

Dunedin Venues Management Limited

Report for the Six Months Ended

31 December 2017

Dunedin Venues Management Limited
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For the Six Months Ended 31 December 2017

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**Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2017**

The Directors of Dunedin Venues Management Limited are pleased to present their report on the activities of the Company for the six months ended 31 December 2017.

Principal Activities of the Company

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

Results for the Six Months Ended 31 December 2017

The report covers the financial period 1 July 2017 to 31 December 2017

	unaudited 6 months to 31 Dec 2017 \$'000	unaudited 6 months to 31 Dec 2016 \$'000	audited full year to 30 Jun 2017 \$'000
Total Revenue	5,588	4,664	13,745
Profit/(Loss) before tax	417	111	401
Net cash flow from operating activities	1,496	(729)	(1,996)
Total Assets	5,187	4,742	4,385

Review of Operations

The net surplus before taxation was \$0.417 million for the six months to 31 December 2017 compared to a surplus of \$0.111 million for the same period in the previous year.

For the first six months of the financial year DVML has hosted two major events being the All Blacks Bedisloe Cup Test in August and the Stevie Nicks & The Pretenders concert in November 2017. In the same period of the previous year there were no major events hosted, hence the increase in both revenue and profit.

The second half of the financial year will see host to a large number of major events. In the concert space there will be a record five concerts with Roger Waters, Robbie Williams and three Ed Sheeran concerts. On the sporting front there will be two one day international cricket matches versus Pakistan and England along with the June All Blacks test versus France.

The Dunedin Centre continues to experience growth with a forecasted 20% increase in revenue for the full year reflective of an increase in utilisation.

Moving into the following year, two major events have already been secured with Pink and Shania Twain playing at Forsyth Barr Stadium in September and December 2018 respectively.

The forecasted economic impact of the major events hosted at Forsyth Barr Stadium and the University of Otago Oval along with the conference's held at the Dunedin Centre, is expected to exceed \$60 million in the current year.

**Dunedin Venues Management Limited
Directors Report
For the Six Months Ended 31 December 2017**

The Company continues to focus on improving all facets of the business including servicing of members, relationships with sponsors and content providers, event and operational delivery and contract management.

The Company undertakes regular reviews of its business practice with a focus on continuous improvement to ensure all services provided are first class.

Seasonality

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

Dividends

No dividends were paid by the Company.

Events after Balance Date

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

Statement of Responsibility

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

The Board of Dunedin Venues Management Limited accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

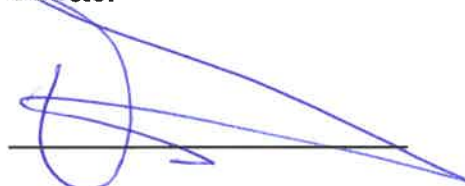
In the opinion of the Board of Dunedin Venues Management limited, the interim financial statements for the financial year ended 31 December 2017 fairly reflect the financial position and operations of Dunedin Venues Management Limited.

The Board of Dunedin Venues Management Limited have pleasure in presenting the interim financial statements, set out on pages 3 to 10, for the six months ended 31 December 2017 and authorises them for issue on 14 February 2018.

Chair



Director



Dunedin Venues Management Limited
Statement of Comprehensive Income
For the Six Months Ended 31 December 2017

	<i>Note</i>	unaudited 6 months to 31 Dec 2017 \$'000	unaudited 6 months to 31 Dec 2016 \$'000	audited full year to 30 Jun 2017 \$'000
Revenue				
Operating revenue		5,529	4,615	13,598
Services to Delta Utility Services Limited		4	-	52
Services to Aurora Energy Limited		1	-	3
Management Fees from Dunedin Stadium Property Limited		35	35	70
Interest income from non related parties		4	4	8
Interest from Dunedin City Treasury Limited		15	10	14
Total revenue		5,588	4,664	13,745
Less expenses				
Audit Fees		11	15	29
Bad Debts		25	25	(54)
Depreciation	5	204	246	555
Directors fees		39	38	77
Employee Expenses		1,274	1,091	2,441
Rental and costs to Dunedin Stadium Property Limited		1,144	1,105	2,137
Non interest costs to Dunedin City Treasury Limited		-	7	7
Services from Delta Utility Services Limited		2	-	6
Operating expenses		2,472	2,026	8,146
Total expenditure		5,171	4,553	13,344
Profit/(Loss) before taxation		417	111	401
Income tax (expense) credit		(119)	(34)	(102)
Profit/(Loss) after taxation		298	77	299
Other comprehensive income		-	-	-
Total comprehensive income		298	77	299

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

Dunedin Venues Management Limited
Statement of Changes in Equity
For the Six Months Ended 31 December 2017

	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
unaudited			
Equity as at 1 July 2017	8,877	(7,794)	1,083
Profit/(Loss) after taxation	-	298	298
Equity as at 31 December 2017	<u>8,877</u>	<u>(7,496)</u>	<u>1,381</u>
unaudited			
Equity as at 1 July 2016	8,577	(8,093)	484
Profit/(Loss) after taxation	-	77	77
Equity as at 31 December 2016	<u>8,577</u>	<u>(8,016)</u>	<u>561</u>
audited			
Equity as at 1 July 2016	8,577	(8,093)	484
Capital Contribution	300	-	300
Profit/(Loss) after taxation	-	299	299
Equity as at 30 June 2017	<u>8,877</u>	<u>(7,794)</u>	<u>1,083</u>

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

Dunedin Venues Management Limited
Balance Sheet
As at 31 December 2017

	<i>Note</i>	unaudited 31 Dec 2017 \$'000	unaudited 31 Dec 2016 \$'000	audited 30 Jun 2017 \$'000
Current Assets				
Cash and cash equivalents		1,593	905	198
Trade and other receivables	3	1,416	1,144	1,902
Advance to Dunedin Stadium Property Limited		-	281	-
Total current assets		3,009	2,330	2,100
Non-Current Assets				
Property, plant and equipment	5	1,915	2,192	2,018
Deferred Tax		263	220	267
Total non-current assets		2,178	2,412	2,285
Total Assets		5,187	4,742	4,385
Current Liabilities				
Trade and other payables	4	3,452	3,746	2,896
Employee entitlements		125	118	133
Total current liabilities		3,577	3,864	3,029
Non-Current Liabilities				
Income in Advance		229	317	273
Total non-current liabilities		229	317	273
Equity				
Share capital		8,877	8,577	8,877
Retained deficits		(7,496)	(8,016)	(7,794)
Total Equity		1,381	561	1,083
TOTAL EQUITY AND LIABILITIES		5,187	4,742	4,385

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

Dunedin Venues Management Limited
Statement of Changes in Cashflows
For the Six Months Ended 31 December 2017

	<i>Note</i>	unaudited 6 months to 31 Dec 2017 \$'000	unaudited 6 months to 31 Dec 2016 \$'000	audited full year to 30 Jun 2017 \$'000
Cashflows from Operating Activities				
<i>Cash was provided from</i>				
Receipts from customers		7,617	6,350	12,746
Interest received		19	14	22
Net GST received		84	1	(4)
		<u>7,720</u>	<u>6,365</u>	<u>12,764</u>
<i>Cash was disbursed to</i>				
Payments to suppliers and employees		5,995	6,707	14,321
Interest paid		-	7	-
Income tax paid		229	380	364
Subvention payments				75
		<u>6,224</u>	<u>7,094</u>	<u>14,760</u>
Net Cashflow from Operating Activities	2	<u>1,496</u>	<u>(729)</u>	<u>(1,996)</u>
Cashflows from Investing Activities				
<i>Cash was disbursed to</i>				
Purchase of property, plant and equipment		101	372	507
Net Cashflow from Investing Activities		<u>(101)</u>	<u>(372)</u>	<u>(507)</u>
Cashflows from Financing Activities				
<i>Cash was provided from</i>				
Shareholder capital		-	-	300
		<u>-</u>	<u>-</u>	<u>300</u>
<i>Cash was disbursed to</i>				
Advance to Dunedin Stadium Property Limited		-	104	(177)
		<u>-</u>	<u>104</u>	<u>(177)</u>
Net Cashflow from Financing Activities		<u>-</u>	<u>(104)</u>	<u>477</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		1,395	(1,205)	(2,026)
Opening Cash and Cash Equivalents		198	2,110	2,224
Closing Cash and Cash Equivalents		<u>1,593</u>	<u>905</u>	<u>198</u>
Composition of Cash and Cash Equivalents				
Cash on Hand		4	4	4
Bank Current Account		239	251	294
Deposit with Dunedin City Treasury Limited		1,350	650	(100)
Cash and Cash Equivalents at the end of the year		<u>1,593</u>	<u>905</u>	<u>198</u>

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

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2017

1 REPORTING ENTITY

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

Dunedin Venues Management Limited is a Council Controlled Trading Organisation as defined in the Local Government Act 2002. The Company, incorporated in New Zealand under the Companies Act 1993, is 100% owned by Dunedin City Holdings Limited which is wholly owned by the ultimate parent of the Group, Dunedin City Council.

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

The financial statements of Dunedin Venues Management Limited are for the six months ended 31 December 2017 and comply with the Financial Reporting Act 1993.

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

Dunedin Venues Management Limited is a for profit company.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Company operates.

Basis of Preparation

The financial statements are unaudited.

The financial statements have been prepared in accordance with New Zealand Equivalents to International Reporting Standards 34, Interim Financial Reporting, and should be read in conjunction with the audited financial statements for the year ended 30 June 2017.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2017.

The judgement, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2017.

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2017

	unaudited 6 months to 31 Dec 2017 \$'000	unaudited 6 months to 31 Dec 2016 \$'000	audited full year to 30 Jun 2017 \$'000
2 RECONCILIATION OF NET LOSS FOR THE YEAR TO CASHFLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year after taxation	298	77	299
<i>Plus Items Not Involving Cashflows</i>			
Depreciation	204	246	555
<i>Impact of Changes in Working Capital Items</i>			
(Increase) /Decrease in trade and other receivables	823	74	(909)
(Increase) /Decrease in prepayments	(223)	(17)	152
(Increase) /Decrease in subvention receivable	(114)	-	67
(Increase) /Decrease in deferred tax	4	22	(25)
Increase / (Decrease) in GST payable	84	1	(4)
Increase / (Decrease) in trade and other payables	(797)	(2,404)	(1,713)
Increase / (Decrease) in taxation payable	-	(368)	(379)
Increase / (Decrease) in employee entitlements	(8)	14	29
Increase / (Decrease) in income received in advance	1,225	1,626	(68)
Net cashflows from operating activities	1,496	(729)	(1,996)

	unaudited 31 Dec 2017 \$'000	unaudited 31 Dec 2016 \$'000	audited 30 Jun 2017 \$'000
3 TRADE AND OTHER RECEIVABLES			
Trade and other receivables	1,068	908	1,891
Accrued Income and Prepayments	301	247	78
Subvention receivable	47	(11)	(67)
	1,416	1,144	1,902

	unaudited 31 Dec 2017 \$'000	unaudited 31 Dec 2016 \$'000	audited 30 Jun 2017 \$'000
4 TRADE AND OTHER PAYABLES			
Trade payables	799	905	1,596
GST payable	56	(23)	(28)
Income received in advance	2,597	2,864	1,328
	3,452	3,746	2,896

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2017

5 PROPERTY, PLANT AND EQUIPMENT

	31 December 2017					
	unaudited					
	Buildings	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of period	439	493	262	3,343	38	4,575
Additions	-	-	5	96	-	101
Disposals	-	-	-	-	-	-
Balance at end of period	439	493	267	3,439	38	4,676
Accumulated depreciation						
Balance at beginning of year	93	109	229	2,113	13	2,557
Depreciation	13	26	9	154	2	204
Disposals	-	-	-	-	-	-
	106	135	238	2,267	15	2,761
Balance at end of year	333	358	29	1,172	23	1,915

	31 December 2016					
	unaudited					
	Buildings	Furniture & Fittings	Office Equipment	Stadium Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation						
Balance at beginning of year	309	493	231	2,997	38	4,068
Additions	-	1	19	352	-	372
Disposals	-	-	-	-	-	-
Balance at end of year	309	494	250	3,349	38	4,440
Accumulated depreciation						
Balance at beginning of year	66	57	174	1,697	8	2,002
Depreciation	7	26	22	188	3	246
Disposals	-	-	-	-	-	-
	73	83	196	1,885	11	2,248
Balance at end of year	236	411	54	1,464	27	2,192

Dunedin Venues Management Limited
Notes to the Financial Statements (unaudited)
For the Six Months Ended 31 December 2017

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

6 CAPITAL EXPENDITURE COMMITMENTS

The Company had no capital expenditure commitments at the end of the period (2016: \$nil).

7 CONTINGENT LIABILITIES

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

8 EVENTS AFTER BALANCE DATE

There have been no significant events subsequent to balance date

Dunedin Venues Management Limited
Directory
For the Six Months Ended 31 December 2017

DIRECTORS

- Raewyn J Lovett Appointed 1 January 2015
- Peter J Hutchison Resigned 31 December 2017
- Glenys J Coughlan Appointed 1 January 2016
- Kevin G Winders Appointed 1 January 2016

CHIEF EXECUTIVE OFFICER

- Terry Davies

REGISTERED OFFICE

- Dunedin City Council
50 The Octagon
Dunedin 9016

BANKERS

- BNZ
Dunedin

SOLICITORS

- Anderson Lloyd
Dunedin

AUDITOR

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

