Dunedin Venues Management Limited

Report for the Six Months Ended

31 December 2020

Dunedin Venues Management Limited
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Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2020

The Directors of Dunedin Venues Management Limited are pleased to present their report on the activities of the Company for the six months ended 31 December 2020.

Principal Activities of the Company

The organisation is a stadium operator and an events and venues management company.

Results for the Six Months Ended 31 December 2020

The report covers the financial period 1 July 2020 to 31 December 2020

	unaudited 6 months to 31 Dec 2020 $'000	**unaudited 6 months to 31 Dec 2019 $'000**	**audited full year to 30 Jun 2020 $'000**
Total Revenue	4,283	5,134	11,937
Profit/(Loss) before tax	(273)	81	(81)
Net cash flow from operating activities	1,602	1,927	2,926
Total Assets	23,051	21,871	23,700

Review of Operations

The net deficit before taxation was $273,000 for the six months to 31 December 2020 compared to a surplus of $81,000 for the same period in the previous year.

COVID-19

The effects of the COVID-19 pandemic are still being felt by Dunedin Venues Management Limited. Due to border restrictions in place, there has been no stadium concerts or international rugby in the six months to 31 December; these events are a significant source of income for the company.

Dividends

No dividends were paid by the Company.

Changes in Directors

Andrew Douglas commenced an Intern Directorship on 1 January 2020 and resigned from this position on 21 July 2020.

Events after Balance Date

There were no significant events after the reporting period that would require adjustment or disclosure.

Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2020

Statement of Responsibility

The Directors accept responsibility for the preparation of the interim financial statements and the judgements used in them;

The Directors accept 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 interim financial statements fairly reflect the financial position and operations of Dunedin Venues Management Limited.

The Board of Dunedin Venues Management Limited have pleasure in presenting the interim financial statements, set out on pages 3 to 10, for the six months ended 31 December 2020 and authorises them for issue on 12 February 2021.

Raewyn Lovett, Chair	Adam La Hood, Director

Dunedin Venues Management Limited
Statement of Profit and Loss
For the Six Months Ended 31 December 2020

	Note	**unaudited 6 months to 31 Dec 2020 $'000**	**unaudited 6 months to 31 Dec 2019 $'000**	**audited full year to 30 Jun 2020 $'000**
Revenue				
Operating revenue		3,801	4,739	10,637
Government Grants		478	379	1,272
Interest received from funds on deposit		4	16	28
Total revenue		4,283	5,134	11,937
Less expenses				
Audit Fees		16	16	32
Bad Debts		6	9	11
Depreciation and impairment - PP&E	5	173	178	393
Depreciation - Right of Use lease asset		810	693	1,620
Directors fees		41	38	79
Employee Expenses		958	1,385	2,843
Finance Costs - Lease Liability		265	445	561
Operating expenses		2,287	2,289	6,479
Total expenditure		4,556	5,053	12,018
Profit/(Loss) before taxation		(273)	81	(81)
Income tax expense/(credit)		(76)	23	(17)
Total comprehensive profit after taxation		**(197)**	**58**	**(64)**

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

Dunedin Venues Management Limited
Statement of Changes in Equity
For the Six Months Ended 31 December 2020

	Share capital $'000	Retained earnings $'000	Total equity $'000
unaudited			
Equity as at 1 July 2020	9,777	(7,859)	1,918
Profit/(Loss) after taxation	-	(197)	(197)
Equity as at 31 December 2020	9,777	(8,056)	1,721
unaudited			
Equity as at 30 June 2019	9,477	(7,032)	2,445
Accounting Policy change	-	(1,536)	(1,536)
Equity as at 1 July 2019	9,477	(8,568)	909
Profit/(Loss) after taxation	-	58	58
Equity as at 31 December 2019	9,477	(8,510)	967
audited			
Equity as at 30 June 2019	9,477	(7,032)	2,445
Accounting Policy change - IFRS 16	-	(763)	(763)
Capital Contribution	300	-	300
Profit/(Loss) after taxation	-	(64)	(64)
Equity as at 30 June 2020	9,777	(7,859)	1,918

Share Equity as at 31 December 2020 is made up of 9,777,065 fully paid ordinary shares

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

Dunedin Venues Management Limited
Statement of Financial Position
As at 31 December 2020

	Note	**unaudited 31 Dec 2020 $'000**	**unaudited 31 Dec 2019 $'000**	**audited 30 Jun 2020 $'000**
Current Assets				
Cash and cash equivalents		3,457	2,704	2,858
Trade and other receivables	3	758	1,254	921
Assets held for sale		-	-	173
Total Current Assets		4,215	3,958	3,952
Non-Current Assets				
Property, plant and equipment	5	1,118	1,576	1,296
Right of Use Assets		17,013	15,971	17,823
Deferred Tax		705	366	629
Total Non-Current Assets		18,836	17,913	19,748
Total Assets		23,051	21,871	23,700
Current Liabilities				
Trade and other payables	4	575	409	500
Contract liabilities / Income in advance		2,025	2,645	1,636
Employee entitlements		112	102	79
Current portion of Lease Liabilities		1,509	1,162	1,492
Total Current Liabilities		4,221	4,318	3,707
Non-Current Liabilities				
Contract liabilities / Income in advance		311	107	517
Lease Liabilities		16,798	16,479	17,558
Total Non-Current Liabilities		17,109	16,586	18,075
Equity				
Share capital		9,777	9,477	9,777
Retained deficits		(8,056)	(8,510)	(7,859)
Total Equity		1,721	967	1,918
TOTAL EQUITY AND LIABILITIES		23,051	21,871	23,700

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

Dunedin Venues Management Limited
Statement of Cashflows
For the Six Months Ended 31 December 2020

	Note	unaudited 6 months to 31 Dec 2020 $'000	unaudited 6 months to 31 Dec 2019 $'000	audited full year to 30 Jun 2020 $'000
Cashflows from Operating Activities				
Cash was provided from				
Receipts from customers		4,980	6,687	12,929
Interest received		4	16	28
Income tax received		-	-	12
Net GST received		32	-	-
Subvention payments		5	-	-
		5,021	6,703	12,969
Cash was disbursed to				
Payments to suppliers and employees		3,419	4,669	9,913
Income tax paid		-	-	-
Subvention payments		-	-	(3)
Net GST paid		-	107	133
		3,419	4,776	10,043
Net Cashflow from Operating Activities	2	1,602	1,927	2,926
Cashflows from Investing Activities				
Cash was provided from				
Sale of property, plant and equipment		11	-	-
Cash was disbursed to				
Purchase of property, plant and equipment		6	351	484
Net Cashflow from Investing Activities		5	(351)	(484)
Cashflows from Financing Activities				
Cash was provided from				
Shareholder capital		-	-	300
		-	-	300
Cash was disbursed to				
Interest paid		265	445	561
Repayment of lease liability		743	559	1,453
		1,008	1,004	2,014
Net Cashflow from Financing Activities		(1,008)	(1,004)	(1,714)
Net Increase/(Decrease) in Cash and Cash Equivalents		599	572	727
Opening Cash and Cash Equivalents		2,858	2,132	2,132
Closing Cash and Cash Equivalents		3,457	2,704	2,858
Composition of Cash and Cash Equivalents				
Cash on Hand		4	4	4
Bank Current Account		853	500	854
Deposit/(Overdraft) accounts		2,600	2,200	2,000
Cash and Cash Equivalents at the end of the year		3,457	2,704	2,858

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

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 registered address of the Company is 130 Anzac Avenue, Dunedin 9016.

The financial statements of Dunedin Venues Management Limited are for the six months ended 31 December 2020 and comply with the Financial Reporting Act 1993.

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.

Dunedin Venues Management Limited is a for profit company.

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

Basis of Preparation

The financial statements are unaudited.

The financial statements have been prepared in accordance with New Zealand Equivalents to International Reporting Standards 34, Interim Financial Reporting, and should be read in conjunction with the audited financial statements for the year ended 30 June 2020.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2020.

The judgement, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2020.

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2020

	unaudited 6 months to 31 Dec 2020 $'000	unaudited 6 months to 31 Dec 2019 $'000	audited full year to 30 Jun 2020 $'000
2 RECONCILIATION OF NET PROFIT FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year after taxation	(197)	58	(64)
Plus Items Not Involving Operating Cashflows			
Depreciation and impairment	173	178	393
Depreciation of Right of Use Asset	810	693	1,620
Loss on fixed asset disposal	-	-	12
Interest paid	265	445	561
Impact of Changes in Working Capital Items			
(Increase) / Decrease in trade and other receivables	350	441	491
(Increase) / Decrease in assets held for sale	140	-	-
(Increase) / Decrease in inventory held for sale	33	-	(33)
(Increase) / Decrease in accrued income and prepayments	(219)	(372)	(3)
(Increase) / Decrease in GST receivable	32	(94)	(39)
(Increase) / Decrease in subvention receivable	(1)	62	3
(Increase) / Decrease in deferred tax	(76)	(39)	(302)
(Increase) / Decrease in deferred tax - non cash impact	-	-	297
Increase / (Decrease) in GST payable	-	(13)	(94)
Increase / (Decrease) in trade payables	76	(520)	(382)
Increase / (Decrease) in employee entitlements	33	(40)	(63)
Increase / (Decrease) in income received in advance	183	1,128	529
Net cashflows from operating activities	1,602	1,927	2,926

	unaudited 31 Dec 2020 $'000	unaudited 31 Dec 2019 $'000	audited 30 Jun 2020 $'000
3 TRADE AND OTHER RECEIVABLES			
Trade and other receivables	459	870	820
Provision for Doubtful Debts	(27)	(47)	(38)
Accrued income and prepayments	319	469	100
Subvention receivable	-	(51)	-
GST receivable	7	13	39
	758	1,254	921

	unaudited 31 Dec 2020 $'000	unaudited 31 Dec 2019 $'000	audited 30 Jun 2020 $'000
4 TRADE AND OTHER PAYABLES			
Trade payables	584	409	508
GST payable	-	-	-
Subvention payable	(9)	-	(8)
	575	409	500

5 PROPERTY, PLANT AND EQUIPMENT

31 December 2020
unaudited

	Buildings	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost or Valuation						
Balance at beginning of period	573	462	364	3,541	23	4,963
Additions	-	-	-	6	-	6
Disposals	-	-	-	(21)	(23)	(44)
Balance at end of period	573	462	364	3,525	-	4,925
Accumulated depreciation						
Balance at beginning of period	227	240	341	2,846	14	3,667
Depreciation	17	22	7	126	-	173
Disposals	-	-	-	(19)	(14)	(33)
	244	262	348	2,953	-	3,807
Balance at end of period	329	200	16	572	-	1,118

31 December 2019
unaudited

	Buildings	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost or Valuation						
Balance at beginning of period	457	441	345	3,468	23	4,734
Additions	84	10	33	271	-	398
Balance at end of period	541	451	378	3,739	23	5,132
Accumulated depreciation						
Balance at beginning of period	195	192	300	2,680	11	3,378
Depreciation	11	24	20	122	1	178
	206	216	320	2,802	12	3,556
Balance at end of period	335	235	58	937	11	1,576

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2020

	30 June 2020 audited					
	Buildings	**Furniture & Fittings**	**Office Equipment**	**Stadium Equipment**	**Motor Vehicles**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost or Valuation						
Balance at beginning of period	457	441	345	3,468	23	4,734
Additions	116	21	19	328	-	484
Transfer to Assets held for sale	-	-	-	(234)	-	(234)
Disposals	-	-	-	(21)	-	(21)
Balance at end of period	573	462	364	3,541	23	4,963
Accumulated depreciation						
Balance at beginning of period	195	192	300	2,680	11	3,378
Depreciation	32	48	41	270	3	393
Transfer to Assets held for sale	-	-	-	(95)	-	(95)
Impairment	-	-	-	-	-	-
Disposals	-	-	-	(9)	-	(9)
	227	240	341	2,846	14	3,667
Balance at end of period	346	222	23	695	9	1,296

6 CAPITAL EXPENDITURE COMMITMENTS

The Company had no capital expenditure commitments at the end of the period (2019: $nil).

7 CONTINGENT LIABILITIES

There were no contingent liabilities at year end of the period (2019: $nil).

8 EVENTS AFTER BALANCE DATE

There have been no significant events subsequent to balance date.

Dunedin Venues Management Limited
Directory
For the Six Months Ended 31 December 2020

DIRECTORS

Raewyn Lovett
Joanne Conroy
Adam La Hood
Dylan Rushbrook

CHIEF EXECUTIVE OFFICER

Terry Davies

REGISTERED OFFICE

130 Anzac Avenue
50 The Octagon
Dunedin 9016

BANKERS

Westpac
Dunedin

SOLICITORS

Anderson Lloyd
Dunedin

AUDITOR

Audit New Zealand on behalf of the Controller and Auditor-General

Dunedin Venues Management Limited
Statement of Service Performance
For the Six Months Ending 31 December 2020

Performance Targets	**Results as at 31 December 2020**
Safety and Compliance	
Meet Ministry of Health and Government requirements as set out in New Zealand's alert level system which specifies measures to be implemented against COVID-19 at each level.	All systems are in place and no breaches identified.
Ensure all staff have access to required systems in the event they are not able to work in the office.	In place and operational.
Health and Safety Plan has been reviewed. Corrective actions are prioritised and actioned.	Completed.
Site, Contractor and Event Audits show no breaches of agreed procedures.	No breaches identified.
Only inducted Contractors gain entry into venues.	No breaches identified.
An Incident Frequency Rate Events (IFRE) of less than 0.05% of the total number of people attending events at the venues.	The IFRE of total attendance is 0.020% for the 6 month reporting period.
Total Incident Rate (TIR) rate of less than 6 incidents per 200,000 hours worked.	The TIR is zero for the 6 month reporting period (2019 HY: 0).
Total Recordable Incidents (TRI) rate of less than 3	The TRI rate was zero for the 6 month reporting period (2019 HY: 0).
Lost Time Incident rate of less than 2	Lost Time Incident rate was zero for the six month reporting period (2019 HY: 0).
Lost Time Incident Frequency Rate (LTIFR) less than 17 per 1,000,000 hours worked.	The LTIFR is zero for the 6 month reporting period (2019 HY: 0).
Staff training is current and meets current legislative requirements.	All training is current.
Achieve Performing score or better across all elements of the SafePlus criteria within three years.	Internal safety audit completed and action items included into the Strategic Health and Safety Improvement Plan.
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).	All facilities and infrastructure have been maintained in accordance with the asset management plan.
Provide to DSPL for each board meeting updates on the AMP, warranty and compliance and any significant maintenance undertaken	Completed.
No material breaches of legislation	There were no breaches of compliance or warranties during the reporting period.

<table>
<tr><td colspan="2">Financial</td></tr>
<tr><td>Achieve or exceed budget results.</td><td>Achievement against forecasted SOI results are as follows:

<table>
<tr><th></th><th>Actual
$,000</th><th>Target
30 June 2021
$,000</th></tr>
<tr><td>EBITDA</td><td rowspan="6">These will be reported at year end</td><td>70</td></tr>
<tr><td>Net Profit after Tax</td><td>(372)</td></tr>
<tr><td>Cash Flow from Operations</td><td>(1,250)</td></tr>
<tr><td>Capital Expenditure</td><td>10</td></tr>
<tr><td>Shareholder Funds to Total Assets</td><td>0.07 : 1</td></tr>
<tr><td>Dividend/Subvention Distribution</td><td>-</td></tr>
</table></td></tr>
<tr><td>Achieve a 15:1 return on investment of the Event Attraction Fund.</td><td>The Event Attraction Fund has not been utilised at 31 December 2020.

A breakdown of the return on investment for the six months to 31 December 2019 were as follows:

<table>
<tr><th>Event</th><th>Return</th></tr>
<tr><td>Fleetwood Mac</td><td>67 : 1</td></tr>
<tr><td>Total</td><td>67 : 1</td></tr>
</table></td></tr>
<tr><td colspan="2">Marketing and Business Objectives</td></tr>
<tr><td>Survey Commercial Partners for satisfaction level - minimum 80% satisfaction to be achieved.</td><td>The Commercial Partners survey has not been completed at 31 December 2020.</td></tr>
<tr><td>Produce a Venue Hirer document that encompasses all venues and shows the diversity of space.</td><td>Completed.</td></tr>
<tr><td>Venue bookings to be secured through engagement with venue hirers both new and existing.</td><td>Engaging with new and existing clients on a regular basis to secure new and diverse content.</td></tr>
<tr><td>New business opportunities are created through non-event business activity.</td><td>Engaging with new and existing clients on a regular basis to secure new and diverse content.</td></tr>
<tr><td>Members receive quality engaging communication and content through a regular newsletter.</td><td>Newsletter sent to Members monthly.</td></tr>
<tr><td>Achieve 75% retention rate of Member renewals.</td><td>Of the membership contracts up for renewal, 60% re-signed during the reporting period. This equated to 28% retention when calculated on a Membership seats basis.</td></tr>
<tr><td>Achieve 45 new memberships.</td><td>A total of 2 memberships were sold for the six months to 31 December 2020 (2019 HY: 19).</td></tr>
<tr><td>Introduce one new Member initiative each year.</td><td>New initiatives are currently under development.</td></tr>
<tr><td>Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.</td><td>Membership survey scheduled to be sent out in Q3.</td></tr>
</table>

Human Resources	
Staff numbers are at a level and skillbase whereby all business activity can be undertaken safely and successfully.	Staff numbers and skillbase are constantly reviewed against the event calendar to ensure business activity can be undertaken safely and successfully.
Performance reviews are conducted with all staff at least every six months.	Six monthly staff performance reviews were completed during December 2020 and January 2021.
DVML employees are paid at least the living wage.	All staff are paid the living wage, or more.
Staff participate in at least one community activity, eg charity collection.	To date, this has not been activated.
Conduct a confidential staff survey annually and implement improvements/recommendations.	The annual survey has historically been undertaken in June.
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 expectations 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 may have 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 increased satisfaction levels through the residents opinion survey.	DVML reaches out to its community through various social media channels. Senior staff members also attend speaking engagements with community groups. The DCC Residents Opinion Survey 2020 resulted in 89% satisfaction with the Forsyth Barr Stadium. Satisfaction with the Dunedin Centre is at 80%.
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.	Completed and submitted to the Dunedin City Council.
Senior management conduct a minimum of 5 speaking engagements.	Senior Management have participated in 4 speaking engagements to 31 December 2020.

<table>
<tr><td>Economic Development Strategy
Achieve a minimum of $5m visitor spend per each major event (>10,000 pax) for DVML and Dunedin City.</td><td>There have been no major events to 31 December 2020.

The Economic Impact for major events for the six months to 31 December 2019 were as follows:<table><tr><th>Event</th><th>Direct expenditure ($,000)</th></tr><tr><td>Fleetwood Mac</td><td>13,500</td></tr><tr><td>Total</td><td>13,500</td></tr></table></td></tr>
<tr><td>Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax).</td><td rowspan="2">There have been no major events to 31 December 2020.

The following satisfaction and attendance numbers were achieved for the six months to 31 December 2019:<table><tr><th>Event</th><th>Satisfaction</th><th>% Attend outside of Dunedin</th></tr><tr><td>Fleetwood Mac</td><td>78%</td><td>73%</td></tr></table></td></tr>
<tr><td>60% of attendees of all major events (>10,000 pax) to come from outside of Dunedin City.</td></tr>
<tr><td>In conjunction with the DCC, submit bids of a high quality that will drive economic benefit and civic pride for the city.</td><td>Bidding documentation and presentations for major events have been submitted to promoters and sporting bodies.</td></tr>
<tr><td>Environment Strategy
Identification of Hazardous Substances and New Organisms (HSNO) across DVML operated facilities.</td><td>All HSNO requirements are in place and being audited regularly.</td></tr>
<tr><td>Establish measuring systems and publicly reporting carbon emmissions by the end of FY 2021.</td><td>Currently in progress.</td></tr>
<tr><td>Increased communications with attendees at all venues about recycling and waste management.</td><td>New signage and recylcing stations deployed throughout Forsyth Barr Stadium.</td></tr>
<tr><td>Building Management System has been reviewed annually.</td><td>The Building Management System will be reviewed in Q4.</td></tr>
<tr><td>Sustainability team is formed and develops a sustainability plan in conjunction with an external sustainability consultant.</td><td>The Sustainability team is working with the Zero Carbon Project to identify opportunities for improvement.</td></tr>
</table>