Dunedin Venues Management Limited

Report for the Six Months Ended

31 December 2021

Dunedin Venues Management Limited
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Dunedin Venues Management Limited
Directors Report
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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 2021.

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 2021

The report covers the financial period 1 July 2021 to 31 December 2021.

	unaudited 6 months to 31 Dec 2021 $'000	unaudited 6 months to 31 Dec 2020 $'000	unaudited full year to 30 Jun 2021 $'000
Total Revenue	4,522	4,283	11,259
Profit/(Loss) before tax	(614)	(273)	(438)
Net cash flow from operating activities	810	1,602	2,550
Total Assets	21,791	23,051	22,462

Review of Operations

The net deficit before taxation was $614,000 for the six months to 31 December 2021 compared to a deficit of $273,000 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. Uncertainty of border control has affected DVML's ability to host major events and the confidence of content providers to book additional events.

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, was reappointed on 12 May 2021 and completed the Internship term on 30 November 2021.

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 2021

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 present the interim financial statements, set out on pages 3 to 10, for the six months ended 31 December 2021 and authorises them for issue on 11 February 2022.

Raewyn Lovett, Chair

Adam La Hood, Director

Dunedin Venues Management Limited
Statement of Profit and Loss
For the Six Months Ended 31 December 2021

	Note	**unaudited 6 months to 31 Dec 2021 $'000**	**unaudited 6 months to 31 Dec 2020 $'000**	**unaudited full year to 30 Jun 2021 $'000**
Revenue				
Operating revenue		3,662	3,801	10,272
Government Grants		854	478	978
Interest received from funds on deposit		6	4	9
Total revenue		4,522	4,283	11,259
Less expenses				
Audit Fees		18	16	33
Bad Debts		(7)	6	(11)
Depreciation and impairment - PP&E	5	119	173	358
Depreciation - Right of Use lease asset		809	810	1,619
Directors fees		50	41	98
Employee Expenses		1,322	958	2,032
Finance Costs - Lease Liability		244	265	519
Operating expenses		2,581	2,287	7,049
Total expenditure		5,136	4,556	11,697
Profit/(Loss) before taxation		(614)	(273)	(438)
Income tax expense/(credit)		(172)	(76)	(122)
Total comprehensive profit after taxation		**(442)**	**(197)**	**(316)**

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 2021

	Share capital $'000	Retained earnings $'000	Total equity $'000
unaudited			
Equity as at 1 July 2021	10,077	(8,175)	1,902
Profit/(Loss) after taxation	-	(442)	(442)
Equity as at 31 December 2021	10,077	(8,617)	1,460
unaudited			
Equity as at 30 June 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
audited			
Equity as at 30 June 2020	9,777	(7,859)	1,918
Capital Contribution	300	-	300
Profit/(Loss) after taxation	-	(316)	(316)
Equity as at 30 June 2021	10,077	(8,175)	1,902

Share Equity as at 31 December 2021 is made up of 10,077,065 fully paid ordinary shares

Dunedin Venues Management Limited
Statement of Financial Position
As at 31 December 2021

	Note	unaudited 31 Dec 2021 $'000	unaudited 31 Dec 2020 $'000	unaudited 30 Jun 2021 $'000
Current Assets				
Cash and cash equivalents		3,136	3,457	3,675
Trade and other receivables	3	1,130	758	848
Total Current Assets		4,266	4,215	4,523
Non-Current Assets				
Property, plant and equipment	5	1,181	1,118	958
Right of Use Assets		15,420	17,013	16,229
Deferred Tax		924	705	752
Total Non-Current Assets		17,525	18,836	17,939
Total Assets		21,791	23,051	22,462
Current Liabilities				
Trade and other payables	4	438	575	771
Contract liabilities / Income in advance		2,903	2,025	2,052
Employee entitlements		147	112	103
Current portion of Lease Liabilities		1,556	1,509	1,536
Total Current Liabilities		5,044	4,221	4,462
Non-Current Liabilities				
Contract liabilities / Income in advance		25	311	53
Lease Liabilities		15,262	16,798	16,045
Total Non-Current Liabilities		15,287	17,109	16,098
Equity				
Share capital		10,077	9,777	10,077
Retained deficits		(8,617)	(8,056)	(8,175)
Total Equity		1,460	1,721	1,902
TOTAL EQUITY AND LIABILITIES		21,791	23,051	22,462

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 2021

	Note	unaudited 6 months to 31 Dec 2021 $'000	unaudited 6 months to 31 Dec 2020 $'000	unaudited full year to 30 Jun 2021 $'000
Cashflows from Operating Activities				
Cash was provided from				
Receipts from customers		5,246	4,980	11,272
Interest received		6	4	9
Net GST received		5	32	69
Subvention payments		-	5	-
		5,257	5,021	11,350
Cash was disbursed to				
Payments to suppliers and employees		4,447	3,419	8,800
Income tax paid		-	-	-
		4,447	3,419	8,800
Net Cashflow from Operating Activities	2	810	1,602	2,550
Cashflows from Investing Activities				
Cash was provided from				
Sale of property, plant and equipment		-	11	11
Cash was disbursed to				
Purchase of property, plant and equipment		342	6	31
Net Cashflow from Investing Activities		(342)	5	(20)
Cashflows from Financing Activities				
Cash was provided from				
Shareholder capital		-	-	300
		-	-	300
Cash was disbursed to				
Interest paid		244	265	519
Repayment of lease liability		763	743	1,493
		1,007	1,008	2,012
Net Cashflow from Financing Activities		(1,007)	(1,008)	(1,712)
Net Increase/(Decrease) in Cash and Cash Equivalents		(539)	599	818
Opening Cash and Cash Equivalents		3,675	2,858	2,858
Closing Cash and Cash Equivalents		3,136	3,457	3,675
Composition of Cash and Cash Equivalents				
Cash on Hand		4	4	4
Bank Current Account		232	853	371
Deposit/(Overdraft) accounts		2,900	2,600	3,300
Cash and Cash Equivalents at the end of the year		3,136	3,457	3,675

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2021

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 2021 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 unaudited financial statements for the year ended 30 June 2021 and 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 2021 and 30 June 2020.

The annual report for the year ended 30 June 2021 has not been audited and is therefore not yet publically available. The legislative requirement is for the audit to be completed by 30 November 2021. The delay is due to an auditor shortage in New Zealand and the consequential effects of COVID-19, including lockdowns. It is expected the audit will commence in April 2022 and finish in May 2022.

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

	unaudited 6 months to 31 Dec 2021 $'000	**unaudited 6 months to 31 Dec 2020 $'000**	**unaudited full year to 30 Jun 2021 $'000**
Profit/(Loss) for the year after taxation	(442)	(197)	(316)
Plus Items Not Involving Operating Cashflows			
Depreciation and impairment	119	173	358
Depreciation of Right of Use Asset	809	810	1,619
Loss on fixed asset disposal	-	-	(13)
Interest paid	244	265	519
Impact of Changes in Working Capital Items			
(Increase) / Decrease in trade and other receivables	(93)	350	70
(Increase) / Decrease in assets held for sale	-	140	173
(Increase) / Decrease in inventory held for sale	-	33	-
(Increase) / Decrease in accrued income and prepayments	(189)	(219)	(36)
(Increase) / Decrease in GST receivable	-	32	39
(Increase) / Decrease in subvention receivable	-	(1)	(1)
(Increase) / Decrease in deferred tax	(172)	(76)	(123)
Increase / (Decrease) in GST payable	5	-	30
Increase / (Decrease) in trade payables	(338)	76	255
Increase / (Decrease) in employee entitlements	44	33	24
Increase / (Decrease) in income received in advance	823	183	(48)
Net cashflows from operating activities	810	1,602	2,550

3 TRADE AND OTHER RECEIVABLES

	unaudited 31 Dec 2021 $'000	**unaudited 31 Dec 2020 $'000**	**unaudited 30 Jun 2021 $'000**
Trade and other receivables	811	459	722
Provision for Doubtful Debts	(6)	(27)	(10)
Accrued income and prepayments	325	319	136
GST receivable	-	7	-
	1,130	758	848

4 TRADE AND OTHER PAYABLES

	unaudited 31 Dec 2021 $'000	**unaudited 31 Dec 2020 $'000**	**unaudited 30 Jun 2021 $'000**
Trade payables	412	584	750
GST payable	35	-	30
Subvention payable	(9)	(9)	(9)
	438	575	771

5 PROPERTY, PLANT AND EQUIPMENT

31 December 2021 unaudited	Buildings $'000	Furniture & Fittings $'000	Office Equipment $'000	Stadium Equipment $'000	Motor Vehicles $'000	Total $'000
Cost or Valuation						
Balance at beginning of period	439	449	180	3,131	-	4,199
Additions	10	-	28	305	-	343
Disposals	-	-	-	-	-	-
Balance at end of period	449	449	208	3,436	-	4,542
Accumulated depreciation						
Balance at beginning of period	129	271	145	2,697	-	3,242
Depreciation	19	16	15	69	-	119
Disposals	-	-	-	-	-	-
	148	287	160	2,766	-	3,361
Balance at end of period	301	162	48	670	-	1,181

31 December 2020 unaudited	Buildings $'000	Furniture & Fittings $'000	Office Equipment $'000	Stadium Equipment $'000	Motor Vehicles $'000	Total $'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	3,526	-	4,925
Accumulated depreciation						
Balance at beginning of period	227	240	341	2,846	14	3,668
Depreciation	17	22	7	126	-	172
Disposals	-	-	-	(19)	(14)	(33)
	244	262	348	2,953	-	3,807
Balance at end of period	329	200	16	573	-	1,118

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2021

30 June 2021
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	-	-	31	-	-	31
Transfer to Assets held for sale	-	-	-	-	-	-
Disposals	-	-	-	(30)	(23)	(53)
Impairment	(134)	(13)	(215)	(380)	-	(742)
Balance at end of period	439	449	180	3,131	-	4,199
Accumulated depreciation						
Balance at beginning of period	227	240	341	2,846	14	3,668
Depreciation	36	44	19	259	-	358
Transfer to Assets held for sale	-	-	-	-	-	-
Impairment	(134)	(13)	(215)	(380)	-	(742)
Disposals	-	-	-	(28)	(14)	(42)
	129	271	145	2,697	-	3,242
Balance at end of period	310	178	35	434	-	957

6 CAPITAL EXPENDITURE COMMITMENTS

The Company had no capital expenditure commitments at the end of the period (2020: $nil).

7 CONTINGENT LIABILITIES

Contingent liabilities comprise the potential obligation to repay Key Money received related to Food & Beverage contracts. The Key Money is held in the Balance Sheet as Income in Advance and is recognised when turnover targets are met, or repaid when they are not. Contingent Liabilities total $500,000 at the end of the period with $50k at risk each year over the life of the contract. (2020: $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 2021

DIRECTORS

Raewyn Lovett
Adam La Hood
Joanne Conroy
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 2021

Performance Targets	Results as at 31 December 2021
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.	DVML has met requirements set out by the Ministry of Health through all levels of the COVID pandemic.
Ensure all staff have access to required systems in the event they are not able to work in the office.	Completed.
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 0.007% for the 6 month reporting period. (2020: 0.020%)
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 (2020 HY: 0).
Total Recordable Incidents (TRI) rate of less than 3	The TRI rate was zero for the 6 month reporting period (2020 HY: 0).
Lost Time Incident rate of less than 2	Lost Time Incident rate was zero for the six month reporting period (2020 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 (2020 HY: 0).
Staff training is current and meets current legislative requirements.	All training is current and meets legeslative requirements.
Achieve Performing score or better across all elements of the SafePlus criteria within three years.	The SafePlus audit is scheduled for April 2022.
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.
Reports on facility indicators and statistical data provided to the Board at each meeting.	Completed.
No material breaches of legislation	There were no breaches of compliance or warranties during the reporting period.

Financial Achieve or exceed budget results.	Achievement against forecasted SOI results are as follows:

	Actual $,000	Target 30 June 2022 $,000
EBITDA	These will be reported at year end	2,843
Net Profit after Tax		239
Cash Flow from Operations		976
Capital Expenditure		2,658
Shareholder Funds to Total Assets		0.13 : 1
Dividend/Subvention Distribution		-

Achieve a 15:1 return on investment of the Event Attraction Fund.	A breakdown of the return on investment for the six months to 31 December 2021 were as follows:

Event	Return
All Blacks vs Fiji	15 : 1
Total	**15 : 1**

The Event Attraction Fund had not been utilised in the six months to 31 December 2020.

Marketing and Business Objectives Achieve 80% retention rate of Commercial Partner renewals.	80% retention rate of Commercial Partner renewals to 31 December has been achieved.
Produce a Venue Hirer document that encompasses all venues and shows the diversity of space.	Showcasing the diversity of space is included in the event proposals.
Members receive quality engaging communication and content through a regular newsletter.	Newsletters sent to Members regularly during the reporting period.
Achieve 75% retention rate of Member renewals.	Of the membership contracts up for renewal, 78% re-signed during the reporting period (2020: 60%). This equated to 75% retention when calculated on a Membership seats basis.
Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.	Membership survey scheduled to be sent out in Q4.

Human Resources	
Staff numbers are at a level and skillbase whereby all business activity can be undertaken safely and effectively.	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 2021.
DVML employees are paid at least the living wage.	All staff are paid the living wage, or more.
Shareholder	
Matters which may or could cause 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 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. The DCC Residents Opinion Survey 2021 resulted in 80% satisfaction with the Forsyth Barr Stadium. Satisfaction with the Dunedin Centre is at 72%.
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 3 speaking engagements to 31 December 2021.

<table>
<tr><td>Economic Development Strategy
Achieve a minimum of $5m visitor spend per each major event (>10,000 pax) for DVML and Dunedin City.</td><td>The Economic Impact for major events for the six months to 31 December 2021 were as follows:
<table><tr><th>Event</th><th>Direct expenditure ($,000)</th></tr><tr><td>All Blacks vs Fiji</td><td>4,700</td></tr><tr><td>Total</td><td>4,700</td></tr></table>There were no major events to 31 December 2020.</td></tr>
<tr><td>Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax).</td><td rowspan="2">The following satisfaction and attendance numbers were achieved for the six months to 31 December 2021:
<table><tr><th>Event</th><th>Satisfaction</th><th>% Attend outside of Dunedin</th></tr><tr><td>All Blacks vs Fiji</td><td>88%</td><td>58%</td></tr></table>There were no major events to 31 December 2020.</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
Act as a socially and environmentally responsible citizen by developing sustainable practices.</td><td>Sustainable practices are promoted where possible, including an offer to clients to measure the carbon footprint of business events.</td></tr>
<tr><td>Develop an emmissions reduction strategy and associated targets.</td><td>Scheduled for completion by 30 June 2022.</td></tr>
<tr><td>Develop a waste reduction strategy and associated targets.</td><td>Scheduled for completion by 30 June 2022.</td></tr>
<tr><td>Investigate solutions to reduce cups to landfill.</td><td>Work continues with third parties on using cups as source materials for new products, reducing waste to landfill.</td></tr>
<tr><td>Building Management System has been reviewed annually.</td><td>Scheduled for completion by 30 June 2022.</td></tr>
</table>