

dunedin
venues

ANNUAL REPORT 2023



Dunedin Venues Management Limited
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For the Year Ended 30 June 2023

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Dunedin Venues Management Limited
Directory
For the Year Ended 30 June 2023

DIRECTORS

- Raewyn Lovett
- Adam La Hood
- Joanne Conroy
- Dylan Rushbrook

CHIEF EXECUTIVE OFFICER

- Terry Davies

REGISTERED OFFICE

- Forsyth Barr Stadium
130 Anzac Avenue
Dunedin 9016

BANKERS

- Westpac
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

In a year that continued to be impacted by the tail end effects of Covid-19, and the challenges being felt operating in a high inflationary environment, it was pleasing to see the company clearly deliver on its core strategic purpose of 'Building Southern Pride and Prosperity'. The Stadium hosted an All-Blacks v Ireland Test Match, a full home season of Highlanders and Otago Rugby matches as well as Red Hot Chili Peppers with Post Malone, Rod Stewart and Six60 concerts.

These major events contributed \$32.5m of direct additional spend to Dunedin with 47,500 visitors travelling to Dunedin from all around New Zealand and overseas to attend.

Sporting teams playing at the Stadium enjoyed utilising the significantly upgraded changing rooms and the fans attending witnessed what the newly installed, larger, and interactive replay screens offered.

Alongside major events being delivered at Forsyth Barr Stadium, two international cricket matches were delivered at the University of Otago Oval with the WHITE FERNS in December 2022 and the BLACKCAPS in April 2023, both coming away with great wins.

It was also a strong 12 months of concerts and entertainment events at the Dunedin Centre/Town Hall. We welcomed international acts such as George Thorogood, The Proclaimers, Jimmy Barnes and The Wiggles. It was great to see audiences enjoying sellout shows from Jimmy Carr and Sarah Millican. The Dunedin Centre also saw the return of much-loved regulars, Mitch James, Royal Family Dance Crew and NZSO.

It was encouraging to see a return of activity for our Conference and Incentive team. Delivering over 190 events including 12 multiday conferences over the period at the Dunedin Centre. This segment of our business is an important contributor to the economic health of the city.

It was rewarding to see a full return of community events at the Stadium and Dunedin Centre, in particular the increased focus on Women in Sport. The Stadium hosted Farah Palmer Cup matches which allows the top Women's Rugby players in the Otago Region to play at the Stadium. Football South continued their support for women in football by hosting a women's and girls' social sevens tournament at the Stadium. The Dunedin Centre once again delivered great cultural experiences under the community access program such as the Mirror Services Hui 2023 and the Ukraine Benefit concert to name a few.

Once again, we thank our Members, who are the lifeblood of the organisation for their on-going support.

While continuing to operate in a highly competitive and challenging business environment, DVML is committed to delivering on its core purpose of "Building Southern Pride and Prosperity".

Our final thanks go to our staff, who have continued to focus on securing and delivering events that drives economic and social benefit to Dunedin and the region.

Raewyn Lovett
Chairperson



29 September 2023

Terry Davies
Chief Executive Officer



29 September 2023

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2023

The Directors of Dunedin Venues Management Limited (the Company) are pleased to present their report on the activities of the Company for the year ended 30 June 2023.

Principal Activities of the Company

The organisation is a stadium operator, events and venue management company.

Results for the Year Ended 30 June 2023

The report covers the financial year 1 July 2022 to 30 June 2023.

	2023
	\$'000
Profit/(Loss) for the year before taxation	17
Income tax expense	(65)
Profit/(Loss) for the year after taxation	<u>82</u>

State of Affairs

The Company recorded a net profit after tax of \$82,000 for the year.

Changes in Accounting Policies

There have been no changes in accounting policies adopted during the year.

Review of Operations

Net profit before taxation and subvention was \$17,000 for the year, compared to a net loss of \$1,385,000 for the previous year.

Change of Directors

Sian Sutton commenced an Intern Directorship on 1 January 2022 and completed the Internship term on 30 June 2023.

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2023

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 2023 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 30 to 33.

Auditors

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 22.

Employee Remuneration

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

Remuneration range	Number of Employees	
	2023 Total	2022 Total
\$440,000 - 449,999	1	-
\$400,000 - 409,999	-	1
\$190,000 - 199,999	1	-
\$140,000 - 149,999	2	1
\$130,000 - 139,999	1	2
\$120,000 - 129,999	-	1
\$100,000 - 109,999	-	-

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

Chief Executive's Remuneration

2023
\$'000

Remuneration paid to the Chief Executive for the year ended 30 June 2023 is outlined below:

Fixed remuneration and other benefits	417
Short Term Incentive	30
Long Term Incentive	-
	<u>447</u>

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2023

Directors' Remuneration

Director	Responsibility	Remuneration	
		2023 \$'000	2022 \$'000
Raewyn Lovett	Chairperson	40	40
Joanne Conroy	Director	20	20
Adam La Hood	Director	20	20
Dylan Rushbrook	Director	20	20

Directors' Insurance

As provided in the Company's Constitution, the Company 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 the Company 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 2023

Director	Declarations of Interest
Raewyn Lovett (appointed 1 January 2015)	Partner, Duncan Cotterill, Lawyers Director, Sport New Zealand Trustee, CHT Healthcare Trust Co-Chair, International Working Group of Women and Sport Shareholder, Onelaw Limited Shareholder, Pearl River Holdings Limited Shareholder in various Duncan Cotterill companies Director, TAB New Zealand Director, High Performance Sport New Zealand
Joanne Conroy (appointed 1 January 2018)	Director, Queenstown Housing Bonds Limited Director, Queenstown Lakes Community Housing Trust Developments Limited Director, Queenstown Lakes Community Housing Trust Property Portfolio Limited Director and Shareholder, QDC Services Limited Director and Shareholder, Marcon Holdings Limited Chair of Westland Holdings Limited Director, QLCHT Shotover Country Limited Director, Destination Westland Limited - resigned 30 January 2023 Director, Queenstown Citizens Advice Bureau - resigned 17 August 2022 Trustee, Queenstown Lakes Community Housing Trust Chair, Sky City Queenstown Community Trust Trustee, St John New Zealand Priory Chapter - resigned 24 June 2023 Executive Officer, Whakatipu Wildlife Trust Chair, Queenstown Airport Liaison Committee - appointed 15 May 2023
Adam La Hood (appointed 27 August 2019)	Chair, Otago Polytechnic Limited - resigned 31 October 2022 Director, Centre of Digital Excellence Limited - appointed 4 July 2022 CFO, Cook Brothers Construction Limited
Dylan Rushbrook (appointed 27 August 2019)	Director and Shareholder, Synergy Tourism Consulting Limited Director and Shareholder, Tourism Talent Limited Director and Shareholder, Tourism Central Limited Director, Tourism Talent Australia Trustee, Regional Tourism New Zealand Southern Lakes Events Investment Panel General Manager, Tourism Central Otago - resigned 20 November 2022 Group Manager Community Vision, CODC - appointed 21 November 2022

Dunedin Venues Management Limited
Statement of Responsibility
For the Year Ended 30 June 2023

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 2023 fairly reflect the financial position and operations of Dunedin Venues Management Limited.

The Company's owners do not have the power to amend the financial statements after issue.

Raewyn Lovett
Chairperson



29 September 2023

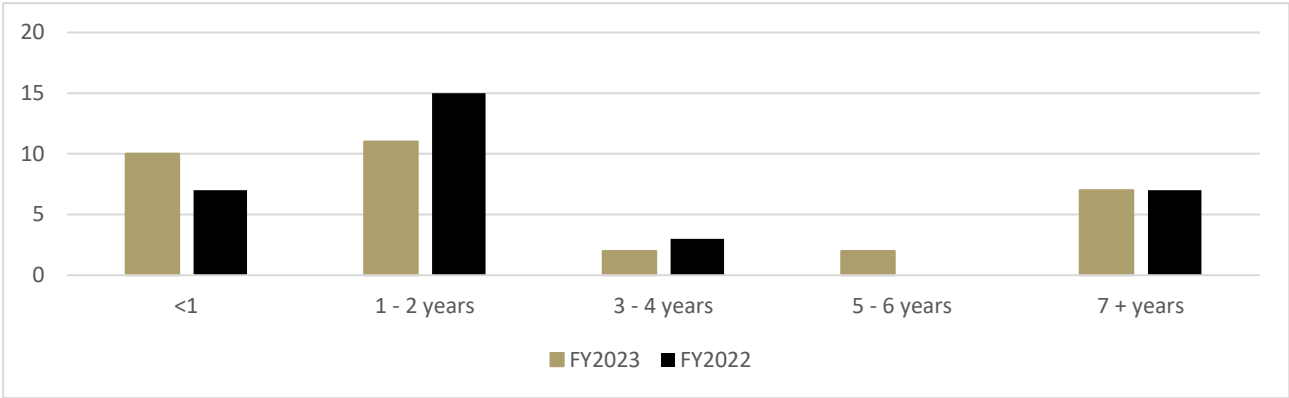
Adam La Hood
Director



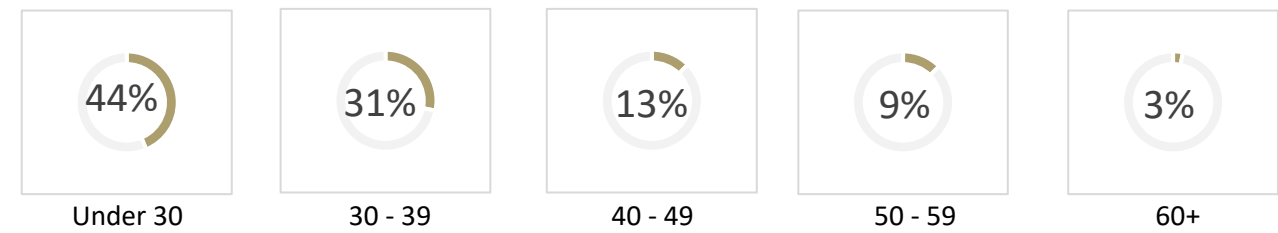
29 September 2023

Dunedin Venues Management Limited
Our People
As at 30 June 2023

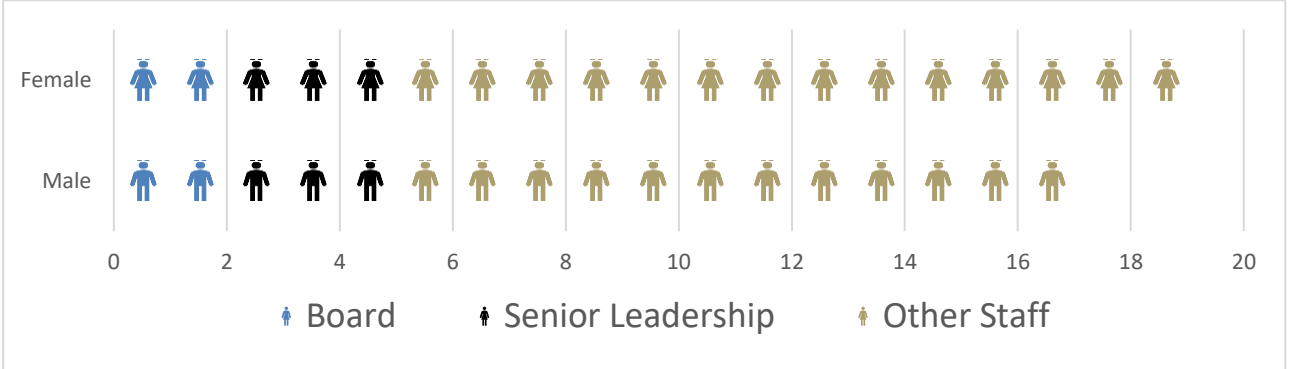
Summary of employees by length of service (years)



Summary of employees by age range



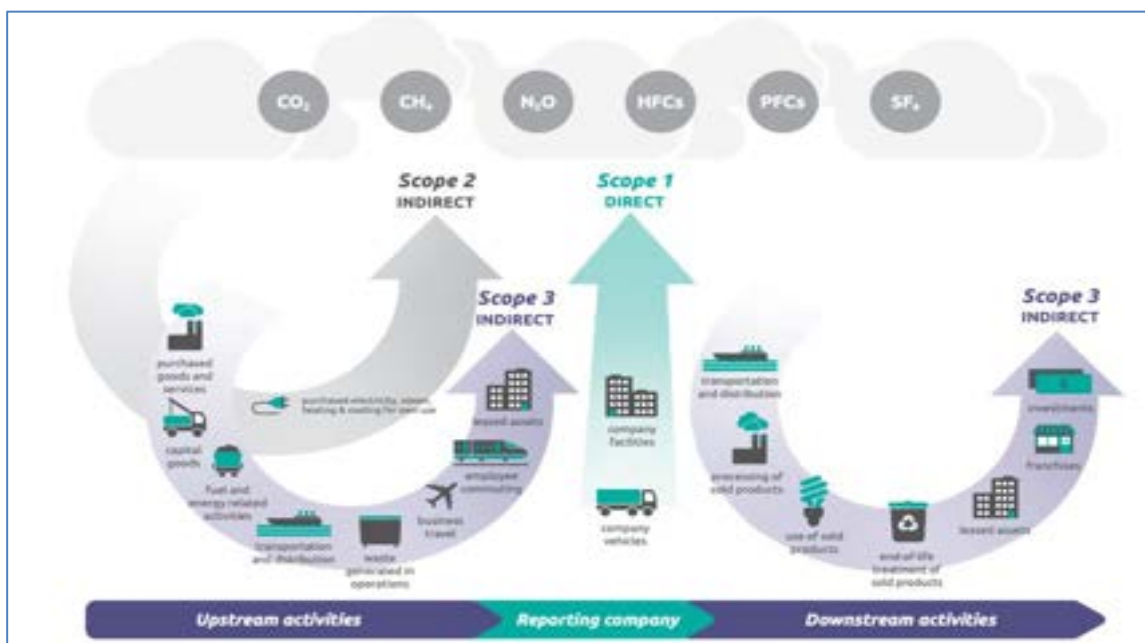
Summary of employees by gender



Greenhouse Gas Emissions Summary

During the year the Company has assessed and measured its Greenhouse Gas (GHG) emissions. The process was completed in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2006 Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. The Company created its first GHG inventory in the 2021 financial year and have been developing it further each year. The Company has, at this stage, focussed on measuring its Scope 1 and 2 emissions and an agreed selection of Scope 3 (indirect, or value chain) emissions.

Figure 1 Source: GHG Protocol - Figure 1.1 of Scope 3 Standard



Scope 1 emissions are direct emissions that are operationally controlled by the Company, including:

- Stationary combustion emissions related to heating Forsyth Barr Stadium and the Dunedin Centre
- Mobile combustion emissions related to vehicles and machinery owned or operated by the Company.
- Fugitive emissions from refrigerant use within HVAC systems the Company operates.

Scope 2 emissions are indirect GHG emissions from imported energy, including:

- Purchased electricity that is consumed at Forsyth Barr Stadium and the Dunedin Centre.

Scope 3 emissions - To provide alignment across the Dunedin City Holdings Limited (DCHL) group of companies a consistent set of Scope 3 emission categories have been applied:

The Company's Scope 3 emissions include the following:

- Waste generated in offices.
- Waste generated from activity at Forsyth Barr Stadium and the Dunedin Centre. The waste measurement and reporting scope has been widened to include the waste generated from the Company's key contractors who operate from these facilities.
- Business travel (primarily flights and accommodation).
- Freight transportation (the freighting of goods purchased by the Company).
- Electricity transmission and distribution losses.

At this stage the Company has not captured the indirect emissions from its suppliers and contractors. The Company will review which Scope 3 emissions are relevant and appropriate to measure and report on an ongoing basis.

Results

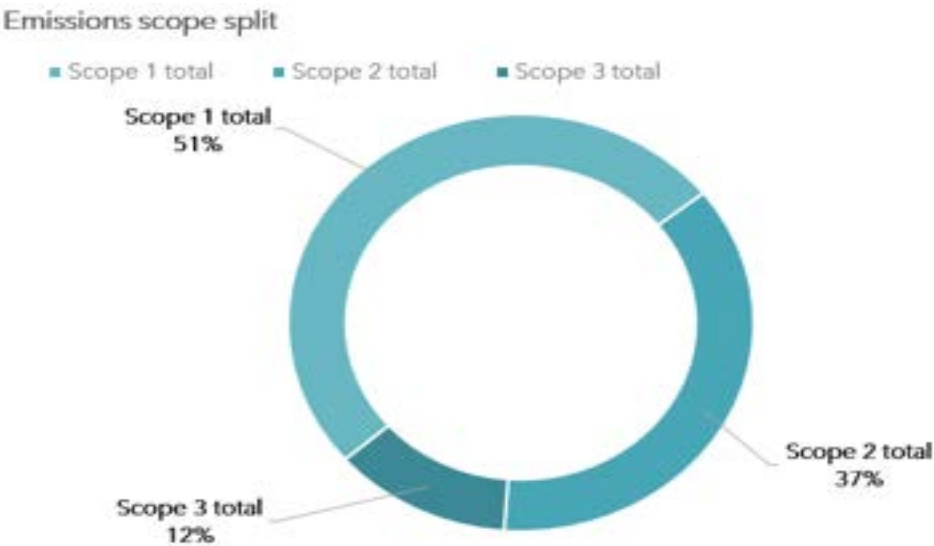
Emissions are reported as tonnes (t) of Carbon Dioxide (CO₂) equivalent (e); or tCO₂-e. "Carbon dioxide equivalent" is a standard unit for counting greenhouse gas emissions regardless of whether they are from carbon dioxide or another greenhouse gas.

The Company's measured GHG emissions for the year end 30 June 2023 are 489 tCO₂-e.

Table 1 Emissions by Scope

Scope	tCO ₂ -e	% of total
Scope 1	248	51%
Scope 2	180	37%
Scope 3	61	12%
Total	489	100%

Figure 2 Emissions by Scope



Emissions by Activity

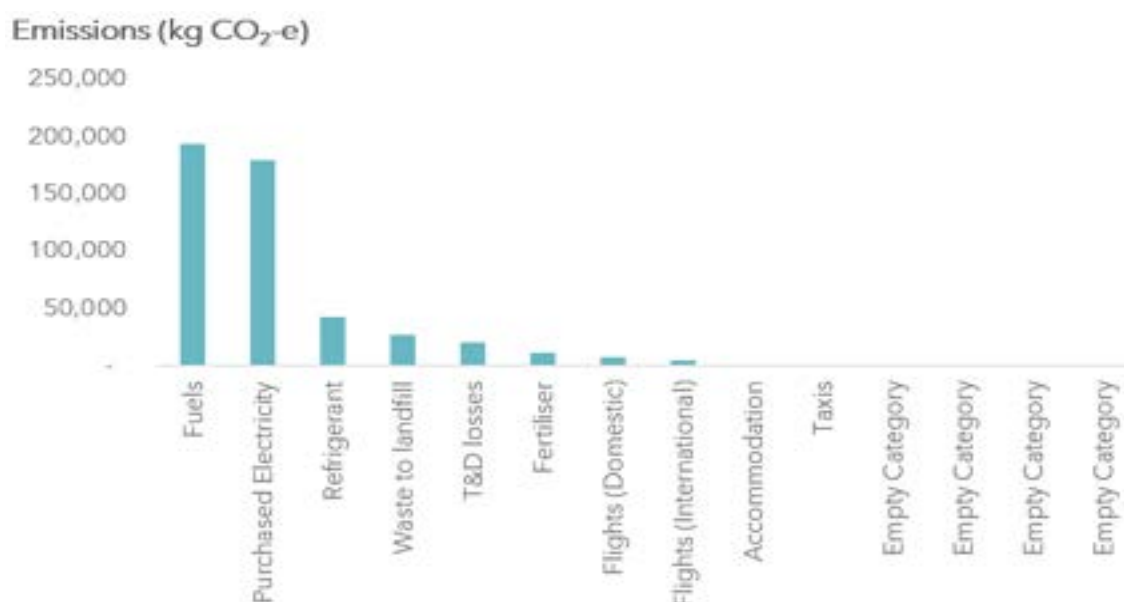
The Company's top emissions sources are summarised below.

Table 2 Emissions by Activity

Category emission source	t CO ₂ -e
Fuels	195
Purchased Electricity	180
Refrigerant	42
Waste to landfill	27
T&D losses	21
Fertiliser	11
Flights (Domestic)	7
Flights (International)	5
Accommodation	0.8
Taxis	0.2
Total	489

As the table shows, fuel is the Company's highest source of emissions.

Figure 3 Emissions by Activity



Reporting Against Base Line

The Company has taken an alternative approach to reporting against its baseline, in recognition of the varied operational profile the Company has had over recent years and could have over the next few years. Under this approach, emissions are monitored and reported as emissions "per 1,000 event attendee's". This allows the Company to target emission reduction, while minimising the impact from the volume of events held.

Emissions "per 1,000 event attendees" in the 2023 year, and the baseline year, are reported below.

	2023	Baseline - 2019
000's of event attendees	235.8	390.4
Total Company emissions (tCO ₂ -e)	489.0	911.2
Emissions per 000's of event attendees (tCO₂-e)	2.1	2.3

Carbon Reduction Strategy

During the 2023 financial year the Company developed an emissions reduction strategy and associated targets.

The strategy set an emissions reduction target developed using the Science-based methodology. A target to reduce emissions per 1,000 event attendees by 45% from the baseline year by 2030 has been set.

The Company's emissions reduction strategy focuses on gross emissions reduction which is demonstrated through the actions taken this year.

With 40% of the Company's baseline emissions coming from waste to landfill in its baseline year, a specific waste reduction strategy has been implemented to reduce emissions from waste to landfill.

In addition to considering the reduction of waste to landfill, the Company set six activity-based targets for the 2023 financial year:

Target initiative	Progress
Develop a joint DVML-DSPL framework for low-emission capital items.	Part of Asset Management Plan update, which is scheduled for September 2023.
Work with the Civic Centre building owner to improve the carbon/ energy efficiency.	Contacted DCC, Asset & Facilities, Property Services for update on BMS upgrade and Zero Carbon 2030 Plan for Civic Centre.
Reduce emissions from our suppliers work with us.	As part of contract reviews and capital projects working with our suppliers to reduce their carbon impact on site and through the projects they deliver.
Improve chiller refrigerants.	Approved budgets both DVML and DSPL focusing on refrigerant asset replacements and upgrades.
Energy/ electricity.	BMS Upgrade project in scoping phase, planned for FY2025. LED replacements priorities, approved sports lights upgrade to be completed by 2024.
Staff travel/ employee commuting.	Employee survey on commuting habits conducted, bike racks added to staff areas, lockers available and showers available to promote alternative commuting methods to work.

In addition to the above during the financial year the Company embarked on a Green Star Certification process for Forsyth Barr Stadium in which a 3 Star Rating (good practice) was achieved.

During the coming financial year the Company will be refining its strategy and targets.

The Company has adopted a target to be net zero carbon by 2030, as a contribution to Dunedin City Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2024 financial year the Company will engage with our shareholders Dunedin City Holdings Limited and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. The Company will also work with Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's city-wide net zero carbon goal.

Waste Reduction Strategy

The Company also developed a waste reduction strategy in the 2023 financial year. This strategy records Dunedin Venues' commitment to reducing the volume of waste disposed of to landfill, per 1,000 event attendees, year-on year.

In the 2023 financial year, six activity-based targets were set, as reported below:

Target initiative	Progress
Perform a waste audit at a major event.	Waste audit completed and actions prioritised and planned.
Our waste contractor is going to review our management of waste at the stadium to identify opportunities for reduction.	Waste management practices reviewed.
Improved bin management (waste and recycling bins).	Bin signage increased to encourage patrons to dispose of waste in the correct bins. Bulk bins colour coded to be easily identifiable.
Working with our catering provider to reduce food waste.	Joint sustainability team formed with an initial meeting being held and agreed targets for FY2024.
Future pathway: we provide to our customers that use our facilities (seminars / conferences) guidance on what materials they should bring into the building (to improve the waste management practices).	We encourage our clients to minimise waste. No longer supply pens, pads & mints to any events. Use of crockery instead of cups or single use plastic where possible. Utilise our digital signage so not to print any wayfinding signage.
Substitute cups for aluminum cans: This has commenced and will continue until the Otago region has a processing facility for the cups.	Aluminum cans have been substituted for bio degradable cups in all instances where food safety and liquor licensing allows.

The Company will continue to work on reducing its waste footprint in the coming year.

Dunedin Venues Management Limited
Statement of Comprehensive Income
For the Year Ended 30 June 2023

		2023	2022
	<i>Note</i>	\$'000	\$'000
Revenue			
Operating revenue		12,141	7,262
Government grants		1,720	1,237
Interest received from funds on deposit		118	21
Total revenue	3(c)	<u>13,979</u>	<u>8,520</u>
Less expenses			
Operating expenses	4	11,553	7,496
Depreciation and impairment	12	363	315
Depreciation - Right of use lease asset	11	1,614	1,618
Interest expense		432	476
Total expenditure		<u>13,962</u>	<u>9,905</u>
Profit/(Loss) for the Year before Taxation		17	(1,385)
Income tax expense/(credit)	5	(65)	(483)
Profit/(Loss) for the Year after Taxation		<u>82</u>	<u>(902)</u>
Other comprehensive income		-	-
Gain / (Loss) on cash flow hedges taken to equity		110	-
Tax effect of cash flow hedges taken to equity		(31)	-
Total Comprehensive Income		<u>161</u>	<u>(902)</u>

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

Dunedin Venues Management Limited
Statement of Changes in Equity
For the Year Ended 30 June 2023

	<i>Note</i>	Share Capital \$'000	Retained Earnings \$'000	Hedging Reserve \$'000	Total Equity \$'000
1 July 2022		10,377	(9,068)	-	1,309
Total Comprehensive Income for the year		-	82	79	161
Capital contribution		300	-	-	300
30 June 2023	6, 7	<u>10,677</u>	<u>(8,986)</u>	<u>79</u>	<u>1,770</u>
1 July 2021		10,077	(8,166)	-	1,911
Total Comprehensive Income for the year		-	(902)	-	(902)
Capital contribution		300	-	-	300
30 June 2022		<u>10,377</u>	<u>(9,068)</u>	<u>-</u>	<u>1,309</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 2023

	<i>Note</i>	2023 \$'000	2022 \$'000
Current Assets			
Cash and cash equivalents		591	2,421
Trade and other receivables	8	2,069	1,016
Assets held for sale	18	-	64
Work in progress	19	-	392
Derivative financial instruments	16	110	-
Total Current Assets		2,770	3,893
Non-Current Assets			
Property, plant and equipment	12	2,371	1,009
Right of use assets	11	13,012	14,610
Net deferred tax	13	1,267	1,231
Total Non-Current Assets		16,649	16,850
TOTAL ASSETS		19,419	20,743
Current Liabilities			
Trade and other payables	9	811	484
Contract liabilities / Income in advance	3(b)	1,789	2,279
Employee entitlements		149	118
Lease liabilities	11	1,622	1,575
Total Current Liabilities		4,371	4,456
Non-Current Liabilities			
Contract liabilities / Income in advance	3(b)	416	509
Lease liabilities	11	12,861	14,468
Total Non-Current Liabilities		13,277	14,977
Equity			
Share capital	6	10,677	10,377
Retained deficits		(8,986)	(9,068)
Hedging reserve	7	79	-
Total Equity		1,770	1,309
TOTAL EQUITY AND LIABILITIES		19,419	20,743

For and on behalf of the Directors

Raewyn Lovett
Chairperson

Adam La Hood
Director

29 September 2023

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 2023

	<i>Note</i>	2023 \$'000	2022 \$'000
Cashflows from Operating activities			
<i>Cash was provided from</i>			
Receipts from customers		13,578	9,059
Interest received		95	15
Income tax received		-	-
Net GST received		-	-
Subvention receipts		9	-
		13,682	9,074
<i>Cash was disbursed to</i>			
Payments to suppliers and employees		11,935	8,143
Net GST paid		259	47
		12,194	8,190
Net Cashflow from Operating activities	10	1,489	884
Cashflows from Investing activities			
<i>Cash was provided from</i>			
Sale of property, plant and equipment		-	-
<i>Cash was distributed to</i>			
Purchase of property, plant and equipment		1,609	424
Net Cashflow from Investing activities		(1,609)	(424)
Cashflows from Financing activities			
<i>Cash was provided from</i>			
Shareholder capital		300	300
		300	300
<i>Cash was disbursed to</i>			
Repayment of finance lease		1,576	1,536
Interest paid		432	476
		2,008	2,012
Net Cashflow from Financing activities		(1,708)	(1,712)
Net Increase/(Decrease) in Cash and Cash equivalents		(1,829)	(1,253)
Opening Cash and Cash equivalents		2,421	3,675
Closing Cash and Cash equivalents		591	2,421
Composition of Cash and Cash equivalents			
Cash on hand		-	4
Bank current account		591	117
Deposit/(overdraft) accounts		-	2,300
Cash and Cash Equivalents at the end of the year		591	2,421

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 2023

1 REPORTING ENTITY

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

The Company 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 the Company are for the year ended 30 June 2023.

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

The primary objective of the Company 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). The Company is the central hub for premier events and entertainment in Dunedin.

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 29 September 2023.

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 financial statements are recorded to the nearest (\$'000).

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2023 and the comparative information for the year ended 30 June 2022.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

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, where invoiced, 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.

Critical Accounting Judgements, Estimates and Assumptions

In preparing these financial statements the Company has made judgements, estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated.

The critical accounting judgements, estimates and assumptions of the Company are contained within the policies.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 income relating to future events not recognised in the Statement of Comprehensive Income. Income received in advance is carried forward in the Statement of Financial Position.

Government Grants

The Company applied for and received Ministry of Social Development grants relating to COVID-19 during the year (Leave Support Scheme payments). The grants have been recognised as income on a systematic basis over the period in which the Company recognised expenses related to employee benefits.

The Company received an Event Attraction Grant and Community Access Grant from the Dunedin City Council during the reporting period. The Event Attraction Grant allows the Company to bid for major events, bringing economic benefit into the city, while the Community Access Grant is to facilitate community groups accessing Forsyth Barr Stadium and the Dunedin Centre.

Changes in Accounting Policies

There have been no changes in the company's accounting policies since the date of the last audited financial statements. Accounting policies have been applied consistently to all years presented in these financial statements.

Standards amended or issued during the year

During the period, there were no new or amended accounting standards which materially affected the Company or its reporting.

Standards issued but not yet effective

The International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for periods beginning on or after 1 January 2023 (earlier application is permitted) and require entities to disclose material accounting policies rather than significant accounting policies based on a four-step materiality process.

Comparatives

Certain prior period revenue has been reclassified between functional categories for consistency with the current period.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company enters into revenue contracts with customers, significant performance obligations can include venue hire, event management, provision of exclusive rights, provision of Forsyth Barr Stadium memberships and facilities management.

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:

	2023	2022
	\$'000	\$'000
<u>Timing of revenue recognition:</u>		
At a point in time	4,559	2,100
Over time	7,155	4,513
	<u>11,713</u>	<u>6,613</u>

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

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

	2023	2022
	\$'000	\$'000
Current liabilities	1,789	2,279
Non-current liabilities	416	509
	<u>2,205</u>	<u>2,788</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 2023, 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 2023 will be recognised during the next reporting period. Income included in the financial statements for long term contracts past the next reporting period total \$375k (2022: \$359k).

(iv) Assets recognised from costs to fulfil a contract

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

3(c) Reconciliation to total revenue

	2023	2022
	\$'000	\$'000
Contracts with customers	11,713	6,613
Government grants	1,720	1,237
Leases	425	397
Other Revenue	3	251
Interest	118	21
	<u>13,979</u>	<u>8,520</u>

3(d) Critical accounting judgements, estimates and assumptions

Significant judgement is required when determining variable consideration to be included in the transaction price associated with revenue contracts.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

4 OPERATING EXPENSES

	2023	2022
	\$'000	\$'000
Other operating expenses	8,514	4,824
Audit fees - for audit of financial statements	89	52
Audit New Zealand 2022 recoveries	8	-
Bad debts	-	(4)
Directors fees	101	100
Salaries and wages	2,841	2,524
	<u>11,553</u>	<u>7,496</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.

	2023	2022
	\$'000	\$'000
Income Tax Recognised in Comprehensive Income		
Profit/(Loss) for the year before taxation	17	(1,385)
Income tax expense calculated at 28% (2022: 28%)	5	(388)
<i>Tax effect of following adjustments</i>		
Non-deductible expenses	3	(11)
Prior period adjustments	(73)	(83)
Tax effect of differences	<u>(70)</u>	<u>(95)</u>
Tax expense	<u>(65)</u>	<u>(483)</u>
Effective tax rate	0%	0%
Represented by:		
Current tax provision	-	-
Deferred tax provision	7	(400)
Prior period adjustment to deferred tax	<u>(73)</u>	<u>(83)</u>
	<u>(65)</u>	<u>(483)</u>

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

6 EQUITY - SHARE CAPITAL

	2023	2022
	\$'000	\$'000
Called and Fully Paid Up Capital		
10,677,065 fully paid ordinary shares (2022: 10,377,065)	<u>10,677</u>	<u>10,377</u>

On the 6th June 2023, the Company issued and called 300,000 shares of \$1 each in favour of Dunedin City Holdings Limited. The shares carry equal voting rights.

11,200,000 shares have been issued to Dunedin City Holdings Limited at \$1 per share. At 30 June 2023, 10,677,065 (2022: 10,377,065) 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.

7 RESERVES

	2023	2022
	\$'000	\$'000
Hedging Reserve		
Balance at the beginning of the year	-	-
Gain/(loss) in fair value movement in derivatives	79	-
Balance at the end of the year	<u>79</u>	<u>-</u>

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the hedging instruments relating to foreign exchange transactions that have not yet occurred.

8 TRADE AND OTHER RECEIVABLES

Accounting Policy

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

	2023	2022
	\$'000	\$'000
Trade and other receivables	1,348	859
Expected credit losses	(5)	(4)
Accrued income and prepayments	450	144
GST receivable	276	17
	<u>2,069</u>	<u>1,016</u>

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

9 TRADE AND OTHER PAYABLES

Accounting Policy

Trade and other payables are stated at amortised cost.

	2023	2022
	\$'000	\$'000
Trade payables	811	493
Subvention payable	-	(9)
	<u>811</u>	<u>484</u>

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

	2023	2022
	\$'000	\$'000
Profit/(Loss) for the year after taxation	82	(902)
<i>Items Not Involving Operating Cashflows</i>		
Depreciation and impairment	363	315
Depreciation on right of use asset	1,614	1,618
Deferred tax	(66)	(483)
Interest portion of lease liability	432	476
<i>Impact of Changes in Working Capital Items</i>		
(Increase)/Decrease in trade and other receivables	(486)	(137)
(Increase)/Decrease in Assets held for sale	64	-
(Increase)/Decrease in work in progress	392	(392)
(Increase)/Decrease in prepayments	(306)	(46)
(Increase)/Decrease in GST receivable	(259)	(17)
Increase/(Decrease) in GST payable	-	(30)
Increase/(Decrease) in trade and other payables	203	(230)
Increase/(Decrease) in subvention payable	9	-
Increase/(Decrease) in employee entitlements	31	15
Increase/(Decrease) in income received in advance	(583)	697
Net cashflows from operating activities	<u>1,489</u>	<u>884</u>

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

11 RIGHT OF USE ASSET AND LEASE LIABILITY

The right of use asset is recognised at the present value of future lease payments, depreciated straight line over the term of the lease. The Company's depreciation rates on the right of use assets have a range of 6% - 33% (2022: 6% - 33%), depending on the length of the lease. The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied is 2.85% (2022: 2.85%).

	2023	2022
	\$'000	\$'000
Right of use assets:		
Opening Balance	14,610	16,229
Additions	16	-
Depreciation	<u>(1,614)</u>	<u>(1,618)</u>
	<u>13,012</u>	<u>14,610</u>
Lease Liabilities		
Opening Balance	16,044	17,581
Additions	16	-
Payments - Property	(1,568)	(1,524)
Payments - Plant & Equipment	(2)	(5)
Payments - Vehicles	<u>(6)</u>	<u>(7)</u>
	<u>14,484</u>	<u>16,044</u>
Classified as:		
Less than one year	1,622	1,575
One to five years	6,951	6,749
More than five years	<u>5,911</u>	<u>7,719</u>
Lease liabilities recognised as at 30 June	<u>14,484</u>	<u>16,044</u>

Low Value Leases

Low value leases have been identified and are exempt from recognition under IFRS 16. Low value lease expenses are \$2k annually (2022: \$2k).

Critical accounting judgements, estimations and assumptions

Forsyth Barr Stadium Lease

The Forsyth Barr Stadium lease expires in 2031. The lease includes a right of renewal clause for two 20 year periods which, if exercised, would extend the lease under current terms to 2071. In determining the accounting treatment of the Forsyth Barr Stadium lease relating to IFRS 16, the Board have assessed there are a number of factors that need consideration before it can be reasonably certain it will exercise its option to renew the lease under the current terms of the contract. Therefore the Right of Use Asset and Lease Liability have been calculated based on the lease terminating in 2031. Had the Company opted to include the two renewal periods, the effect would have been to increase the ROU asset by \$35.1m (2022: \$34.5m) and the Lease Liability by \$38.0m (2022: \$36.9m). The impact on the reported before tax surplus would be a decrease of \$460k (2022: \$386k). An assessment will be made each year regarding the certainty of renewal and the associated entries will be booked in the year the Board becomes reasonably certain it will exercise its right to extend the lease.

When reviewing whether the carrying amount of the right of use asset is impaired, the Company follows the same assessment process as that set out in note 12 below. Changes to assumptions relating to the pre-tax discount rate and number of events held at Forsyth Barr Stadium, have the potential to cause a material adjustment to the carrying value of the right of use asset.

A +/- 1% movement in the calculated discount rate will increase/(decrease) the carrying value of the right of use asset by (\$909k)/\$983k.

A +/- 10% movement in the estimated future projected cashflow will increase/(decrease) the carrying value of the right of use asset by \$1.7m/(\$1.7m).

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

12 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% - 21%	Straight line
Furniture and fittings	7% - 18%	Straight line
Office equipment	25% - 71%	Straight line
Plant and equipment	3% - 40%	Straight line

Critical accounting judgements, estimations and assumptions

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 2023

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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.

	2023					
	Leasehold Alterations \$'000	Furniture & Fittings \$'000	Office Equipment \$'000	Stadium Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Cost or Valuation						
Balance at beginning of year	449	491	184	2,376	-	3,500
Additions	24	13	23	1,665	-	1,725
Transfer to Assets held for sale	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	(1)	-	(33)	-	(34)
Balance at end of year	473	503	207	4,008	-	5,191
Accumulated depreciation						
Balance at beginning of year	178	303	147	1,863	-	2,491
Depreciation	35	41	34	236	-	346
Transfer to Assets held for sale	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	(1)	-	(16)	-	(17)
	213	343	181	2,083	-	2,820
Balance at end of year	260	160	26	1,925	-	2,371

	2022					
	Leasehold Alterations \$'000	Furniture & Fittings \$'000	Office Equipment \$'000	Stadium Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Cost or Valuation						
Balance at beginning of year	439	449	180	3,131	-	4,199
Additions	10	46	39	334	-	429
Transfer to Assets held for sale	-	-	-	(198)	-	(198)
Disposals	-	-	-	-	-	-
Impairment	-	(4)	(35)	(891)	-	(930)
Balance at end of year	449	491	184	2,376	-	3,500
Accumulated depreciation						
Balance at beginning of year	129	271	145	2,696	-	3,241
Depreciation	49	34	37	191	-	311
Transfer to Assets held for sale	-	-	-	(135)	-	(135)
Disposals	-	-	-	-	-	-
Impairment	-	(2)	(35)	(888)	-	(925)
	178	303	147	1,863	-	2,491
Balance at end of year	271	188	37	513	-	1,009

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

13 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.

	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000
	Opening Balance Sheet	Charged to Income	Charged to Equity	Closing Balance Sheet Assets	Liabilities	Net
Property, plant and equipment	117	(26)	0	91	-	91
Employee entitlements	31	8	0	39	-	39
Provisions and adjustments	16	(14)	0	2	-	2
IFRS 16 Leases	401	11	0	412	-	412
Hedging Instruments	-	-	(31)	-	31	(31)
Tax losses	666	88	-	754	-	754
	1,231	67	(31)	1,298	31	1,267

	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
	Opening Balance Sheet	Charged to Income	Charged to Equity	Closing Balance Sheet Assets	Liabilities	Net
Property, plant and equipment	206	(89)	-	117	-	117
Employee entitlements	35	(4)	-	31	-	31
Provisions and adjustments	3	13	-	16	-	16
IFRS 16 Leases	378	23	-	401	-	401
Tax losses	126	540	-	666	-	666
	748	483	-	1,231	-	1,231

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

14 CAPITAL EXPENDITURE COMMITMENTS

The Company had capital expenditure commitments of \$Nil at year end (2022: \$1,257,000).

15 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at year end (2022: \$Nil).

16 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.

b) Categories of Financial Instruments
Financial Assets

	2023	2022
	\$'000	\$'000
Trade and other receivables	2,069	1,016
Less:		
Accrued income and prepayments	450	144
GST receivable	276	17
Loans and receivables	<u>1,343</u>	<u>855</u>

Financial Liabilities

Trade and other payables	811	484
Less:		
Subvention payable	-	(9)
Lease liabilities	14,484	16,044
Financial liabilities at amortised cost	<u>15,295</u>	<u>16,537</u>

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 2023

16 FINANCIAL INSTRUMENTS (CONTINUED)

c) Currency Derivatives

The Company manages risk associated with exchange rate fluctuations through the use of currency derivatives to hedge significant future transactions. The instruments purchased are only against the currency in which revenue is generated. For hedges of highly probable forecast sales, and purchases, as the critical terms (i.e the notional amount, life and underlying) of the foreign exchange forward contracts and their corresponding hedged items are the same, the Company use the Prospective Effectiveness Method to determine effectiveness. This is a simplified approach because the currency of the exposure and hedging instruments perfectly match.

At balance date, the total notional amount of outstanding forward foreign exchange contracts to which the Company is committed are as follows:

	Average Exch Rate	Foreign Currency	Contract Value	Fair Value 2023	Fair Value 2022
Outstanding Contracts					
Cashflow hedges					
Sell USD	0.5694	900	1,580	110	-

17 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.

The Company 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:

	2023 \$'000	2022 \$'000
Rates and property rentals and other charges	(694)	(605)
Revenue from property/event management and contribution from Event Attraction Fund	2,036	1,926
	<u>1,342</u>	<u>1,321</u>
<i>As at balance date:</i>		
Payable to Dunedin City Council	53	50
Receivable from Dunedin City Council	82	73

The lease between the Company and Dunedin City Council for the Dunedin Centre remains unsigned due to a dispute over the ownership of certain assets. The lease is cancellable by the Company, having given 20 working day notice. In the event of cancellation, the Company will be liable for certain make good costs. These costs have not been quantified.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

17 RELATED PARTY TRANSACTIONS (CONTINUED)

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:

	2023	2022
	\$'000	\$'000
Dunedin City Forests Limited		
Subvention received	9	-
	<u>9</u>	<u>-</u>
<i>As at balance date:</i>		
Receivable from Dunedin City Forests Limited:	-	-
Dunedin City Treasury Limited		
Interest received	97	20
Subvention received	-	30
	<u>97</u>	<u>50</u>
<i>As at balance date:</i>		
Receivable from Dunedin City Treasury Limited:	29	-
<i>As at balance date:</i>		
Deposit with Dunedin City Treasury Limited	-	2,300
	<u>-</u>	<u>2,300</u>
Dunedin City Holdings Limited		
Revenue from event management	2	1
	<u>2</u>	<u>1</u>
<i>As at balance date:</i>		
Receivable from Dunedin City Holdings Limited:	-	-
Dunedin Stadium Property Limited		
Management fee and reimbursements	987	287
Expense on charges	(545)	(445)
Lease liability and interest payments	(2,000)	(2,000)
	<u>(1,558)</u>	<u>(2,158)</u>
<i>As at balance date:</i>		
Receivable from Dunedin Stadium Property Limited:	216	41

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2023

17 RELATED PARTY TRANSACTIONS (CONTINUED)

	2023	2022
	\$'000	\$'000
Dunedin Railways Limited		
Management fee and expense on charges	233	233
	<u>233</u>	<u>233</u>
<i>As at balance date:</i>		
Receivable from Dunedin Railways Limited:	23	-
Delta Utility Services Limited		
Assets sold on transfer of contract and other services	64	-
Turf management fee and expense on charges	(148)	-
	<u>(84)</u>	<u>-</u>
<i>As at balance date:</i>		
Payable to Delta Utility Services Limited:	12	-
Dunedin International Airport Ltd		
Revenue from membership and associated services	12	11
	<u>12</u>	<u>11</u>
<i>As at balance date:</i>		
Receivable from Dunedin International Airport Limited:	-	-
Aurora Energy Ltd		
Revenue from venue hire and associated services	-	7
	<u>-</u>	<u>7</u>
<i>As at balance date:</i>		
Receivable from Aurora Energy Limited:	-	-

In relation to the 2023 year, there is not expected to be any transfer of tax losses to other entities in the DCC Group (2022: \$Nil).

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 2023

17 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:

- Cook Brothers Group Ltd, of which Adam La Hood is the Chief Financial Officer, purchased eight OCR Memberships for \$14,000 and services of \$6,000 (2022: \$16,000). No amounts (2022: \$Nil) were outstanding at balance date.
- Te Pūkenga (formally Otago Polytechnic Ltd), of which Adam La Hood was the Chair of the Board of Directors, purchased carparks for \$139,000, sponsorship of \$85,000, and services of \$45,000 (2022: \$247,000). An amount of \$15,000 (2022: \$12,000) was outstanding at balance date.
- The Company purchased \$9,000 (2022: \$5,000) of services from Te Pūkenga (formally Otago Polytechnic Ltd). Adam La Hood was the Chair of the Board of Directors of Te Pūkenga. No amounts (2022: \$1,000) were outstanding at balance date.
- High Performance Sport New Zealand, of which Raewyn Lovett is on the Board of Directors, purchased carparks for \$3,000 (2022: \$Nil). No amounts (2022: \$Nil) were outstanding at balance date.
- The Company purchased \$5,000 (2022: \$2,000) of director related travel expenses from Duncan Cotterill. Raewyn Lovett is a Partner of Duncan Cotterill. An amount of \$2,000 (2022: \$Nil) was outstanding at balance date.

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

	2023	2022
	\$'000	\$'000
Key management remuneration	1,267	1,136

18 ASSETS HELD FOR SALE

The sale of assets held for sale was completed in August 2022 at fair value less costs to sell and comprised the following assets:

	2023	2022
	\$'000	\$'000
Property, plant & equipment	-	64
Assets held for sale	<u>-</u>	<u>64</u>

19 WORK IN PROGRESS

Work in Progress is measured at the lower of cost and net realisable value.

	2023	2022
	\$'000	\$'000
Work in Progress	-	392
Work in Progress	<u>-</u>	<u>392</u>

20 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 2023

Performance Targets	Achievements
Safety and Compliance	
Manage and implement Government and Ministry of Health guidelines as set out in New Zealand's COVID-19 traffic light system. Ensure all staff have access to required systems in the event they are not able to work in the office.	The Company has met requirements set out by the Ministry of Health through all levels of the Covid pandemic. Staff are able to access systems remotely.
Safety and Wellness management system and improvement plan is reviewed. Opportunities for improvement and corrective actions are prioritised and actioned.	The Safety and Wellness System and Improvement Plan was reviewed by the Health and Safety Committee during the year. Changes to the improvement plan are minuted and implemented.
An Incident Frequency Rate Events (IFRE) of less than 0.05% of the total number of event attendees across all venues.	The Incident Frequency Rate was 0.05% of the total number of people attending events and the venues.
Total Incident Rate (TIR) of less than six incidents per 200,000 hours worked.	Total Incident Rate was zero incidents per 200,000 hours worked.
Total Recordable Incidents (TRI) rate of less than three.	Total Recordable Incidents was zero for the reporting period.
Lost Time Incidents (LTI) of less than two.	The Lost Time Incident rate was zero for the reporting period.
Lost Time Incident Frequency Rate of less than 17 per 1,000,000 hours worked.	The Lost Time Incident Frequency Rate was zero for the reporting period.
Staff training is relevant, current and meets current legislative requirements.	Training requirements have been met throughout the year.
Safety and Wellness audits completed as per programme and show no critical non-compliances. Opportunities for improvement and corrective actions are prioritised and completed.	Internal audits were completed as per schedule. No critical non-compliance noted.
Meet and maintain all statutory, regulatory and resource consent requirements. No material breaches of legislation.	There were no identified breaches of statutory obligations during the year.
No material breaches of KPI's as set out in the approved current Asset Management Plan section 4.4.3.	This performance measure is unable to be reported on. The Stadium Facilities and Infrastructure are maintained as fit for purpose, as can be verified by a current Building Warrant of Fitness and the ability to hold events throughout the entirety of the stadium facility. However, the Company have been unable to provide sufficient audit evidence to prove the performance measure set in the Statement of Intent has been met.
Report on facilities indicators and provide statistical data in the monthly board reports. Reports are provided within deadlines and data is acted upon.	Agreed KPI's reported against at each Dunedin Stadium Property Limited Board meeting.

Performance Targets	Achievements
Safety and Compliance (Social and Wellbeing)	
Achieve 85% ratepayer satisfaction with Forsyth Barr Stadium in the Dunedin City Council's Residents' Opinion Survey.	The latest Dunedin City Council's Residents Opinion Survey (2022) had a satisfaction rating of 90% for residents who attended Forsyth Barr Stadium.
Positive community feedback and increased satisfaction levels through the Residents Opinion Survey.	In the latest Dunedin City Council's Residents Opinion Survey (2022) there was an increased satisfaction level for residents who attended Forsyth Barr Stadium from 87% in 2021 to 90% in 2022.
Report to the Dunedin City Council 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 covering the 2022/23 financial year.
Senior management conduct a minimum of five speaking engagements.	Senior management conducted five speaking engagements for the year.
Marketing and Business Objectives	
Achieve a 80% retention rate of Commercial Partner renewals by contract value.	Achieved.
Survey Members for satisfaction level - minimum 80% satisfaction to be achieved.	A member survey was not completed during the year.
Achieve a 75% retention rate of member renewals by contract value.	Achieved.

Performance Targets	Achievements		
Marketing and Business Objectives (Economic Development Strategy)			
A minimum of \$5m visitor marginal direct spend per each major event (> 10,000 pax) for Dunedin City. Visitor Marginal Direct Spend target is achieved, determined through a post event patron survey assessed by an independent economist.	The Visitor Marginal Direct Spend for major events in the year to 30 June 2023 as determined by an independent economist were as follows:		
	Event	Visitor Marginal Direct Spend (\$,000)	
	All Blacks v Ireland	12,940	
	Red Hot Chili Peppers	10,520	
	Six60	4,180	
	Rod Stewart	4,890	
	Total	\$32,530	
Achieve minimum 80% satisfaction rating through surveys of all major events (> 10,000 pax). 60% of attendees of all major events (> 10,000 pax) to come from outside of Dunedin City.	Satisfaction and attendance numbers for major events in the year to 30 June 2023 were:		
	Event	Satisfaction	% Attendance outside of Dunedin
	All Blacks v Ireland	77%	70%
	Red Hot Chili Peppers	87%	58%
	Six60	88%	50%
	Rod Stewart	82%	72%
In conjunction with the DCC, submit bids of a high quality that will secure events and drive economic benefit and civic pride for the city.	Two submissions made to New Zealand Rugby to host an All Blacks v Australia Test match, and a round of the WXV1 tournament. Both bids were successful.		
Environment & Sustainability			
Implement DVML's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets.	Implementation of the Company's carbon emission initiatives were deferred until August-October 2023.		
Implement DVML's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets, which include specific measures relating to the use of single use cups.	The waste reduction strategy has been implemented. Actions taken during the year included improving the colour coding of recycling bins and substituting single use cups for aluminium cans during events.		
Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.	Carbon emission reporting is included in the Company's annual report.		
Asset refurbishments and replacement to consider the carbon impact of the lifecycle of the asset.	The carbon impact of the lifecycle of an asset is considered as part of the RFP documentation and business case process.		

Performance Targets	Achievements		
Human Resources			
Performance Reviews are conducted with all staff at least every six months, implement and training, improvements and recommendations as appropriate.	Staff Performance Reviews were completed in December 2022 and June 2023.		
Conduct a confidential staff annual engagement survey acting on outcomes as appropriate.	An independent staff survey was completed in May 2023 and an action plan has been developed to act on the outcomes.		
Provide quarterly 'pop up' staff and wellness sessions on various topics of interest.	Staff wellness sessions occurred in each quarter.		
Ensure that all direct employees are paid at living wage or more.	All employees are paid the living wage, or more.		
Financial			
Achievement against forecasted Statement of Intent results are as follows:			
		Actual \$'000	Target \$'000
	EBITDA	2,426	2,773
	Net Profit after Tax	82	184
	Operating Cashflow	1,489	2,149
	Capital Expenditure	1,725	1,617
	Term Borrowings	-	-
	Shareholder Funds	1,770	1,603
	Shareholder Funds to Total		
	Assets	0.09 : 1	0.08 : 1
	Dividend	-	-
Achieve a 15:1 return on investment (ROI) of the Event Attraction Fund (EAF). ROI is achieved and calculated by Visitor Marginal Direct Spend against the level of EAF investment for the major event.	The return on investment of the Event Attraction Fund for 2022/23 was:		
	Event	Return	
	All Blacks v Ireland	28 : 1	
	Red Hot Chili Peppers	30 : 1	
	Six60	36 : 1	
	Rod Stewart	33 : 1	
Shareholder			
Matters which may or could conflict 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 DVML 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.		

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 2023

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

We have audited:

- the financial statements of the company on pages 14 to 33, that comprise the statement of financial position as at 30 June 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company on pages 34 to 37.

Opinion

Unmodified opinion on the financial statements

In our opinion:

- the financial statements of the company on pages 14 to 33:
 - 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 New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

Qualified opinion on the statement of service performance

In our opinion, except for the matter described in the Basis for our opinion section of our report, the statement of service performance of the company on pages 34 to 37 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 2023.

Our audit was completed on 29 September 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 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

Statement of service performance: The company was unable to report on whether there were any material breaches of the key performance indicators (KPIs) set in the approved asset management plan.

A material aspect of the company's service performance is its management of community assets in accordance with the KPIs set in the approved asset management plan. As reported on page 34, the company has not been able to report on its compliance with these KPIs. As a result, the company's reported performance is incomplete in this material aspect and therefore does not fairly reflect its achievements for the year ended 30 June 2023.

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

We did not evaluate the security and controls over the electronic publication of the financial statements and the 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 statement of 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 13, 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: 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.

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



Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand