environmental, social, and economic issues that matter to them.

This approach to sustainability is founded in our Rautaki Māori. This includes our commitment to uphold Te Tiriti o Waitangi and communicating Māori perspectives in a meaningful way.

In FY22 we undertook a materiality assessment, which identified three key pillars for our sustainability framework and the priorities under each of these pillars:

GREEN BROADCASTING

1. Reducing the environmental footprint of broadcasting
2. Inform and engage New Zealanders on climate change and sustainability
3. Collaborate with commercial, industry and community partners for sustainable outcomes

REPRESENTATIVE BROADCASTING

1. Treaty Partnership, Te Reo Māori, and communicating Māori perspectives
2. Enhancing the wellbeing and safety of TVNZ people
3. Enhancing inclusion and diversity at TVNZ
4. Representing New Zealand and New Zealanders authentically on screen through local content

RESPONSIBLE BROADCASTING

1. Bringing free-to-air content to all New Zealanders
2. Independent, fair and trusted editorial
3. A platform for responsible advertising and communication

This framework is grounded in TVNZ's purpose and values and reflect TVNZ's commitment to Treaty partnership by incorporating Te Ao Māori perspectives and values.

We are using this framework for the basis of reporting sustainability in this annual report.

Green Broadcasting

Reducing our environmental footprint and helping our audiences to understand and navigate environmental issues is an important part of the role we can play in tackling climate change and supporting New Zealand's aspirations to be net carbon zero by 2050.

To create a sustainable future and deliver on our aspiration to become Aotearoa's most sustainable media business, we need to consider the impact of how we work, the content we create, and who we partner with. Our three key priorities – reducing the environmental footprint of broadcasting and digital, informing and engaging New Zealanders on climate change and sustainability, and collaborating with industry partners for sustainability outcomes – have continued to guide our progress throughout FY23.

Toitū certified TVNZ's gross emissions for FY23 at 2,024 tCO2 e, an increase of 19% year-on-year, although this was less than forecast. An increase in emissions was anticipated this year, given the previous two years were impacted by COVID-19. As a news business, global and domestic events necessitated increased travel, including coverage of HM The Queen's funeral, Cyclone Gabrielle, the Turkey earthquake, and other extreme weather events occurring around Aotearoa. While news-related travel will likely form a significant part of our emissions profile for years to come, we are focused on finding opportunities to reduce this and use more climate-friendly modes of transport where possible.

The business purchased 2,200 tonnes of Toitū carbon credits to meet our carbon neutral commitments for the year. The credits were sourced from two New Zealand permanent forest sink investments, Pelorus Sounds/Totaranui in Clova Bay and Chatham Islands, Owenga Reserve. We have chosen to offset emissions using high quality New Zealand credits, as a demonstration of our commitment to addressing climate change. However, our first priority is mitigation of our own footprint. We are focused on making meaningful cuts to our footprint over the rest of the decade. We've set a 10% emission reduction target for 2025 and a 38% reduction target by 2030. A new, normalised 3-year average baseline (FY21-FY23) will be put in place ahead of this year's certification audit to account for Covid-impacted data and better understand our true environmental impact.

Through our own sustainability work, we have built a strong foundation to engage our audiences on environmental matters. In FY23, TVNZ commissioned primetime content with a sustainability lens, including Our Big Blue Backyard, Endangered Species Aotearoa, and Eat Well For Less. Country Calendar told rural stories covering climate change and biodiversity - from the Waikato farmers looking to restore native ecosystems, to the Otago farm using regenerative farming and the Hawkes Bay orchardists recovering after Cyclone Gabrielle. TVNZ+ now houses a streaming collection bringing together nature, climate, and sustainability content across 'Natural World' and 'Sustainability' categories, making it easier for viewers to access thought-provoking material that inspires action. Titles on offer included Greta Thunberg: A Year To Change The World, Getting Warmer with Kal Penn and David Attenborough hosted specials.

Supporting our commercial clients is a key area of focus for us in the year ahead. We want to increase the volume of advertising promoting sustainable products and services and reduce our reliance on advertising and sponsorships that undermine our ambitions in this space. In FY23 we undertook an analysis of the environmental credentials of our top 30 advertising partners. Many have set, and are measuring their progress against, emissions reduction targets. Positively, 31 per cent of our partners are members of the Climate Leaders Coalition and 17 per cent are Toitū carbonzero certified, but it is also apparent that some are limited in their approach to sustainability. We will use our findings to guide sustainability-related engagement with advertisers and industry in FY24, and to inform our role as founding members of the newly established Ad Net Zero, which seeks to reduce carbon emissions across the advertising industry.

In FY23 we launched our 'How on Earth' educational promos, using our TVNZ marketing spots to help Kiwis live more sustainably with Food Waste and Laundry covered in the first release. We have also developed sustainable production guidelines for TVNZ's creative and production team – Blacksand. In FY23, TVNZ appointed a GM of Sustainability. This newly created role will drive the business' strategy going forward.

	2023	2022
TVNZ Emissions		
Direct emissions	305.86	304.02
Indirect emissions from imported energy	769.95	704.76
Indirect emissions from transportation	859.21	618.12
Indirect emissions from products used by organisation	89.43	73.62
Indirect emissions associated with products used by organisation	0	0
Indirect emissions from other sources	0	0
Total direct emissions	305.86	304.02
Total indirect emissions	1,718.58	1,396.50
Total gross emissions	2,024.44	1,700.52
Direct removals	0	0
Certified renewable electricty certificates	0	0
Purchased emission reductions	(2,200.00)	0
Total net emissions	(175.56)	1,700.52

ENDANGERED SPECIES AOTEAROA WITH WWF

Representative Broadcasting

OUR CONTENT

TVNZ is in a unique position to showcase the richness of Aotearoa. Whether it's through live sporting moments that unite the nation, news and current affairs that offers wide-ranging opinions, or storytelling that reflects what it means to be a New Zealander, our content ensures viewers from all walks of life can see themselves and their experiences reflected on screen.

Throughout the year, TVNZ commissioned and highlighted diverse stories and perspectives from people and places around the country. We showed disability through long-running partnerships with Attitude and the Paralympic Games, as well as with primetime factual series Down with Love and The Restaurant That Makes Mistakes. We told Māori and Pasifika stories, commissioning Duck Rockers, Beyond The Veil, Whina, No Māori Allowed, Caged: Kai Kara-France, Speak No Māori, East Coast Rising, National Treasures, Origins, The Casketeers, Waiata Anthems, The Walkers and Kura. Asian creators starred in Creamerie, Passengers and Princess of Chaos, and Kid Sister reflected contemporary Judaism.

1News continued to provide New Zealand's leading source of news and public interest journalism, with the 6pm bulletin our most watched and most streamed programme of FY23. TVNZ's journalists and presenters reflect the diversity of Aotearoa and hiring reporters from a wide range of background ensures we can bring a wide mix of stories from different communities around Aotearoa. We can help bridge divides and foster greater understanding by presenting programmes that represent the broadest range of viewpoints, cultures, regions and communities.

TVNZ once again offered commercial partners the ability to add te reo Māori captioning during Te Wiki o te Reo Māori and New Zealand Sign Language interpretation to their advertisements during Sign Language Week, helping advertisers to communicate widely and authentically with customers.

OUR PEOPLE

At Te Reo Tātaki we aim to enable an inclusive culture which attracts, retains and enables great talent to reach their potential.

Our annual engagement survey showed that people rate TVNZ highly as a great place to work and take great pride in working here. This was reinforced with our top five ranking in the 2022 Kantar Corporate Reputation Index.

We've reported on our Gender Pay Gap for several years. We're proud of our results and continue to focus on ensuring all our kaimahi are remunerated equitably for equivalent roles.

Last year we introduced Hauora Leave – a new fifth week of leave available annually, to encourage TVNZers to look after their wellbeing and work life balance. Over 1,000 extra leave days were taken across the year as a result.

In 2022 we also introduced a new parental leave policy. The policy supports primary caregivers with 26 weeks full paid leave, as well as employees being able to choose to work at 80% of their hours and still be paid 100% of their salary for the first 6 weeks when they return to work. A new partner leave benefit allows for 4 weeks of paid leave and an optional extra 2 weeks unpaid leave. Across the year we had 23 employees benefit from our new policy.

This year we've focused on leadership development, with the creation of new programmes for senior and emerging leaders. Te Reo Māori classes also continued on site as an important element of our development plan, and we introduced a new development session called Own Your Career to help our kaimahi plan for their future.

The core focus for our safety planning is to ensure we proactively and effectively manage risks to our newsgathering, operations and productions. The risk to news media working in the field has been heightened over the last couple of years as social unrest has been more prevalent. Thorough risk assessments and de-escalation training for our people have been effective in minimising and managing this risk, however we recognise that this is an ongoing challenge, and we will continue to work on how we can bring the news to Aotearoa while keeping our people safe.

This year our independent, biennial wellbeing and safety audit was based on the SafePlus framework. TVNZ achieved an overall rating of Leading across the ten performance requirements, having demonstrated a maturing safety culture with strong and visible leadership commitment and widely adopted and understood systems and processes used to effectively reduce critical risks.

Post-Covid, we've supported the wellbeing of our people through ongoing support and training, and through embracing the benefits of hybrid working. Almost three quarters of our people now work flexibly, and we continue to support our people's wellbeing with an annual $350 allowance.

We strive to ensure that TVNZ is a place where all our people can feel that they belong and are empowered to reach their potential. Our cross-functional Inclusion and Diversity Group have made good progress in expanding the range of significant dates we celebrate, and with a range of awareness training to help broaden our collective understanding and inclusiveness.

Our People

FULL TIME EQUIVALENT EMPLOYEES

735

FY22 Full Time Equivalent: 737
FY21 Full time Equivalents: 690

53% Male

47% Female

2 staff identified as non-specific (0.26%)

WOMEN REPRESENT:

47% of our total workforce

60% of our business leaders

60% of our executive team

58% of our board

REMUNERATION PROFILES

Includes casual, part time and entry level roles

<$50k	$50–$100k	$100–$150k	>$150k
1.8%	52.1%	28.1%	18.1%

PAY PARITY

TVNZ reviews pay annually to ensure parity for equivalent roles

LIVING WAGE

TVNZ continues to ensure all permanent and part time (excludes casual/work experience students) employees are paid a minimum of the living wage and has done since 2014.

AVERAGE GENDER PAY GAP

FY23 **-1.0%**

FY22 1.6%

Average male hourly rate compared with average female hourly rate across permanent employees.

This year we encouraged TVNZers to share their ethnicity details and we now have ethnicity data for 95% of our employees. This means from FY24 onwards we'll be able to report on our ethnic pay equity.

AGE

Our people range in age from **20-73**

The average age is **40**

TENURE

7.3yrs average tenure

25% of our people have been with TVNZ for over 10 years

39 DIFFERENT LANGUAGES SPOKEN

TVNZ people identify with at least **55** DIFFERENT ETHNICITIES

The most common are:

NZ European /Pākehā 68%

NZ Māori 10%

Indian 6%

Other ethnicities in the top 10 list include:

English

Chinese

Filipino

South African

Irish

Australian

Cook Island Maori

24% OF TVNZ PEOPLE IDENTIFY WITH MORE THAN ONE ETHNIC GROUP

FROM OUR 2023 PEOPLE SURVEY

89% of our people are PROUD TO WORK AT TVNZ

87% of our people would RECOMMEND TVNZ AS A GREAT PLACE TO WORK

88% of our people believe THAT TVNZ DOES A GOOD JOB OF KEEPING ITS EMPLOYEES SAFE

FROM OUR 2023 DIVERSITY & INCLUSION SURVEY

74% of our people WORK FLEXIBLY AT TVNZ

97% of our people SUPPORT DIVERSITY AND INCLUSION WITHIN TVNZ

90% of our people believe TVNZ PEOPLE TREAT EACH OTHER WITH RESPECT, REGARDLESS OF AGE, GENDER, DISABILITY, SEXUAL ORIENTATION OR OTHER DIFFERENCES.

Responsible Broadcasting

Responsible broadcasting means maintaining our position as an independent, trusted media business contributing to the democracy, identity and economy of Aotearoa. We do this through the provision of trusted news, quality entertainment and considered advertising. In FY23, TVNZ ranked fifth in the Kantar Corporate Reputation Survey. This annual piece of research provides a barometer for how our audiences feel we are performing. TVNZ was once again the only media company in the top 20, with high scores in trust and fairness.

1NEWS

Open access to free-to-view news and entertainment content forms the basis of our responsible broadcasting obligations. TVNZ's channels and platforms are delivered via satellite (DTH), land-based TV stations (DTT) and internet (IP) to communities around the motu, covering nearly 100% of the country. All primetime broadcast content on TVNZ 1, 2 and DUKE carries closed captions and approximately 100 hours of television content each week airs with audio descriptions. Provided by our partners, Able and funded by NZ on Air, this service ensures our content is accessible for all viewers. TVNZ+ reuses television closed captioning to ensure deaf and hard of hearing viewers have digital access to our content like any other viewers. TVNZ now streams over 700 titles with captions. Audio descriptions are not currently available on TVNZ+ due to an inability to easily layer different audio files on the current video player. However, at the end of FY23, TVNZ supported Able in securing funding for Earcatch – an app that will work in conjunction with TVNZ+ by listening to streamed content and providing matching audio-descriptions. This offering will launch in early FY24 for a number of key local titles and will provide an interim accessibility solution for visually impaired audience members.

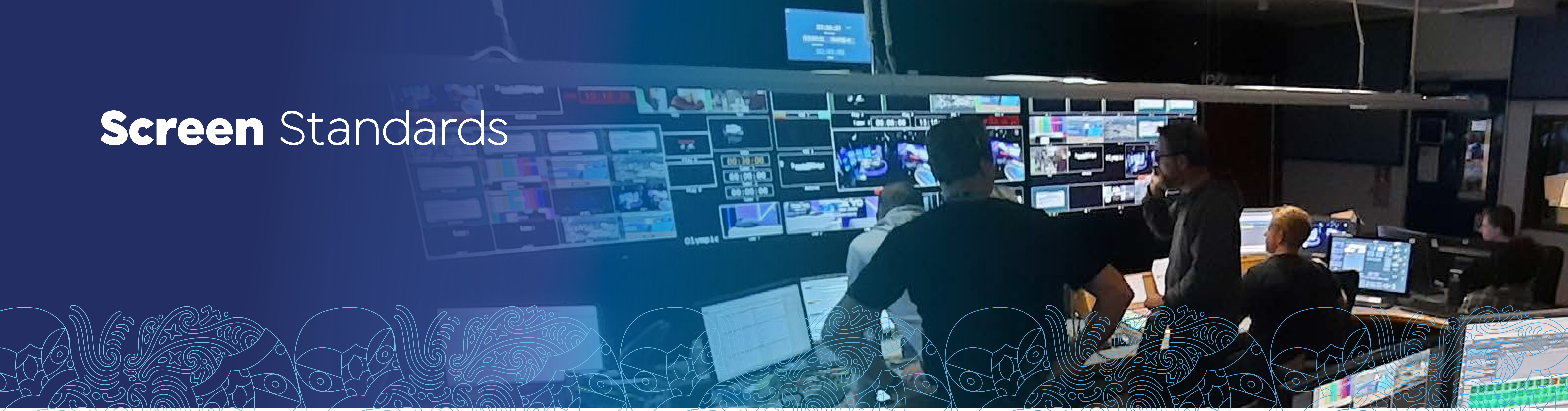
TVNZ plays an integral role in New Zealand's functioning democracy through the provision of leading news and public interest journalism. 1News continues to be New Zealand's most watched news source, operating as a vital part of the fourth estate. In FY23, 1News ranked first equal as the nation's most trusted news source in the AUT research centre for Journalism, Media and Democracy's Trust in News annual survey. Live and breaking coverage of HM The Queen's funeral, King Charles III's Coronation, Cyclone Gabrielle and the Turkish Earthquake drove this result. TVNZ journalists were successful at the 2023 Voyager Media Awards with eight wins secured. 1News Chief Correspondent, John Campbell and Sunday's Kristin Hall both won major awards, Sunday was awarded 'Current Affairs Programme of the Year' and Te Karere and 1News' coverage of the Parliament anti-lockdown protests was named 'Breaking News Video'. TVNZ's youth news brand, Re: also took out four wins, including 'Best News, Current Affairs or Specialist Publication'.

Viewers depend on TVNZ to provide them with premium news and entertainment content. To meet this benchmark, we abide by the standards set by the Broadcasting Standards Authority (BSA) and the Media Council for television and digital content respectively. The robust formal complaints ensures the proper checks and balances are in place. In FY23, TVNZ's Formal Complaints Committee upheld 23 complaints associated with news and current affairs content, demonstrating our commitment to maintaining high standards. In June of 2023, TVNZ also conducted a review of our newsrooms editorial controls to ensure the necessary systems were in place to maintain accuracy, balance and fairness. The review found that the processes in place were robust, but it made recommendations to further strengthen these processes, particularly around the escalation of issues and complaints.

Alongside the content we provide, TVNZ also contributes to the creative economy of Aotearoa. In FY23, we spent over $105 million on local content, a 1.3% increase year-on-year. Working with over 60 independent production companies to produce the local content slate, our investment and commitment to local programming created and supported jobs and businesses around the country. To provide our content free-to-view, we are reliant on the support of advertisers. This relationship is a reciprocal one. TVNZ provides a platform for over 900 advertisers to connect with consumers. We enable brands to reach 2 million viewers a day on TVNZ 1, 2, DUKE, TVNZ+, 1news.co.nz and Re: News, ensuring they can grow and flourish and make an important contribution to the broader economy.

NEW ZEALANDER OF THE YEAR

Q&A



Screen Standards

TVNZ broadcasts 20,000 hours of content each year, some of it sparking lively discussion and debate. We welcome feedback from our viewers and through the formal complaints process, they play an influential part in the maintenance of screen standards.

The Broadcasting Standards Authority (BSA) is responsible under the Broadcasting Act 1989 for screen standards. 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.

In the period under review, TVNZ answered 2,232 BSA formal complaints.

- 366 more than in the previous year.
- Of these 2,232 complaints, 23 complaints were upheld internally by TVNZ's Complaints Committee.

Online news and entertainment content falls under the jurisdiction of the Media Council. The TVNZ Complaints Committee responded to 71 complaints under Media Council Principles; none were upheld by the TVNZ Complaints Committee.

COMPLAINTS

2022

BSA
- 1,866 complaints
- 28 upheld

MEDIA COUNCIL
- 59 complaints
- 0 upheld

2023

BSA
- 2,232 complaints
- 23 upheld

MEDIA COUNCIL
- 71 complaints
- 0 upheld

REFERRALS

In FY2023 the BSA handled 55 referrals about TVNZ programming (referrals are counted per BSA decision, three were withdrawn). Of these one has been upheld by the BSA*.

TVNZ had 4 referrals to the Media Council, none were upheld.

2022

BSA
- 55 referred
- 0 upheld

MEDIA COUNCIL
- 3 referred, none upheld

2023

BSA
- 55 referred
- 0 upheld*

MEDIA COUNCIL
- 3 referred, none upheld*

As with other agencies and regulators, TVNZ has noticed a significant increase in complaints borne from the Covid-19 pandemic and continuing into FY23. In FY20, TVNZ responded to 1328 BSA formal complaints. In FY23 this number grew to 2,232, increasing the resource required to fulfil this important regulatory function. Misinformation and social media campaigns have contributed to a distinctly different complaints environment.

*Some decisions are not yet determined

Te Paerangi – TVNZ's Future Focus

TVNZ's purpose is to inspire the conversation of Aotearoa. In an increasingly digital world, this means making our news and entertainment content available in the wide variety of places people want to consume it - from our own platforms (TVNZ+, 1news.co.nz and Re:), to distributing through other's platforms including social media channels, while also preparing for the brand-new platforms that might exist in the future.

TVNZ has a record of early digital adoption. Our streaming service first debuted in 2007 with the launch of TVNZ OnDemand. Originally a service for viewers to catch up on shows they'd missed on broadcast TV, TVNZ On Demand featured just 300 videos from 100 programmes. Sixteen years later, renamed and rebranded, TVNZ+ is now a comprehensive streaming destination, home to new and exclusive local and international programming. TVNZ+ now features close to 6000 videos and reaches 1.22 million Kiwis every week.

TVNZ+ has provided us with a strong foundation for securing a digitally led future. However, audience behaviour is rapidly changing and the migration from broadcast to streaming is continuing unabated. It's now time to accelerate our transition from a traditional broadcaster to a digital-first media organisation.

TVNZ has been reorienting over several years. This intensified focus on transformation is about proactively moving our audiences and revenues to digital so we can continue to serve both our viewers and advertisers in the future.

TVNZ has developed a five-year business plan, which focuses on the steps we need to take to ensure a sustainable future. Named Te Paerangi, or 'the horizon', this body of work is best characterised as a multi-year, internally driven transformation programme. It's about investing in a new technology foundation and developing the digital capabilities needed to deliver TVNZ's broad range of content in the different ways viewers want to access it.

Our vision is to be the **#1 STREAMER OF TRUSTED NEWS AND ENTERTAINMENT.** The Te Paerangi programme will provide a clear roadmap of incremental steps to realise this ambition.

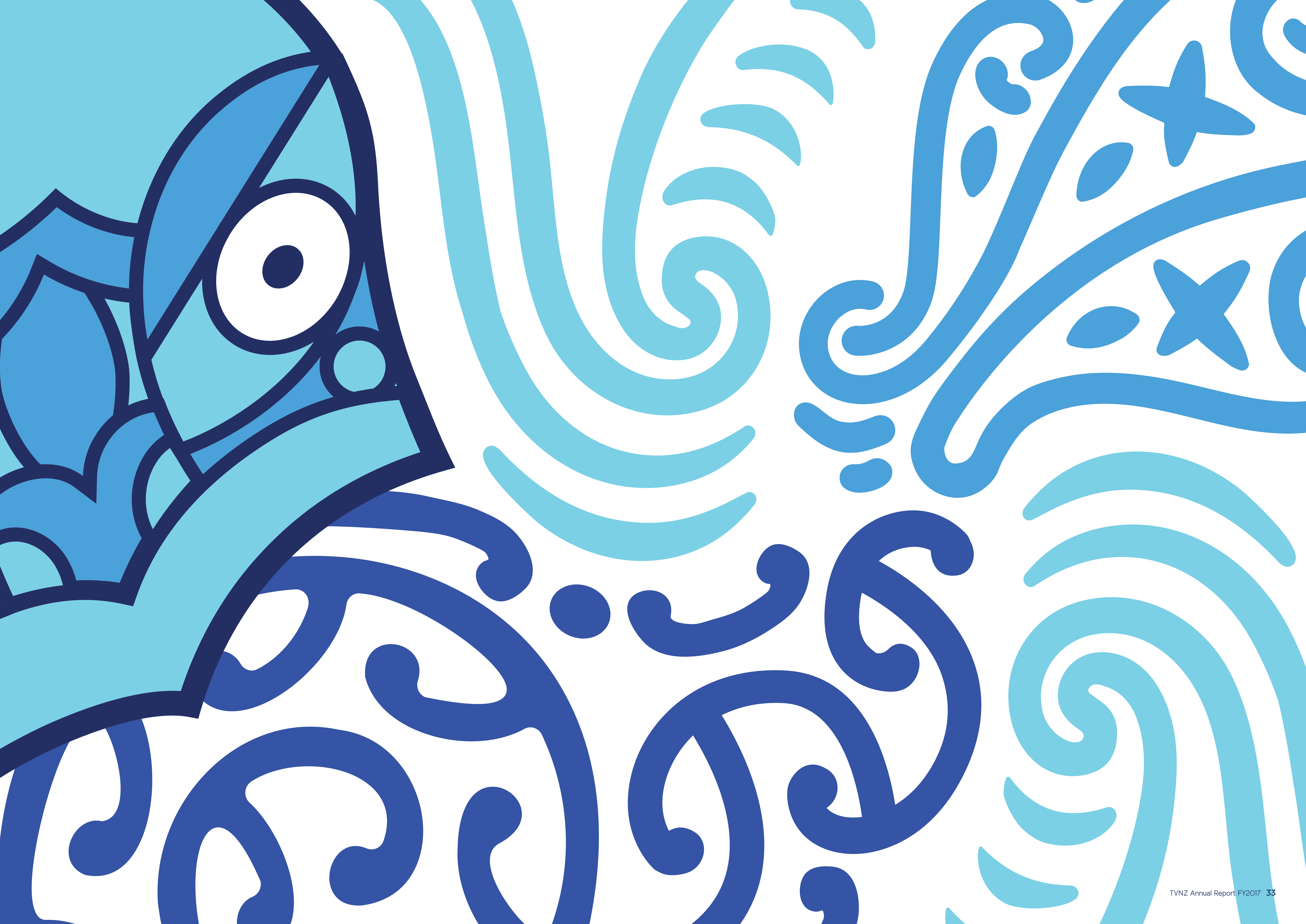
Te Paerangi workstreams will commence in FY24 and concentrate on the following areas

- Extending digital audience reach
- Accelerating digital revenue
- Building a sustainable future business

Underpinning this transformation is a significant investment in technology. TVNZ's current technology is holding us back from achieving our ambitions. It's overly manual and unable to deliver adequate levels of innovation. We need to build a powerful, cloud-based engine that will replace our current one. A new digital backbone will give us the ability to keep in step with constantly changing viewers' needs and preferences. Developing a world-class digital platform is one of the most important investments we can make to safeguard quality local content in Aotearoa for years to come. In FY23, TVNZ approached the market to procure the services of a Master Systems Integrator to work alongside the business to implement and deliver a new IP platform. The appointment process for this vendor is now underway.

This business-wide transformation will take the collective brainpower and effort of all TVNZers. Core to this programme of work is the utilisation of the skills and capabilities already found within the organisation alongside upskilling and training our people for the roles needed in the future. The way we work will change, with a mantra of *simpler, faster and smarter* driving us, but what won't change is our commitment to serving audiences and advertisers alike.

Te Paerangi aims to address many of the same challenges surfaced in the Government's Stronger Public Media initiative. We take our role as a Kaitiaki (guardian) of our national identity seriously. We believe our digital transformation will ensure we can continue to amplify and celebrate local voices and different perspectives and share the stories that matter. By securing TVNZ's future we can continue to support a wider ecosystem, including the local production sector and champion local business success.



Financial Summary

FOR THE YEAR ENDED 30 JUNE 2023

The results for the year reflect robust financial management as the business responded to a downturn in revenue in the second half of the year by actively managing its cost base to ensure continued profitability.

EBITDAF performance of $14.1m is down $12.0m year on year as revenue declined $14.1m to $327.6m in challenging market conditions.

Net Profit After Tax (NPAT) of $1.7m is down $6.2m year on year due to the above, partially offset by lower depreciation and amortisation charges, and higher net interest income.

Expenses of $313.6m are $2.0m lower year on year due to:

- Content costs decreased year on year by $10.7m as some programming was reprioritised or deferred to respond to changing market conditions.
- Other overhead costs decreased by $0.4m as result of good cost control in an environment of elevated inflation.
- These are largely offset by lincreased investment in people and technology of $9.0m to drive strategic initiatives and the transformation programme.

There were no material one-off items recognised in the current year.

Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

Contents

Statement of Responsibility

FOR THE YEAR ENDED 30 JUNE 2023

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 2023 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 2023.

For and on behalf of the Board,

Alastair Carruthers CNZM
Chair

Megan Matthews
Chair, Audit and Risk Committee

26 October 2023

Consolidated Income Statement

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $000	2022 $000
Operating revenue	4	327,630	341,689
Expenses			
Programming	5	(178,831)	(189,481)
Employee benefits	6	(62,318)	(58,513)
Transmission, technology and telecommunications		(27,377)	(22,206)
Premises and occupancy		(3,306)	(3,458)
Marketing		(14,827)	(15,290)
Other		(26,907)	(26,562)
		(313,566)	(315,600)
Earnings before interest, tax, depreciation and amortisation, financial instruments and joint venture (EBITDAF)		14,064	26,089
Depreciation and amortisation	6	(13,499)	(15,986)
Interest income		4,032	1,244
Interest expense		(315)	(198)
Financial instruments/foreign currency (losses)/gains	7	(1,735)	(72)
Profit before income tax		2,547	11,077
Income tax expense	8	(829)	(3,161)
Profit after income tax		1,718	7,916

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $000	2022 $000
Profit for the year		1,718	7,916
Other comprehensive income that are not reclassified to profit or loss in subsequent periods			
Revaluation land and buildings	11	(12,724)	5,958
Income tax effect		2,247	(1,332)
Revaluation of land and buildings, net of tax		(10,477)	4,626
Total comprehensive income for the year		(8,759)	12,542

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023

	Share capital $000	Revaluation reserve $000	Retained earnings $000	Total $000
At 1 July 2022	140,000	77,625	78,194	295,819
Profit for the year	0	0	1,718	1,718
Other comprehensive income net of income tax	0	(10,477)	0	(10,477)
Total comprehensive income/(deficit) for the year	0	(10,477)	1,718	(8,759)
At 30 June 2023	140,000	67,148	79,912	287,060

At 1 July 2021	140,000	72,999	85,278	298,277
Profit for the year	0	0	7,916	7,916
Other comprehensive income net of income tax	0	4,626	0	4,626
Total comprehensive income/(deficit) for the year	0	4,626	7,916	12,542
Transaction with owners in their capacity as owners				
Dividend paid in the year	0	0	(15,000)	(15,000)
At 30 June 2022	140,000	77,625	78,194	295,819

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	Notes	2023 $000	2022 $000
ASSETS			
Current assets			
Cash and cash equivalents	9	33,668	24,389
Short term investments	9	65,000	75,000
Trade and other receivables	10	74,416	72,021
Programme rights	12	24,885	30,863
Derivatives	20	106	453
Tax receivable	8	680	0
Total current assets		198,755	202,726
Non-current assets			
Property, plant and equipment	11	138,341	157,158
Right-of-use assets	13	2,943	1,821
Other intangibles	12	3,839	2,932
Deferred tax asset	8	1,024	0
Derivatives	20	14	105
Total non-current assets		146,161	162,016
Total assets		344,916	364,742
LIABILITIES			
Current liabilities			
Trade and other payables	17	47,101	51,635
Employee entitlements	17	3,944	4,802
Deferred income	18	1,803	2,887
Lease liabilities	13	784	163
Derivatives	20	386	0
Tax payable	8	0	5,488
Total current liabilities		54,018	64,975
Non-current liabilities			
Employee entitlements	17	782	834
Derivatives	20	12	1
Lease liabilities	13	2,250	1,693
Provisions	19	794	794
Deferred tax liability	8	0	626
Total non-current liabilities		3,838	3,948
Equity			
Share capital	22	140,000	140,000
Revaluation reserve	22	67,148	77,625
Retained earnings		79,912	78,194
Total equity		287,060	295,819
Total equity and liabilities		344,916	364,742

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 26 October 2023.

Alastair Carruthers CNZM
Chair

Megan Matthews
Chair, Audit and Risk Committee

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $000	2022 $000
Cash flows from operating activities			
Receipts from customers		324,134	337,542
Receipt of programme funding		6,067	5,400
Interest received		3,293	1,036
Payments to suppliers and employees		(318,384)	(321,724)
Interest paid		(268)	(198)
Income tax paid	8	(6,400)	(11,233)
Net cash flows from operating activities	23	8,442	10,823
Cash flows used in investing activities			
Proceeds from sale of property, plant and equipment		0	9
Purchase of property, plant and equipment	11	(4,817)	(3,997)
Purchase of intangibles	12	(2,020)	(804)
Sale/(purchase) of short term investments	9	10,000	10,000
Net cash flows used in investing activities		3,163	5,208
Cash flows used in financing activities			
Lease liability payments		(591)	(563)
Dividends paid		0	(15,000)
Net cash flows used in financing activities		(591)	(15,563)
Net increase/(decrease) in cash and cash equivalents		11,014	468
Net foreign exchange differences		(1,735)	382
Cash and cash equivalents at the beginning of the year		24,389	23,539
Cash and cash equivalents at the end of the year	9	33,668	24,389

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

1) CORPORATE INFORMATION

Television New Zealand Limited and its subsidiaries (together, "TVNZ") operate as a multi-channel television and digital media broadcasting and production company in New Zealand.

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

These consolidated financial statements were approved for issue by the Board of Directors on 26 October 2023.

2) SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

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 2013, Crown Entities Act 2004 and the Companies Act 1993. For the purposes of complying with NZ GAAP the entity is a for-profit entity. The consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments that have been measured at fair value, assets and liabilities that are designated in a fair value hedge relationship and land and buildings measured at fair value.

b) Statement of compliance

The consolidated financial statements of TVNZ comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for profit entities. The consolidated financial statements comply with International Financial Reporting Standards (IFRS).

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

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

The consolidated financial statements provide comparative information in respect of the previous year.

c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Television New Zealand Limited and its subsidiaries at 30 June 2023.

Subsidiaries are those entities controlled, directly or indirectly, by TVNZ. 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 TVNZ companies are eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is obtained by TVNZ and cease to be consolidated from the date on which control is transferred out of TVNZ. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

d) Changes in accounting policies and disclosures

There are no new standards or amendments to existing standards which have or are expected to have a material impact on TVNZ in the current or future reporting periods.

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 ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

a) Impairment Assessment / Commercial Valuation

Due to recent levels of market activity TVNZ commissioned a commercial valuation as at 30 June 2023 to determine if the fair market value less cost of disposal of TVNZ at balance date is greater than the carrying value of net assets for the purposes of NZ IAS36, Impairment of Assets.

Assets subject to risk of impairment were as follows:

	Asset Class	Recognition Basis	Carrying Value ($000)
1	Programme Rights	Amortised cost	$24,885
2	Prepaid Programme Rights	Cost	$27,216
3	Other Intangible Assets	Amortised cost	$3,839
4	Property, Plant & Equipment (excluding L&B held at fair value)	Cost less accumulated depreciation	$13,341
		TOTAL	$69,281

The assets were part of a single cash generating unit being the business as a whole. The basis of the valuation was a 5-year forecast prepared by TVNZ for this purpose. Significant judgements, estimates, and assumptions were made in the preparation of the forecast which contributed to the outcome of the valuation.

An independent third party was engaged to validate the financial data, forecasts, and complete the commercial valuation using discounted cash flow and capitalisation of normalised earnings analysis. The valuation was determined under a Fair Value Less Costs of Disposal basis as the most appropriate methodology as it allows for the assets of TVNZ to be assessed at their highest and best use.

The independent valuer identified the following key value drivers:

	Value Driver	Sensitivity
1	Revenue—Broadcast Linear TV	High
2	Revenue—Digital	High
3	Content Yield	Medium
4	Operating Costs	Medium
5	Weighted Average Cost of Capital	High

As described above, key assumptions around the discount rate, growth rate, future investments, and EV/EBIT multiples were all highly sensitive and any adverse changes in those assumptions would reduce the headroom of the assessment of fair value to $nil.

The valuation was prepared in the manner prescribed by NZICA AES-2 and is in accordance with Level 3 of the fair value hierarchy. The results of the valuation were benchmarked against comparable regional and global companies in the industry.

The valuation concluded that there was sufficient headroom above carrying value and that no impairment was required. For more information, see Note 4 Programming.

b) Impact on Policies

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

- Note 5 – Programming
- Note 11 – Fair value of land and buildings

4) OPERATING REVENUE

Accounting policy

TVNZ derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer at an amount that reflects the consideration to which TVNZ expects to be entitled in exchange for those services. Revenue is stated exclusive of goods and services tax (GST). Key classes of revenue are recognised on the following basis:

Advertising
TVNZ is in the business of providing advertising services on its free to air television and TVNZ+ digital streaming channels. Advertising revenue is recognised as income at the time the performance obligation has been met. Advertising revenue includes revenue from advertising, sponsorship and programme production funding on TVNZ 1, TVNZ 2, TVNZ DUKE, TVNZ + and tvnz.co.nz. Where TVNZ provides advertising for non-cash consideration, revenue is recognised at the fair value of the consideration received, unless TVNZ cannot reasonably estimate the fair value of the non-cash consideration; in which case revenue is recognised by reference to the stand-alone selling price of the advertising promised to the customer. TVNZ provides retrospective volume bonuses to certain customers once the quantity of advertising services purchased during the period exceeds a threshold specified in the contract. Volume bonuses are offset against amounts payable by the customer. To estimate the variable consideration for the expected future bonuses, TVNZ applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. TVNZ then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future bonuses.

Programme funding
Programme funding is recognised initially as deferred income when there is reasonable assurance that it will be received, and that TVNZ will comply with the conditions associated with the funding. Funding that compensates TVNZ for expenses incurred are recognised as income on a systematic basis in the same periods in which the expenses are recognised.

Other trading revenue
Other trading revenue is recognised in the accounting period in which the actual service has been provided. Other trading revenue includes revenue from production facilities, programme sales and multi feed service.

Significant financing component
TVNZ does not expect, at contract inception, that the period between the transfer of the promised goods or services from contracts with customers and when the customer pays for those goods and services to be more than one year. TVNZ applies the practical expedient in NZ IFRS 15 to not adjust the promised amount of consideration for the effects of a significant financing component.

Incremental cost of obtaining a contract
TVNZ has elected to apply the optional practical expedient in NZ IFRS 15 for costs to obtain a contract which allows TVNZ to immediately expense sales commissions (included under employee benefits) because the amortisation period of the asset that TVNZ otherwise would have used is one year or less.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

4) OPERATING REVENUE *(continued)*

	2023	2022
	$000	$000
Advertising revenue	308,987	321,037
Programme funding	4,948	6,811
Other trading revenue	13,695	13,841
	327,630	341,689

5) PROGRAMMING

	2023	2022
	$000	$000
Programme utilisation (Note 12)	178,831	184,210
Programme rights impairment (Note 12)	0	4,613
Prepaid programme rights impairment (Note 10)	0	658
	178,831	189,481

As part of the transition to a digital-led media company, during the year TVNZ reviewed its approach to assessing programme rights for impairment.

Programme rights are managed at a portfolio level and under a digital model, the economic benefits received when content is aired or streamed extends beyond the direct revenue generated by the content.

In prior years, an assessment has been undertaken to determine any impairment resulting from loss making contracts.

For FY23 programme rights have been assessed for impairment at a cash generating unit level. The assessment determined that the fair value of the cash generating unit was greater than the carrying value of programme rights, therefore no impairment has been recognised.

In FY22 an assessment of onerous programme rights contracts realised an impairment of $5.3m on two loss making contracts. This was calculated as the net of estimated revenue and the estimate of programme purchase commitments discounted to present values. This presents as an impairment of programme rights on hand and prepaid programme rights.

6) EXPENSES

Additional information in respect of expenses included within the Consolidated Income Statement is as follows:

	2023	2022
	$000	$000
Employee benefits expense		
Wages and salaries and other short term benefits	91,337	84,345
Superannuation contribution expense	3,379	3,214
Less employee benefits charged to programmes/capitalised	(32,398)	(29,046)
	62,318	58,513

Employee benefits increased in the year as TVNZ continued to invest in people to drive strategic initiatives, against the backdrop of a tight and competitive labour market.

6) EXPENSES *(continued)*

	2023 $000	2022 $000
Depreciation and amortisation		
Depreciation – PPE	11,740	12,140
Depreciation – right to use assets	646	579
Amortisation – software	1,009	3,163
Amortisation – licences	104	104
	13,499	15,986
Auditor's remuneration		
Audit of financial statements	379	340
Other assurance engagements*	5	4
Other non audit services**	8	8
	392	352
Reorganisation costs		
Reorganisation costs	946	508

*BSA levy return audit opinion pursuant to the Broadcasting Act 1989.
** Certain agreed upon procedures for APRA and RMNZ

Reorganisation costs relate to the costs of redundancy, outplacement and other costs associated with changes in operational areas of the business.

7) FOREIGN CURRENCY

Accounting policy

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.

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.

Derivative financial instruments held are denominated in foreign currencies. The increase or decrease in value of the derivative at balance date represents an unrealised foreign currency gain or loss, which is recognised in the financial statements.

Transactions involving derivatives record the exchange rate at date of purchase or sale in the foreign currencies and the functional currency. When the derivative is settled, the payment or receipt is translated into the functional currency at the prevailing exchange rate and any difference between the recorded exchange rate and the actual exchange rate results in a realised foreign currency gain or loss which is recognised in profit or loss.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

7) FOREIGN CURRENCY *(continued)*

	2023 $000	2022 $000
Fair value changes of derivative financial instruments gains	(836)	83
Foreign currency realised gains/(losses)	**(327)**	**(205)**
Foreign currency unrealised gains/(losses)	(572)	50
	(1,735)	(72)

8) INCOME TAX

Accounting policy

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 is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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 relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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.

The imputation credit account arises from the settlement of assets/liabilities recognised at balance date from:
(a) imputation credits that will arise from the payment of the amount of the provision for income tax
(b) imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
(c) imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

8) INCOME TAX *(continued)*

	2023 $000	2022 $000
a) Income tax		
The major components of income tax expense are:		
Income statement		
Current income tax		
Current period	203	5,581
Income tax under/(over) provided in prior years	29	10
	232	5,591
Deferred income tax		
Origination and reversal of temporary differences	597	(2,430)
	597	(2,430)
Total income tax expense	829	3,161
b) Reconciliation of income tax expense		
Profit before income tax for the year	2,547	11,077
Taxation at 28%	713	3,102
Adjusted for the tax effect of:		
Non deductible expenditure	87	49
Income tax under/(over) provided in prior years	29	10
Total tax expense	829	3,161

c) Recognised deferred tax assets/(liabilities)

	2023	
	Current income tax $000	Deferred income tax $000
Opening balance	(5,488)	(626)
Charged to income statement – tax expense	(232)	(597)
Charged to revaluation reserve	0	2,247
Other receipts	6,400	0
Closing balance	680	1,024
Tax expense in income statement		(829)
Amounts recognised in the balance sheet:		
Deferred tax liability		1,024

Notes to the Consolidated Financial Statements *(continued)*
FOR THE YEAR ENDED 30 JUNE 2023

8) INCOME TAX *(continued)*

c) Recognised deferred tax assets/(liabilities) *(continued)*

	2022	
	Current income tax $000	Deferred income tax $000
Opening balance	(11,129)	(1,724)
Charged to income statement – tax expense	(5,591)	2,430
Charged to revaluation reserve	0	(1,332)
Re-recognition of prior year deferred tax asset	11,232	0
Closing balance	(5,488)	(626)
Tax expense in income statement		(3,161)
Amounts recognised in the balance sheet:		
Deferred tax liability		(626)

	Balance Sheet	
	2023 $000	2022 $000
Deferred income tax at 30 June relates to the following:		
Deferred tax assets/(liabilities)		
Programme rights	4,090	5,384
Employee entitlements	1,887	2,238
Property, plant and equipment and software	(5,248)	(8,542)
Provisions	222	222
Other	73	72
	1,024	(626)

	2023 $000	2022 $000
d) Imputation credit account		
The amount of imputation credits available for use in subsequent reporting periods	40,337	39,856

The subsidiaries of TVNZ form part of the same consolidated tax group.

9) CASH AND CASH EQUIVALENTS AND SHORT TERM INVESTMENTS

Accounting policy
Cash and cash equivalents in the statement of financial position comprises of cash held on call and in hand.

Short term investments comprise of bank term deposits with maturity terms less than twelve months.

	2023 $000	2022 $000
Cash and cash equivalents	33,668	24,389
Short term investments	65,000	75,000
	98,668	99,389

10) TRADE AND OTHER RECEIVABLES

Accounting policy
Trade receivables are recognised and carried at original invoice amount (including GST) and subsequently measured at amortised cost, less an allowance for doubtful debts. Trade receivables are classified as subsequently measured at amortised cost on the basis of the assets contractual cash flow characteristics and TVNZ's business model for managing them. Trade receivables are held to collect the contractual cash flows.

Collectability of trade receivables is reviewed on an ongoing basis and debts that are known to be uncollectible are written off immediately. The allowance for doubtful debts is based on the difference between the contractual cash flows and those that TVNZ expects to receive. The allowance for doubtful debts considers historical loss experience adjusted for forward looking adjustments specific to the debtors and the economic environment.

	2023 $000	2022 $000
Trade receivables	40,137	43,792
Less provision for receivables impairment	(73)	(4)
Prepaid programme rights	27,216	23,934
Prepayments – other	5,268	3,727
Other receivables	1,868	572
	74,416	72,021

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

10) TRADE AND OTHER RECEIVABLES *(CONTINUED)*

At 30 June, the ageing analysis of trade receivables is as follows:

	2023 $000	2022 $000
Current	38,870	40,527
Up to 30 days overdue	1,112	2,904
Between 30 and 90 days	60	350
Over 90 days overdue	95	11
	40,137	43,792

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)..

11) PROPERTY, PLANT AND EQUIPMENT

Accounting policy
Items of property, plant and equipment (except for land and buildings) 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.

Land and buildings are measured at fair value less accumulated depreciation for buildings and impairments losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the consolidated income statement, the increase is recognised in the consolidated income statement. A revaluation deficit is recognised in the consolidated income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset's revaluation reserve.

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	up to 40 years
Plant and equipment	2 to 20 years
Motor vehicles	5 to 10 years

11) PROPERTY, PLANT AND EQUIPMENT *(continued)*

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.

Judgements and estimates
The land and buildings fair values are based on market valuations prepared by CBRE (2022: CBRE) on 30 June 2023, a registered independent valuer who has valuation experience for similar land and buildings in New Zealand, in accordance with Level 3 of the fair value hierarchy.

The valuations completed by the valuer for land and buildings are based on the market capitalisation and discounted cash flow methods. The significant input for the market capitalisation method is the market capitalisation rate.

The significant inputs for the discounted cash flow method are the discount rate, terminal yield, and average market growth rate.

The key assumptions used in determining the fair value of land and buildings are:

100 Victoria Street West, Auckland	2023	2022
Adopted market capitalisation rate	6.00%	5.13%
Adopted discount rate	7.50%	6.50%
Terminal yield	6.25%	5.50%
Average market growth rate (p.a.)	2.16%	2.15%

Changes in key assumptions would have an impact on the value of land and buildings. Significant decreases (increases) in market capitalisation rate, discount rate, or terminal yield would result in a significantly higher (lower) fair value. Significant increases (decreases) in average market growth rate would result in a higher (lower) fair value.

The land and buildings were revalued to $125,000,000 (FY22: $144,000,000) resulting in a net loss of $10,477,000 being recognised in Other Comprehensive Income during the year (2022: Net gain of $4,626,000). The revaluation movement in the current year has largely been driven by an increase in the capitalisation rate, reflecting current economic conditions. Increased interest rates and a softening of demand have also impacted the value of commercial property in the current market.

The estimated useful life of a particular asset is based on historical experience, the expected service potential of the asset and technological advances. Adjustments to useful lives are made when considered necessary.potential of the asset and technological advances. Adjustments to useful lives are made when considered necessary.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

11) PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Land & Buildings $000	Plant & Equipment $000	Motor Vehicles $000	Work in Progress $000	Total $000
Year ended 30 June 2023					
At 1 July 2022 net of accumulated depreciation and impairment	144,329	9,474	714	2,641	157,158
Revaluation	(12,724)	0	0	0	(12,724)
Additions	0	0	0	5,686	5,686
Transfers from/(to) WIP	235	6,796	175	(7,206)	0
Reclassification to Software WIP	0	0	0	(38)	(38)
Disposals	0	(1)	0	0	(1)
Depreciation charge	(6,529)	(4,868)	(343)	0	(11,740)
Closing net book amount	125,311	11,401	546	1,083	138,341
At 30 June 2023					
Cost and valuation	127,011	78,187	2,518	1,083	208,799
Accumulated depreciation and impairment	(1,700)	(66,786)	(1,972)	0	(70,458)
	125,311	11,401	546	1,083	138,341
Year ended 30 June 2022					
At 1 July 2021 net of accumulated depreciation and impairment	144,419	10,504	1,101	3,369	159,393
Revaluation	5,958	0	0	0	5,958
Additions	0	0	0	4,436	4,436
Transfers from WIP	371	4,246	108	(4,725)	0
Reclassification from Software WIP	0	0	0	(439)	(439)
Disposals	(10)	(30)	(10)	0	(50)
Depreciation charge	(6,409)	(5,246)	(485)	0	(12,140)
Closing net book amount	144,329	9,474	714	2,641	157,158
At 30 June 2022					
Cost	145,949	72,295	2,388	2,641	223,273
Accumulated depreciation and impairment	(1,620)	(62,821)	(1,674)	0	(66,115)
	144,329	9,474	714	2,641	157,158

12) INTANGIBLE ASSETS

Accounting policy

Programme rights

Television programmes which are available for use, including those acquired overseas, are recorded at cost less amounts charged to the consolidated 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.

Software

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.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred

Frequency licences

Frequency licences are recorded at cost less amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the period of the licence, 20 years..

Development costs

Development costs on internal projects are only capitalised when the following can be demonstrated:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during 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 consolidated income statement in the period the item is derecognised.

12) INTANGIBLE ASSETS *(continued)*

	Programme Rights $000	Software $000	Licences $000	Total $000
Year ended 30 June 2023				
At 1 July 2022 net of accumulated amortisation and impairment	30,863	1,909	1,023	33,795
Additions (internally generated)	52,610	471	0	53,081
Additions (externally purchased)	120,243	1,511	0	121,754
Reclassification from PPE WIP	0	38	0	38
Amortisation charge	(178,831)	(1,009)	(104)	(179,944)
Closing net book amount	24,885	2,920	919	28,724
At 30 June 2023				
Cost	206,434	35,049*	3,109	244,592
Accumulated amortisation and impairment	(181,549)	(32,129)	(2,190)	(215,868)
	24,885	2,920	919	28,724
Current asset	24,885	0	0	24,885
Non-current asset	0	2,920	919	3,839
	24,885	2,920	919	28,724
Year ended 30 June 2022				
At 1 July 2021 net of accumulated amortisation and impairment	36,957	4,268	1,127	42,352
Additions (internally generated)	52,270	0	0	52,270
Additions (externally purchased)	130,459	365	0	130,824
Reclassifications	0	439	0	439
Amortisation charge	(184,210)	(3,163)	(104)	(187,477)
Impairment	(4,613)	0	0	(4,613)
Closing net book amount	30,863	1,909	1,023	33,795
At 30 June 2022				
Cost	153,069	33,030*	3,109	189,208
Accumulated amortisation and impairment	(122,206)	(31,121)	(2,086)	(155,413)
	30,863	1,909	1,023	33,795
Current asset	30,863	0	0	30,863
Non-current asset	0	1,909	1,023	2,932
	30,863	1,909	1,023	33,795

*Included in software are assets under development of $0 (2022: $373,000).

13) LEASES

Accounting policy
Right of use assets and lease liabilities arising from a lease are initially measured on a present value basis.

TVNZ recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. In considering the lease term, TVNZ applies judgement in determining whether it is reasonably certain that an extension or termination option will be exercised.

In calculating the present value of lease payments, TVNZ uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

	2023	2022
	$000	$000
Right of use assets		
At 1 July	1,821	453
Additions	1,768	1,993
Depreciation for the period	(646)	(579)
Disposal (early termination of lease)	0	(46)
Closing net book amount	2,943	1,821
Lease liabilities		
At 1 July	1,856	467
Additions	1,769	2,000
Interest for the period	141	71
Lease payments made	(732)	(634)
Disposal (early termination of lease)	0	(48)
Lease liabilities at 30 June	3,034	1,856
Lease Liability – current	784	163
Lease Liability – non-current	2,250	1,693
	3,034	1,856
Lease related expenses included in the income statement		
Depreciation	646	579
Interest on leases	141	71
	787	650

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

14) GROUP COMPANIES

The Group consists of TVNZ and its subsidiaries. The subsidiaries of TVNZ comprise:

		% holding	
Name	Principal activity	2023	2022
Freeview Television Limited	Non trading	100%	100%
NZOOM Limited	Non trading	100%	100%
TVNZ International Limited	Non trading	100%	100%
TVNZ Investments Limited	Non trading	100%	100%

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

15) INTEREST IN JOINT VENTURES

Accounting policy
TVNZ's interest in a joint venture is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, TVNZ'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.

			% holding	
Name	Balance Date	Principal activity	2023	2022
Freeview Limited	30 June	Free to air digital platform	44.9%	44.9%

To the knowledge of the Directors, there are no contingent liabilities relating to TVNZ's interest in the joint venture and no contingent liabilities of the joint venture itself.

16) BANK OVERDRAFT AND BORROWING

Accounting policy
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.

TVNZ has a revolving cash advance facility committed to a maximum amount of $20.0 million (2022: $20.0 million); this facility expires in December 2024. This facility is undrawn at 30 June 2023 (2022: undrawn). Refer Note 21 for details on management of interest rate risk related to borrowings.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

17) TRADE AND OTHER PAYABLES

Accounting policy

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 TVNZ becomes obliged to make future payments resulting from the purchases of goods and services.

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.

	2023 $000	2022 $000
Current		
Trade payables and accruals	9,787	10,118
Other payables and accruals	17,069	12,534
Overseas programme creditors	20,245	28,983
	47,101	51,635
Employee entitlements		
Current	3,944	4,802
Non-current	782	834
	4,726	5,636

The carrying value of trade and other payables is assumed to approximate their fair value.

18) DEFERRED INCOME

	2023 $000	2022 $000
Programme funding (NZOA/TMP)	576	276
Other	1,227	2,611
	1,803	2,887

Programme funding received during the year was in the form of cash and has been recorded at fair value. New Zealand On Air (NZOA) and Te Mangai Paho (TMP) provide funding for the production and broadcast of specific programmes.

Funding is recognised in the consolidated income statement to match the expenditure associated with this funding.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

19) PROVISIONS

Movement in provisions

Accounting policy
Provisions are recognised when TVNZ has a present legal or constructive obligation 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.

	Reorganisation $000	Make good $000	Total $000
At 1 July 2022	0	794	794
At 30 June 2023	0	794	794
At 30 June 2023			
Current	0	0	0
Non-current	0	794	794
	0	794	794
At 1 July 2021	474	759	1,233
Raised during the year	0	35	35
Utilised during the year	(474)	0	(474)
At 30 June 2022	0	794	794
At 30 June 2022			
Current	0	0	0
Non-current	0	794	794
	0	794	794

Nature and timing of provision
Reorganisation
The reorganisation provision balance related to the costs of redundancy, outplacement and other costs associated with changes in operational areas of the business to align with TVNZ strategy and technology changes.

Make good
At the expiration of property leases, TVNZ is required to restore the property to a standard as specified in the lease agreement. The estimated costs to restore the property have been prepared by independent advisors.

20) DERIVATIVES

Accounting policy
TVNZ uses derivative financial instruments, within predetermined policies and limits, to manage its exposure to foreign currency exchange rate risk. TVNZ 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 a fair value hedge when it hedges the exposure to changes in the fair value of a recognised asset or liability or a firm commitment.

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

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 consolidated 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.

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

	2023 $000	2022 $000
Current assets		
Forward currency contracts	106	453
	106	453
Non-current assets		
Forward currency contracts	14	105
	14	105
Current liabilities		
Forward currency contracts	386	0
	386	0
Non-current liabilities		
Forward currency contracts	11	0
Foreign currency embedded derivative contracts	1	1
	12	1

Notes to the Consolidated Financial Statements *(continued)*
FOR THE YEAR ENDED 30 JUNE 2023

20) DERIVATIVES *(continued)*

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

i) Forward currency contracts
TVNZ 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.

	2023 NZD $000	2022 NZD $000
Buy AUD/Sell NZD – Maturity 0 - 12 months	23,790	14,280
Buy AUD/Sell NZD – Maturity 13 - 24 months	3,297	3,781

21) FINANCIAL RISK FACTORS

TVNZ's activities expose it to a variety of financial risks including currency risk, credit risk, liquidity risk, and interest rate risk. TVNZ's overall risk management policy seeks to minimise potential adverse effects on TVNZ'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. TVNZ enters into derivative transactions, principally forward currency contracts, only if they relate to underlying exposures.

TVNZ 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.

Currency risk
TVNZ undertakes transactions denominated in foreign currencies, predominately Australian dollars, for programme rights' purchases. As a result of these transactions TVNZ has exposure to foreign exchange risk. TVNZ's foreign exchange policy is to hedge a portion of material foreign currency denominated costs at the time of the commitment on a rolling 36-month basis. TVNZ 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.

21) FINANCIAL RISK FACTORS *(continued)*

At 30 June TVNZ had the following foreign currency exposures:

	2023 $000	2022 $000
Financial assets		
Cash and cash equivalents	3,636	1,081
Trade and other receivables	116	297
	3,752	1,378
Financial liabilities		
Trade and other payables	(13,662)	(22,177)
	(13,662)	(22,177)
Foreign currency derivatives		
Forward contracts	27,087	18,061
Embedded derivatives	(22)	(22)
	27,065	18,039
Total net exposure	17,155	(2,760)

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:

	Post tax profit		Equity	
	+10% $000	(10%) $000	+10% $000	(10%) $000
2023	(927)	904	(927)	904
2022	628	(628)	628	(628)

Interest rate risk
TVNZ's exposure to interest rate risk relates primarily to cash and cash equivalents.

At 30 June, TVNZ had the following mix of financial assets and liabilities exposed to variable interest rate risk.

	2023 $000	2022 $000
Financial assets		
Cash and cash equivalents	33,668	24,389
Short term investments	65,000	75,000
Financial liabilities		
Bank overdrafts	0	0
Net exposure	98,668	99,389

TVNZ uses interest rate swaps to hedge any underlying debt obligations. No interest rate swaps are held at 30 June 2023 (2022: nil).

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

21) FINANCIAL RISK FACTORS *(continued)*

Credit risk

Credit risk is the risk of financial loss to TVNZ if a customer or counterparty to a financial instrument fails to meet its obligations. In the normal course of business TVNZ incurs credit risk with financial institutions and trade receivables. TVNZ 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 TVNZ. TVNZ has a credit insurance policy for a selected range of agencies, to protect against loss through default. TVNZ does not have any other significant concentrations of credit risk.

TVNZ does not require collateral or security to support financial instruments due to the quality of the counterparties with which it deals.

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

At 30 June 2023 TVNZ has available $20.0m (2022: $20.0m) of undrawn committed facilities. These bank facilities expire in December 2024.

The table below analyses the contractual cash flows for all financial liabilities and derivatives. The forward exchange contracts inflow and outflow are notional values.

2023	Within one year $000	One to two years $000	Two to five years $000	Total $000
Bank overdraft	0	0	0	0
Trade and other payables	47,101	0	0	47,101
Forward exchange contracts – outflow	23,790	3,297	0	27,087
Forward exchange contracts – inflow	(23,510)	(3,300)	0	(26,810)
	47,381	(3)	0	47,378

2022	Within one year $000	One to two years $000	Two to five years $000	Total $000
Bank overdraft	0	0	0	0
Trade and other payables	51,635	0	0	51,635
Forward exchange contracts – outflow	14,280	3,781	0	18,061
Forward exchange contracts – inflow	(14,733)	(3,886)	0	(18,619)
	51,182	(105)	0	51,077

21) FINANCIAL RISK FACTORS *(continued)*

Fair value
TVNZ 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 value of land and buildings is estimated using level 3 criteria, refer to Note 11 for valuation details.

There were no transfers between Level 1 and Level 2 during the year (2022: none).

The fair values of these Level 2 valuations are presented in the following table.

	2023 $000	2022 $000
Financial assets		
Derivative instruments		
Foreign currency contracts	120	558
Foreign currency embedded derivative contracts	0	0
	120	558
Financial liabilities		
Derivative instruments		
Foreign currency contracts	397	0
Foreign currency embedded derivative contracts	1	1
	398	1

For purposes of subsequent measurement, financial assets and liabilities are classified at fair value through profit or loss.

The fair value of land and buildings is assessed under Level 3 of the fair value hierarchy. The value of land and buildings are determined based on market valuations prepared by an independent registered valuer. Changes in fair value are recognised in the Statement of Comprehensive Income.

Capital management
TVNZ'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. TVNZ targets a gearing ratio of less than 40% (refer note 28e).

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

22) SHARE CAPITAL AND RESERVES

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

Share capital

As at 30 June 2023 there were 140,000,000 shares issued and fully paid (2022: 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 TVNZ's residual assets.

Revaluation reserve

	2023 $000	2022 $000
Movement in Revaluation reserve:		
Opening balance	77,625	72,999
Charged to other comprehensive income (net of tax)	(10,477)	4,626
Closing balance at 30 June	67,148	77,625

The revaluation reserve records the cumulative change in value, net of tax, of Land & Buildings held by TVNZ.

23) CASH FLOW STATEMENT RECONCILIATION

	Notes	2023 $000	2022 $000
Reconciliation of net profit after tax to net cash flows from operations			
Net profit		1,718	7,916
Adjustments for:			
Depreciation and amortisation (excluding programme rights)	6	13,499	15,986
Loss on disposal of property, plant and equipment		1	49
Unrealised foreign currency losses/(gains)	7	1,408	(132)
Impairment of Programme rights	5,10	0	658
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(2,395)	(7,777)
(Increase)/decrease deferred tax		(1,650)	(2,430)
(Increase)/decrease programme rights		5,978	6,094
Increase/(decrease) trade and other payables		(2,865)	(3,710)
Increase/(decrease) deferred income		(1,084)	249
Increase/(decrease) income tax payable		(6,168)	(5,641)
Increase/(decrease) provisions		0	(439)
Net cash from operating activities		8,442	10,823

24) RELATED PARTY DISCLOSURES

a) Subsidiaries

The consolidated financial statements include the financial statements of TVNZ and its subsidiaries, listed in note 14.

b) Joint venture

The following table provides the total amount of transactions that were entered into with Joint Ventures.

	2023 $000	2022 $000
Joint venture		
Revenue from Freeview Limited	1,011	949
Purchases from Freeview Limited	554	322
Amounts owed by Freeview Limited	295	216

All transactions with the joint venture arise in the normal course of business.
None of the balances are secured.

c) Government entities

	2023 $000	2022 $000
Funding from NZOA and TMP	4,936	6,728
Revenue from crown entities	2,034	914
Revenue from crown departments	1,415	1,447
Purchases from crown entities	3,411	7,458
Amounts owed by crown entities	475	1,006
Amounts owed to crown entities	4	142

All sales and purchases with government owned entities arise in the normal course of business. None of the balances are secured. Revenue from crown departments includes revenue from Ministry of Culture and Heritage to reimburse costs incurred relating to the establishment of ANZPM (2022: Ministry of Education for production services).

d) Key management personnel

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

Key Management		
Salary and other short term benefits (incl termination benefits)	6,096	6,922
Defined contribution superannuation expense	291	354
Termination benefits	430	332
	6,817	7,608
Directors' Fees	369	344

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 in the normal course of business.

Notes to the Consolidated Financial Statements *(continued)*

FOR THE YEAR ENDED 30 JUNE 2023

25) COMMITMENTS

	2023 $000	2022 $000
a) Programme rights		
Within one year	92,773	98,424
One to five years	62,737	35,766
Later than five years	0	0
	155,510	134,190

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

	2023 $000	2022 $000
b) Property, plant and equipment and software		
Within one year	463	505
One to five years	0	0
	463	505

26) CONTINGENT LIABILITIES

In the normal course of business various legal claims have been made against TVNZ. Given the absence of formal proceedings and uncertainty as to the outcomes of these 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 1 July 2023 there were four new appointments to the Board of TVNZ, replacing five retiring Directors whose terms finished on 30 June 2023. Details can be found in the additional information following these financial statements.

On 1 July 2023 Brent McAnulty was appointed to the role of Interim CEO. He replaces outgoing CEO Simon Power who departed on 30 June 2023.

On 23 September 2023 Tracey Richardson was appointed to the role of Interim CFO. She replaces outgoing CFO Ciara McGuigan who departed on 22 September 2023.

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

28) COMPARISON OF FORECAST TO ACTUAL RESULTS

Forecast amounts

The forecast amounts are those approved by the Board before the beginning of the 2023 financial year. They have been prepared using the same accounting policies as those used in the preparation of these financial statements. The forecast amounts have not been audited..

EBITDAF – Earnings before interest, tax, depreciation, amortisation, financial instruments, and joint ventures.

	Actual $000	Forecast $000
a) Financial performance		
Revenue	327,630	347,010
Operating expenses	(313,565)	(338,322)
EBITDAF	14,065	8,688
Interest income	4,032	572
Interest expense	(315)	(59)
Depreciation and amortisation	(13,499)	(14,356)
Financial instruments/foreign currency gains/(losses)	(1,736)	0
Income tax expense	(829)	0
Net profit/(loss) for the year	1,718	(5,155)
b) Movements in equity		
Net profit/(loss) for the year	1,718	(5,155)
Distributions to the shareholder	0	0
Other comprehensive income	(10,477)	0
Movements in equity for the year	(8,759)	(5,155)
Equity at start of the year	295,819	290,678
Equity at end of the year	287,060	285,523

Operating revenue of $327.6 million was $19.4m below forecast following a decline in advertising revenue performance in the second half of the year.

TVNZ reported an EBITDAF of $14.1 million for the financial year ending 30 June 2023, $5.4m higher than forecast. This was driven by Operating expenses being below forecast with $10.7m lower content spend.

28) COMPARISON OF FORECAST TO ACTUAL RESULTS *(continued)*

c) Financial position		
Current assets	198,755	189,794
Non-current assets	146,161	153,157
Total assets employed	344,916	342,951
Current liabilities	54,018	57,475
Non-current liabilities	3,838	-
Total liabilities	57,856	57,475
Share capital	140,000	140,000
Revaluation reserve	67,148	73,000
Retained earnings	79,912	72,523
Total equity	287,060	285,523
Total equity and liabilities	344,916	342,998

Current assets are above forecast by $9.0m due to higher opening cash position compared to forecast. Non-current assets are below forecast by $7.0m, predominantly due to the revaluation of land and buildings.

	Actual $000	Forecast $000
d) Cash flows		
Net cash flows from/(to):		
Operating activities	8,442	6,892
Investing activities	3,163	(14,700)
Financing activities	(591)	(300)
Net increase/(decrease) in cash held	11,014	(8,108)
Add opening cash brought forward	24,389	30,400
Net foreign exchange differences	(1,735)	0
Ending cash carried forward	33,668	22,292

Stronger than expected EBITDAF performance resulted in cash flows from operating activities being $1.6m above forecast. The difference in cash flows from investing activities is due to changes in the amount of funds held on term deposit.

e) Performance targets		
Profitability		
Return on average equity	4.8%	3.0%
Gearing		
Net interest bearing debt/net interest bearing debt plus equity	0.0%	0.0%
Financial stability		
Total equity/total assets	83.2%	83.3%
Interest cover		
EBITDAF/interest expense	45 times	147 times

Report of the Auditor-General

Building a better working world

TO THE READERS OF TELEVISION NEW ZEALAND LIMITED'S GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Television New Zealand Limited (TVNZ) and its subsidiaries (the Group). The Auditor-General has appointed me, Lloyd Bunyan, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the Group on his behalf.

OPINION

We have audited:

- the financial statements of the Group on pages 37 to 69, that comprise the consolidated statement of financial position as at 30 June 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion:

- the financial statements of the Group:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with International Financing Reporting Standards and NZ equivalent to International Financial Reporting Standards.

Our audit was completed on 26 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, 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 FOR THE FINANCIAL STATEMENTS

The Board is responsible on behalf of the Group for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such

Report of the Auditor-General

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internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Group, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004, Television New Zealand Act 2003, Companies Act 1993 and the Public Finance Act 1989.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, 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.

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

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, 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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report of the Auditor-General

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- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Board is responsible for the other information. The other information comprises the information on pages 36 and 74 to 77 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements 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, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENCE

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

In addition to the audit we have provided other assurance and agreed upon procedures to the Group. Other than the audit, and these services, we have no relationship with or interests in the Group.

Lloyd Bunyan
On behalf of the Auditor-General
Auckland, New Zealand

Additional Information

PRINCIPAL ACTIVITY

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

SHAREHOLDING

TVNZ is wholly owned by the Crown.

The Shareholding Ministers at balance date were:

Hon Grant Robertson	Minister of Finance
Hon Willie Jackson	Minister of Broadcasting & Media

DIRECTORS

Andy Coupe (Chair), Trish Carter, Keiran Horne, Tokorangi Kapea, and Kevin Molloy all retired from the Board when their terms ended on 30 June 2023.

Alastair Carruthers CNZM (Incoming chair), Ripeka Evans, Linda Clark, and John Quirk were appointed to the Board on 1 July 2023.

Megan Matthews and Aliesha Staples were reappointed to the Board on 1 July 2023.

Future Director, Ben Forman concluded his term in October 2022.

AUDITOR

The Auditor-General is the auditor of TVNZ in accordance with Section 14 (1) of the Public Audit Act 2001 and has appointed Lloyd Bunyan of Ernst & Young to act for and on his behalf as auditor in 2023.

GENERAL DISCLOSURES

The following disclosure of interests were made to the Board:

DIRECTORS' DISCLOSURES

General disclosures of interest given by TVNZ pursuant to Section 211 of the Companies Act 1993 as at 30 June 2023:

R A Coupe (retiring Chair)

Barramundi Limited	Director
Briscoe Group Limited	Director
Coupe Consulting Limited	Director
Kingfish Limited	Director
Marlin Global Limited	Director

P M Carter (retiring)

Asia New Zealand Foundation	Editorial Advisor
Empire Foods (NZ) Limited	Director

K A Horne (retiring)

CEC Charitable Trust	Trustee/Treasurer
Conductive Education Canterbury	Treasurer
Enable Networks & Services Limited	Director, Chair Audit & Risk Committee
Hamilton City Council	Chair Audit and Risk Comittee
New Zealand Lotteries Commission	Commissioner
Quayside Holdings Limited	Director
Quayside Properties Limited	Director
Quayside Securities Limited	Director
ScreenSouth Limited	Chair
University of Canterbury	Council Member

T T Kapea (retiring)

Basketball New Zealand	Director
Colabanz 2 Kitchener Limited	Director
Duke Exploration Pty Limited	Director
Te Ara Pounamu Limited	CEO
Tuia Group Limited and subsidiaries	Director / Partner

K M Malloy (retiring)

Halberg Foundation	Trustee
Kiwibank Limited	Director
kM54 Limited	Director
NZ Cricket	Director
NZTE	Beachheads Advisor
Sport New Zealand	Consultant
Super Rugby Governance Board	Chair

M R Matthews

Cawthron Institute	Chair
Halberg Foundation	Trustee
Kono NZ LP	Director
Port Nelson	Director
RealNZ Limited and subsidiaries	Director

A N E Staples

Antartic Heritage Trust	Director
Click Foundation	Trustee
Creative Coworking Ltd	Director
Institute of Directors	Director
New Zealand Football Foundation	Chair
Scanmonster Ltd	Director
Sphere Interactive	Director
Staples Productions Ltd	CEO
StaplesVR Ltd (UK)	

Additional Information

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 & BENEFITS

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

Director	$
Andy Coupe (Chair, Retired 30 June 2023)	89,350
Trish Carter (Retired 30 June 2023)	44,675
Keiran Hornev (Retired 30 June 2023)	50,659
Toko Kapea (Retired 30 June 2023)	44,675
Kevin Malloy (Deputy Chair, Retired 30 June 2023)	50,659
Meg Matthews	44,675
Aliesha Staples	44,675
	369,368

DIRECTORS' INDEMNITY INSURANCE

TVNZ arranged Directors' and Officers' liability insurance cover with QBE Insurance (International) Limited for $30 million. This cover includes all Directors and Officers of TVNZ. In addition, TVNZ holds Statutory Liability cover with QBE for the benefit of Directors and Officers which provided $6 million total cover.

TVNZ'S APPROACH TO EXECUTIVE REMUNERATION

TVNZ's executive remuneration policy is to pay for performance. The Company's policy line is market median for total remuneration package and upper quartile as required for critical roles where there is high market demand, and for employees identified as key talent.

Total remuneration is made up of fixed remuneration and short-term performance incentives (STI). Short term incentives are deemed 'at risk' as the outcome is determined by performance against a combination of predetermined financial and non financial objectives.

FIXED TERM REMUNERATION

Fixed remuneration consists of base salary and benefits (superannuation).

TVNZ executives are eligible to select between or contribute to both KiwiSaver and the Superlife Millennium super scheme. TVNZ will match employee contributions up to a maximum of 5% of gross taxable earnings.

SHORT-TERM PERFORMANCE INCENTIVES

Short-term incentives (STIs) are at-risk payments designed to motivate and reward for performance in that financial year.

The purpose of an 'at risk' element of total remuneration is to drive a strong performance culture and to differentiate between levels of achievement. The TVNZ framework links annual remuneration outcomes to individual and company performance.

The scheme has been designed to ensure an appropriate balance between fixed and "at risk" performance based pay. The target value of an STI payment is set as a percentage of the executive's base salary. For FY23 the target for the Chief Executive was 45%, and for other executives it was 40%. These percentage targets take into account that there is no long-term at risk performance incentive (LTI) component to remuneration at TVNZ.

The STI targets specify a performance 'floor' and 'ceiling'. Below the 'floor' results in an achievement rating of 0%. The 'floor' results in a minimum achievement rating of 20%. Achieving 'target' results in an achievement rating of 100%. Achieving the 'ceiling' or above results in a maximum achievement rating of 150%. A linear scale is used to assess achievement between floor and ceiling targets.

The targets, hurdles and weighting for the STI scheme are set annually by the Board. The Board may agree a change to the targets, hurdles and weighting during a financial year and from year to year at its sole discretion. Such changes could result from shifts in market environment, changes to strategy and business direction, and business financial circumstances.

Additional Information

SHORT-TERM PERFORMANCE INCENTIVES *(continued)*

The incentive scheme for FY23 was split into three parts:

1. Financial Performance Assessment – 40%

The financial performance measure of EBITDAF and revenue objectives are assessed at the end of the year against targets and a multiplier between 0-150% ascribed to the outcome.

2. Digital Growth – 40%

Digital growth includes financial and non-financial performance measures of revenue and reach objectives which are assessed at the end of the year against targets and a multiplier between 0-150% ascribed to the outcome.

3. Leadership – 20%

A non-financial performance framework of leadership measures which are assessed at the end of the year against targets and a multiplier between 0-150% ascribed to the outcome.

CHIEF EXECUTIVE REMUNERATION

The CEO's remuneration paid during the year is detailed below:

	2023 $	2022 $
Base Salary	777,622	250,000
Holiday Pay	45,293	0
Fixed Remuneration	822,915	250,000
Short Term Performance Incentive	135,533	0
Superannuation	47,700	12,440
Total	1,006,148	262,440

Note:

- The CEO resigned during the year and finished on 30 June 2023.
- The CEO was appointed on 1 March 2022 and the comparative figures are for four months.
- The annual short-term performance incentive paid in September of each year relates to performance against the criteria set for the previous financial year.
- Holiday pay is paid as per New Zealand legislation.
- The Chief Executive is a member of the Superlife Millennium super scheme. As a member of this scheme, the Chief Executive is eligible to contribute and receive a matching company contribution of 5% of gross taxable earnings.

FIVE-YEAR SUMMARY – CHIEF EXECUTIVE'S REMUNERATION

	Base salary $	Total remuneration paid $*	Percentage STI against maximum %^	STI target as % of base salary
FY23	777,622	1,006,149	120%	45%
FY22	810,571	2,349,474	136% & 144%	62.5% & 45%
FY21	840,857	897,628	0%	62.5%
FY20	840,857	1,599,930	81%	62.5%
FY19	840,857	1,548,729	81%	57.5%

*Total remuneration paid including salary, benefits and STI payments

^STI payments are related to performance for the previous financial year. FY22 includes an award for the current and previous financial year.

BREAKDOWN OF CHIEF EXECUTIVE'S PAY FOR PERFORMANCE FOR FY23

The CEO resigned during the year and so there is no STI payable for FY23.

Short Term Incentive	Performance Measures	Percentage achieved %
Set at 45.0% of base salary. Based on a combination of key financial and non-financial performance measures.	40% based on Financial Performance	N/A
	40% based on Digital Growth	N/A
	20% based on Leadership	N/A
	Total Award	N/A

FY24 CHIEF EXECUTIVE'S REMUNERATION STRUCTURE

The Board would usually elect, in the interests of transparency, to disclose in advance the structure and package that will apply to the CEO for the upcoming year. As there is currently an interim CEO in place, this voluntary disclosure will pause until a permanent appointment has been made.

Additional Information

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.

TVNZ is committed to paying its permanent employees the living wage as a minimum and has done so since 2014.

	Current employees	Former employees
$100,001 - $110,000	64	3
$110,001 - $120,000	45	4
$120,001 - $130,000	48	4
$130,001 - $140,000	33	0
$140,001 - $150,000	25	3
$150,001 - $160,000	18	2
$160,001 - $170,000	16	1
$170,001 - $180,000	17	1
$180,001 - $190,000	11	0
$190,001 - $200,000	11	0
$200,001 - $210,000	6	0
$210,001 - $220,000	6	0
$220,001 - $230,000	7	0
$230,001 - $240,000	4	0
$240,001 - $250,000	2	0
$250,001 - $260,000	4	2
$260,001 - $270,000	3	0
$270,001 - $280,000	3	0
$290,001 - $300,000	3	0
$300,001 - $310,000	1	0
$310,001 - $320,000	1	0
$320,001 - $330,000	4	0
$350,001 - $360,000	1	0
$380,001 - $390,000	2	0
$390,001 - $400,000	0	1
$410,001 - $420,000	1	0
$420,001 - $430,000	1	0
$490,001 - $500,000	2	0
$520,001 - $530,000	1	0
$530,001 - $540,000	1	0
$600,000 - $610,000	1	0
$610,001 - $620,000	1	1
$620,001 - $630,000	1	0
$630,001 - $640,000	1	0
$650,001 - $660,000	1	0
$670,001 - $680,000	1	0
$1,000,001 - $1,010,000	0	1
	347	23

EMPLOYEE COMPENSATION ON TERMINATION OF EMPLOYMENT

During the year $673,100 compensation was paid in total to 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 Television New Zealand Act 2003 and 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 objectives, functions, Statement of Intent and Statement of Performance Expectations.

The Board negotiates the Statement of Intent and Statement of Performance Expectations 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 12 times during the financial year. Much of its focus was on preparation for TVNZ's expected transition to Aotearoa New Zealand Public Media (ANZPM).

The Board has delegated day-to-day management to the Chief Executive Officer. Policies are in place which 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, being the Minister for Broadcasting and Media, and the Minister of Finance, make all appointments to the Board, including that of the Chair. 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 80 of this report.

BOARD COMMITTEES

The Board has two standing committees:

Audit and Risk Committee
The Audit and Risk Committee met four 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 Keiran Horne (Chair), Megan Matthews and Andy Coupe.

Remuneration, People & Culture Committee
The Remuneration, People & Culture Committee met four 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 People and Culture 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 Kevin Malloy (Chair), Trish Carter, Toko Kapea, Aliesha Staples and Andy Coupe.

A third committee established in June 2022 continued during FY23:

Technology Committee
The Technology Committee met four times during the year. The Committee's role is to oversee the Company's investment in technology, specifically a new IP Platform which will enable TVNZ's digital transformation.

At year end, membership of the Committee comprised of Aliesha Staples (Chair), Keiran Horne, Toko Kapea and Andy Coupe.

Other Roles
Andy Coupe and Aliesha Staples served on the Establishment Board in preparation for ANZPM.

Key Governance Statements

OCCUPATIONAL WELL-BEING AND SAFETY

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.

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 and could continue to operate in line with its statutory obligations and audience expectations.

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. .

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 Lloyd Bunyan of Ernst & Young to act as external auditor on his 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 bi-annual review is undertaken, the results of which are reported to the Audit and Risk Committee. .

Media 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 codes of practice 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.

In addition, the Company's online news and entertainment content is subject to the jurisdiction of the New Zealand Media Council.

Director Profiles

ANDY COUPE

CHAIR – HAMILTON

Andy is a professional director who has had more than 30 years' experience in investment banking. He is a director of Briscoe Group Ltd, and Chair of Kingfish Ltd, Barramundi Ltd, and Marlin Global Ltd. He is also the former Chair of the New Zealand Takeovers Panel. Andy is a chartered member of the Institute of Directors.

KEVIN MALLOY

DEPUTY CHAIR – AUCKLAND

Kevin has extensive experience in advertising and marketing in New Zealand, New York, Hong Kong and London.

He was with the global media agency Starcom for 29 years, including the role of Global Client Director on both Coca-Cola and P&G. Kevin also held the role of Chair for Australia/New Zealand for Vivaki (the trading arm for Publicis Groupe, who own Starcom and Zenith Optimedia).

Kevin is currently on the Board of Kiwibank, NZ Cricket and the Halberg Foundation. He is a Beachheads Advisor for NZTE and has a consulting role working with a number of organisations.

TRISH CARTER

AUCKLAND

Trish Carter has worked internationally and in New Zealand radio and television broadcasting for over 30 years. She has expertise in configuring and managing complex media projects and has specialised knowledge in competitive news formats and team management.

She is a former Trustee of the Asia New Zealand Foundation and a former UNESCO national commissioner.

TOKO KAPEA

WELLINGTON | NGĀTI APA KI RANGITIKEI, TARANAKI WHANUI (TARANAKI, WELLINGTON, TE TAU IHU), TE ATIHAUNUI-A-PAPĀRANGI, NGĀPUHI

Toko is a Wellington-based commercial lawyer and director. He's currently director of Tuia Group that provides business consulting, commercial law, and economic development services. He's previously worked for Chapman Tripp, BNZ, Meridian Energy, St George Bank NZ, ANZ and Powershop.

Toko has developed his governance skills through appointments to a number of Māori Trusts and incorporations including Parininihi ki Waitotara Incorporation and Ngati Apa Developments Ltd. He is also on the board of Duke Exploration Limited, an Australian ASX listed copper and gold explorer.

KEIRAN HORNE

CHRISTCHURCH

Keiran is a full-time professional director with experience in both the public and private sectors. With over 20 years of experience in accountancy, business rescue and insolvency, she has led countless companies through challenging times. Keiran has particular experience in strategic planning, change management and commercial transactions. She also specialises in strategic risk management and assurance, having chaired numerous Audit and Risk Committees.

Keiran is on the board of New Zealand Lotteries Commission, University of Canterbury, Quayside Holdings Ltd and provides independent audit and risk governance expertise to various Councils.

Keiran is a chartered accountant and chartered member of the Institute of Directors.

MEGAN MATTHEWS

NELSON

Megan is a qualified accountant with more than 20 years' senior management experience across key business disciplines of finance, human resource management, strategic planning and marketing. Megan held the position of Head of Marketing (Australasia) for Air New Zealand and then Chief Executive of World of Wearable Art. She started at the national airline in Corporate Finance after beginning her career with Deloitte. A Member of the Institute of Directors, Megan is currently the Chair of Cawthron Institute, and director of Kono NZ, RealNZ Limited, Port Nelson and the Halberg Foundation. Megan is of Ngāi Tahu descent.

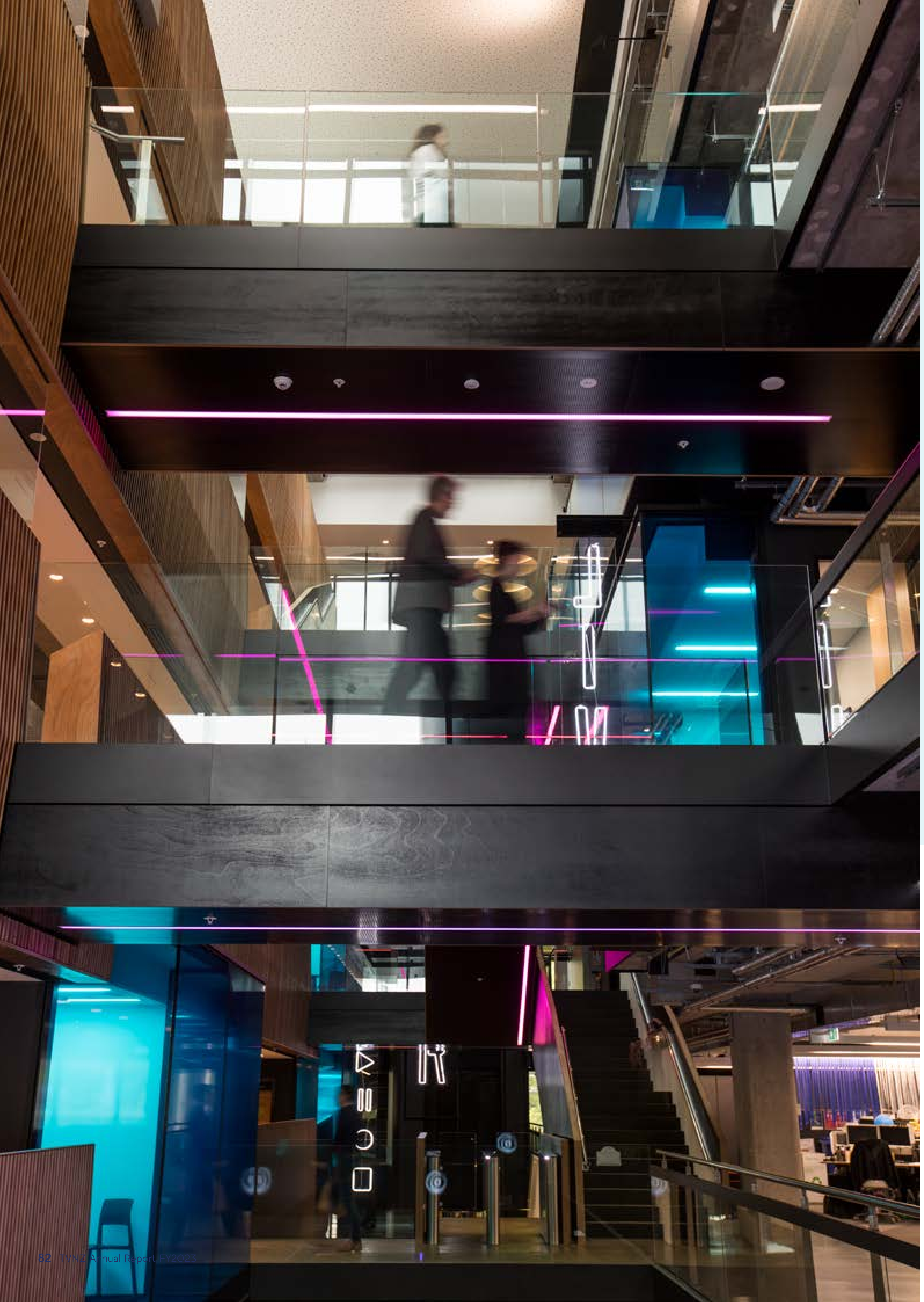
ALIESHA STAPLES

AUCKLAND

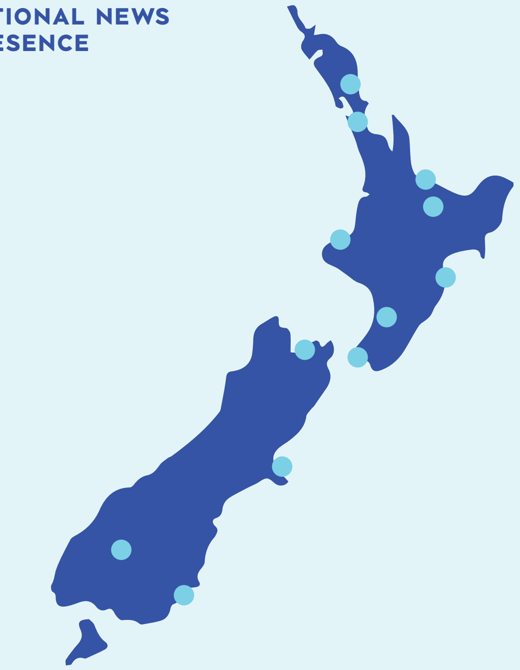
Aliesha comes from a 15-year film industry and VR/AR/tech creation background, she is the founder of Staples VR an emerging tech consultancy and development company and the co-founder of Click Studios.

Aliesha is currently the CEO of StaplesVR and working as a director who specialises in innovation and digital disruption. She sits on the board for New Zealand Football Foundation, Institute of Directors and formerly sat on the Strong Public Media Establishment Board.

In June FY23, new Directors for FY24 were appointed. Appointed were Alastair Carruthers CNZM (Chair) Ripeka Evans (Deputy Chair), Linda Clark and John Quirk. Megan Matthews and Aliesha Staples were reappointed.



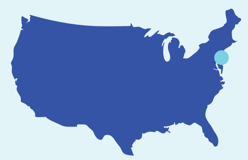
NATIONAL NEWS PRESENCE



AUSTRALIA

UNITED KINGDOM

UNITED STATES OF AMERICA



PHYSICAL ADDRESS
TVNZ Auckland
100 Victoria Street West
Auckland 1010

POSTAL ADDRESS
PO Box 3819
Auckland 1140

PHONE
64 9 916 7000

1 NEWS
1news.co.nz

TAG US
@1newsnz

EMAIL US
news@tvnz.co.nz

TVNZ
www.tvnz.co.nz

OUR BOARD

Andy Coupe, *Chairman*
Kevin Malloy, *Deputy Chair*
Trish Carter
Keiran Horne
Toko Kapea
Megan Matthews
Aliesha Staples

OUR EXECUTIVE

Simon Power, *Chief Executive Officer*
Brent McAnulty, *General Counsel & SPM Lead*
Cate Calver, *Director of Content*
Ciara McGuigan, *Chief Financial Officer*
Claire Addis, *Acting General Counsel*
Jodi O'Donnell, *Commercial Director*
Jonathan Symons, *Marketing Director*
Kym Niblock, *Chief Product & Information Officer*
Nicola Simpson, *Chief People Officer*
Phil O'Sullivan, *Executive Editor - News & Current Affairs*

tvnz

TE REO TĀTAKI