



# dunedin venues

**ANNUAL REPORT 2020**

**Dunedin Venues Management Limited**  
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**For the Year Ended 30 June 2020**

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**Dunedin Venues Management Limited**  
**Directory**  
**For the Year Ended 30 June 2020**

**DIRECTORS**

- Raewyn Lovett
- Adam La Hood
- Joanne Conroy
- Dylan Rushbrook

**INTERN DIRECTORSHIP**

- Andrew Douglas

**CHIEF EXECUTIVE OFFICER**

- Terry Davies

**REGISTERED OFFICE**

- Forsyth Barr Stadium  
130 Anzac Avenue  
Dunedin 9016

**BANKERS**

- Westpac  
Dunedin

**SOLICITORS**

- Anderson Lloyd  
Dunedin

**AUDITOR**

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

## Chairperson's and Chief Executive Officer's Report

What a year it has been! It will go on record as one of the most challenging experiences for Dunedin Venues and unfortunately, this organisation was not alone in its predicament. Planning for the 2019-20 financial year began positively with strong bookings across all business, concert, sporting and community events. Dunedin Venues underwent a brand refresh with a new look bringing more alignment with the city's gothic branding and more representative of its focus.

The business events market went from strength to strength making a significant contribution to the Dunedin economy. This year Dunedin Venues hosted 4,040 delegates who attended 21 multi-day conferences at the Dunedin Centre. The MBIE Convention Delegate Survey Year to Dec 2018 shows the average spend for all delegates who spent time away from home to attend conferences was \$412 per person per night. This equates to an injection of \$3.3 million by delegates (min 2 night stay) into the city. This is a pleasing result in a competitive market.

The major event space provided much variety starting with the return of Fleetwood Mac in September 2019. 28,880 concert goers enjoyed a refreshed line-up including New Zealand's own Neil Finn who nearly raised the roof when he and Stevie Nicks featured a Crowded House favourite. \$13.5 million was pumped into the local economy as a direct result of this concert. The Dunedin Town Hall's famous organ, Norma celebrated her 100th birthday with her own concert, Norma's Big Bash. The big acts continued with Elton John and Queen and Adam Lambert concerts in February 2020 with a combined economic impact of more than \$23 million for the city. Local band SIX60 rounded off the concert calendar entertaining almost 20,000 fans under the roof. The annual events of the Home and Living Show and Dunedin Craft Beer and Food Festival featured on the events calendar along with the Super Rugby and Mitre 10 Cup competitions. The University of Otago Oval played host to the Otago Volts domestic matches and was primed for the White Ferns v South Africa T20 international in February 2020. This was to be the first time the White Ferns had played in Dunedin in 21 years however, the weather did not play its part with the match being rain affected and play unable to commence. This was very disappointing especially as Dunedin had just been announced as a host city for the ICC Women's World Cup 2021.

The impact of COVID-19 was starting to be felt around the globe in late February. Travel restrictions were introduced in New Zealand that started at midnight on 14 March. The first event to be affected by COVID-19 was Dunedin's T20 Black Caps versus Australia scheduled for 24 March. Once this announcement was made there was an influx of postponements and cancellations of events across all venues. Dunedin Venues event revenue ceased overnight.

Dunedin Venues was forced to make some tough decisions. The board agonised over what was a very difficult decision to reduce the team to a smaller number in order for the business to navigate through the challenging times. We want to thank those staff members who were impacted for their tremendous contribution to the business. It was only due to the international pandemic that their employment could not be sustained.

A total number of 45 events (including multi day events) had funding accepted in the 1st July 2019 – 30th June 2020 period under the Community Access Grant. Once again there was a variety of community events, and a great representation of the fund's purpose. Unfortunately, all community events due to take place from March to June 2020 were placed on hold until there was some surety around conditions for mass gatherings, which had been limited to 500 people. Notwithstanding, 45 events did take place in the reporting period, with 30,123 people attending or participating.

The Forsyth Barr Stadium turf was scheduled for its renovation this year and it created a terrific opportunity to involve our community with the Throw, Sow, Grow activation where the public was able to come in and sow their own patch of turf as part of the revamp.

When New Zealand returned to Level 1 restrictions, we were able to welcome large crowds back to our venues. This saw Forsyth Barr Stadium hosting the world's first rugby event with fans in attendance post COVID-19 lockdown when the Highlanders played the Chiefs in the opening match of the new Super Rugby Aotearoa competition. The media interest was intense!

The hosting of international concerts will be challenging over the next 12 months due to the global impact of COVID-19 and border restrictions. This has also affected the international sporting calendar. The scheduled rugby test with the All Blacks taking on Scotland for the first time under the roof in July 2020 has now been postponed to a later date. International concerts scheduled for November 2020 have now been cancelled or rescheduled to 2022. However, we are still positive about the future. In June Dunedin was announced as a host city for FIFA Women's World Cup in 2023. Also, promoters have indicated that the concert space will be very busy once border restrictions are lifted as there will be numerous artists ready to tour again. This will present its challenges as it is expected to be a very hectic events calendar once the world opens up again – a challenge we are very happy to have!

We would like to thank our Forsyth Barr Stadium Members and our Commercial Partners who have provided incredible support and loyalty to our organisation during this challenging period. Our Members and Commercial Partners are an integral part of our journey as we strive to rebuild and drive economic and social recovery for Dunedin and the region.

Our final thanks go to our staff who have weathered this very difficult time with professionalism, resilience, and strength.

Raewyn Lovett  
**Chairperson**



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30 November 2020

Terry Davies  
**Chief Executive Officer**



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30 November 2020

**Dunedin Venues Management Limited**  
**Statutory Information**  
**For the Year Ended 30 June 2020**

The Directors of Dunedin Venues Management Limited (the Company) are pleased to present their report on the activities of the Company for the year ended 30 June 2020.

**Principal Activities of the Company**

The organisation is a stadium operator, events and venue manager and turf management company.

**Results for the Year Ended 30 June 2020**

The report covers the financial year 1 July 2019 to 30 June 2020.

|  | <b>2020</b>   |
|--|---------------|
|  | <b>\$'000</b> |
| Profit/(Loss) for the year before taxation | (81)          |
| Income tax expense                         | (17)          |
| Profit/(Loss) for the year after taxation  | <u>(64)</u>   |

**State of Affairs**

The Company recorded a net loss after tax of \$64,000 for the year.

**Changes in Accounting Policies**

Changes in accounting policies are detailed in Note 2 of the financial statements.

**Review of Operations**

Net loss before taxation and subvention was \$81,000 for the year, compared to a net profit of \$230,000 for the previous year.

**Change of Directors**

Adam La Hood was appointed a Director on 27 August 2019.

Dylan Rushbrook was appointed a Director on 27 August 2019.

Kevin Winders resigned from his position as Director on 5 September 2019.

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

**Dunedin Venues Management Limited**  
**Statutory Information**  
**For the Year Ended 30 June 2020**

**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 2020 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 27 to 29.

The Controller and Auditor General has contracted the audit to Audit New Zealand. Auditors remuneration is set out in note 4 to the financial statements on page 17.

**Employee Remuneration**

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

| <b>Remuneration range</b> | <b>Number of Employees</b> |              |
|---------------------------|----------------------------|--------------|
|                           | <b>2020</b>                | <b>2019</b>  |
|                           | <b>Total</b>               | <b>Total</b> |
| \$410,000 - 419,999       | -                          | 1            |
| \$360,000 - 369,999       | 1                          | -            |
| \$130,000 - 139,999       | 1                          | 1            |
| \$120,000 - 129,999       | 2                          | 1 *          |
| \$110,000 - 119,999       | 1                          | 2            |
| \$100,000 - 109,999       | 2                          | 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.

**Dunedin Venues Management Limited**  
**Statutory Information**  
**For the Year Ended 30 June 2020**

**Directors' Remuneration**

| Director          | Responsibility                                 | Remuneration   |                |
|-------------------|--|----------------|----------------|
|                   |  | 2020<br>\$'000 | 2019<br>\$'000 |
| Raewyn J Lovett   | Chairperson                                    | 27             | 27             |
| Joanne M Conroy   | Director                                       | 18             | 18             |
| Adam La Hood      | Director (appointed 27 August 2019)            | 15             | -              |
| Dylan Rushbrook   | Director (appointed 27 August 2019)            | 15             | -              |
| Kevin G Winders   | Director (resigned effective 5 September 2019) | 4              | 18             |
| Glenys J Coughlan | Director (resigned effective 16 April 2019)    | -              | 15             |

**Directors' Insurance**

As provided in the Company's Constitution, Dunedin Venues 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 the Company 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 2020**

| Director                                      | Declarations of Interest  |
|---|---|
| Raewyn Lovett<br>(appointed 1 January 2015)   | Partner of Duncan Cotterill, Lawyers<br>Director, Sport New Zealand<br>Trustee of CHT Healthcare Trust<br>Trustee of Sir Ray Avery Foundation<br>Co-Chair of International Working Group of Women and Sport<br>Shareholder, Onelaw Limited * 15 November 2019<br>Shareholder, Pearl River Holdings Limited * 15 November 2019<br>Shareholder in various Duncan Cotterill companies * 15 November 2019   |
| Joanne Conroy<br>(appointed 1 January 2018)   | Director, Queenstown Housing Bonds Limited<br>Director, Queenstown Lakes Community Housing Trust Developments Limited<br>Director, Queenstown Lakes Community Housing Trust Property Portfolio Limited<br>Director, Otago Southland Employers Association * Resigned 31 October 2019<br>Director and Shareholder, QDC Services Limited<br>Director and Shareholder, Marcon Holdings Limited<br>Director, Quoteable Value<br>Director, Darroch Limited * Resigned 31 October 2019<br>Chair of Westland Holdings Limited<br>Director, QLCHT Shotover Country Limited<br>Director, Westland Limited<br>Director, Destination Westland Limited * 25 May 2020<br>Trustee, South Island Trust Board of St John * Resigned 24 June 2020<br>Trustee, Queenstown Lakes Community Housing Trust<br>Trustee, Sky City Queenstown Community Trust * Appointed 5 February 2020<br>Trustee, St John New Zealand Priory Chapter * Appointed 24 June 2020 |
| Adam La Hood<br>(appointed 27 August 2019)    | Director, Otago Polytech Limited * Appointed 11 March 2020<br>CFO, Cook Brothers Construction Limited   |
| Dylan Rushbrook<br>(appointed 27 August 2019) | Director, Synergy Tourism Consulting Limited<br>Director, Tourism Talent Limited<br>Director, Tourism Central Limited<br>Director, The Tourism Export Council of New Zealand (Incorporated Society)<br>Director, Tourism Talent Australia * Appointed 15 February 2020<br>Trustee, Regional Tourism New Zealand * Appointed 9 December 2019<br>General Manager, Tourism Central Otago   |
| Kevin Winders<br>(resigned 5 September 2019)  | CEO, Port Otago Limited<br>Director, Icon Logistics Limited<br>Director, Hamilton Porter JV Limited<br>Director, New Zealand Cruise Association<br>Chair of Dunedin Railways Ltd * Appointed 12 June 2019, resigned 30 June 2020  |

**Dunedin Venues Management Limited**  
**Statement of Responsibility**  
**For the Year Ended 30 June 2020**

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 2020 fairly reflect the financial position and operations of Dunedin Venues Management Limited.

Raewyn Lovett  
**Chairperson**



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30 November 2020

Adam La Hood  
**Director**



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30 November 2020

**Dunedin Venues Management Limited**  
**Statement of Profit or Loss**  
**For the Year Ended 30 June 2020**

|   | <i>Note</i> | <b>2020</b><br><b>\$'000</b> | <b>2019</b><br><b>\$'000</b> |
|---|-------------|------------------------------|------------------------------|
| Revenue   |             |                              |                              |
| Operating revenue                                 | 3           | 10,637                       | 12,661                       |
| Government grants                                 | 19          | 1,272                        | 1,150                        |
| Interest received from funds on deposit           |             | 28                           | 36                           |
| Total revenue                                     |             | <hr/> 11,937                 | <hr/> 13,847                 |
| Less expenses                                     |             |                              |                              |
| Operating expenses                                | 4           | 9,444                        | 13,240                       |
| Depreciation and impairment                       | 11          | 393                          | 377                          |
| Depreciation - Right of use lease asset           |             | 1,620                        | -                            |
| Interest expense                                  |             | 561                          | -                            |
| Total expenditure                                 |             | <hr/> 12,018                 | <hr/> 13,617                 |
| <b>Profit/(Loss) for the Year before Taxation</b> |             | (81)                         | 230                          |
| Income tax expense/(credit)                       | 5           | (17)                         | 70                           |
| <b>Profit/(Loss) for the Year after Taxation</b>  |             | <hr/> <b>(64)</b>            | <hr/> <b>160</b>             |

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 2020**

|   | <b>2020</b><br><b>\$'000</b> | <b>2019</b><br><b>\$'000</b> |
|---|------------------------------|------------------------------|
| Profit/(Loss) for the year after taxation               | (64)                         | 160                          |
| <b>Total Comprehensive Profit/(Loss) after Taxation</b> | <u>(64)</u>                  | <u>160</u>                   |

**Dunedin Venues Management Limited**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2020**

|  | <b>2020</b><br><b>\$'000</b> | <b>2019</b><br><b>\$'000</b> |
|--|------------------------------|------------------------------|
| <b>Movements in Equity</b>                       |                              |                              |
| <b>Opening Balance</b>                           | 2,445                        | 1,985                        |
| Adjustment on transition to IFRS 16 Leases       | (763)                        | -                            |
| Capital contribution                             | 300                          | 300                          |
| Total comprehensive profit/(loss) after taxation | (64)                         | 160                          |
| <b>Closing Balance</b>                           | <u>1,918</u>                 | <u>2,445</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 2020**

|  | <i>Note</i> | <b>2020</b><br><b>\$'000</b> | <b>2019</b><br><b>\$'000</b> |
|--|-------------|------------------------------|------------------------------|
| <b>Current Assets</b>                    |             |                              |                              |
| Cash and cash equivalents                |             | 2,858                        | 2,132                        |
| Trade and other receivables              | 7           | 921                          | 1,369                        |
| Assets held for sale                     | 17          | 173                          | -                            |
| <b>Total Current Assets</b>              |             | <u>3,952</u>                 | <u>3,501</u>                 |
| <b>Non-Current Assets</b>                |             |                              |                              |
| Property, plant and equipment            | 11          | 1,296                        | 1,356                        |
| Right of use assets                      | 10          | 17,823                       | -                            |
| Deferred tax                             | 12          | 629                          | 327                          |
| <b>Total Non-Current Assets</b>          |             | <u>19,748</u>                | <u>1,683</u>                 |
| <b>TOTAL ASSETS</b>                      |             | <u>23,700</u>                | <u>5,184</u>                 |
| <b>Current Liabilities</b>               |             |                              |                              |
| Trade and other payables                 | 8           | 500                          | 973                          |
| Contract liabilities / Income in advance | 3(b)        | 1,636                        | 1,413                        |
| Employee entitlements                    |             | 79                           | 142                          |
| Current portion of lease liabilities     | 10          | 1,492                        | -                            |
| <b>Total Current Liabilities</b>         |             | <u>3,707</u>                 | <u>2,528</u>                 |
| <b>Non-Current Liabilities</b>           |             |                              |                              |
| Contract liabilities / Income in advance | 3(b)        | 517                          | 211                          |
| Lease liabilities                        | 10          | 17,558                       | -                            |
| <b>Total Non-Current Liabilities</b>     |             | <u>18,075</u>                | <u>211</u>                   |
| <b>Equity</b>                            |             |                              |                              |
| Share capital                            | 6           | 9,777                        | 9,477                        |
| Retained deficits                        | 6           | (7,859)                      | (7,032)                      |
| <b>Total Equity</b>                      |             | <u>1,918</u>                 | <u>2,445</u>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>      |             | <u>23,700</u>                | <u>5,184</u>                 |

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 2020**

|   | <i>Note</i> | <b>2020</b><br><b>\$'000</b> | <b>2019</b><br><b>\$'000</b> |
|---|-------------|------------------------------|------------------------------|
| <b>Cashflows from Operating activities</b>              |             |                              |                              |
| <i>Cash was provided from</i>                           |             |                              |                              |
| Receipts from customers                                 |             | 12,929                       | 15,180                       |
| Interest received                                       |             | 28                           | 36                           |
| Income tax received                                     |             | 12                           | -                            |
| Net GST received  |             | -                            | 259                          |
|   |             | <hr/>                        | <hr/>                        |
|   |             | 12,969                       | 15,475                       |
| <i>Cash was disbursed to</i>                            |             |                              |                              |
| Payments to suppliers and employees                     |             | 9,913                        | 14,482                       |
| Subvention payments                                     |             | (3)                          | 66                           |
| Net GST paid  |             | 133                          | -                            |
|   |             | <hr/>                        | <hr/>                        |
|   |             | 10,043                       | 14,548                       |
| <b>Net Cashflow from Operating activities</b>           | 9           | <hr/> <b>2,926</b> <hr/>     | <hr/> <b>927</b> <hr/>       |
| <b>Cashflows from Investing activities</b>              |             |                              |                              |
| <i>Cash was provided from</i>                           |             |                              |                              |
| Sale of property, plant and equipment                   |             | -                            | 6                            |
| <i>Cash was distributed to</i>                          |             |                              |                              |
| Purchase of property, plant and equipment               |             | 484                          | 86                           |
|   |             | <hr/>                        | <hr/>                        |
| <b>Net Cashflow from Investing activities</b>           |             | <b>(484)</b>                 | <b>(80)</b>                  |
| <b>Cashflows from Financing activities</b>              |             |                              |                              |
| <i>Cash was provided from</i>                           |             |                              |                              |
| Shareholder capital                                     |             | 300                          | 300                          |
|   |             | <hr/>                        | <hr/>                        |
|   |             | 300                          | 300                          |
| <i>Cash was disbursed to</i>                            |             |                              |                              |
| Repayment of finance lease                              |             | 1,453                        | -                            |
| Interest paid   |             | 561                          | -                            |
|   |             | <hr/>                        | <hr/>                        |
|   |             | 2,014                        | -                            |
| <b>Net Cashflow from Financing activities</b>           |             | <hr/> <b>(1,714)</b> <hr/>   | <hr/> <b>300</b> <hr/>       |
| Net Increase/(Decrease) in Cash and Cash equivalents    |             | 727                          | 1,147                        |
| Opening Cash and Cash equivalents                       |             | 2,132                        | 986                          |
| Closing Cash and Cash equivalents                       |             | <hr/> <b>2,858</b> <hr/>     | <hr/> <b>2,132</b> <hr/>     |
| <b>Composition of Cash and Cash equivalents</b>         |             |                              |                              |
| Cash on hand  |             | 4                            | 4                            |
| Bank current account                                    |             | 854                          | 1,078                        |
| Deposit/(overdraft) accounts                            |             | 2,000                        | 1,050                        |
|   |             | <hr/>                        | <hr/>                        |
| <b>Cash and Cash Equivalents at the end of the year</b> |             | <b>2,858</b>                 | <b>2,132</b>                 |

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.

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

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**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 the Company are for the year ended 30 June 2020.

The registered address of the Company is 130 Anzac Avenue, 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). Dunedin Venues Management Limited is the central hub for premier events and entertainment in Dunedin, and is also responsible for the turf management of the University of Otago Oval to 30 June 2020.

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 30 November 2020.

**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 2020 and the comparative information for the year ended 30 June 2019.

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**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.

**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.

**Critical Accounting Judgements, Estimates and Assumptions**

In preparing these financial statements the Company has made judgements, estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated.

The critical accounting judgements, estimates and assumptions of the Company are contained within the policies.



**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

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

**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.

**Government Grants**

The Company applied for and received the Ministry of Social Development COVID-19 Wage Subsidy. The subsidy has been recognised as income on a systematic basis over the period in which the Company recognised expenses related to employee benefits. At balance date there remains \$18,000, of the subsidy received, held in the balance sheet to be recognised when expenses related to employee benefits occur.

The Company received an Event Attraction Grant and Community Access Grant from the Dunedin City Council during the reporting period. The Event Attraction Grant allows the Company to bid for major events, bringing economic benefit into the city, while the Community Access Grant is to facilitate community groups accessing Forsyth Barr Stadium and the Dunedin Centre.

**Changes in Accounting Policies**

Except for the adoption of NZ IFRS 16 Leases, the accounting policies have been applied consistently to all years presented in these financial statements.

**Leases (Note 10)**

NZ IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. The Company has adopted NZ IFRS 16 using the modified retrospective transition approach. Under this approach, the cumulative effect of initially applying NZ IFRS 16 has been recognised as an adjustment to retained earnings at 1 July 2019. Comparative figures for the twelve months ended 30 June 2019 are not restated but instead continue to reflect the accounting policies under IAS 17 Leases. Refer to Note 10 for the changes applied to leases and the financial impact on the Statement of Financial Position and Statement of Profit and Loss.

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**3 REVENUE FROM CONTRACTS WITH CUSTOMERS**

**3(a) Disaggregation of revenue from contracts with customers**

Revenue is derived from the transfer of goods and services over time and at a point in time as follows:

|   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| Segment revenue                           | 10,306        | 12,265        |
| Less inter-segment                        | -             | -             |
| Revenue - external customers              | <u>10,306</u> | <u>12,265</u> |
| <br><u>Timing of revenue recognition:</u> |               |               |
| At a point in time                        | 5,321         | 6,744         |
| Over time                                 | 4,985         | 5,521         |
|   | <u>10,306</u> | <u>12,265</u> |

Refer to note 19 for an explanation of the adjustments made to the originally reported 2019 amounts above.

**3(b) Assets and liabilities related to contracts with customers**

The Company has recognised the following assets and liabilities related to contracts with customers:

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Current liabilities                      | 1,636         | 1,413         |
| Non-current liabilities                  | 517           | 211           |
| Contract liabilities - Income in Advance | <u>2,153</u>  | <u>1,624</u>  |

*(i) Significant changes in contract assets and liabilities*

There are no significant changes in contract assets and liabilities.

*(ii) Revenue recognised in relation to contract liabilities*

All revenue related to carried-forward contract liabilities for short-term contracts were satisfied in this current year; any long-term contracts in the prior year(s) have been recognised for the relevant portion in this period, and the remaining liabilities treated as Income in Advance if invoiced; no revenue is recognised for long-term contracts past 30 June 2020, where an invoice has not been generated.

*(iii) Unsatisfied long-term contracts*

All unsatisfied performance obligations resulting from fixed-price long-term commercial rights contracts which have been invoiced have been treated as Income in Advance and recognised on a monthly basis. Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 30 June 2020 will be recognised during the next reporting period. No value is included in the financial statements for any long-term contracts past the next reporting period.

*(iv) Assets recognised from costs to fulfil a contract*

There are no assets recognised from costs to fulfil any contract.

|   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>3(c) Reconciliation to total revenue</b> |               |               |
| Contracts with customers                    | 10,306        | 12,265        |
| Government grants                           | 1,272         | 1,150         |
| Leases                                      | 331           | 396           |
| Interest                                    | 28            | 36            |
|   | <u>11,937</u> | <u>13,847</u> |

**3(d) Accounting policies and significant judgements**

No significant judgements have been required to determine the revenue. All contracts are either related to an ongoing contract over a period of time (unused contracts quantified and shown as Contract liabilities), or are event based.

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**4 OPERATING EXPENSES**

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Other operating expenses                       | 6,467         | 7,979         |
| Audit fees - for audit of financial statements | 32            | 29            |
| Bad debts                                      | 11            | (2)           |
| Directors fees                                 | 79            | 77            |
| Salaries and wages                             | 2,843         | 3,076         |
| Rental of the Stadium                          | -             | 2,000         |
| Loss/(gain) on fixed asset disposal            | 12            | 81            |
|  | <u>9,444</u>  | <u>13,240</u> |

**5 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. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Income Tax Recognised in Comprehensive Income</b> |               |               |
| Profit/(Loss) for the year before taxation           | (81)          | 230           |
| Income tax expense calculated at 28% (2019: 28%)     | (23)          | 64            |
| <i>Tax effect of following adjustments</i>           |               |               |
| Non-deductible expenses                              | 4             | 4             |
| Prior period adjustments                             | 2             | 2             |
| Tax effect of differences                            | <u>6</u>      | <u>6</u>      |
| Tax expense  | <u>(17)</u>   | <u>70</u>     |
| Represented by:                                      |               |               |
| Current tax provision                                | -             | 2             |
| Prior period adjustment to current tax               | (11)          | 28            |
| Deferred tax provision                               | (19)          | 66            |
| Prior period adjustment to deferred tax              | 13            | (26)          |
|  | <u>(17)</u>   | <u>70</u>     |

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
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**6 EQUITY - Share Capital**

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Called and Fully Paid Up Capital</b>                |               |               |
| 9,777,065 fully paid ordinary shares (2019: 9,477,065) | <u>9,777</u>  | <u>9,477</u>  |

On the 5th June 2020, the Company issued a further 300,000 shares of \$1 each in favour of Dunedin City Holdings Limited. The shares carry equal voting rights and are uncalled.

10,300,000 shares have been issued to Dunedin City Holdings Limited at \$1 per share. At 30 June 2020, 9,777,065 (2019: 9,477,065) 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.

|  | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | <b>\$'000</b>  | <b>\$'000</b>  |
| <b>Retained Deficits</b>                   |                |                |
| Opening balance                            | (7,032)        | (7,192)        |
| Adjustment on transition to IFRS 16 Leases | (763)          | -              |
| Profit/(Loss) for the year after taxation  | (64)           | 160            |
|  | <u>(7,859)</u> | <u>(7,032)</u> |

**7 TRADE AND OTHER RECEIVABLES**

**Accounting Policy**

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

|                                | <b>2020</b>   | <b>2019</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>\$'000</b> | <b>\$'000</b> |
| Trade and other receivables    | 820           | 1,311         |
| Expected credit losses         | (38)          | (39)          |
| Accrued income and prepayments | 100           | 97            |
| GST receivable                 | 39            | -             |
|                                | <u>921</u>    | <u>1,369</u>  |

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**8 TRADE AND OTHER PAYABLES**

**Accounting Policy**

Trade and other payables are stated at cost.

|                    | <b>2020</b>   | <b>2019</b>   |
|--------------------|---------------|---------------|
|                    | <b>\$'000</b> | <b>\$'000</b> |
| Trade payables     | 508           | 890           |
| GST payable        | -             | 94            |
| Subvention payable | (8)           | (11)          |
|                    | <u>500</u>    | <u>973</u>    |

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

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Profit/(Loss) for the year after taxation                                      | (64)          | 160           |
| <i>Items Not Involving Operating Cashflows</i>                                 |               |               |
| Depreciation and impairment  | 393           | 377           |
| Depreciation on right of use asset   | 1,620         | -             |
| Loss on fixed asset disposal   | 12            | 81            |
| Interest paid  | 561           | -             |
| <i>Impact of Changes in Working Capital Items</i>                              |               |               |
| (Increase)/Decrease in trade and other receivables                             | 491           | 1,264         |
| (Increase)/Decrease in inventory held for sale                                 | (33)          | -             |
| (Increase)/Decrease in prepayments   | (3)           | 72            |
| (Increase)/Decrease in deferred tax  | (302)         | 40            |
| (Increase)/Decrease in deferred tax - non cash impact on transition to IFRS 16 | 297           | -             |
| (Increase)/Decrease in GST receivable  | (39)          | 165           |
| Increase/(Decrease) in GST payable   | (94)          | 94            |
| Increase/(Decrease) in trade and other payables                                | (382)         | (1,387)       |
| Increase/(Decrease) in subvention payable                                      | 3             | (36)          |
| Increase/(Decrease) in employee entitlements                                   | (63)          | (8)           |
| Increase/(Decrease) in income received in advance                              | 529           | 105           |
| <b>Net cashflows from operating activities</b>                                 | <u>2,926</u>  | <u>927</u>    |

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**10 RIGHT OF USE ASSETS AND LEASE LIABILITY**

**Adjustments recognised on adoption of NZ IFRS 16**

On adoption of NZ IFRS 16, the Company recognised right of use assets and corresponding lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of NZ IAS 17. The right of use asset is recognised at the present value of future lease payments, depreciated straight line over the term of the lease. The Company's depreciation rates on the right of use assets have a range of 6% - 33%, depending on the length of the lease. The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied on 1 July 2019 was 2.85%.

Right of use assets at 30 June 2020:

|  | <b>Recognition<br/>on transition<br/>\$'000</b> | <b>Accumulated<br/>depreciation<br/>\$'000</b> | <b>Carrying<br/>amount<br/>\$'000</b> |
|--|---|--|---------------------------------------|
| Right of use assets - Property                 | 19,414  | 1,607  | 17,807                                |
| Right of use assets - Plant & Equipment        | 13  | 8  | 5                                     |
| Right of use assets - Vehicles                 | 16  | 5  | 11                                    |
| Right of use assets recognised at 30 June 2020 | <u>19,443</u>                                   | <u>1,620</u>                                   | <u>17,823</u>                         |

A reconciliation of operating lease commitments at 30 June 2019 to the lease liability recognised at 30 June 2020 is shown below:

|   |                |
|---|----------------|
|   | <b>\$'000</b>  |
| Operating lease commitments disclosed at 30 June 2019                                       | 24,167         |
| Discounted using the lessee's incremental borrowing rate at the date of initial application | <u>(3,664)</u> |
| Lease liabilities recognised as at 1 July 2019  | 20,503         |
| Payment of lease liability to 30 June 2020  | <u>(1,453)</u> |
| Lease liabilities recognised as at 30 June 2020   | <u>19,050</u>  |
| Classified as:  |                |
| Less than one year  | 1,492          |
| One to five years   | 6,373          |
| More than five years  | 11,185         |
| Lease liabilities recognised as at 30 June 2020   | <u>19,050</u>  |

The lease assets predominantly comprise of property leases which were measured on a modified retrospective basis as if the new rules had always been applied.

**Practical Expedients Applied**

In applying NZ IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- use of hindsight in determining lease term
- reliance on previous assessments on whether leases are onerous
- exclusion of initial direct costs for the measurement of the lease asset at the date of initial application
- recognition exemption for low value (under \$5k) and short term (term up to one year) leases

The Company has also elected not to reassess whether a contract contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying NZ IAS 17 Leases and IFRIC 4 Determining whether an arrangement contains a lease.

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**10 RIGHT OF USE ASSETS AND LEASE LIABILITY (CONTINUED)**

**Forsyth Barr Stadium Lease**

The Forsyth Barr Stadium lease expires in 2031. The lease includes a right of renewal clause for two 20 year periods which, if exercised, would extend the lease under current terms to 2071. In determining the accounting treatment of the Forsyth Barr Stadium lease relating to IFRS 16, the Board have assessed there are a number of factors that need consideration before it can be reasonably certain it will exercise its option to renew the lease under the current terms of the contract. Therefore the Right of Use Asset and Lease Liability have been calculated based on the lease terminating in 2031. Had the Company opted to include the two renewal periods, the effect would have been to increase the ROU asset by \$33.3m and the Lease Liability by \$34.5m. The impact on the reported before tax surplus would be a decrease of \$372k. An assessment will be made each year regarding the certainty of renewal and the associated entries will be booked in the year the Board becomes reasonably certain it will exercise its right to extend the lease.

**Short Term Leases**

Short Term leases have been identified and are exempt from recognition under IFRS 16. Short term lease expenses are \$38,000 per month.

**Low Value Leases**

Low value leases have been identified and are exempt from recognition under IFRS 16. Low value lease expenses are \$4,000 annually.

**Impact of NZ IFRS 16 on these financial statements**

|  | <b>Adjusted for<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> | <b>Impact of NZ<br/>IFRS 16<br/>\$'000</b> | <b>Excluding<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> |
|--|---|--|--|
| <b>Extract of Statement of Profit or Loss</b>    |   |  |  |
| Total revenue                                    | 11,937  | -  | 11,937   |
| Less expenses                                    |   |  |  |
| Operating expenses                               | 9,444   | (2,014)                                    | 11,458   |
| Depreciation and impairment                      | 393   | -  | 393  |
| Depreciation - Right of use lease asset          | 1,620   | 1,620                                      | -  |
| Interest expense                                 | 561   | 561  | -  |
| Total expenditure                                | 12,018  | 167  | 11,851   |
| Profit/(Loss) for the Year before Taxation       | (81)  | (167)                                      | 86   |
| Income tax expense/(credit)                      | (17)  | (47)                                       | 30   |
| Profit/(Loss) for the Year after Taxation        | (64)  | (120)                                      | 56   |
|  | <b>Adjusted for<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> | <b>Impact of NZ<br/>IFRS 16<br/>\$'000</b> | <b>Excluding<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> |
| <b>Statement of Changes in Equity</b>            |   |  |  |
| Equity at 1 July                                 | 1,682   | (763)                                      | 2,445  |
| Capital contribution                             | 300   | -  | 300  |
| Total comprehensive profit/(loss) after taxation | (64)  | (120)                                      | 56   |
| Closing Balance                                  | 1,918   | (883)                                      | 2,801  |

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**10 RIGHT OF USE ASSETS AND LEASE LIABILITY (CONTINUED)**

|  | <b>Adjusted for<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> | <b>Impact of NZ<br/>IFRS 16<br/>\$'000</b> | <b>Excluding<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> |
|--|---|--|--|
| <b>Statement of Financial Position</b>   |   |  |  |
| <b>Current Assets</b>                    |   |  |  |
| Cash and cash equivalents                | 2,858   | -  | 2,858  |
| Trade and other receivables              | 921   | -  | 921  |
| Assets held for sale                     | 173   | -  | 173  |
| <b>Total Current Assets</b>              | <u>3,952</u>  | <u>-</u>                                   | <u>3,952</u>   |
| <b>Non-Current Assets</b>                |   |  |  |
| Property, plant and equipment            | 1,296   | -  | 1,296  |
| Right of use assets                      | 17,823  | 17,823                                     | -  |
| Deferred tax                             | 629   | 344  | 285  |
| <b>Total Non-Current Assets</b>          | <u>19,748</u>   | <u>18,167</u>                              | <u>1,581</u>   |
| <b>TOTAL ASSETS</b>                      | <u>23,700</u>   | <u>18,167</u>                              | <u>5,533</u>   |
| <b>Current Liabilities</b>               |   |  |  |
| Trade and other payables                 | 500   | -  | 500  |
| Contract liabilities / Income in advance | 1,636   | -  | 1,636  |
| Employee entitlements                    | 79  | -  | 79   |
| Current portion of lease liabilities     | 1,492   | 1,492                                      | -  |
| <b>Total Current Liabilities</b>         | <u>3,707</u>  | <u>1,492</u>                               | <u>2,215</u>   |
| <b>Non-Current Liabilities</b>           |   |  |  |
| Contract liabilities / Income in advance | 517   | -  | 517  |
| Lease liabilities                        | 17,558  | 17,558                                     | -  |
| Borrowings                               | -   | -  | -  |
| <b>Total Non-Current Liabilities</b>     | <u>18,075</u>   | <u>17,558</u>                              | <u>517</u>   |
| <b>Equity</b>                            |   |  |  |
| Share capital                            | 9,777   | -  | 9,777  |
| Retained deficits                        | (7,859)   | (883)                                      | (6,976)  |
| <b>Total Equity</b>                      | <u>1,918</u>  | <u>(883)</u>                               | <u>2,801</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>      | <u>23,700</u>   | <u>18,167</u>                              | <u>5,533</u>   |
|  | <b>Adjusted for<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> | <b>Impact of NZ<br/>IFRS 16<br/>\$'000</b> | <b>Excluding<br/>NZ IFRS 16<br/>30 Jun 2020<br/>\$'000</b> |
| <b>Extract of Statement of Cashflows</b> |   |  |  |
| Net Cashflow from Operating activities   | 2,926   | 2,014                                      | 912  |
| Net Cashflow from Investing activities   | (484)   | -  | (484)  |
| Net Cashflow from Financing activities   | (1,714)   | (2,014)                                    | 300  |
|  | <u>728</u>  | <u>-</u>                                   | <u>728</u>   |



**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**11 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  | 2% - 21%    | Straight line |
| Furniture and fittings | 7% - 18%    | Straight line |
| Office equipment       | 12% - 67%   | Straight line |
| Plant and equipment    | 2% - 40%    | Straight line |
| Motor vehicles         | 13% - 14%   | 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**  
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**11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

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.

|                                  | <b>2020</b>                      |                                     |                             |                              |                           |               |
|----------------------------------|----------------------------------|-------------------------------------|-----------------------------|------------------------------|---------------------------|---------------|
|                                  | <b>Leasehold<br/>Alterations</b> | <b>Furniture &amp;<br/>Fittings</b> | <b>Office<br/>Equipment</b> | <b>Stadium<br/>Equipment</b> | <b>Motor<br/>Vehicles</b> | <b>Total</b>  |
|                                  | <b>\$'000</b>                    | <b>\$'000</b>                       | <b>\$'000</b>               | <b>\$'000</b>                | <b>\$'000</b>             | <b>\$'000</b> |
| <b>Cost or Valuation</b>         |                                  |                                     |                             |                              |                           |               |
| Balance at beginning of year     | 457                              | 441                                 | 345                         | 3,468                        | 23                        | 4,734         |
| Additions                        | 116                              | 21                                  | 19                          | 328                          | -                         | 484           |
| Transfer to Assets held for sale | -                                | -                                   | -                           | (234)                        | -                         | (234)         |
| Disposals                        | -                                | -                                   | -                           | (21)                         | -                         | (21)          |
| Balance at end of year           | 573                              | 462                                 | 364                         | 3,541                        | 23                        | 4,963         |
| <b>Accumulated depreciation</b>  |                                  |                                     |                             |                              |                           |               |
| Balance at beginning of year     | 195                              | 192                                 | 300                         | 2,680                        | 11                        | 3,378         |
| Depreciation                     | 32                               | 48                                  | 41                          | 270                          | 3                         | 393           |
| Transfer to Assets held for sale | -                                | -                                   | -                           | (95)                         | -                         | (95)          |
| Disposals                        | -                                | -                                   | -                           | (9)                          | -                         | (9)           |
|                                  | 227                              | 240                                 | 341                         | 2,846                        | 14                        | 3,667         |
| Balance at end of year           | 346                              | 222                                 | 23                          | 695                          | 9                         | 1,296         |
| <b>2019</b>                      |                                  |                                     |                             |                              |                           |               |
|                                  | <b>Leasehold<br/>Alterations</b> | <b>Furniture &amp;<br/>Fittings</b> | <b>Office<br/>Equipment</b> | <b>Stadium<br/>Equipment</b> | <b>Motor<br/>Vehicles</b> | <b>Total</b>  |
|                                  | <b>\$'000</b>                    | <b>\$'000</b>                       | <b>\$'000</b>               | <b>\$'000</b>                | <b>\$'000</b>             | <b>\$'000</b> |
| <b>Cost or Valuation</b>         |                                  |                                     |                             |                              |                           |               |
| Balance at beginning of year     | 464                              | 514                                 | 314                         | 3,485                        | 23                        | 4,800         |
| Additions                        | 4                                | 2                                   | 31                          | 49                           | -                         | 86            |
| Disposals                        | (11)                             | (75)                                | -                           | (66)                         | -                         | (152)         |
| Balance at end of year           | 457                              | 441                                 | 345                         | 3,468                        | 23                        | 4,734         |
| <b>Accumulated depreciation</b>  |                                  |                                     |                             |                              |                           |               |
| Balance at beginning of year     | 176                              | 167                                 | 259                         | 2,461                        | 7                         | 3,069         |
| Depreciation                     | 18                               | 54                                  | 41                          | 257                          | 4                         | 375           |
| Impairment                       | 2                                | -                                   | -                           | -                            | -                         | 2             |
| Disposals                        | (1)                              | (29)                                | -                           | (38)                         | -                         | (68)          |
|                                  | 195                              | 192                                 | 300                         | 2,680                        | 11                        | 3,378         |
| Balance at end of year           | 262                              | 249                                 | 45                          | 788                          | 12                        | 1,356         |

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**12 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.

|                               | <b>2020</b>   | <b>2020</b>   | <b>2020</b>   | <b>2020</b>   | <b>2020</b>   | <b>2020</b>   |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                               | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
|                               | Opening       | IFRS 16       | Charged       | Closing       |               | Net           |
|                               | Balance       | Leases        | to            | Assets        | Liabilities   |               |
|                               | Sheet         |               | Income        |               |               |               |
| Property, plant and equipment | 276           | -             | (32)          | 244           | -             | 244           |
| Employee entitlements         | 40            | -             | (27)          | 13            | -             | 13            |
| Provisions and adjustments    | 11            | -             | 1             | 12            | -             | 12            |
| IFRS 16 Leases                | -             | 297           | 46            | 343           | -             | 343           |
| Tax losses                    | -             | -             | 17            | 17            | -             | 17            |
|                               | 327           | 297           | 6             | 629           | -             | 629           |

|                               | <b>2019</b>   | <b>2019</b>   | <b>2019</b>   | <b>2019</b>   | <b>2019</b>   | <b>2019</b>   |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                               | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
|                               | Opening       | IFRS 16       | Charged       | Closing       |               | Net           |
|                               | Balance       | Leases        | to            | Assets        | Liabilities   |               |
|                               | Sheet         |               | Income        |               |               |               |
| Property, plant and equipment | 283           | -             | (7)           | 276           | -             | 276           |
| Employee entitlements         | 39            | -             | 1             | 40            | -             | 40            |
| Provisions and adjustments    | 45            | -             | (34)          | 11            | -             | 11            |
|                               | 367           | -             | (40)          | 327           | -             | 327           |

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**13 CAPITAL EXPENDITURE COMMITMENTS**

The Company had capital expenditure commitments of \$nil at year end (2019: \$282,000).

**14 CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets or liabilities at year end (2019: \$nil).

**15 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 \$522,935 and the Company's ability to make calls on this uncalled capital will enable the Company to manage the capital risk.

|   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>b) Categories of Financial Instruments</b> |               |               |
| <b>Financial Assets</b>                       |               |               |
| Trade and other receivables                   | 921           | 1,369         |
| Less:   |               |               |
| Accrued income and prepayments                | 100           | 97            |
| GST receivable                                | 39            | -             |
| Loans and receivables                         | <u>782</u>    | <u>1,272</u>  |
| <b>Financial Liabilities</b>                  |               |               |
| Trade and other payables                      | 500           | 973           |
| Less:   |               |               |
| GST payable                                   | -             | 94            |
| Subvention payable                            | (8)           | (11)          |
| Lease liabilities                             | 19,050        | -             |
| Financial liabilities at amortised cost       | <u>19,558</u> | <u>890</u>    |

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 2020**

**16 RELATED PARTY TRANSACTIONS**

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

The Company 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:

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Rates and property rentals and other charges                                       | (734)         | (823)         |
| Revenue from property/event management and contribution from Event Attraction Fund | 2,607         | 2,685         |
|  | <u>1,873</u>  | <u>1,862</u>  |
| <i>As at balance date:</i>   |               |               |
| Payable to Dunedin City Council  | 54            | 75            |
| Receivable from Dunedin City Council   | 147           | 206           |

**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:

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Dunedin City Treasury Limited</b>       |               |               |
| Interest received                          | 20            | 27            |
|  | <u>20</u>     | <u>27</u>     |
| <i>As at balance date:</i>                 |               |               |
| Deposit with Dunedin City Treasury Limited | 2,000         | 1,050         |
|  | <u>2,000</u>  | <u>1,050</u>  |

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**16 RELATED PARTY TRANSACTIONS (CONTINUED)**

|   | <b>2020</b>    | <b>2019</b>    |
|---|----------------|----------------|
|   | <b>\$'000</b>  | <b>\$'000</b>  |
| <b>Dunedin Stadium Property Limited</b>                         |                |                |
| Management fee and reimbursements                               | 134            | 247            |
| Rent of Forsyth Barr Stadium                                    | -              | (2,000)        |
| Expense on charges  | (411)          | (163)          |
| Lease liability and interest payments                           | (1,750)        | -              |
| Subventions paid  | -              | (75)           |
|   | <u>(2,027)</u> | <u>(1,991)</u> |
| <i>As at balance date:</i>                                      |                |                |
| Receivable from Dunedin Stadium Property Limited:               |                |                |
| Other receivable  | -              | 20             |
| <b>Delta Utility Services Limited</b>                           |                |                |
| Membership and other services                                   | -              | -              |
| Equipment hire  | 1              | 1              |
|   | <u>1</u>       | <u>1</u>       |
| At balance date there were no amounts outstanding (2019: \$nil) |                |                |
| <b>Aurora Energy Limited</b>                                    |                |                |
| Goods and services  | -              | 5              |
|   | <u>-</u>       | <u>5</u>       |
| <i>As at balance date:</i>                                      |                |                |
| Receivable from Aurora Energy Limited                           | -              | 5              |

In relation to the 2019 year, the Company transferred tax losses of \$32,528 to other entities in the DCC Group by the way of a loss offset. It is intended the Company will be compensated by the DCC group for the use of these tax losses.

For the 2020 year, there is not expected to be any transfer of tax losses to other entities in the DCC Group.

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 2020**

**16 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:

- Kevin Winders purchased two Forsyth Barr Stadium lounge memberships for \$3,000 and \$1,000 in services (2019: \$3,000). No amounts (2019: \$nil) were outstanding at balance date.
- Port Otago Limited, of which Kevin Winders is the Chief Executive Officer, purchased \$38,000 (2019: \$34,000) of services from the Company. No amounts (2019: \$3,000) were outstanding at balance date.
- The Company purchased \$1,000 (2019: \$1,000) of services from Icon Logistics Limited. Kevin Winders is a Director of Icon Logistics Limited. No amounts (2019: \$nil) were outstanding at balance date.
- The Company purchased \$2,000 (2019: \$1,000) of services from Otago Southland Employers Association. Joanne Conroy resigned as a Director of Otago Southland Employers Association on 31 October 2019. No amounts (2019: \$nil) were outstanding at balance date.
- The Company purchased \$41,000 (2019:\$47,000) of Services from St John South Island Region. Joanne Conroy resigned as a Trustee of South Island Trust Board of St John and was appointed a Trustee of St John New Zealand Priory Chapter on 24 June 2020. An amount of \$2,000 (2019: \$nil) was outstanding at balance date.
- St John South Island Region purchased services of \$1,000 (2019: \$nil). Joanne Conroy resigned as a Trustee of South Island Trust Board of St John and was appointed a Trustee of St John New Zealand Priory Chapter on 24 June 2020. No amounts (2019: \$nil) were outstanding at balance date.
- Sport New Zealand, of which Raewyn Lovett is a Director of, purchased services of \$22,000 (2019: \$nil). No amounts (2019: \$nil) were outstanding at balance date.
- Cook Brothers Group Ltd, of which Adam La Hood is the Chief Financial Officer, purchased eight OCR Memberships for \$14,000 and services of \$2,000 (2019: \$11,000). An amount of \$4,000 (2019: \$4,000) was outstanding at balance date.
- Otago Polytechnic Ltd, of which Adam La Hood is a Director of, purchased carparks for \$100,000, sponsorship of \$85,000, and services of \$37,000 (2019: \$217,000). An amount of \$5,000 (2019: \$9,000) was outstanding at balance date.
- The Company purchased \$14,000 (2019: \$9,000) of services from Otago Polytechnic Ltd. Adam La Hood is a Director of Otago Polytechnic Ltd. No amounts (2019: \$nil) were outstanding at balance date.

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

|                             | <b>2020</b>   | <b>2019</b>   |
|-----------------------------|---------------|---------------|
|                             | <b>\$'000</b> | <b>\$'000</b> |
| Key management remuneration | 1,044         | 1,115         |

**17 ASSETS HELD FOR SALE**

At 30 June 2020, the Company held for sale assets that will provide no future use to the Company. The disposal group was stated at fair value less costs to sell and comprised the following assets:

|                             | <b>2020</b>   | <b>2019</b>   |
|-----------------------------|---------------|---------------|
|                             | <b>\$'000</b> | <b>\$'000</b> |
| Property, plant & equipment | 139           | -             |
| Inventories                 | 34            | -             |
| Assets held for sale        | <u>173</u>    | <u>-</u>      |

The sale of assets was completed in October 2020.

**Dunedin Venues Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020**

**18 COVID-19**

In March 2020 the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which has now spread throughout New Zealand and the world. The New Zealand Government responded with lock downs, business trading restrictions and social distancing measures all of which have impacted large parts of the economy, including the ability of the Company to operate on a business as usual basis.

The Company does not provide essential services, and as such event operations are severely impacted at Alert Level 2, with no ability to hold events under Alert Levels 3 and 4.

During the pandemic, a business review was conducted, with the following key outcomes implemented:

- \* Received 3 months rent relief (Forsyth Barr Stadium), resumed payment of 100% of rent obligations from 1 July 2020.
- \* Reduced staff numbers to align with market conditions.
- \* Applied for and received the COVID-19 Wage Subsidy for the remaining staff.

There remains a risk of additional COVID-19 waves that would likely have a negative impact on the operating performance and financial position of the Company.

**19 PRIOR PERIOD ADJUSTMENTS**

When preparing the 2020 financial statements, it was identified Government Grants received in 2019 had not been separately disclosed, which is a requirement of NZ IAS 20. The comparative figures in the 2020 financial statements have been adjusted to satisfy the reporting requirements, reducing Operating Revenue and increasing Government Grants by \$1,150,000.

In addition, in calculating the revenue from contracts with customers for disclosure purposes, the Company has identified other adjustments required to the disclosure of the 2019 disaggregation of revenue from contracts with customers (note 3a). The adjustment relates to incorrect assessment of revenue captured by NZ IFRS 15. The net effect of these disclosure adjustments are detailed below:

|                                       | <b>2019</b>       |                   | <b>2019</b>     |
|---------------------------------------|-------------------|-------------------|-----------------|
|                                       | <b>Originally</b> | <b>Adjustment</b> | <b>Restated</b> |
|                                       | <b>Reported</b>   |                   |                 |
|                                       | <b>\$'000</b>     | <b>\$'000</b>     | <b>\$'000</b>   |
| Segment revenue                       | 10,858            | 1,407             | 12,265          |
| Less inter-segment                    | -                 | -                 | -               |
| Revenue - external customers          | 10,858            | 1,407             | 12,265          |
| <u>Timing of revenue recognition:</u> |                   |                   |                 |
| At a point in time                    | 4,511             | 2,233             | 6,744           |
| Over time                             | 6,347             | (826)             | 5,521           |
|                                       | 10,858            | 1,407             | 12,265          |

**20 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 2020**

| <b>Performance Targets</b>   | <b>Achievements</b>  |
|--|--|
| <b>Safety and Compliance</b>   |  |
| 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. |
| Site, Contractor and Event Audits show no breaches of agreed procedures.   | There were zero breaches of agreed procedures for the reporting period.  |
| An Incident Frequency Rate Events of less than 0.05% of the total number of people attending events and the venues.                      | The Incident Frequency Rate was 0.049% of the total number of people attending events and the venues.                |
| Total Incident Rate of less than six incidents per 200,000 hours worked.   | The Total Incident Rate was zero incidents per 200,000 hours worked.   |
| Total Recordable Incidents rate of less than three.  | The Total Recordable Incidents was zero for the reporting period.  |
| Lost Time Incident rate of less than two.  | The Lost Time Incident rate was zero for the reporting period.   |
| Lost Time Incident Frequency Rate of less than 17 per 1,000,000 hours worked.  | The Lost Time Incident Frequency Rate was zero for the reporting period.   |
| Achieve a performing score or better across all elements of the SafePlus Audit.  | An overall score of Developing was achieved against the SafePlus auditing criteria.                                  |
| SafePlus audit actions are prioritised and actioned.   | SafePlus audit actions have been prioritised and incorporated into the annual Health & Safety Plan.                  |
| Meet and maintain all statutory, regulatory and resource consent requirements.   | There were no identified breaches of statutory obligations during the year.  |
| Facilities and infrastructure are maintained as fit for purpose and in accordance with the approved current Asset Management Plan (AMP). | No breaches of KPI's as set out in the approved current Asset Management Plan.                                       |
| Report on facilities indicators and provide statistical data in the monthly board reports.   | Agreed KPI's reported against at each Dunedin Stadium Property Limited Board meeting.                                |

| Performance Targets   | Achievements   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
|---|--|----------------|---------------|---------------|--------|----------------|----------------|----------------------|--------|-------|----------------------|--------------|---------------|--------------------|---------------|-----------------|---------------------|------|---------|----------------------------|--------|--------|---------|----------|----------|--------------|---------------|---|
| <b>Financial</b>  | Achievement against forecasted SOI results are as follows:   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Achieve budget results.   | <table border="0"> <thead> <tr> <th></th> <th style="text-align: right;"><b>Actual</b></th> <th style="text-align: right;"><b>Target</b></th> </tr> <tr> <th></th> <th style="text-align: right;"><b>\$ ,000</b></th> <th style="text-align: right;"><b>\$ ,000</b></th> </tr> </thead> <tbody> <tr> <td>EBITDA</td> <td style="text-align: right;">2,493</td> <td style="text-align: right;">641</td> </tr> <tr> <td>Net Profit after Tax</td> <td style="text-align: right;">(64)</td> <td style="text-align: right;">213</td> </tr> <tr> <td>Operating Cashflow</td> <td style="text-align: right;">2,926</td> <td style="text-align: right;">157</td> </tr> <tr> <td>Capital Expenditure</td> <td style="text-align: right;">484</td> <td style="text-align: right;">307</td> </tr> <tr> <td>Shareholder Funds to Total</td> <td></td> <td></td> </tr> <tr> <td>Assets</td> <td style="text-align: right;">0.08 : 1</td> <td style="text-align: right;">0.48 : 1</td> </tr> <tr> <td>Dividend</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> </tbody> </table>   |                | <b>Actual</b> | <b>Target</b> |        | <b>\$ ,000</b> | <b>\$ ,000</b> | EBITDA               | 2,493  | 641   | Net Profit after Tax | (64)         | 213           | Operating Cashflow | 2,926         | 157             | Capital Expenditure | 484  | 307     | Shareholder Funds to Total |        |        | Assets  | 0.08 : 1 | 0.48 : 1 | Dividend     | -             | - |
|   | <b>Actual</b>  | <b>Target</b>  |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
|   | <b>\$ ,000</b>   | <b>\$ ,000</b> |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| EBITDA  | 2,493  | 641            |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Net Profit after Tax  | (64)   | 213            |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Operating Cashflow  | 2,926  | 157            |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Capital Expenditure   | 484  | 307            |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Shareholder Funds to Total  |  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Assets  | 0.08 : 1   | 0.48 : 1       |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Dividend  | -  | -              |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Achieve a 15:1 return on investment of the Event Attraction Fund. | <p>The overall return on investment of the Event Attraction Fund for 2019/20 was :</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><b>Event</b></th> <th style="text-align: right;"><b>Return</b></th> </tr> </thead> <tbody> <tr> <td>Fleetwood Mac</td> <td style="text-align: right;">67 : 1</td> </tr> <tr> <td>Elton John</td> <td style="text-align: right;">143 : 1</td> </tr> <tr> <td>Queen + Adam Lambert</td> <td style="text-align: right;">91 : 1</td> </tr> <tr> <td>Six60</td> <td style="text-align: right;">78 : 1</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>90 : 1</b></td> </tr> </tbody> </table> <p>A breakdown of the return on investment for the previous financial year was as follows:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><b>Event</b></th> <th style="text-align: right;"><b>Return</b></th> </tr> </thead> <tbody> <tr> <td>Kendrick Lamar*</td> <td style="text-align: right;">33 : 1</td> </tr> <tr> <td>P!NK</td> <td style="text-align: right;">140 : 1</td> </tr> <tr> <td>Shania Twain</td> <td style="text-align: right;">61 : 1</td> </tr> <tr> <td>Eagles</td> <td style="text-align: right;">120 : 1</td> </tr> <tr> <td>Six60</td> <td style="text-align: right;">320 : 1</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>96 : 1</b></td> </tr> </tbody> </table> <p>* For Kendrick Lamar an estimate has been made based on the economic impact of the Robbie Williams concert as no post-event survey was conducted.</p> | <b>Event</b>   | <b>Return</b> | Fleetwood Mac | 67 : 1 | Elton John     | 143 : 1        | Queen + Adam Lambert | 91 : 1 | Six60 | 78 : 1               | <b>Total</b> | <b>90 : 1</b> | <b>Event</b>       | <b>Return</b> | Kendrick Lamar* | 33 : 1              | P!NK | 140 : 1 | Shania Twain               | 61 : 1 | Eagles | 120 : 1 | Six60    | 320 : 1  | <b>Total</b> | <b>96 : 1</b> |   |
| <b>Event</b>  | <b>Return</b>  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Fleetwood Mac   | 67 : 1   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Elton John  | 143 : 1  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Queen + Adam Lambert  | 91 : 1   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Six60   | 78 : 1   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| <b>Total</b>  | <b>90 : 1</b>  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| <b>Event</b>  | <b>Return</b>  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Kendrick Lamar*   | 33 : 1   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| P!NK  | 140 : 1  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Shania Twain  | 61 : 1   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Eagles  | 120 : 1  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Six60   | 320 : 1  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| <b>Total</b>  | <b>96 : 1</b>  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| Return a profit over a three year period                          | The company returned a profit in financial years 2018 and 2019 and reported a loss in 2020.  |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |
| No unplanned call on capital.                                     | There has been no unplanned call on capital during the 2019/20 year.   |                |               |               |        |                |                |                      |        |       |                      |              |               |                    |               |                 |                     |      |         |                            |        |        |         |          |          |              |               |   |

| <b>Performance Targets</b>   | <b>Achievements</b>   |
|--|---|
| <b>Marketing and Business Objectives</b>   |   |
| Increasing the number and value of hire days in the Company's venues.  | There was a total of 383 events (2019: 610) representing 452 event days (2019: 702) during the year.  |
| Achieve 90 new Memberships.  | A total of 30 Memberships were sold during the year (2019: 75). Lockdown and restrictions relating to COVID-19 were during the Super Rugby and International programme, which is historically a peak sale period for Memberships. |
| Achieve a 90% retention rate of member renewals.   | The retention rate of renewals was 70%. The retention rate was lower than projected due to the end of a suite Membership and Members relocating or facing hardship.   |
| Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.   | A Membership survey was conducted in September 2019. 98% of respondents believe Membership meets or exceeds expectation.  |
| Survey Commercial Partners for satisfaction level - minimum 80% satisfaction to be achieved.   | The Commercial Partners survey was scheduled for May 2020 however was not conducted due to COVID-19.  |
| <b>Human Resources</b>   |   |
| Achieve a staff turnover rate of less than 15%.  | Staff turnover was 70% for the year (2019: 30%). This includes annual staff turnover, staff transfers to a sister company and COVID-19 related restructure.   |
| To ensure the staff training plan is fully executed.   | Training requirements have been met throughout the year.  |
| Conduct a confidential staff survey and implement improvements / recommendations as appropriate.   | The staff survey was scheduled for April 2020 however was not conducted due to COVID-19.  |
| The proportion of workforce receiving the living wage (as calculated by the New Zealand Family Centre Social Policy Unit).   | All employees are paid the living wage, or more.  |
| <b>Shareholder</b>   |   |
| Submit annually the Company's Statement of Intent having given consideration to Dunedin City Council's expectations.   | The Company'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 had the potential to negatively impact on the Shareholder and the Company, that were required to be reported to Dunedin City Holdings Limited.   |

| <b>Performance Targets</b>  | <b>Achievements</b>  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
|---|--|--------------|---------------------------------|---------------|--------|------------|--------|----------------------|-------|-------|-------|--------------|------------------|--------------|---------------------------------|-----------------|-------|------|--------|--------------|-------|--------|--------|-------|-------|--------------|------------------|
| <p><b>Social and Wellbeing</b></p> <p>Positive community feedback and less than two LGOIMA requests annually.</p>   | <p>There were no direct LGOIMA requests in the year to 30 June 2020 for the Company's action (2019: 2).</p>  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| <p>Report to the Dunedin City Council six 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.</p> | <p>Two reports were provided to the Dunedin City Council on the application of the Service Level Agreement for Community Event Funding 2019/20. These reports were issued on 20 January 2020 which covered the community events between July - December 2019 and a further report issued on 20 July 2020 which covered a full reconciliation report of community events over the entire period July 2019 - June 2020.</p>  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| <p>Senior management conduct a minimum of five speaking engagements.</p>  | <p>Senior management conducted 10 speaking engagements for the year.</p>   |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| <p><b>Economic Development Strategy</b></p> <p>Achieve a minimum of \$5m visitor spend per each major event (&gt;10,000 pax) for Dunedin City.</p>  | <p>The Economic Impact for major events in the year to 30 June 2020 were as follows:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><b>Event</b></th> <th style="text-align: right;"><b>Economic Impact (\$,000)</b></th> </tr> </thead> <tbody> <tr> <td>Fleetwood Mac</td> <td style="text-align: right;">13,500</td> </tr> <tr> <td>Elton John</td> <td style="text-align: right;">14,300</td> </tr> <tr> <td>Queen + Adam Lambert</td> <td style="text-align: right;">9,100</td> </tr> <tr> <td>Six60</td> <td style="text-align: right;">4,600</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$ 41,500</b></td> </tr> </tbody> </table> <p>The Economic Impact for major events for the previous year was as follows:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><b>Event</b></th> <th style="text-align: right;"><b>Economic Impact (\$,000)</b></th> </tr> </thead> <tbody> <tr> <td>Kendrick Lamar*</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td>P!NK</td> <td style="text-align: right;">14,000</td> </tr> <tr> <td>Shania Twain</td> <td style="text-align: right;">5,500</td> </tr> <tr> <td>Eagles</td> <td style="text-align: right;">12,000</td> </tr> <tr> <td>Six60</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$ 38,500</b></td> </tr> </tbody> </table> <p>* For Kendrick Lamar an estimate has been made based on the economic impact of the Robbie Williams concert as no post-event survey was conducted.</p> | <b>Event</b> | <b>Economic Impact (\$,000)</b> | Fleetwood Mac | 13,500 | Elton John | 14,300 | Queen + Adam Lambert | 9,100 | Six60 | 4,600 | <b>Total</b> | <b>\$ 41,500</b> | <b>Event</b> | <b>Economic Impact (\$,000)</b> | Kendrick Lamar* | 3,000 | P!NK | 14,000 | Shania Twain | 5,500 | Eagles | 12,000 | Six60 | 4,000 | <b>Total</b> | <b>\$ 38,500</b> |
| <b>Event</b>  | <b>Economic Impact (\$,000)</b>  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Fleetwood Mac   | 13,500   |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Elton John  | 14,300   |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Queen + Adam Lambert  | 9,100  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Six60   | 4,600  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| <b>Total</b>  | <b>\$ 41,500</b>   |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| <b>Event</b>  | <b>Economic Impact (\$,000)</b>  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Kendrick Lamar*   | 3,000  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| P!NK  | 14,000   |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Shania Twain  | 5,500  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Eagles  | 12,000   |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| Six60   | 4,000  |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |
| <b>Total</b>  | <b>\$ 38,500</b>   |              |                                 |               |        |            |        |                      |       |       |       |              |                  |              |                                 |                 |       |      |        |              |       |        |        |       |       |              |                  |

| 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 2020:   |                             |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| 60% of attendees of all major events (>10,000 pax) to come from outside of Dunedin City.  | <table border="0"> <thead> <tr> <th data-bbox="691 365 762 387">Event</th> <th data-bbox="1054 365 1193 387">Satisfaction</th> <th data-bbox="1254 365 1374 472">% Attend outside of Dunedin</th> </tr> </thead> <tbody> <tr> <td data-bbox="691 477 863 499">Fleetwood Mac</td> <td data-bbox="1145 477 1193 499">78%</td> <td data-bbox="1286 477 1334 499">73%</td> </tr> <tr> <td data-bbox="691 510 807 533">Elton John</td> <td data-bbox="1145 510 1193 533">90%</td> <td data-bbox="1286 510 1334 533">73%</td> </tr> <tr> <td data-bbox="691 544 962 566">Queen + Adam Lambert</td> <td data-bbox="1145 544 1193 566">81%</td> <td data-bbox="1286 544 1334 566">56%</td> </tr> <tr> <td data-bbox="691 577 751 600">Six60</td> <td data-bbox="1145 577 1193 600">94%</td> <td data-bbox="1286 577 1334 600">50%</td> </tr> </tbody> </table>  | Event                       | Satisfaction | % Attend outside of Dunedin | Fleetwood Mac  | 78%  | 73% | Elton John | 90% | 73% | Queen + Adam Lambert | 81% | 56% | Six60                  | 94%  | 50% |        |     |     |       |     |     |
| Event   | Satisfaction  | % Attend outside of Dunedin |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Fleetwood Mac   | 78%   | 73%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Elton John  | 90%   | 73%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Queen + Adam Lambert  | 81%   | 56%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Six60   | 94%   | 50%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
|   | The following satisfaction and attendance numbers were achieved in the previous year.   |                             |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
|   | <table border="0"> <thead> <tr> <th data-bbox="691 768 762 790">Event</th> <th data-bbox="1054 768 1193 790">Satisfaction</th> <th data-bbox="1254 768 1374 875">% Attend outside of Dunedin</th> </tr> </thead> <tbody> <tr> <td data-bbox="691 909 863 931">Kendrick Lamar</td> <td data-bbox="1145 909 1193 931">N/A*</td> <td data-bbox="1286 909 1334 931">57%</td> </tr> <tr> <td data-bbox="691 943 746 965">P!NK</td> <td data-bbox="1145 943 1193 965">96%</td> <td data-bbox="1286 943 1334 965">69%</td> </tr> <tr> <td data-bbox="691 976 839 999">Shania Twain</td> <td data-bbox="1145 976 1193 999">94%</td> <td data-bbox="1286 976 1334 999">62%</td> </tr> <tr> <td data-bbox="691 1010 978 1032">BLACKCAPS v Bangladesh</td> <td data-bbox="1145 1010 1193 1032">N/A*</td> <td data-bbox="1286 1010 1334 1032">53%</td> </tr> <tr> <td data-bbox="691 1043 762 1066">Eagles</td> <td data-bbox="1145 1043 1193 1066">97%</td> <td data-bbox="1286 1043 1334 1066">61%</td> </tr> <tr> <td data-bbox="691 1077 751 1099">Six60</td> <td data-bbox="1145 1077 1193 1099">96%</td> <td data-bbox="1286 1077 1334 1099">42%</td> </tr> </tbody> </table> | Event                       | Satisfaction | % Attend outside of Dunedin | Kendrick Lamar | N/A* | 57% | P!NK       | 96% | 69% | Shania Twain         | 94% | 62% | BLACKCAPS v Bangladesh | N/A* | 53% | Eagles | 97% | 61% | Six60 | 96% | 42% |
| Event   | Satisfaction  | % Attend outside of Dunedin |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Kendrick Lamar  | N/A*  | 57%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| P!NK  | 96%   | 69%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Shania Twain  | 94%   | 62%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| BLACKCAPS v Bangladesh  | N/A*  | 53%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Eagles  | 97%   | 61%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Six60   | 96%   | 42%                         |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |
| Host three major events at the Company's venues. Increase the number of multi day corporate business events at the Company's venues from the previous year. | The Company bid for and secured four major concerts at Forsyth Barr Stadium; Fleetwood Mac, Elton John, Queen and Adam Lambert, and Six60. These concerts brought almost 72,000 visitors to the city with a collective economic contribution of \$41.5m. In addition to this, the Dunedin Centre hosted 21 conferences bringing more than 4,040 delegates to Dunedin and an economic injection of \$3.3m to the city. The Community Access Grant of \$750,000 allowed a total of 45 community events for the year. Dunedin was successful in its bids for ICC Women's World Cup 2021 and FIFA Women's World Cup 2023.   |                             |              |                             |                |      |     |            |     |     |                      |     |     |                        |      |     |        |     |     |       |     |     |

| <b>Performance Targets</b>   | <b>Achievements</b>  |
|--|--|
| <b>Environment Strategy</b>  |  |
| Identification of Hazardous Substances and New Organisms (HSNO) across the Company's facilities ensuring the HSNO database is current. | The HSNO database has been reviewed and updated during the reporting period.   |
| Recycled waste is increased from the previous year.  | The overall recycled waste by tonnes decreased by 8% from the previous year due to the increased use of compostable items.   |
| Energy audit completed every three years.  | The last Energy audit was completed in 2018.   |
| Building Management System (BMS) has been reviewed to ensure maximum efficiency.   | The BMS was reviewed during the reporting period.  |
| Sustainability framework has been established through the Sustainability Team.   | The sustainability framework has been established during the reporting period.   |
| <b>Arts and Culture Strategy</b>   |  |
| Funding from the DCC for Community Events is fully utilised.   | The full value of the Community Event Funding was utilised by the community for the reporting period. A total of 45 events were held, with 30,123 people attending or participating (2019: 47 events, 39,250 attendees). |

## 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 2020

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

#### Opinion

We have audited:

- the financial statements of the Company on pages 9 to 30, that comprise the statement of financial position as at 30 June 2020, the statement of 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 31 to 36.

In our opinion:

- the financial statements of the Company on pages 9 to 30:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2020; 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 Equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the statement of service performance of the Company on pages 31 to 36 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 2020.

Our audit was completed on 30 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the Company. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## **Emphasis of matter – impact of Covid-19**

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Company as set out in note 18 of the financial statements.

## **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 financial statements and statement of service performance that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and 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 statement of 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: International 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.



Rudie Tomlinson  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand