



DUNEDIN VENUES



**ANNUAL REPORT
2018**

Dunedin Venues Management Limited
Contents
For the Year Ended 30 June 2018

Directory	1
Chairman's and CEO Report	2 - 3
Statutory Information	4 - 6
Directors Information	7
Statement of Responsibility	8
Statement of Profit or Loss	9
Statement of Other Comprehensive Income & Statement of Changes in Equity	10
Statement of Financial Position	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 26
Statement of Service Performance	27 - 33
Independent Auditor's Report	34

**Dunedin Venues Management Limited
Directory
For the Year Ended 30 June 2018**

DIRECTORS

- Raywyn Lovett
- Joanne Conroy
- Glenys Coughlan
- Kevin Winders

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)

Chairperson's and Chief Executive's Report

We have barely had time to draw breath wrapping up the last year and we're launching into the new financial year with the first concert, Kendrick Lamar. The 2017/18 year has been a record breaker for concerts under the roof. In last year's report we spoke about the lack of major concerts for the year. As yet another example of the volatility of the industry, this year saw a turnaround with six concerts in the past financial year. This included three Ed Sheeran concerts bringing in 108,000 fans – almost the population of Dunedin. The economic impact from Stadium concerts alone contributed almost \$50m to the local economy. During the next 12 months the team will continue to focus on new revenue streams to supplement a potentially quieter concert year and no international rugby due to Rugby World Cup 2019.

Dunedin benefits significantly from the conference business through Dunedin Venues. This year we hosted 4,838 delegates who attended 19 multi-day conferences at the Dunedin Centre. The MBIE Convention Delegate Survey Year to Dec 2016 shows the average spend for all delegates who spent time away from home to attend conferences was \$438 per person per night. This equates to an injection of \$4.2m by delegates (min 2 night stay) into the city which represents 20% growth from last year. This is a pleasing result in a competitive market.

Our event in partnership with Allied Press, The Great Kiwi Home and Living Show entered into its second year. Whilst there were slightly smaller numbers attending compared to the first year, it was once again well supported by local and national businesses. Celebrity Chef Pete Evans, was the guest chef and his cooking demonstrations were very popular. In terms of other business, our turf team have been utilising their skills at various grounds around the city as well as ensuring the University of Otago Oval is in top notch condition. The two One Day International cricket matches both played to sold out crowds and Dunedin's weather played its part in the festivities for both games.

Whilst the organisation is commercially focused, it is also tasked with ensuring access for our community groups to enjoy the venues through the administration of the Community Access Grant which provides a fund of \$750,000 for associated venue costs for community events. There is always massive demand for funding and we were thrilled to host 70 community events which were attended by 36,856 patrons. There was such a variety of community events, it was a great representation of the fund's purpose.

We wish to acknowledge and thank our partners and sponsors who continue to be an integral part of our journey as we strive to develop, grow and succeed in our business.

We would like to publicly thank the Board and our staff who make significant contributions across all aspects of the business and we would not have had such a successful year without their efforts. DVML has welcomed Adam La Hood, CFO Cook Brothers Construction to the Board table with his appointment as an Intern Director through Dunedin City Holdings Limited. We have enjoyed Adam's contribution and look forward to this continuing to 2019.

The final acknowledgement and thank you goes to all of those who have supported and attended events at our venues throughout the year. We believe we created a diverse and interesting event calendar where everyone could find something that appeals. We look forward to a busy coming year and continued managed growth.

Raewyn Lovett
Chairperson



12 September 2018

Terry Davies
Chief Executive



12 September 2018

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2018

The Directors of Dunedin Venues Management Limited are pleased to present their report on the activities of the Company for the year ended 30 June 2018.

Principal Activities of the Company

The organisation is an events and venues management company.

Results for the Year Ended 30 June 2018

The report covers the financial year 1 July 2017 to 30 June 2018.

	\$'000
Profit/(Loss) for the year before taxation	837
Income tax expense	235
Profit/(Loss) for the year after taxation	<u>602</u>

State of Affairs

The Company recorded a net profit after tax of \$0.602 million for the year.

Changes in Accounting Policies

During the year, the Company changed its accounting policy with respect to depreciation for property, plant and equipment. The Company now applies the straight line depreciation method for all assets. For more information refer to note 2 of the financial statements.

Review of Operations

Net surplus before taxation and subvention was \$0.84 million for the year compared to \$0.40 million for the previous year.

The financial forecasts for the upcoming year continue to indicate a strong financial position the Company.

Change of Directors

Joanne Conroy was appointed Director on 1 January 2018.

Peter J Hutchison resigned from his position as Director on 31 December 2017.

Outlook

The Company continues to make progress in expanding it's revenue base and ensuring costs are maintained at appropriate levels.

**Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2018**

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 2018 are attached to this report.

Directors Interest in Contracts

Refer to Directors Declarations of Interest section on page 7 and the related parties' transactions on pages 23 to 26.

The Controller and Auditor general has contracted the audit to Audit New Zealand. Auditors remuneration is set out in note 3 to the financial statements on page 16.

Employee Remuneration

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

Remuneration range	Number of Employees	
	2018 Total	2017 Total
\$350,000 - 359,000	1	1
\$190,000 - 199,000	1 *	-
\$160,000 - 169,000	-	2 *
\$120,000 - 129,000	2	1
\$110,000 - 119,000	-	1
\$100,000 - 109,000	1	1

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

* Includes employees who have resigned during the financial year.

Directors' Remuneration

Director	Responsibility	Remuneration	
		2018 \$'000	2017 \$'000
Raewyn J Lovett	Chairperson	26	26
Joanne M Conroy	Director (appointed 1 January 2018)	9	-
Glenys J Coughlan	Director	18	17
Kevin G Winders	Director	18	17
Peter J Hutchison	Director (resigned effective 31 December 2017)	9	17

Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2018

Directors' Insurance

As provided in the Company's Constitution, Dunedin Venues Management Limited 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 Dunedin Venues Management Limited 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 2018

Director	Declarations of Interest
Raewyn Lovett (appointed 1 January 2015)	Partner of Duncan Cotterill, Lawyers Chair of Quotable Value Limited Chair of Auckland Sport Director, Darroch Limited Trustee of CHT Healthcare Trust Trustee of Sir Ray Avery Foundation Co-Chair of International Working group of Woman and Sport
Joanne Conroy (appointed 1 January 2018)	Director, Dunedin Stadium Property Limited Director, Queenstown Housing Bonds Limited Director, Queenstown Lakes Community Housing Trust Developments Limited Director, Queenstown Lakes Community Housing Trust Property Portfolio Limited Director, Otago Southland Employers Association Director and Shareholder, QDC Services Limited Director and Shareholder, Marcon Holdings Limited Chair of South Island Trust Board of St John Trustee of NZ Priory Trust Board of St John Trustee of Queenstown Lakes Community Housing Trust
Glenys Coughlan (appointed 1 January 2016)	General Manager of Tourism Central Otago Chair of PATA NZ Board of Trustees Director, Auckland Tourism Events and Economic Development Deputy Chair, Outward Bound New Zealand
Kevin Winders (appointed 1 January 2016)	CEO, Port Otago Limited Director, Icon Logistics Limited Director, Hamilton Porter JV Limited Director, New Zealand Cruise Association
Peter Hutchison (resigned 31 December 2017)	Director, Fund Managers Auckland Limited Director, Fund Managers Holdings Limited Director, Funds Managers Central Limited Managing Director, Fund Managers Otago Limited Director, Mortgage Funds Managers Limited Chair, SSF New Zealand Limited Chair, KWH Limited Chair, New Zealand Syndication Group Limited Director, 67 Courtenay Street Limited President, Cancer Society NZ National Board Trustee, Dunedin Prison Trust

Dunedin Venues Management Limited
Statement of Responsibility
For the Year Ended 30 June 2018

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 2018 fairly reflect the financial position and operations of Dunedin Venues Management Limited.

Raewyn Lovett
Chairperson



12 September 2018

Kevin Winders
Director



12 September 2018

Dunedin Venues Management Limited
Statement of Profit or Loss
For the Year Ended 30 June 2018

	<i>Note</i>	2018 \$'000	2017 \$'000
Revenue			
Operating revenue		16,599	13,723
Interest received from funds on deposit		42	22
Total revenue		<hr/> 16,641	<hr/> 13,745
Less expenses			
Operating expenses	3	15,282	8,348
Depreciation and impairment	10	522	555
Total expenditure		<hr/> 15,804	<hr/> 8,903
Profit/(Loss) for the Year before Taxation		837	401
Income tax expense/(credit)	4	235	102
Profit/(Loss) for the Year after Taxation		<hr/> 602	<hr/> 299

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

**Dunedin Venues Management Limited
Statement of Other Comprehensive Income
For the Year Ended 30 June 2018**

	<i>Note</i>	2018 \$'000	2017 \$'000
Profit for the year after taxation		602	299
Total Comprehensive Profit after Taxation		<u>602</u>	<u>299</u>

**Dunedin Venues Management Limited
Statement of Changes in Equity
For the Year Ended 30 June 2018**

	2018 \$'000	2017 \$'000
Movements in Equity		
Opening Balance	1,083	484
Capital contribution	300	300
Total Comprehensive Profit after Taxation	602	299
Closing Balance	<u>1,985</u>	<u>1,083</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 2018

	<i>Note</i>	2018 \$'000	2017 \$'000
Current Assets			
Cash and cash equivalents		986	198
Trade and other receivables	6	2,869	1,997
Total Current Assets		<hr/> 3,855	<hr/> 2,195
Non-Current Assets			
Property, plant and equipment	10	1,731	2,018
Deferred tax	11	367	267
Total Non-Current Assets		<hr/> 2,098	<hr/> 2,285
TOTAL ASSETS		<hr/> 5,953	<hr/> 4,480
Current Liabilities			
Trade and other payables	7	3,501	2,991
Employee entitlements		150	133
Total Current Liabilities		<hr/> 3,651	<hr/> 3,124
Non-Current Liabilities			
Income in advance		317	273
Total Non-Current Liabilities		<hr/> 317	<hr/> 273
Equity			
Share capital	5	9,177	8,877
Retained deficits	5	(7,192)	(7,794)
Total Equity		<hr/> 1,985	<hr/> 1,083
TOTAL EQUITY AND LIABILITIES		<hr/> 5,953	<hr/> 4,480

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 2018

	<i>Note</i>	2018	2017
		\$'000	\$'000
Cashflows from Operating Activities			
<i>Cash was provided from</i>			
Receipts from customers		15,874	12,746
Interest received		42	22
		<hr/>	<hr/>
		15,916	12,768
<i>Cash was disbursed to</i>			
Payments to suppliers and employees		14,678	14,321
Subvention payments		377	439
Net GST paid		137	4
		<hr/>	<hr/>
		15,192	14,764
Net Cashflow from Operating Activities	8	<hr/>	<hr/>
		724	(1,996)
Cashflows from Investing Activities			
<i>Cash was provided from</i>			
Sale of property, plant and equipment		6	-
<i>Cash was disbursed to</i>			
Purchase of property, plant and equipment		241	507
		<hr/>	<hr/>
Net Cashflow from Investing Activities		(235)	(507)
Cashflows from Financing Activities			
<i>Cash was provided from</i>			
Shareholder capital		300	300
		<hr/>	<hr/>
		300	300
<i>Cash was disbursed to</i>			
Repayment of inter group advances		-	(177)
		<hr/>	<hr/>
		-	(177)
Net Cashflow from Financing Activities		<hr/>	<hr/>
		300	477
Net Increase/(Decrease) in Cash and Cash Equivalents		789	(2,026)
Opening Cash and Cash Equivalents		198	2,224
Closing Cash and Cash Equivalents		<hr/>	<hr/>
		986	198
Composition of Cash and Cash Equivalents			
Cash on hand		4	4
Bank current account		282	294
Deposit/(overdraft) accounts		700	(100)
		<hr/>	<hr/>
Cash and Cash Equivalents at the end of the Year		986	198

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.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

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 year ended 30 June 2018.

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

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). We are the central hub for premier events and entertainment in Dunedin. We also have the turf management of the University of Otago Oval.

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 12 September 2018.

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 accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018 and the comparative information for the year ended 30 June 2017.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

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 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.

Borrowing costs

Borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

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.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Borrowings

Borrowings are initially recorded net of directly attributable transaction costs and are measured at subsequent reporting dates at amortised cost. Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to the statement of financial performance using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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 is carried forward in the statement of financial position.

Changes in Accounting Policies

There have been no changes in the company's accounting policies since the date of the last audited financial statements.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$'000	\$'000
3 OPERATING EXPENSES		
Other operating expenses	10,128	8,296
Audit fees - for audit of financial statements	29	29
Bad debts	17	(54)
Directors fees	79	77
Salaries and wages	3,019	2,441
Rental of Stadium	2,000	2,000
Loss/(gain) on fixed asset disposal	10	-
	<u>15,282</u>	<u>12,789</u>

4 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. Taxable profit differs from net surplus as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

	2018	2017
	\$'000	\$'000
Income Tax Recognised in Comprehensive Income		
Profit/(Loss) for the year before taxation	837	401
Income tax expense (credit) calculated at 28% (2017: 28%)	234	112
<i>Tax effect of following adjustments</i>		
Non-deductible expenses	1	(10)
Tax effect of differences	<u>1</u>	<u>(10)</u>
Tax expense	<u>235</u>	<u>102</u>
Represented by:		
Current Tax Provision	335	127
Deferred Tax Provision	(100)	(25)
	<u>235</u>	<u>102</u>

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

	2018	2017
	\$'000	\$'000
5 EQUITY - Share Capital		
Called and Fully Paid Up Capital		
9,177,065 fully paid ordinary shares (2017: 8,877,065)	9,177	8,877

10,000,000 shares have been issued to the Dunedin City Holdings Limited at \$1 per share. At 30 June 2018 9,177,065 (2017: 8,877,065) 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.

	2018	2017
	\$'000	\$'000
Retained Deficits		
Opening Balance	(7,794)	(8,093)
Profit for the year after taxation	602	299
	(7,192)	(7,794)

6 TRADE AND OTHER RECEIVABLES

Accounting policy

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

	2018	2017
	\$'000	\$'000
Trade and other receivables	2,582	1,920
Provision for doubtful debts	(47)	(29)
Accrued income and prepayments	169	78
Taxation receivable	-	-
GST receivable	165	28
	2,869	1,997

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

7 TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are stated at cost.

	2018	2017
	\$'000	\$'000
Trade payables	2,274	1,596
GST payable	-	-
Taxation payable	-	-
Subvention payable	25	67
Income received in advance	1,202	1,328
	<hr/>	<hr/>
	3,501	2,991

	2018	2017
	\$'000	\$'000
8 RECONCILIATION OF NET LOSS FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year after taxation	602	299
<i>Items Not Involving Cashflows</i>		
Depreciation and impairment	522	555
Loss on fixed asset disposal	10	-
<i>Impact of Changes in Working Capital Items</i>		
(Increase)/Decrease in trade and other receivables	(643)	(909)
(Increase)/Decrease in prepayments	(91)	152
(Increase)/Decrease in deferred tax	(100)	(25)
Increase/(Decrease) in GST payable	(137)	(4)
Increase/(Decrease) in trade and other payables	668	(1,713)
Increase/(Decrease) in taxation payable	-	(379)
Increase/(Decrease) in subvention payable	(42)	67
Increase/(Decrease) in employee entitlements	17	29
Increase/(Decrease) in income received in advance	(82)	(68)
Net cashflows from operating activities	<hr/>	<hr/>
	724	(1,996)

The significant movement in operating cashflows between 2018 and 2017 is a result of the timing of cash transactions from All Blacks Test Matches.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

9 LEASE COMMITMENTS

Accounting policy

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company As Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Company As Lessee

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

	2018	2017
	\$'000	\$'000
(i) Minimum Operating Lease Payments		
Payable within one year	2,000	2,000
Payable between one to five years	8,000	8,000
Payable later than five years	16,167	18,167
	<u>26,167</u>	<u>28,167</u>

The Company has entered into a rental agreement with Dunedin Stadium Property Limited to rent the stadium assets for a term of 20 years from 1 August 2011. The rental has been set at \$2,000,000 per annum.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

10 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	8% - 13%	Straight line
Furniture and fittings	7% - 18%	Straight line
Office equipment	12% to 80%	Straight line
Plant & equipment	8% to 67%	Straight line
Motor vehicles	13% to 20%	Straight line

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 2018

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.

	2018					
	Leasehold Alterations	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of year	439	493	262	3,343	38	4,575
Additions	25	21	53	142	-	241
Disposals	-	-	(1)	-	(15)	(16)
Balance at end of year	464	514	314	3,485	23	4,800
Accumulated depreciation						
Balance at beginning of year	93	109	229	2,113	13	2,557
Depreciation	36	52	28	334	3	453
Impairment	47	5	3	14	-	69
Disposals	-	-	(1)	-	(9)	(10)
	176	167	259	2,461	7	3,069
Balance at end of year	288	347	55	1,024	16	1,731

	2017					
	Leasehold Alterations	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of year	309	493	231	2,997	38	4,068
Additions	130	-	31	346	-	507
Disposals	-	-	-	-	-	-
Balance at end of year	439	493	262	3,343	38	4,575
Accumulated depreciation						
Balance at beginning of year	66	57	174	1,697	8	2,002
Depreciation	27	52	55	416	5	555
Disposals	-	-	-	-	-	-
	93	109	229	2,113	13	2,557
Balance at end of year	346	384	33	1,230	25	2,018

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

11 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.

	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
	Opening Balance Sheet	Charged to Income	Closing Balance Sheet Assets	Closing Balance Sheet Liabilities	Net
Property, plant and equipment	217	66	283		283
Employee entitlements	27	12	39		39
Provisions and adjustments	23	22	45	-	45
	<hr/> 267	<hr/> 100	<hr/> 367	<hr/> -	<hr/> 367

	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000
	Opening Balance Sheet	Charged to Income	Closing Balance Sheet Assets	Closing Balance Sheet Liabilities	Net
Property, plant and equipment	162	55	217		217
Employee entitlements	29	(2)		27	27
Provisions and adjustments	51	(28)		23	23
	<hr/> 242	<hr/> 25	<hr/> 217	<hr/> 50	<hr/> 267

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

12 CAPITAL EXPENDITURE COMMITMENTS

The Company had no capital expenditure commitments at year end (2017: \$nil).

13 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at year end (2017: \$nil).

14 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 \$822,935 and the Company's ability to make calls on this uncalled capital will enable the Company to manage the capital risk.

	2018	2017
	\$'000	\$'000
b) Categories of Financial Instruments		
Financial Assets		
Trade and other receivables	2,869	1,997
Less:		
Accrued income and prepayments	169	78
GST receivable	165	28
	<hr/>	<hr/>
Loans and receivables	2,535	1,891
Financial Liabilities		
Trade payables	2,274	1,596
Less:		
Subvention payable	25	67
	<hr/>	<hr/>
Financial liabilities at amortised cost	2,249	1,529

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 2018

15 RELATED PARTY TRANSACTIONS

The Company is a wholly-owned subsidiary of the Dunedin City Holdings Limited. Dunedin City Holdings Limited is wholly owned by Dunedin City Council.

Dunedin Venues Management Limited 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:

	2018	2017
	\$'000	\$'000
Rates and property rentals and other charges	(715)	(836)
Revenue from property/event management & contribution from Event Attraction Fund	3,285	2,562
	<u>2,570</u>	<u>1,726</u>

As at balance date:

Payable to Dunedin City Council	126	67
Receivable from Dunedin City Council	380	261

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:

	2018	2017
	\$'000	\$'000
Dunedin City Treasury Limited		
Interest received	17	14
Other payments	-	(7)
	<u>17</u>	<u>7</u>

As at balance date:

Deposit with Dunedin City Treasury	700	(100)
Deposit/(overdraft)	<u>700</u>	<u>(100)</u>

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2018

15 RELATED PARTY TRANSACTIONS (CONTINUED)

	2018	2017
	\$'000	\$'000
Dunedin Stadium Property Limited		
Management fee and reimbursements	139	70
Rent of stadium	(2,000)	(2,000)
Expense on charges	(145)	(137)
Net advance paid/(received)	-	(177)
Subventions paid	(360)	(75)
	<u>(2,366)</u>	<u>(2,319)</u>
<i>As at balance date:</i>		
Receivable from Dunedin Stadium Property Limited:		
Subvention payment payable	-	(117)
Other receivable	69	-
Delta Utility Services Limited		
Membership and other services	4	52
Equipment hire	(3)	(29)
Turf services	-	(6)
	<u>1</u>	<u>17</u>
At balance date there was nil outstanding (2017: \$1,000)		
Aurora Energy Limited		
Goods and services	1	3
	<u>1</u>	<u>3</u>

At balance date there was no amounts outstanding (2017: nil)

During the year, tax losses of \$683,000 from the 2017 year were transferred to other entities in the DCC Group by a subvention payment of \$191,000 and loss offset of \$492,000.

For the 2018 year, there is expected to be a transfer of tax losses of \$997,000 from other entities in the DCC Group, utilised by way of a subventions of \$279,000 and loss offsets of \$718,000.

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 2018

15 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:

- Peter Hutchison purchased two Forsyth Barr Stadium lounge memberships for \$3,000 (2017:\$3,000). No amounts (2017: nil) were outstanding at balance date.
- The Otago and Southland Division of the Cancer Society purchased \$42,000 (2017: \$42,000) of services from the Company. Peter Hutchison is the President of the Cancer Society of New Zealand National Office. No amounts (2017: nil) were outstanding at balance date.
- The Company purchased \$1,108 (2017: nil) of services from Funds Managers Otago Limited. Peter Hutchison is the Managing Director of Funds Managers Otago Limited. No amounts (2017: nil) were outstanding at balance date.
- Kevin Winders purchased two Forsyth Barr Stadium lounge memberships for \$3,000 (2017: \$3,000). No amounts (2017: nil) were outstanding at balance date.
- Port Otago Limited, of which Kevin Winders is the Chief Executive Officer, purchased \$28,000 (2017: \$12,000) of services from the Company. The Company has receivables of \$1,000 (2017: nil) outstanding at balance date.
- The Company purchased \$1,393 (2017: nil) of services from Otago Southland Employers Association. Joanne Conroy is the Director of Otago Southland Employers Association. No amounts (2017: nil) were outstanding at balance date.

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

	2018	2017
	\$'000	\$'000
Key management remuneration	1,067	938

16 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 2018

Performance Targets	Achievements
Safety and Compliance	
Health and Safety Plan has been reviewed.	The current Safety and Wellness Strategic Plan has been reviewed by the Health and Safety Committee during the year.
Minimum of 11 Health and Safety Committee meetings held per year.	The Health and Safety Committee formally met on two occasions. As a result of the Gap Analysis Review a number of further collective and individual meetings have taken place involving wider stakeholders.
Conduct a staff survey to gauge their understanding on Health and Safety procedures.	During the year, SafePlus have undertaken an assessment (engagement survey) in conjunction with Worksafe NZ, ACC, and the Ministry of Business, Innovation and Employment to gauge staff understanding on Health and Safety Procedures. The survey showed that staff had a good understanding of policies and procedures.
TIR rate of <2 incidents per 200,000 hours worked.	The TIR was 12 incidents per 200,000 hours worked.
A TIR rate of less than 0.05% of the total number of people attending events and the venues	The TIR rate was 0.041% of the total number of people attending events and the venues.
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).	<p>To ensure Forsyth Barr Stadium complies with the AMP entered into with DSPL, DVML undertakes the following:</p> <ul style="list-style-type: none"> . Ensure all warranties and compliance at Forsyth Barr Stadium are maintained as per manufacturers specifications and or local legislation . Provide to DSPL for each board meeting updates on the AMP, warranty and compliance and any significant maintenance undertaken . Engage respected service providers to carry out works as part of Service Level Agreements . Engaged Opus to update the AMP. Part of this involved a condition assessment of the Forsyth Barr Stadium. The Stadium was found to be in good condition.

Performance Targets	Achievements																						
Completed independent annual safety audit and any improvements/recommendations are implemented. DVML is not in breach of its statutory obligations.	During the year, the Company engaged SafePlus to complete an onsite assessment of workplace health and safety at DVML. There were no identified breaches of statutory obligations during the year.																						
Financial Achieve budget results.	Achievement against forecasted SOI results are as follows: <table border="1"> <thead> <tr> <th></th> <th>Actual \$,000</th> <th>Target \$,000</th> </tr> </thead> <tbody> <tr> <td>EBITDA</td> <td>1,359</td> <td>1,380</td> </tr> <tr> <td>Net Profit after Tax</td> <td>602</td> <td>670</td> </tr> <tr> <td>Operating Cash flow</td> <td>724</td> <td>1,260</td> </tr> <tr> <td>Capital Expenditure</td> <td>241</td> <td>370</td> </tr> <tr> <td>Shareholder Funds to Total Assets</td> <td>0.33 : 1</td> <td>0.40 : 1</td> </tr> <tr> <td>Dividend</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Actual \$,000	Target \$,000	EBITDA	1,359	1,380	Net Profit after Tax	602	670	Operating Cash flow	724	1,260	Capital Expenditure	241	370	Shareholder Funds to Total Assets	0.33 : 1	0.40 : 1	Dividend	-	-	
	Actual \$,000	Target \$,000																					
EBITDA	1,359	1,380																					
Net Profit after Tax	602	670																					
Operating Cash flow	724	1,260																					
Capital Expenditure	241	370																					
Shareholder Funds to Total Assets	0.33 : 1	0.40 : 1																					
Dividend	-	-																					
Achieve a 15:1 return on investment of the Event Attraction Fund.	The overall return on investment of the Event Attraction Fund for 2017/18 was : <table border="1"> <thead> <tr> <th>Event</th> <th>Return</th> </tr> </thead> <tbody> <tr> <td>Stevie Nicks</td> <td>19 : 1</td> </tr> <tr> <td>Roger Waters</td> <td>20 : 1</td> </tr> <tr> <td>Robbie Williams</td> <td>17 : 1</td> </tr> <tr> <td>Ed Sheeran</td> <td>60 : 1</td> </tr> <tr> <td>Total</td> <td>40 : 1</td> </tr> </tbody> </table> <p>A breakdown of the return on investment for the previous financial year was as follows:</p> <table border="1"> <thead> <tr> <th>Event</th> <th>Return</th> </tr> </thead> <tbody> <tr> <td>D1 Drifting</td> <td>13 : 1</td> </tr> <tr> <td>Black Caps v South Africa</td> <td>9 : 1</td> </tr> <tr> <td>Bulldogs v Warriors</td> <td>11 : 1</td> </tr> <tr> <td>Total</td> <td>11 : 1</td> </tr> </tbody> </table>	Event	Return	Stevie Nicks	19 : 1	Roger Waters	20 : 1	Robbie Williams	17 : 1	Ed Sheeran	60 : 1	Total	40 : 1	Event	Return	D1 Drifting	13 : 1	Black Caps v South Africa	9 : 1	Bulldogs v Warriors	11 : 1	Total	11 : 1
Event	Return																						
Stevie Nicks	19 : 1																						
Roger Waters	20 : 1																						
Robbie Williams	17 : 1																						
Ed Sheeran	60 : 1																						
Total	40 : 1																						
Event	Return																						
D1 Drifting	13 : 1																						
Black Caps v South Africa	9 : 1																						
Bulldogs v Warriors	11 : 1																						
Total	11 : 1																						
No unplanned call on capital.	There has been no unplanned call on capital during the 2017/18 year.																						

Performance Targets	Achievements
Marketing and Business Objectives	
Improved contribution to DVML's financial performance and reputation for service excellence.	DVML continues to develop and enhance its event delivery across all sectors of the industry. Ed Sheeran saw the introduction of a new Stadium footprint to enhance the fan engagement and a Stadium flyover model was created for social media. DVML also utilised local App company My Little Local and hosted an event button for Ed Sheeran and All Blacks v France. At this year's Women You Can Bank On, new technology was introduced through Tablehub, a new innovation for a table centre piece.
Increasing the number and value of hire days in DVML's venues.	There was a total of 540 events (2017: 504) representing 676 event days (2017: 603) during the year.
We have established a benchmark for monitoring effectiveness across all digital platforms.	DVML continues to work on its expanded social media channels reach and engagement of content, integrated digital campaigns into the greater marketing campaign, and increased digital media via video content in new media, e.g. on demand advertising, Stuff and Fairfax, and social media platforms.
A full calendar of quality events across all DVML's venues that provide economic benefit and positive community engagement to Dunedin City.	There was a total of 540 events (2017: 504 events) representing 676 event days (2017: 603 event days). Economic benefit from major events at Forsyth Barr Stadium and the University of Otago Oval was \$67.3 million (2017: \$4.1 million). Economic benefit from the Dunedin Centre was \$8.3 million.
Achieve 150 new memberships.	A total of 131 memberships were sold during the year (2017: 142).
Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.	A survey of members showed Members' satisfaction level of 92%.
Human Resources	
Attract and retain key staff.	Staff turnover was 17% for the year (2017: 11%).
Conduct a confidential staff survey, achieve 80% satisfaction and improvements/recommendations are implemented.	During the year, the Company conducted a confidential staff survey which focused on seeking employees views and opinions on engagement and satisfaction. The survey showed that of all staff who responded, an average of 15% disagreed, 24% had a neutral opinion, and 61% agreed to the statements on engagement and satisfaction.

Performance Targets	Achievements
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 requirements 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 less than two LGOIMA requests	There were no LGOIMA requests in the year to 30 June 2018 (2017: nil).
Report to the Dunedin City Council 6 monthly 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. One for the 6 months to 31 December 2017 and a further one for the full year to 30 June 2018.
Senior management conduct a minimum of 5 speaking	Senior management conducted eight speaking engagements for the year.

Performance Targets	Achievements																
Economic Development Strategy																	
Achieve a minimum of \$5m visitor spend per each major event (>10,000 pax) for Dunedin City.	The Economic Impact for major events in the year to 30 June 2018 were as follows:																
	<table> <thead> <tr> <th data-bbox="730 454 820 486">Event</th> <th data-bbox="1075 454 1262 555">Direct expenditure (\$,000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 600 916 631">Stevie Nicks*</td> <td data-bbox="1187 600 1262 631">3,600</td> </tr> <tr> <td data-bbox="730 638 1015 669">All Blacks v Australia</td> <td data-bbox="1187 638 1262 669">9,300</td> </tr> <tr> <td data-bbox="730 676 1002 707">All Blacks v France*</td> <td data-bbox="1187 676 1262 707">9,300</td> </tr> <tr> <td data-bbox="730 714 916 745">Roger Waters</td> <td data-bbox="1187 714 1262 745">3,900</td> </tr> <tr> <td data-bbox="730 752 948 784">Robbie Williams</td> <td data-bbox="1187 752 1262 784">3,310</td> </tr> <tr> <td data-bbox="730 790 887 822">Ed Sheeran</td> <td data-bbox="1171 790 1262 822">37,900</td> </tr> <tr> <td data-bbox="730 828 810 860">Total</td> <td data-bbox="1066 828 1262 860">\$ 67,310</td> </tr> </tbody> </table>	Event	Direct expenditure (\$,000)	Stevie Nicks*	3,600	All Blacks v Australia	9,300	All Blacks v France*	9,300	Roger Waters	3,900	Robbie Williams	3,310	Ed Sheeran	37,900	Total	\$ 67,310
Event	Direct expenditure (\$,000)																
Stevie Nicks*	3,600																
All Blacks v Australia	9,300																
All Blacks v France*	9,300																
Roger Waters	3,900																
Robbie Williams	3,310																
Ed Sheeran	37,900																
Total	\$ 67,310																
	<p>* Data was not available at the time of preparing this report. For Stevie Nicks an estimate has been made based on the economic impact of the Roger Waters concert. For All Blacks v France, an estimate has been made based on the economic impact of the All Blacks vs Australia Test held at Forsyth Barr Stadium on 26 August 2017.</p>																
	The Economic Impact for major events for the previous year was as follows:																
	<table> <thead> <tr> <th data-bbox="730 1189 820 1220">Event</th> <th data-bbox="1075 1189 1262 1290">Direct expenditure (\$,000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 1323 879 1355">D1 Drifting</td> <td data-bbox="1203 1323 1262 1355">856</td> </tr> <tr> <td data-bbox="730 1361 991 1393">Black Caps v South</td> <td data-bbox="1187 1361 1262 1393">1,200</td> </tr> <tr> <td data-bbox="730 1400 995 1431">Bulldogs v Warriors</td> <td data-bbox="1187 1400 1262 1431">3,000</td> </tr> <tr> <td data-bbox="730 1438 810 1469">Total</td> <td data-bbox="1066 1438 1262 1469">\$ 5,056</td> </tr> </tbody> </table>	Event	Direct expenditure (\$,000)	D1 Drifting	856	Black Caps v South	1,200	Bulldogs v Warriors	3,000	Total	\$ 5,056						
Event	Direct expenditure (\$,000)																
D1 Drifting	856																
Black Caps v South	1,200																
Bulldogs v Warriors	3,000																
Total	\$ 5,056																

Performance Targets	Achievements		
Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax).	The following satisfaction and attendance numbers were achieved in the year to June 2018:		
60% of attendees of all major events (>10,000 pax) to come from outside of Dunedin City.	Event	Satisfaction	% Attend outside of Dunedin
	Stevie Nicks	N/A	63%
	All Blacks v Australia	96%	60%
	All Blacks v France	N/A	63%
	Black Caps v Pakistan	N/A	54%
	Black Caps v England	N/A	48%
	Roger Waters	96%	55%
	Robbie Williams	96%	44%
	Ed Sheeran 1	97%	60%
	Ed Sheeran 2	96%	69%
	Ed Sheeran 3	96%	68%
	No surveys on attendees satisfaction were performed for Stevie Nicks and the Black Caps test matches.		
	Satisfaction results for the All Blacks v France test match not yet available.		
	The following satisfaction and attendance numbers were achieved in the previous year.		
	Event	Satisfaction	% Attend outside of Dunedin
	D1 Drifting	92%	47%
	Black Caps v South	N/A	51%
	Bulldogs v Warriors	86%	57%

Performance Targets	Achievements
<p>DVML and Dunedin City is successful in attracting, securing and creating major events that gain positive exposure for Dunedin City, create economic benefit and serve the community's needs.</p>	<p>The Company bid for and secured 9 major events at Forsyth Barr Stadium being 3 Ed Sheeran concerts, Robbie Williams concert, Roger Waters concert, Stevie Nicks concert, Black Caps v England Test Match Cricket, All Blacks v Australia rugby test match, and the All Blacks v France rugby test match.</p> <p>In addition to this, the major conferences and conventions held at the Dunedin Centre included NZSTA Conference, and Conference for General Practice Conference.</p> <p>NZSTA attracted 1,000 delegates and Dunedin Centre utilized other venues around the Octagon such as The Regent Theatre and Art Gallery. The Edgar Centre was also used.</p> <p>Civil Contractors in August included Dunedin Centre and The Edgar Centre for social events.</p> <p>May and June has seen strong growth with a large corporate conference by Sovereign Insurance in the Dunedin Centre and Regent Theatre. Dunedin Centre and Stadium also hosted the NZ TRENZ Conference. This attracted approximately 1,200pax.</p> <p>Lastly, the South Island Diary Conference was hosted at the Dunedin Centre in June.</p>
<p>Environment Strategy</p> <p>Recycled waste is increased by 10% from the previous year.</p>	<p>In the current year a total of 52% of waste was recycled. In the previous year, an average of 53% of waste was recycled at the Dunedin Centre and Forsyth Barr Stadium.</p> <p>The Company is also implementing new signage for waste and recycling for waste compound around the venue, to encourage the public and venue users to dispose in correct bins. New recycling and waste bins are now in place at the Dunedin Centre to capture more recycling through business events.</p>
<p>Utilise low energy bulbs throughout all venues. Adjust timers on all lighting.</p>	<p>Over the past 12 months approximately 100 lighting fittings have been replaced with LED bulbs. The Company will continue to focus on replacing a further 80 fittings with LED over the next year.</p>
<p>Arts and Culture Strategy</p> <p>The number of community event days is increased from the previous year.</p>	<p>In both the 2017/18 and the 2016/17 years, the full value of the community access fund was utilised by the community. In 2017/18 this resulted in a total of 70 events with 36,856 people attending or participating. In 2016/17 there was a total of 79 events with 43,979 people attending or participating.</p>

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 2018

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

Opinion

We have audited:

- the financial statements of the company on pages 9 to 26, that comprise the statement of financial position as at 30 June 2018, the statement of profit and loss, statement of other 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 27 to 33.

In our opinion:

- the financial statements of the company on pages 9 to 26:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2018; 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 International Financial Reporting Standards reduced disclosure regime; and
- the statement of service performance of the company on pages 27 to 33 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 2018.

Our audit was completed on 12 September 2018. 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

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 the 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 the 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.

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 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 8, 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(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand