



dunedin venues

ANNUAL REPORT 2019

Dunedin Venues Management Limited
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For the Year Ended 30 June 2019

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Dunedin Venues Management Limited
Directory
For the Year Ended 30 June 2019

DIRECTORS

- Raewyn Lovett
- Joanne Conroy
- Kevin Winders

INTERN DIRECTORSHIP

- Adam La Hood (Commenced 1 January 2018 and completed 30 June 2019)

CHIEF EXECUTIVE OFFICER

- Terry Davies

REGISTERED OFFICE

- Forsyth Barr Stadium
130 Anzac Avenue
Dunedin 9016

BANKERS

- BNZ
Dunedin

SOLICITORS

- Anderson Lloyd
Dunedin

AUDITOR

- Audit New Zealand
Dunedin
(On behalf of the Office of the Auditor General)

Chairperson's and Chief Executive Officer's Report

Dunedin Venues Management Limited (DVML) has completed another successful year as it approaches 10 years since the Council Controlled Trading Organisation was established to manage Forsyth Barr Stadium and soon after, the Dunedin Centre. The business has grown from strength to strength and the Board and staff are proud to be part of what has been achieved.

This financial year's concert line-up started with Kendrick Lamar entertaining 16,000 fans under the roof. The Stadium hosted its largest ever audience at P!NK's September concert with 37,943 fans amazed by her aerobatics along with an incredible music performance. Shania Twain delighted almost 18,000 country fans on 22 December and then the Eagles flew into the city on 2 March to a packed Stadium. The final major concert by Dunedin's own Six60 attracted almost 18,000 devoted fans who were reveling being able to see their favourites in their hometown. Dunedin City benefited to the tune of almost \$39 million in economic impact from major concerts alone.

Conference delegates assisted the city's economy too, contributing \$2.62m of economic impact. This is represented by 5,690 delegates attending 20 conferences. New Zealand Ministry of Business, Innovation and Employment published its 2017 Convention Delegate Survey reporting the domestic delegate spend on average was \$461 per night. The Prime Minister enjoyed her time in the city at the Labour Party Conference which hadn't been held in Dunedin since 1988. The Otago Daily Times Stand at Forsyth Barr Stadium received many transformations to replace the standard conference gala dinner with international designer food markets and entertainment, which was very well received by delegates. Dunedin Venues is fast gaining a reputation for being dynamically different in its approach to business events.

The turf team at the University of Otago Oval received terrific recognition from New Zealand Cricket this year being awarded Domestic Short Form Pitch of the Year. This was a great acknowledgement for the teams dedicated efforts. The awards didn't stop there as Forsyth Barr Stadium was a finalist in two categories at the New Zealand Events Association Awards; Best Venue and Best Emerging Event Professional, the latter being won by Event Operations Manager, Brenna McCann.

In conjunction with its commercial success, DVML is thrilled with the reach that the Community Access Grant has achieved with 47 events and 35,920 locals either attending or participating in community events at Forsyth Barr Stadium and the Dunedin Centre.

We receive fantastic support from our partners and sponsors, and we extend our thanks to them all for their contribution to our success.

We would like to publicly thank the Board and our staff who continually strive for the best across our business and our success is a result of this. We were sad to accept the resignation of Glenys Coughlan from the Board who has been a valuable member since January 2016. We extend our immense thanks to Glenys. DVML has had the benefit of having Adam La Hood, CFO Cook Brothers Construction, appointed to the Board as an Intern Director through Dunedin City Holdings Limited. Adam's tenure is now complete, and we thank Adam for his outstanding contribution to the Board and the business during his internship.

Our final acknowledgement and thank you goes to all of those who have supported and attended events at our venues throughout the year. The event calendar has once again produced a year of excitement and we look forward to more of this over the next year. DVML continues to seek new business opportunities and, with some exciting plans underway on multiple projects, there will be new developments in the coming year.

Raewyn Lovett
Chairperson



11 September 2019

Terry Davies
Chief Executive Officer



11 September 2019

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2019

The Directors of Dunedin Venues Management Limited are pleased to present their report on the activities of the Company for the year ended 30 June 2019.

Principal Activities of the Company

The organisation is a Stadium operator, events and venue manager and turf management company.

Results for the Year Ended 30 June 2019

The report covers the financial year 1 July 2018 to 30 June 2019.

	\$'000
Profit/(Loss) for the year before taxation	230
Income tax expense	70
Profit/(Loss) for the year after taxation	<u>160</u>

State of Affairs

The Company recorded a net profit after tax of \$0.16 million for the year.

Changes in Accounting Policies

Changes in Accounting Policies are detailed in Note 2 of the Financial Statements.

Review of Operations

Net surplus before taxation and subvention was \$0.23 million for the year compared to \$0.84 million for the previous year.

The financial forecasts for the upcoming year continue to indicate a strong financial position for the Company.

Change of Directors

Glenys Coughlan resigned from her position as Director on 16 April 2019.
Adam La Hood's Intern Directorship finished on 30 June 2019.

Outlook

The Company continues to make progress in expanding its revenue base and ensuring costs are maintained at appropriate levels.

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2019

Social and Environmental Contributions

The Company continues to maintain a recycling programme incorporating communications with partners, alternative environmentally-friendly products being used, visual displays, improved clean up procedures and clearly identifiable recycling stations.

Financial Statements

The audited financial statements for the year ended 30 June 2019 are attached to this report.

Directors Interest in Contracts

Refer to Directors Declarations of Interest section on page 6 and the related parties' transactions on pages 24 to 26.

The Controller and Auditor General has contracted the audit to Audit New Zealand. Auditors remuneration is set out in note 4 to the financial statements on page 16.

Employee Remuneration

Details of remuneration ranges (inclusive of retirement allowances) for employees of the company are:

Remuneration range	Number of Employees	
	2019 Total	2018 Total
\$410,000 - 419,999	1	-
\$350,000 - 359,999	-	1
\$190,000 - 199,999	-	1 *
\$130,000 - 139,999	1	-
\$120,000 - 129,999	1 *	2
\$110,000 - 119,999	2	-
\$100,000 - 109,999	1	1

The amounts paid to current and former employees include all non-cash benefits and redundancy payments at total cost to the company, where applicable.

* Includes employees who have resigned during the financial year.

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2019

Directors' Remuneration

Director	Responsibility	Remuneration	
		2019 \$'000	2018 \$'000
Raewyn J Lovett	Chairperson	27	26
Joanne M Conroy	Director (appointed 1 January 2018)	18	9
Kevin G Winders	Director	18	18
Glenys J Coughlan	Director (resigned effective 16 April 2019)	15	18
Peter J Hutchison	Director (resigned effective 31 December 2017)	-	9

Directors' Insurance

As provided in the Company's Constitution, Dunedin Venues Management Limited has arranged policies of Directors' Liability Insurance, which together with a deed of indemnity, ensure that the Directors' will incur no monetary loss as a result of actions undertaken by them as Directors, provided that they operate within the law.

Directors' Benefits

No Director of Dunedin Venues Management Limited has, since the end of the previous financial year, received or become entitled to receive a benefit other than a benefit included in the total remuneration received or due and receivable by the Directors shown in the financial statements.

Staff

The Directors once again record their appreciation of the professional and positive manner in which the staff have conducted their duties during the year. The dedication of staff in endeavouring to ensure that the Company meets its operational and financial targets is highly commendable.

Dunedin Venues Management Limited
Directors Declarations of Interest
For the Year Ended 30 June 2019

Director	Declarations of Interest
<p>Raewyn Lovett (appointed 1 January 2015)</p>	<p>Partner of Duncan Cotterill, Lawyers Chair of Quotable Value Limited * Resigned 1 May 2019 Director, Sport New Zealand * Appointed 8 August 2018 Chair of Auckland Sport * Resigned 8 August 2018 Director, Darroch Limited * Resigned 1 May 2019 Trustee of CHT Healthcare Trust Trustee of Sir Ray Avery Foundation * Appointed 12 September 2018 Co-Chair of International Working Group of Women and Sport</p>
<p>Joanne Conroy (appointed 1 January 2018)</p>	<p>Director, Dunedin Stadium Property Limited * Resigned 30 June 2018 Director, Queenstown Housing Bonds Limited Director, Queenstown Lakes Community Housing Trust Developments Limited Director, Queenstown Lakes Community Housing Trust Property Portfolio Limited Director, Otago Southland Employers Association Director and Shareholder, QDC Services Limited Director and Shareholder, Marcon Holdings Limited Director, Quotable Value * Appointed 1 November 2018 Director, Darroch Limited * Appointed 19 December 2018 Chair of Westland Holdings Ltd * Appointed a Director 1 July 2018, appointed Chair 30 June 2019 Chair of South Island Trust Board of St John *Resigned 30 June 2019 Deputy Chair of South Island Trust Board of St John *Appointed 30 June 2019 Trustee of NZ Priory Trust Board of St John *Resigned 30 June 2019 Trustee of Queenstown Lakes Community Housing Trust</p>
<p>Kevin Winders (appointed 1 January 2016)</p>	<p>CEO, Port Otago Limited Director, Icon Logistics Limited Director, Hamilton Porter JV Limited Director, New Zealand Cruise Association Chair of Dunedin Railways Ltd *Appointed 12 June 2019</p>
<p>Glenys Coughlan (resigned 16 April 2019)</p>	<p>General Manager of Tourism Central Otago Chair of PATA NZ Board of Trustees Director, Auckland Tourism Events and Economic Development Deputy Chair, Outward Bound New Zealand</p>

Dunedin Venues Management Limited
Statement of Responsibility
For the Year Ended 30 June 2019

The Board of Dunedin Venues Management Limited accepts responsibility for the preparation of the annual financial statements and the judgements used in them;

The Board of Dunedin Venues Management Limited accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

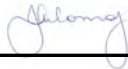
In the opinion of the Board of Dunedin Venues Management Limited, the annual financial statements for the financial year ended 30 June 2019 fairly reflect the financial position and operations of Dunedin Venues Management Limited.

Raewyn Lovett
Chairperson



11 September 2019

Joanne Conroy
Director



11 September 2019

Dunedin Venues Management Limited
Statement of Profit or Loss
For the Year Ended 30 June 2019

	<i>Note</i>	2019 \$'000	2018 \$'000
Revenue			
Operating revenue		13,811	16,599
Interest received from funds on deposit		36	42
Total revenue		<hr/> 13,847	<hr/> 16,641
Less expenses			
Operating expenses	4	13,240	15,282
Depreciation and impairment	11	377	522
Total expenditure		<hr/> 13,617	<hr/> 15,804
Profit/(Loss) for the Year before Taxation		230	837
Income tax expense/(credit)	5	70	235
Profit/(Loss) for the Year after Taxation		<hr/> 160	<hr/> 602

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Dunedin Venues Management Limited
Statement of Other Comprehensive Income
For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Profit for the year after taxation	160	602
Total Comprehensive Profit after Taxation	<u>160</u>	<u>602</u>

Dunedin Venues Management Limited
Statement of Changes in Equity
For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Movements in Equity		
Opening Balance	1,985	1,083
Capital contribution	300	300
Total Comprehensive Profit after Taxation	160	602
Closing Balance	<u>2,445</u>	<u>1,985</u>

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Dunedin Venues Management Limited
Statement of Financial Position
As at 30 June 2019

	<i>Note</i>	2019 \$'000	2018 \$'000
Current Assets			
Cash and cash equivalents		2,132	986
Trade and other receivables	7	1,369	2,869
Total Current Assets		3,501	3,855
Non-Current Assets			
Property, plant and equipment	11	1,356	1,731
Deferred tax	12	327	367
Total Non-Current Assets		1,683	2,098
TOTAL ASSETS		5,184	5,953
Current Liabilities			
Trade and other payables	8	973	2,299
Contract Liabilities / Income in Advance	3	1,413	1,202
Employee entitlements		142	150
Total Current Liabilities		2,528	3,651
Non-Current Liabilities			
Contract Liabilities / Income in Advance	3	211	317
Total Non-Current Liabilities		211	317
Equity			
Share capital	6	9,477	9,177
Retained deficits	6	(7,032)	(7,192)
Total Equity		2,445	1,985
TOTAL EQUITY AND LIABILITIES		5,184	5,953

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Dunedin Venues Management Limited
Statement of Cashflows
For the Year Ended 30 June 2019

	<i>Note</i>	2019 \$'000	2018 \$'000
Cashflows from Operating Activities			
<i>Cash was provided from</i>			
Receipts from customers		15,180	15,874
Interest received		36	42
Net GST received		259	-
		<hr/> 15,475	<hr/> 15,916
<i>Cash was disbursed to</i>			
Payments to suppliers and employees		14,482	14,678
Subvention payments		66	377
Net GST paid		-	137
		<hr/> 14,548	<hr/> 15,192
Net Cashflow from Operating Activities	9	<hr/> 927	<hr/> 724
Cashflows from Investing Activities			
<i>Cash was provided from</i>			
Sale of property, plant and equipment		6	6
<i>Cash was distributed to</i>			
Purchase of property, plant and equipment		86	241
		<hr/> (80)	<hr/> (235)
Net Cashflow from Investing Activities			
Cashflows from Financing Activities			
<i>Cash was provided from</i>			
Shareholder capital		300	300
		<hr/> 300	<hr/> 300
<i>Cash was disbursed to</i>			
Repayment of inter group advances		-	-
		<hr/> -	<hr/> -
Net Cashflow from Financing Activities		<hr/> 300	<hr/> 300
Net Increase/(Decrease) in Cash and Cash Equivalents		1,147	789
Opening Cash and Cash Equivalents		986	198
Closing Cash and Cash Equivalents		<hr/> 2,132	<hr/> 986
Composition of Cash and Cash Equivalents			
Cash on hand		4	4
Bank current account		1,078	282
Deposit/(overdraft) accounts		1,050	700
Cash and Cash Equivalents at the end of the Year		<hr/> 2,132	<hr/> 986

Cash and short-term deposits comprise cash held by the Company and short-term deposits.
The carrying amount of these assets approximates their fair value.

The accompanying notes and accounting policies form an integral part of these audited financial statements.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

1 REPORTING ENTITY

The financial statements presented here are for the reporting entity Dunedin Venues Management Limited (the Company).

Dunedin Venues Management Limited is a Council Controlled Trading Organisation as defined in the Local Government Act 2002. The Company, incorporated in New Zealand under the Companies Act 1993, is owned by Dunedin City Holdings Limited.

The financial statements of Dunedin Venues Management Limited are for the year ended 30 June 2019.

The registered address of the Company is 130 Anzac Avenue, Dunedin.

The primary objective of Dunedin Venues Management Limited is to ensure the successful operation of Forsyth Barr Stadium and the Dunedin Centre (a multi-purpose entertainment, conference and events hub including the Dunedin Town Hall and the Glenroy Auditorium). Dunedin Venues Management Limited is the central hub for premier events and entertainment in Dunedin, and is also responsible for the turf management of the University of Otago Oval.

Dunedin Venues Management Limited is a for-profit company.

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993 in accordance with NZ GAAP. For the purpose of complying with NZ GAAP, the Company is a for-profit entity. These financial statements comply with New Zealand International Financial Reporting Standards (Reduced Disclosure Regime).

The Company has adopted External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities Update) (XRB A1). The Company qualifies for NZ IFRS (RDR) as it does not have public accountability and it is not a large for-profit public sector entity. The Company has elected to apply NZ IFRS (RDR) and has applied disclosure concessions.

The financial statements were authorised for issue by the Directors on 11 September 2019.

Basis of Preparation

The financial statements have been prepared on an historic cost basis.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Company operates.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2019 and the comparative information for the year ended 30 June 2018.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

2 SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Sales of goods are recognised when significant risks and rewards of owning the goods are transferred to the buyer, when the revenue can be measured reliably and when management effectively ceases involvement or control.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Membership and Sponsorship Revenue

The terms of memberships, corporate box licenses, signage and sponsorship agreements range from one year to ten years. Payment for these items has been received and recorded as income received in advance. This income is amortised as revenue on a straight-line basis over the term of the agreement.

Employee Entitlements

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date at current rates of pay.

Entitlements to long service leave and retirement gratuities are calculated on an actuarial basis and are based on the reasonable likelihood that they will be earned by employees and paid by the Company.

The Company recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The calculation is based on the value of excess sick leave taken within the previous twelve months.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. Commitments and contingencies are disclosed exclusive of GST.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

Cash and cash equivalents

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

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Income Received in Advance

Income received in advance represents the unexpired portion of Membership and Sponsorship revenue at balance date and is carried forward in the statement of financial position.

Changes in Accounting Policies

In the current year, the company has adopted NZ IFRS 9 Financial Instruments and NZ IFRS 15 Revenue from Contracts with Customers. As permitted by the transitional provisions of NZ IFRS 9, the company elected not to restate comparative figures. Any adjustments at the date of transition were recognised in the opening retained earnings and reserves of the current period. NZ IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and rules for hedge accounting. NZ IFRS 15 requires the reporting of amounts and timings of revenue arising from contracts with customers. As permitted by the transitional provisions of NZ IFRS 15, the company elected not to provide comparatives.

There have been no further changes in accounting policy during the period. All other accounting policies have been applied consistently to all periods in these financial statements.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

3(a) Disaggregation of revenue from contracts with customers

Revenue is derived from the transfer of goods and services over time and at a point in time as follows:

	Total
	\$'000
2019	
Segment Revenue	10,858
Less inter-segment	-
Revenue - external customers	<u>10,858</u>
 <u>Timing of revenue recognition:</u>	
At a point in time	4,511
Over time	<u>6,347</u>
	<u>10,858</u>

2018 comparison information is not required for the first year of adoption.

3(b) Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

	Total
	\$'000
Current liabilities	1,413
Non-current liabilities	211
 Contract liabilities - Income in Advance	<u>1,624</u>

(i) Significant changes in contract assets and liabilities

There are no significant changes in contract assets and liabilities.

(II) Revenue recognised in relation to contract liabilities

All revenue related to carried-forward contract liabilities for short-term contracts were satisfied in this current year; any long-term contracts in the prior year(s) have been recognised for the relevant portion in this period, and the remaining liabilities treated as Income in Advance if invoiced; no revenue is recognised for long-term contracts past 30 June 2019, where an invoice has not been generated.

(III) Unsatisfied long-term contracts

All unsatisfied performance obligations resulting from fixed-price long-term commercial rights contracts which have been invoiced have been treated as Income in Advance and recognised on a monthly basis. Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 30 June 2019 will be recognised during the next reporting period. No value is included in the Financial Statements for any long-term contracts past the next reporting period.

(iv) Assets recognised from costs to fulfil a contract

There are no assets recognised from costs to fulfil any contract.

3(c) Accounting policies and significant judgements

No significant judgements have been required to determine the revenue. All contracts are either related to an ongoing contract over a period of time (unused contracts quantified and shown as Contract Liabilities), or are event based.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
4 OPERATING EXPENSES		
Other operating expenses	7,979	10,128
Audit fees - for audit of financial statements	29	29
Bad debts	(2)	17
Directors fees	77	79
Salaries and wages	3,076	3,019
Rental of Stadium	2,000	2,000
Loss/(gain) on fixed asset disposal	81	10
	<u>13,240</u>	<u>15,282</u>

5 INCOME TAXES

Accounting policy

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

The tax currently payable is based on taxable profit for the year. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

	2019	2018
	\$'000	\$'000
Income Tax Recognised in Comprehensive Income		
Profit/(Loss) for the year before taxation	230	837
Income tax expense calculated at 28% (2018: 28%)	64	234
<i>Tax effect of following adjustments</i>		
Non-deductible expenses	4	1
Prior period adjustments	2	-
Tax effect of differences	<u>6</u>	<u>1</u>
Tax expense	<u>70</u>	<u>235</u>

Represented by:

Current Tax Provision	2	335
Prior Period Adjustment to Current Tax	28	-
Deferred Tax Provision	66	(100)
Prior Period Adjustment to Deferred Tax	(26)	-
	<u>70</u>	<u>235</u>

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

	2019	2018
	\$'000	\$'000
6 EQUITY - Share Capital		
Called and Fully Paid Up Capital		
9,477,065 fully paid ordinary shares (2018: 9,177,065)	9,477	9,177

10,000,000 shares have been issued to the Dunedin City Holdings Limited at \$1 per share. At 30 June 2019 9,477,065 (2018: 9,177,065) of these shares had been called and fully paid.

Fully paid ordinary shares carry one vote per share; carry a right to dividends and, upon winding up, a pro rata share of the Company's net assets.

	2019	2018
	\$'000	\$'000
Retained Deficits		
Opening Balance	(7,192)	(7,794)
Profit for the year after taxation	160	602
	(7,032)	(7,192)

7 TRADE AND OTHER RECEIVABLES

Accounting policy

Trade and other receivables are stated at cost less any allowances for estimated irrecoverable amounts.

	2019	2018
	\$'000	\$'000
Trade and other receivables	1,311	2,582
Provision for doubtful debts	(39)	(47)
Accrued income and prepayments	97	169
GST receivable	-	165
	1,369	2,869

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

8 TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are stated at cost.

	2019	2018
	\$'000	\$'000
Trade payables	890	2,274
GST payable	94	-
Subvention payable	(11)	25
	<hr/> 973	<hr/> 2,299

9 RECONCILIATION OF NET PROFIT FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES

	2019	2018
	\$'000	\$'000
Profit/(Loss) for the year after taxation	160	602
<i>Items Not Involving Cashflows</i>		
Depreciation and impairment	377	522
Loss on fixed asset disposal	81	10
<i>Impact of Changes in Working Capital Items</i>		
(Increase)/Decrease in trade and other receivables	1,264	(643)
(Increase)/Decrease in prepayments	72	(91)
(Increase)/Decrease in deferred tax	40	(100)
(Increase)/Decrease in GST receivable	94	-
Increase/(Decrease) in GST payable	165	(137)
Increase/(Decrease) in trade and other payables	(1,387)	668
Increase/(Decrease) in subvention payable	(36)	(42)
Increase/(Decrease) in employee entitlements	(8)	17
Increase/(Decrease) in income received in advance	105	(82)
Net cashflows from operating activities	<hr/> 927	<hr/> 724

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

10 LEASE COMMITMENTS

Accounting policy

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company As Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Company As Lessee

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

	2019	2018
	\$'000	\$'000
(i) Minimum Operating Lease Payments		
Payable within one year	2,000	2,000
Payable between one to five years	8,000	8,000
Payable later than five years	14,167	16,167
	<hr/> 24,167	<hr/> 26,167

The Company has entered into a rental agreement with Dunedin Stadium Property Limited to rent the stadium assets for a term of 20 years from 1 August 2011. The rental has been set at \$2,000,000 per annum.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

11 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are those assets held by the Company for the purpose of carrying on its business activities on an ongoing basis.

All property, plant and equipment is stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets on a straight-line basis. Rates used have been calculated to allocate the assets cost or valuation less estimated residual value over their estimated remaining useful lives.

Depreciation of these assets commences when the assets are ready for their intended use.

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.

Assets held under finance leases are depreciated.

Depreciation rates and methods used are as follows:

	<i>Rate</i>	<i>Method</i>
Leasehold alterations	2% - 15%	Straight line
Furniture and fittings	7% - 18%	Straight line
Office equipment	12% - 67%	Straight line
Plant & equipment	2% - 40%	Straight line
Motor vehicles	13% - 14%	Straight line

Impairment of assets

At each balance date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is immediately recognised as income.

	2019					
	Leasehold Alterations	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of year	464	514	314	3,485	23	4,800
Additions	4	2	31	49	-	86
Disposals	(11)	(75)	-	(66)	-	(152)
Balance at end of year	457	441	345	3,468	23	4,734
Accumulated depreciation						
Balance at beginning of year	176	167	259	2,461	7	3,069
Depreciation	18	54	41	257	4	375
Impairment	2	-	-	-	-	2
Disposals	(1)	(29)	-	(38)	-	(68)
	195	192	300	2,680	11	3,378
Balance at end of year	262	249	45	788	12	1,356

	2018					
	Leasehold Alterations	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of year	439	493	262	3,343	38	4,575
Additions	25	21	53	142	-	241
Disposals	-	-	(1)	-	(15)	(16)
Balance at end of year	464	514	314	3,485	23	4,800
Accumulated depreciation						
Balance at beginning of year	93	109	229	2,113	13	2,557
Depreciation	36	52	28	334	3	453
Impairment	47	5	3	14	-	69
Disposals	-	-	(1)	-	(9)	(10)
	176	167	259	2,461	7	3,069
Balance at end of year	288	347	55	1,024	16	1,731

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

12 DEFERRED TAX

Accounting policy

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000	2019 \$'000
	Opening Balance Sheet	Charged to Income	Closing Balance Sheet Assets	Liabilities	Net
Property, plant and equipment	283	(7)	276	-	276
Employee entitlements	39	1	40	-	40
Provisions and adjustments	45	(34)	11	-	11
	367	(40)	327	-	327

	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
	Opening Balance Sheet	Charged to Income	Closing Balance Sheet Assets	Liabilities	Net
Property, plant and equipment	217	66	283	-	283
Employee entitlements	27	12	39	-	39
Provisions and adjustments	23	22	45	-	45
	267	100	367	-	367

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

13 CAPITAL EXPENDITURE COMMITMENTS

The Company had capital expenditure commitments of \$282,000 at year end (2018: \$nil).

14 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at year end (2018: \$nil).

15 FINANCIAL INSTRUMENTS

Accounting policy

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial Liability and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

a) Capital Risk Management

When managing capital, management's objective is to ensure the entity continues as a going concern. The Company has uncalled capital of \$522,935 and the Company's ability to make calls on this uncalled capital will enable the Company to manage the capital risk.

	2019	2018
	\$'000	\$'000
b) Categories of Financial Instruments		
Financial Assets		
Trade and other receivables	1,369	2,869
Less:		
Accrued income and prepayments	97	169
GST receivable	-	165
	<hr/>	<hr/>
Loans and receivables	1,272	2,535
Financial Liabilities		
Trade and other payables	973	2,299
Less:		
GST Payable	94	-
Subvention payable	(11)	25
	<hr/>	<hr/>
Financial liabilities at amortised cost	890	2,274

All financial assets and liabilities are recognised at amortised cost.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

16 RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Dunedin City Holdings Limited. Dunedin City Holdings Limited is wholly owned by Dunedin City Council.

Dunedin Venues Management Limited undertakes transactions with the Dunedin City Council and other Dunedin City Council controlled entities.

Transactions with Dunedin City Council.

The Company provided services and traded with Dunedin City Council in respect of the following transactions:

	2019	2018
	\$'000	\$'000
Rates and property rentals and other charges	(823)	(715)
Revenue from property/event management & contribution from Event Attraction Fund	2,685	3,285
	<hr/> 1,862	<hr/> 2,570

As at balance date:

Payable to Dunedin City Council	75	126
Receivable from Dunedin City Council	206	380

Transactions with Dunedin City Council Controlled Entities

The Company provided services and traded with Dunedin City Council controlled entities in respect of the following transactions:

	2019	2018
	\$'000	\$'000
Dunedin City Treasury Limited		
Interest received	27	17
	<hr/> 27	<hr/> 17
<i>As at balance date:</i>		
Deposit with Dunedin City Treasury Limited	1,050	700
	<hr/> 1,050	<hr/> 700

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

16 RELATED PARTY TRANSACTIONS (CONTINUED)

	2019	2018
	\$'000	\$'000
Dunedin Stadium Property Limited		
Management fee and reimbursements	247	139
Rent of Forsyth Barr Stadium	(2,000)	(2,000)
Expense on charges	(163)	(145)
Subventions paid	(75)	(360)
	<u>(1,991)</u>	<u>(2,366)</u>
<i>As at balance date:</i>		
Receivable from Dunedin Stadium Property Limited:		
Other receivable	20	69
Delta Utility Services Limited		
Membership and other services	-	4
Equipment hire	1	(3)
	<u>1</u>	<u>1</u>
At balance date there were no amounts outstanding (2018: nil)		
Aurora Energy Limited		
Goods and services	5	1
	<u>5</u>	<u>1</u>
<i>As at balance date:</i>		
Receivable from Aurora Energy Limited	5	-

In relation to the 2018 year, the company purchased tax losses of \$1,118,975 from other entities in the DCC Group by the way of subvention payment of \$313,313 and loss offset of \$805,662.

For the 2019 year, there is not expected to be any transfer of tax losses to other entities in the DCC Group.

No related party debts have been written off or forgiven during the year and no provision has been required for impairment of any receivables to related parties.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2019

16 RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with companies in which key management personnel have an interest and with close members of the family of key management personnel (amounts to the nearest \$1,000):

During the course of the year:

- Kevin Winders purchased two Forsyth Barr Stadium lounge memberships for \$3,000 (2018: \$3,000). No amounts (2018: nil) were outstanding at balance date.
- Port Otago Limited, of which Kevin Winders is the Chief Executive Officer, purchased \$34,000 (2018: \$28,000) of services from the Company. The Company has receivables of \$3,000 (2018: \$1,000) outstanding at balance date.
- The Company purchased \$1,000 (2018: nil) of services from Icon Logistics Limited. Kevin Winders is a Director of Icon Logistics Limited. No amounts (2018: nil) were outstanding at Balance Date.
- The Company purchased \$1,000 (2018: \$1,000) of services from Otago Southland Employers Association. Joanne Conroy is a Director of Otago Southland Employers Association. No amounts (2018: nil) were outstanding at balance date.
- The Company purchased \$47,000 (2018:\$50,000) of Services from St John South Island Region. Joanne Conroy is the Deputy Chair of South Island Trust Board of St John. No amounts (2018: \$1,000) were outstanding at balance date.

The remuneration of directors and other members of key management during the year was as follows:

	2019	2018
	\$'000	\$'000
Key management remuneration	1,115	1,067

17 EVENTS AFTER BALANCE DATE

There have been no significant events subsequent to balance date.

Dunedin Venues Management Limited
Statement of Service Performance
For the Year Ended 30 June 2019

Performance Targets	Achievements
Safety and Compliance	
Minimum of 11 Health and Safety Committee meetings held per year.	The Health and Safety Committee formally met on ten occasions.
Health and Safety Plan has been reviewed.	The current Safety and Wellness Strategic Plan has been reviewed by the Health and Safety Committee during the year.
Conduct a staff survey to gauge their understanding on Health and Safety procedures.	The improvement initiatives from the 2018 staff survey have been implemented through the Health and Safety policies, committees, and Health and Safety strategic plan.
Lost Time Incident rate of less than two.	The Lost Time Incident rate was one for the reporting period.
Lost Time Incident Frequency Rate of less than 65.	The Lost Time Incident Frequency Rate was 11 for the reporting period.
Total Recordable Incidents rate of less than three.	The Total Recordable Incidents was one for the reporting period.
Total Incident Rate of less than six incidents per 200,000 hours worked.	The Total Incident Rate was 5.2 incidents per 200,000 hours worked.
A Incident Frequency Rate Events of less than 0.05% of the total number of people attending events and the venues.	The Incident Frequency Rate was 0.045% of the total number of people attending events and the venues.
Facilities and infrastructure are maintained as fit for purpose and in accordance with the Asset Management Plan (AMP) entered into with Dunedin Stadium Property Limited (DSPL).	<p>To ensure Forsyth Barr Stadium complies with the AMP entered into with DSPL, DVML undertakes the following:</p> <ul style="list-style-type: none"> . Ensure all warranties and compliance at Forsyth Barr Stadium are maintained as per manufacturers specifications and or local legislation. . Provide to DSPL for each board meeting updates on the AMP, warranty and compliance and any significant maintenance undertaken. . Review and assess planned renewals as per the AMP and incorporate any works required into annual plans. . Engage respected service providers to carry out works as part of Service Level Agreements.

Performance Targets	Achievements																										
Completed independent annual safety audit and any improvements/recommendations are implemented. DVML is not in breach of any statutory obligations.	The SafePlus Audit is scheduled for November 2019 as recommended. There were no identified breaches of statutory obligations during the year.																										
Financial Achieve budget results.	Achievement against forecasted SOI results are as follows: <table><tr><td></td><td>Actual \$,000</td><td>Target \$,000</td></tr><tr><td>EBITDA</td><td>607</td><td>471</td></tr><tr><td>Net Profit after Tax</td><td>160</td><td>84</td></tr><tr><td>Operating Cash flow</td><td>927</td><td>194</td></tr><tr><td>Capital Expenditure</td><td>86</td><td>565</td></tr><tr><td>Shareholder Funds to</td><td></td><td></td></tr><tr><td>Total Assets</td><td>0.47 : 1</td><td>0.58 : 1</td></tr><tr><td>Dividend</td><td>-</td><td>-</td></tr></table>		Actual \$,000	Target \$,000	EBITDA	607	471	Net Profit after Tax	160	84	Operating Cash flow	927	194	Capital Expenditure	86	565	Shareholder Funds to			Total Assets	0.47 : 1	0.58 : 1	Dividend	-	-		
	Actual \$,000	Target \$,000																									
EBITDA	607	471																									
Net Profit after Tax	160	84																									
Operating Cash flow	927	194																									
Capital Expenditure	86	565																									
Shareholder Funds to																											
Total Assets	0.47 : 1	0.58 : 1																									
Dividend	-	-																									
Achieve a 15:1 return on investment of the Event Attraction Fund.	The overall return on investment of the Event Attraction Fund for 2018/19 was : <table><tr><td>Event</td><td>Return</td></tr><tr><td>Kendrick Lamar*</td><td>33 : 1</td></tr><tr><td>P!NK</td><td>140 : 1</td></tr><tr><td>Shania Twain</td><td>61 : 1</td></tr><tr><td>Eagles</td><td>120 : 1</td></tr><tr><td>Six60</td><td>320 : 1</td></tr><tr><td>Total</td><td>96 : 1</td></tr></table> <p>* For Kendrick Lamar an estimate has been made based on the economic impact of the Robbie Williams concert as no post-event survey was conducted.</p> <p>A breakdown of the return on investment for the previous financial year was as follows:</p> <table><tr><td>Event</td><td>Return</td></tr><tr><td>Stevie Nicks</td><td>28 : 1</td></tr><tr><td>Roger Waters</td><td>30 : 1</td></tr><tr><td>Robbie Williams</td><td>25 : 1</td></tr><tr><td>Ed Sheeran</td><td>95 : 1</td></tr><tr><td>Total</td><td>61 : 1</td></tr></table>	Event	Return	Kendrick Lamar*	33 : 1	P!NK	140 : 1	Shania Twain	61 : 1	Eagles	120 : 1	Six60	320 : 1	Total	96 : 1	Event	Return	Stevie Nicks	28 : 1	Roger Waters	30 : 1	Robbie Williams	25 : 1	Ed Sheeran	95 : 1	Total	61 : 1
Event	Return																										
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Robbie Williams	25 : 1																										
Ed Sheeran	95 : 1																										
Total	61 : 1																										
No unplanned call on capital.	There has been no unplanned call on capital during the 2018/19 year.																										

Performance Targets	Achievements
Marketing and Business Objectives Improved contribution to DVML's financial performance and reputation for service excellence.	DVML continues to develop and enhance its event delivery across all sectors of the industry. P!NK was the largest audience ever hosted under the roof (37,943). Forsyth Barr Stadium was a finalist in two categories, Best Venue and Best Emerging Event Professional at the New Zealand Events Association Awards and winning Best Emerging Event Professional. This year's Women You Can Bank on sold out one month before the event. The University of Otago Oval turf team received an award from New Zealand Cricket for Domestic Short Form Pitch of the Year; and the BLACKCAPS beat Bangladesh in front of a happy crowd of 4,300. From major concerts alone, almost \$39 million was injected into the local economy. The Dunedin Centre hosted 20 multi-day conferences which netted the city \$2.62m in economic impact.
Increasing the number and value of hire days in DVML's venues.	There was a total of 610 events (2018: 540) representing 702 event days (2018: 676) during the year.
Continued development for monitoring effectiveness across all digital platforms.	DVML is developing a bespoke monitoring report to build on its current practices. Engagement continues to be positive across all of our digital channels. The Facebook post announcing Queen and Adam Lambert playing at Forsyth Barr Stadium had the highest ever engagement on a post reaching an audience of more than 100,000 and over 6,000 comments, reactions and shares.
A full calendar of quality events across all DVML's venues that provide economic benefit and positive community engagement to Dunedin City.	There was a total of 610 events (2018: 540 events) representing 702 event days (2018: 676 event days).
Achieve 100 new memberships.	A total of 75 memberships were sold during the year (2018: 131).
Survey Commercial Partners for satisfaction level - minimum 80% satisfaction to be achieved.	The Commercial Partners' survey is scheduled for August 2019.
Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.	The Members' survey is scheduled for August 2019.

Performance Targets	Achievements
Human Resources	
Attract and retain key staff.	Staff turnover was 30% for the year (2018: 17%).
Conduct a confidential staff survey, achieve 80% satisfaction and improvements/recommendations are implemented.	During the year, the Company conducted a confidential staff survey which focused on seeking employees' views and opinions on engagement and satisfaction. The survey showed that of all staff who responded, an average of 79% agreed (2018: 61%), 16% had a neutral opinion (2018: 24%), and 4% disagreed (2018: 15%) to the statements on engagement and satisfaction.
Shareholder	
Submit annually DVML's Statement of Intent having given consideration to Dunedin City Council's expectations.	DVML's Statement of Intent was submitted within Dunedin City Holdings Limited timeframes after taking into consideration the requirements of Dunedin City Holdings Limited.
Matters have been escalated to the shareholder.	There were no matters, where there may be conflict between the Dunedin City Holdings Limited outcomes, that required escalation to the shareholder.
Report to Dunedin City Holdings Limited within 24 hours of the Board becoming aware of substantive matters which have the potential to negatively impact on the shareholder and the company with a particular focus on matters of interest to the media.	There were no matters, which had the potential to negatively impact on the shareholder and the company, that were required to be reported to Dunedin City Holdings Limited.
Social and Wellbeing	
Positive community feedback and less than two LGOIMA requests annually.	There were two direct LGOIMA requests in the year to 30 June 2019 for DVML's action (2018: nil).
Report to the Dunedin City Council six monthly on the application of the Service Level Agreement for Community Event Funding to ensure it is applied efficiently and caters to a variety of events and community groups.	Two reports were provided to the Dunedin City Council on the application of the Service Level Agreement for Community Event Funding. One for the six months to 31 December 2018 and a further one for the full year to 30 June 2019.
Senior management conduct a minimum of five speaking engagements.	Senior management conducted 16 speaking engagements for the year.

Performance Targets	Achievements																														
Economic Development Strategy																															
Achieve a minimum of \$5m visitor spend per each major event (> 10,000 pax) for Dunedin City.	<p>The Economic Impact for major events in the year to 30 June 2019 were as follows:</p> <table> <tr> <th>Event</th><th>Economic Impact (\$,000)</th></tr> <tr> <td>Kendrick Lamar*</td><td>3,000</td></tr> <tr> <td>P!NK</td><td>14,000</td></tr> <tr> <td>Shania Twain</td><td>5,500</td></tr> <tr> <td>Eagles</td><td>12,000</td></tr> <tr> <td>Six60</td><td>4,000</td></tr> <tr> <td>Total</td><td>\$ 38,500</td></tr> </table> <p>* For Kendrick Lamar an estimate has been made based on the economic impact of the Robbie Williams concert as no post-event survey was conducted.</p> <p>The Economic Impact for major events for the previous year was as follows:</p> <table> <tr> <th>Event</th><th>Economic Impact (\$,000)</th></tr> <tr> <td>Stevie Nicks*</td><td>3,600</td></tr> <tr> <td>All Blacks v Australia</td><td>9,300</td></tr> <tr> <td>All Blacks v France*</td><td>9,300</td></tr> <tr> <td>Roger Waters</td><td>3,900</td></tr> <tr> <td>Robbie Williams</td><td>3,310</td></tr> <tr> <td>Ed Sheeran</td><td>37,900</td></tr> <tr> <td>Total</td><td>\$ 67,310</td></tr> </table> <p>* For Stevie Nicks an estimate has been made based on the economic impact of the Roger Waters concert as no post-event survey was conducted. For All Blacks v France, an estimate had been made in last year's report and figures are now confirmed from the post event survey reporting.</p>	Event	Economic Impact (\$,000)	Kendrick Lamar*	3,000	P!NK	14,000	Shania Twain	5,500	Eagles	12,000	Six60	4,000	Total	\$ 38,500	Event	Economic Impact (\$,000)	Stevie Nicks*	3,600	All Blacks v Australia	9,300	All Blacks v France*	9,300	Roger Waters	3,900	Robbie Williams	3,310	Ed Sheeran	37,900	Total	\$ 67,310
Event	Economic Impact (\$,000)																														
Kendrick Lamar*	3,000																														
P!NK	14,000																														
Shania Twain	5,500																														
Eagles	12,000																														
Six60	4,000																														
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All Blacks v France*	9,300																														
Roger Waters	3,900																														
Robbie Williams	3,310																														
Ed Sheeran	37,900																														
Total	\$ 67,310																														

Performance Targets	Achievements		
Achieve minimum 80% satisfaction rating through surveys of all major events (> 10,000 pax).	The following satisfaction and attendance numbers were achieved in the year to June 2019:		
60% of attendees of all major events (> 10,000 pax) to come from outside of Dunedin City.	Event	Satisfaction	% Attend outside of Dunedin
	Kendrick Lamar	N/A*	57%
	P!NK	96%	69%
	Shania Twain	94%	62%
	BLACKCAPS v Bangladesh	N/A*	53%
	Eagles	97%	61%
	Six60	96%	42%
	* No post event surveys were conducted for these events.		
	The following satisfaction and attendance numbers were achieved in the previous year.		
	Event	Satisfaction	% Attend outside of Dunedin
	Stevie Nicks	N/A*	63%
	All Blacks v Australia	96%	60%
	All Blacks v France	98%	63%
	BLACKCAPS v Pakistan	N/A*	54%
	BLACKCAPS v England	N/A*	48%
	Roger Waters	96%	55%
	Robbie Williams	96%	44%
	Ed Sheeran 1	97%	60%
	Ed Sheeran 2	96%	69%
	Ed Sheeran 3	96%	68%
	* No post event surveys were conducted for these events.		

Performance Targets	Achievements
DVML and Dunedin City is successful in attracting, securing and creating major events that gain positive exposure for Dunedin City, create economic benefit and serve the community's needs.	The Company bid for and secured five major concerts at Forsyth Barr Stadium; Kendrick Lamar, P!NK, Shania Twain, Eagles and Six60. These concerts brought more than 74,000 visitors to the city with a collective economic contribution of \$38.5m. The Bangladesh community came together to support their side as they faced the BLACKCAPS at University of Otago Oval. In addition to this, the Dunedin Centre hosted 20 conferences bringing more than 6,500 delegates to Dunedin and an economic injection of \$2.6m to the city. Two clients utilised the Otago Daily Times Stand at Forsyth Barr Stadium for a change from the regular gala dinner and enjoyed an international food market with theming and entertainment to match. The Labour Party hosted its conference in the city for the first time since 1988.
Environment Strategy Recycled waste is increased by 10% from the previous year.	The overall recycled waste by tonnes increased by 15% from the previous year.
Utilise low energy bulbs throughout all venues. Adjust timers on all lighting.	Over the last 12 months there has been over 100 fittings replaced with high efficiency LED fittings. In addition to this the light systems have been fitted with presence sensors, so they turn on and off as required.
Arts and Culture Strategy The number of community event days is increased from the previous year.	In both the 2018/19 and the 2017/18 years, the full value of the Community Event Funding was utilised by the community. In 2018/19 this resulted in a total of 47 events with 39,520 people attending or participating. In 2017/18 there was a total of 70 events with 36,856 people attending or participating.

Independent Auditor's Report

To the readers of Dunedin Venues Management Limited's financial statements and statement of service performance for the year ended 30 June 2019

The Auditor-General is the auditor of Dunedin Venues Management Limited (the company). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 8 to 26, that comprise the statement of financial position as at 30 June 2019, the statement of profit and loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company on pages 27 to 33.

In our opinion:

- the financial statements of the company on pages 8 to 26:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand International Financial Reporting Standards reduced disclosure regime; and
- the statement of service performance of the company on pages 27 to 33 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2019.

Our audit was completed on 11 September 2019. 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 of Directors and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements and the statement of service performance

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements and the statement of service performance

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 7, but does not include the financial statements and the statement of service performance, and our auditor's report thereon.

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

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

Independence

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

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



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand