

Dunedin Venues Management Limited

Report for the Six Months Ended

31 December 2016

Dunedin Venues Management Limited
Contents
For the Six Months Ended 31 December 2016

Directors Report	1
Statement of Comprehensive Income	3
Statement of Changes in Equity	4
Balance Sheet	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Directory	11

Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2016

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 2016.

Principal Activities of the Company

The primary objective of Dunedin Venues Management Limited is to source and secure appropriate events at, and manage and maintain, the Forsyth Barr Stadium and the Dunedin Town Hall/Dunedin Centre.

Results for the Six Months Ended 31 December 2016

The report covers the financial period 1 July 2016 to 31 December 2016

	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Total Revenue	4,664	4,676	12,758
Profit/(Loss) before tax	111	461	568
Net cash flow from operating activities	(729)	1,425	3,457
Total Assets	4,776	4,138	5,831

Review of Operations

The net surplus before taxation was \$0.111 million for the six months to 31 December 2016 compared to a surplus of \$0.461 million for the previous six months.

In the first six months of the previous year, the company hosted two major concerts, Neil Diamond and Fleetwood Mac whilst for the current financial year it is anticipated that the second half of the year will have a significant increase in activity with the hosting of the Black Caps vs South Africa Test and the Canterbury Bull Dogs NRL game in March, along with the Lions vs Highlanders game in June, plus an additional Highlanders game at the Stadium.

The company continues to make significant efforts in solidifying its core business activities ensuring the company can operate on a financial base independent of the ebbs and flows of large events. The company continues to grow in the conference and incentive market, with the Dunedin Centre an important contributor to the company's finances. The company has also increased its tenancy at the Stadium, with World Fitness now a tenant and the rear parks at the Stadium now let out to full time tenants. The co-promotion of the Home and Living Show with Allied Press was also a significant success, with over 7,000 attendees and 100 exhibitors over the two days in November therefore increasing the occupancy utilisation.

The financial forecasts for the remaining six months of the year anticipates an increase in budgeted activity ensuring that the company will achieve a financial surplus for the year.

Seasonality

As the core business of the company is event management, the timing of events can have a significant impact on the financial results within any given period. A major source of income for the company is income from rugby events. The majority of income from rugby traditionally occurs in the second half of the financial year. Subsequently the company generally has a higher level of income in the second half of the financial year compared to the first half.

**Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2016**

Dividends

No dividends were paid by the Company.

Events after Balance Date

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

Statement of Responsibility

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

The Board of Dunedin Venues Management Limited 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

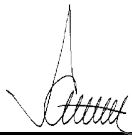
In the opinion of the Board of Dunedin Venues Management limited, the interim financial statements for the financial year ended 31 December 2016 fairly reflect the financial position and operations of Dunedin Venues Management Limited.

The Board of Directors 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 2016 and authorises them for issue on 13 February 2017.

Chair



Director



Dunedin Venues Management Limited
Statement of Comprehensive Income
For the Six Months Ended 31 December 2016

	<i>Note</i>	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Revenue				
Operating revenue		4,615	4,633	12,669
Management Fees from Dunedin Stadium Property Limited		35	35	70
Interest income from non related parties		4	8	
Interest from Dunedin City Treasury Limited		10	-	19
Total revenue		4,664	4,676	12,758
Less expenses				
Audit Fees		15	15	29
Bad Debts		25	25	50
Depreciation	5	246	197	1,152
Directors fees		38	25	69
Employee Expenses		1,091	930	1,893
Rental and costs to Dunedin Stadium Property Limited		1,105	1,064	2,127
Operating expenses		2,026	1,951	6,842
Interest to Dunedin City Treasury Limited		7	8	28
Total expenditure		4,553	4,215	12,190
Profit/(Loss) before taxation		111	461	568
Income tax (expense) credit		(34)	(154)	(161)
Profit/(Loss) after taxation		77	307	407
Other comprehensive income		-	-	-
Total comprehensive income		77	307	407

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 2016

	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
unaudited			
Equity as at 1 July 2016	8,577	(8,093)	484
Profit/(Loss) after taxation	-	77	77
Equity as at 31 December 2016	<u>8,577</u>	<u>(8,016)</u>	<u>561</u>
unaudited			
Equity as at 1 July 2015	8,017	(8,500)	(483)
Profit/(Loss) after taxation	-	307	307
Equity as at 31 December 2015	<u>8,017</u>	<u>(8,193)</u>	<u>(176)</u>
audited			
Equity as at 1 July 2015	8,017	(8,500)	(483)
Capital Contribution	560	-	560
Profit/(Loss) after taxation	-	407	407
Equity as at 30 June 2016	<u>8,577</u>	<u>(8,093)</u>	<u>484</u>

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

Dunedin Venues Management Limited
Balance Sheet
As at 31 December 2016

	<i>Note</i>	unaudited 31 Dec 2016 \$'000	unaudited 31 Dec 2015 \$'000	audited 30 Jun 2016 \$'000
Current Assets				
Cash and cash equivalents		905	875	2,110
Trade and other receivables	3	1,178	1,083	1,236
Advance to Dunedin Stadium Property Limited		281	(977)	177
Subvention receivable		-	321	-
Total current assets		2,364	1,302	3,523
Non-Current Assets				
Property, plant and equipment	5	2,192	2,818	2,066
Deferred Tax		220	18	242
Total non-current assets		2,412	2,836	2,308
Total Assets		4,776	4,138	5,831
Current Liabilities				
Trade and other payables	4	3,780	3,821	4,881
Employee entitlements		118	87	104
Total current liabilities		3,898	3,908	4,985
Non-Current Liabilities				
Income in Advance		317	406	362
Total non-current liabilities		317	406	362
Equity				
Share capital		8,577	8,017	8,577
Retained deficits		(8,016)	(8,193)	(8,093)
Total Equity		561	(176)	484
TOTAL EQUITY AND LIABILITIES		4,776	4,138	5,831

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

Dunedin Venues Management Limited
Statement of Changes in Cashflows
For the Six Months Ended 31 December 2016

	<i>Note</i>	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Cashflows from Operating Activities				
<i>Cash was provided from</i>				
Receipts from customers		6,350	6,430	13,473
Interest received		14	8	19
Income tax received		-	-	6
Net GST received		1	34	419
		<u>6,365</u>	<u>6,472</u>	<u>13,917</u>
<i>Cash was disbursed to</i>				
Payments to suppliers and employees		6,707	4,977	10,372
Interest paid		7	8	28
Income tax paid		380	62	-
Net GST paid		-	-	60
		<u>7,094</u>	<u>5,047</u>	<u>10,460</u>
Net Cashflow from Operating Activities	2	<u>(729)</u>	<u>1,425</u>	<u>3,457</u>
Cashflows from Investing Activities				
<i>Cash was provided from</i>				
Sale of property, plant and equipment		-	893	892
<i>Cash was disbursed to</i>				
Purchase of property, plant and equipment		372	1,238	1,440
Net Cashflow from Investing Activities		<u>(372)</u>	<u>(345)</u>	<u>(548)</u>
Cashflows from Financing Activities				
<i>Cash was provided from</i>				
Shareholder capital		-	-	560
		<u>-</u>	<u>-</u>	<u>560</u>
<i>Cash was disbursed to</i>				
Repayment of advances		-	600	600
Advance to Dunedin Stadium Property Limited		104	(401)	753
		<u>104</u>	<u>199</u>	<u>1,353</u>
Net Cashflow from Financing Activities		<u>(104)</u>	<u>(199)</u>	<u>(793)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,205)	881	2,116
Opening Cash and Cash Equivalents		2,110	(6)	(6)
Closing Cash and Cash Equivalents		<u>905</u>	<u>875</u>	<u>2,110</u>
Composition of Cash and Cash Equivalents				
Cash on Hand		4	4	4
Bank Current Account		251	871	106
Deposit with Dunedin City Treasury Limited		650	-	2,000
Cash and Cash Equivalents at the end of the year		<u>905</u>	<u>875</u>	<u>2,110</u>

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

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2016

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 100% owned by Dunedin City Holdings Limited which is wholly owned by the ultimate parent of the Group, Dunedin City Council.

The registered address of the Company is 50 The Octagon, Dunedin 9016.

The financial statements of Dunedin Venues Management Limited are for the six months ended 31 December 2016 and comply with the Financial Reporting Act 1993.

The primary objective of Dunedin Venues Management Limited is to source and secure appropriate events at, and manage and maintain, the Forsyth Barr Stadium and the Dunedin Town Hall/Dunedin Centre.

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 2016.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2016.

The judgement, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2016.

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2016

	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
2 RECONCILIATION OF NET LOSS FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year after taxation	77	307	407
<i>Plus Items Not Involving Cashflows</i>			
Depreciation	246	197	1,152
<i>Impact of Changes in Working Capital Items</i>			
(Increase) /Decrease in trade and other receivables	74	1,077	958
(Increase) /Decrease in prepayments	(17)	436	496
(Increase) /Decrease in subvention receivable	-	93	414
(Increase) /Decrease in deferred tax	22	11	(213)
(Increase) /Decrease in GST receivable	1	34	(60)
Increase / (Decrease) in trade and other payables	(2,404)	(1,390)	138
Increase / (Decrease) in taxation payable	(368)	(12)	385
Increase / (Decrease) in employee entitlements	14	(13)	4
Increase / (Decrease) in income received in advance	1,626	685	(224)
Net cashflows from operating activities	(729)	1,425	3,457
	unaudited 31 Dec 2016 \$'000	unaudited 31 Dec 2015 \$'000	audited 30 Jun 2016 \$'000
3 TRADE AND OTHER RECEIVABLES			
Trade and other receivables	908	863	982
Accrued Income and Prepayments	247	290	230
GST receivable	23	(70)	24
	1,178	1,083	1,236
	unaudited 31 Dec 2016 \$'000	unaudited 31 Dec 2015 \$'000	audited 30 Jun 2016 \$'000
4 TRADE AND OTHER PAYABLES			
Trade payables	905	1,781	3,309
Taxation Payable	11	(18)	379
Income received in advance	2,864	2,058	1,193
	3,780	3,821	4,881

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2016

5 PROPERTY, PLANT AND EQUIPMENT

	31 December 2016					
	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	309	493	231	2,997	38	4,068
Additions	-	1	19	352	-	372
Disposals	-	-	-	-	-	-
Balance at end of period	309	494	250	3,349	38	4,440
Accumulated depreciation						
Balance at beginning of year	66	57	174	1,697	8	2,002
Depreciation	7	26	22	188	3	246
Disposals	-	-	-	-	-	-
	73	83	196	1,885	11	2,248
Balance at end of year	236	411	54	1,464	27	2,192

	31 December 2015					
	unaudited					
	Buildings	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of year	1,406	10	221	2,242	15	3,894
Additions	12	480	-	746	-	1,238
Disposals	(1,266)	-	-	-	-	(1,266)
Balance at end of year	152	490	221	2,988	15	3,866
Accumulated depreciation						
Balance at beginning of year	424	4	118	672	6	1,224
Depreciation	5	26	26	139	1	197
Disposals	(373)	-	-	-	-	(373)
	56	30	144	811	7	1,048
Balance at end of year	96	460	77	2,177	8	2,818

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2016

	30 June 2016					
	audited					
	Buildings	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of year	1,406	10	221	2,242	15	3,894
Additions	169	483	10	755	23	1,440
Disposals	(1,266)	-	-	-	-	(1,266)
Balance at end of year	309	493	231	2,997	38	4,068
Accumulated depreciation						
Balance at beginning of year	424	4	118	672	6	1,224
Depreciation	16	53	56	670	2	797
Impairment				355		355
Disposals	(374)	-	-	-	-	(374)
	66	57	174	1,697	8	2,002
Balance at end of year	243	436	57	1,300	30	2,066

6 CAPITAL EXPENDITURE COMMITMENTS

The Company had no capital expenditure commitments at the end of the period (2015: \$nil).

7 CONTINGENT LIABILITIES

There were no contingent liabilities at year end of the period (2015: \$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 2016

DIRECTORS

- | | |
|---------------------|-----------------------------|
| • Raewyn J Lovett | Appointed 1 January 2015 |
| • Peter J Hutchison | Appointed 15 September 2009 |
| • Glenys J Coughlan | Appointed 1 January 2016 |
| • Kevin G Winders | Appointed 1 January 2016 |

CHIEF EXECUTIVE OFFICER

- Terry Davies

REGISTERED OFFICE

- Dunedin City Council
50 The Octagon
Dunedin 9016

BANKERS

- BNZ
Dunedin

SOLICITORS

- Anderson Lloyd
Dunedin

AUDITOR

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