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Dunedin Venues Management Limited

Report for the Six Months Ended

31 December 2015

Dunedin Venues Management Limited
Contents
For the Six Months Ended 31 December 2015

Directory	1
Directors Report	2
Statement of Financial Performance	4
Statement of Comprehensive Income & Statement of Changes in Equity	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8

Dunedin Venues Management Limited
Directory
For the Six Months Ended 31 December 2015

DIRECTORS

• Raywyn J Lovett	Appointed 1 January 2015
• Peter J Hutchison	Appointed 15 September 2009
• Graham W Crombie	Appointed 16 November 2015
• Alan McConnon	Resigned effective 30 October 2015
• Peter G Stubbs	Resigned effective 28 September 2015

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)

Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2015

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 2015.

Principal Activities of the Company

The principal activities of the Company are to manage and maintain the Forsyth Barr Stadium and the Dunedin Centre/Town Hall Complex.

Results for the Six Months Ended 31 December 2015

The report covers the financial period 1 July 2015 to 31 December 2015

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
Total Revenue	4,676	3,918	9,987
Profit/(Loss) before subvention and tax	461	(1,031)	(1,702)
Net cash flow from operating activities	1,425	(2,680)	(4,106)
Total Assets	5,328	5,244	5,946

State of Affairs

The Company recorded a net profit after tax of $0.307 million for the six months. The Directors believe that the state of affairs of the company is satisfactory as the company has the support of its shareholder during the period of trading required to achieve profitability.

Review of Operations

The net surplus before subvention receipts and taxation was $0.461 million for the six months to 31 December 2015 compared to a deficit of $1.031 million for the previous six months. The increase in surplus is attributable to both a change in the rental payment for Forsyth Barr Stadium and an increase in events held at both Forsyth Barr Stadium and the Dunedin Centre, but in particular the hosting of two major concerts at Forsyth Barr Stadium, Neil Diamond and Fleetwood Mac.

The financial forecasts for the remaining six months of the year anticipates a continuation of the favourable six monthly result leading to a forecast surplus for the year.

Ownership of Dunedin Venues Management Limited is to be transferred from Dunedin City Council to Dunedin City Holdings Limited effective 1 July 2015. This transfer is yet to be formally completed pending final approval from the group debenture holders. In the interim no calls on unpaid shares have been made by the company.

It is with regret that we must note the passing of one of our Directors, Alan McConnon. Alan was a valued member of the Board and whilst his tenure was not long, the wealth of experience and knowledge that he brought with him will be deeply missed.

Also during the six month period Peter Stubbs resigned from the Board. Peter had been with the Board since inception and his inteligence and insight were invaluable in the intial start up of the Company.

Outlook

The Company continues to make progress in expanding it's revenue base whilst managing its cost base at appropriate levels.

Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2015

Social and Environmental Contributions

The Company continues to maintain a recycling programme. The programme includes using alternative environmentally friendly products, improved clean up procedures and clearly identifiable recycling stations.

Financial Statements

The financial statements for the six months ended 31 December 2015 are attached to this report.

Chair	**Director**
Date: 2 February 2016	Date: 2 February 2016

Dunedin Venues Management Limited
Statement of Financial Performance
For the Six Months Ended 31 December 2015

	Note	**Six Months 31/12/15 (unaudited) $'000**	**Six Months 31/12/14 (unaudited) $'000**	**Full Year 30/06/15 (audited) $'000**
Revenue				
Operating revenue		4,668	3,903	9,960
Financial revenue		8	15	27
Total revenue		4,676	3,918	9,987
Less expenses				
Operating expenses		2,055	1,801	5,407
Rental of stadium		1,000	2,000	4,000
Depreciation	9	197	167	359
Directors fees		25	45	85
Salaries and wages		930	932	1,831
Interest expense	2	8	4	7
Total expenditure		4,215	4,949	11,689
Profit/(Loss) for the year before subvention receipt and taxation		461	(1,031)	(1,702)
Subvention receipt		-	-	273
Profit/(Loss) for the year before taxation		461	(1,031)	(1,429)
Income tax (expense) credit	3	(154)	-	414
Profit/(Loss) for the year after taxation		307	(1,031)	(1,015)

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

Dunedin Venues Management Limited
Statement of Comprehensive Income
For the Six Months Ended 31 December 2015

	Note	**Six Months 31/12/15 (unaudited) $'000**	**Six Months 31/12/14 (unaudited) $'000**	**Full Year 30/06/15 (audited) $'000**
Other comprehensive income		-	-	-
Profit/(loss) for the year after taxation		307	(1,031)	(1,015)
Total comprehensive profit/(loss) after taxation		307	(1,031)	(1,015)

Dunedin Venues Management Limited
Statement of Changes in Equity
For the Year Ended 31 December 2015

	Six Months 31/12/15 (unaudited) $'000	**Six Months 31/12/14 (unaudited) $'000**	**Full Year 30/06/15 (audited) $'000**
Movements in Equity			
Opening Balance	(512)	(937)	(937)
Capital Contribution	-	720	1,440
Total comprehensive profit/(loss) after taxation	307	(1,031)	(1,015)
Closing Balance	(205)	(1,248)	(512)

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

Dunedin Venues Management Limited
Statement of Financial Position
For the Six Months Ended 31 December 2015

	Note	**31/12/15 (unaudited) $'000**	**31/12/14 (unaudited) $'000**	**30/06/15 (audited) $'000**
Current Assets				
Cash and cash equivalents	5	1,029	545	190
Trade and other receivables	7	1,160	1,908	2,672
Subvention receivable		321	-	414
Total current assets		2,510	2,453	3,276
Non-Current Assets				
Property, plant and equipment	9	2,818	2,791	2,670
Total non-current assets		2,818	2,791	2,670
Total Assets		5,328	5,244	5,946
Current Liabilities				
Trade and other payables	8	4,315	5,093	4,986
Advances		-	300	600
Employee entitlements		87	143	100
Inter group advances		977	750	576
Borrowings		84	95	84
Total current liabilities		5,463	6,381	6,346
Non-Current Liabilities				
Borrowings		70	111	112
Total non-current liabilities		70	111	112
Equity				
Share capital	4	8,017	7,297	8,017
Retained deficits	4	(8,222)	(8,545)	(8,529)
Total Equity		(205)	(1,248)	(512)
TOTAL EQUITY AND LIABILITIES		5,328	5,244	5,946

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 2015

	Note	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
Cashflows from Operating Activities				
Cash was provided from				
Receipts from customers		6,430	4,535	9,212
Interest received		8	15	27
Net GST received		34	-	-
		6,472	4,550	9,239
Cash was disbursed to				
Payments to suppliers and employees		4,977	6,883	13,013
Interest paid		8	4	44
Income tax paid		62	2	3
Net GST paid		-	341	285
		5,047	7,230	13,345
Net Cashflow from Operating Activities	6	1,425	(2,680)	(4,106)
Cashflows from Investing Activities				
Cash was provided from				
Sale of property, plant and equipment		893	-	-
Cash was disbursed to				
Purchase of property, plant and equipment		1,238	13	54
Net Cashflow from Investing Activities		(345)	(13)	(54)
Cashflows from Financing Activities				
Cash was provided from				
Shareholder capital		-	720	1,440
Inter group advances		401	-	362
Advances		-	563	600
		401	1,283	2,402
Cash was disbursed to				
Repayment of advances		600	-	-
Repayment of finance lease		42	53	60
		642	53	60
Net Cashflow from Financing Activities		(241)	1,230	2,342
Net Increase/(Decrease) in Cash and Cash Equivalents		839	(1,463)	(1,818)
Opening Cash and Cash Equivalents		190	2,008	2,008
Closing Cash and Cash Equivalents		1,029	545	190
Composition of Cash and cash Equivalents				
Cash on Hand		4	4	4
Bank Current Account		1,025	541	186
Cash and Cash Equivalents at the end of the year		1,029	545	190

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

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Six Months Ended 31 December 2015

1 REPORTING ENTITY

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

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

The financial statements of Dunedin Venues Management Limited are for the six months ended 31 December 2015.

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

The primary objective of Dunedin Venues Management Limited is to manage and maintain the Forsyth Barr Stadium and the Dunedin Town Hall/Dunedin Centre.

Dunedin Venues Management Limited is a for profit company.

Statement of Compliance

The condensed consolidated financial report is a general purpose financial report which has been prepared in accordance with NZ IAS 34: Interim Financial Reporting.

The condensed consolidated financial report does not include all of the information required for a full annual report

The financial report is to be read in conjunction with the most recent annual financial report.

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 same accounting policies and methods of computation are followed in these financial statements as were applied in the preparation of the Company's financial statements for the year ended 30 June 2015.

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
2 INTEREST EXPENSE			
Interest - term loans	8	4	7
	8	4	7

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Six Months Ended 31 December 2015

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
3 INCOME TAXES			
Income Tax Recognised in Comprehensive Income			
Profit/(Loss) for the year before taxation	461	(1,031)	(1,429)
Income tax expense (credit) calculated at 28% (2014: 28%)	129	(289)	(400)
Tax effect of following adjustments			
Non-deductible expenses	25		19
Non assessable income	-		(32)
Depreciation not included	-		(1)
Tax losses not recognised	-	289	-
Tax effect of differences	25	289	(14)
Tax expense	154	-	(414)
Effective tax rate	33%	0%	29%
Comprising			
Current tax provision	154	-	(414)
Income tax	154	-	(414)

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
4 EQUITY - Share Capital			
Called and Fully Paid Up Capital			
8,017,065 fully paid ordinary shares	8,017	7,297	8,017

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
EQUITY - Retained Deficits			
Opening Balance	(8,529)	(7,514)	(7,514)
Profit/(loss) for the year after taxation	307	(1,031)	(1,015)
	(8,222)	(8,545)	(8,529)

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
5 CASH AND CASH EQUIVALENTS			
Cash on hand	4	4	4
Bank current account	1,025	541	186
	1,029	545	190

6 RECONCILIATION OF NET LOSS FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
Profit/(Loss) for the year after taxation	307	(1,031)	(1,015)
Plus Items Not Involving Cashflows			
Depreciation	197	167	359
Non cash revenue	-		(302)
Impact of Changes in Working Capital Items			
(Increase) /Decrease in trade and other receivables	1,077	303	(380)
(Increase) /Decrease in prepayments	436	(624)	(726)
(Increase) /Decrease in subvention receivable	93	-	(414)
(Increase) / Decrease in taxation receivable	(1)	(1)	(3)
(Increase) / Decrease in GST receivable	-	(341)	-
Increase / (Decrease) in GST payable	34	-	(285)
Increase / (Decrease) in trade and other payables	(1,390)	(2,094)	(947)
Increase / (Decrease) in employee entitlements	(13)	(11)	(54)
Increase / (Decrease) in income received in advance	685	952	(339)
Net cashflows from operating activities	1,425	(2,680)	(4,106)

7 TRADE AND OTHER RECEIVABLES

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
Trade and other receivables	863	910	1,940
Accrued Income and Prepayments	290	974	726
Taxation receivable	7	4	6
GST receivable	-	20	-
	1,160	1,908	2,672

8 TRADE AND OTHER PAYABLES

	Six Months 31/12/15 (unaudited) $'000	Six Months 31/12/14 (unaudited) $'000	Full Year 30/06/15 (audited) $'000
Trade payables	1,781	1,818	3,171
GST payable	70	-	36
Income received in advance	2,464	3,275	1,779
	4,315	5,093	4,986

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Six Months Ended 31 December 2015

9 PROPERTY, PLANT AND EQUIPMENT

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 perio	1,406	10	221	2,242	15	3,894
Additions	12	480	-	746	-	1,238
Disposals	(1,266)	-	-	-	-	(1,266)
Balance at end of period	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

30 June 2015 (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	1,399	10	204	2,187	10	3,810
Additions	7	-	17	55	5	84
Balance at end of year	1,406	10	221	2,242	15	3,894
Accumulated depreciation						
Balance at beginning of year	306	3	80	472	4	865
Depreciation	118	1	38	200	2	359
	424	4	118	672	6	1,224
Balance at end of year	982	6	103	1,570	9	2,670

31 December 2014 (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	1,399	10	204	2,187	10	3,810
Additions	-	-	12	1	-	13
Balance at end of year	1,399	10	216	2,188	10	3,823
Accumulated depreciation						
Balance at beginning of year	306	3	80	472	4	865
Depreciation	59	1	9	98	-	167
	365	4	89	570	4	1,032
Balance at end of year	1,034	6	127	1,618	6	2,791

10 CAPITAL EXPENDITURE COMMITMENTS

The Company had no capital expenditure commitments at the end of the period (2014: $nil).

11 CONTINGENT LIABILITIES

There were no contingent liabilities at year end of the period (2014: $nil).

12 EVENTS AFTER BALANCE DATE

There have been no significant events subsequent to balance date