

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Finance and Council Controlled Organisations Committee will be held on:

Date: Tuesday 10 May 2022
Time: 1.00 pm
Venue: Edinburgh Room, Municipal Chambers, The Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Finance and Council Controlled Organisations Committee
SUPPLEMENTARY AGENDA

MEMBERSHIP

Chairperson	Cr Mike Lord	
Deputy Chairperson	Cr Doug Hall	
Members	Cr Sophie Barker	Cr David Benson-Pope
	Cr Rachel Elder	Cr Christine Garey
	Mayor Aaron Hawkins	Cr Carmen Houlihan
	Cr Marie Laufiso	Cr Jim O'Malley
	Cr Jules Radich	Cr Chris Staynes
	Cr Lee Vandervis	Cr Steve Walker
	Cr Andrew Whitley	
Senior Officer	Gavin Logie, Chief Financial Officer	
Governance Support Officer	Lynne Adamson	

Lynne Adamson
Governance Support Officer

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Lynne.Adamson@dcc.govt.nz
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Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

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PART A REPORTS

2021 ANNUAL REPORTS FOR THE DUNEDIN CITY HOLDINGS LTD GROUP

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report provides the remaining 2021 Annual Reports of Dunedin City Holdings Ltd (DCHL) Group companies.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the 2021 Annual Reports of:
 - Dunedin Railways Limited
 - Dunedin Venues Management Limited

BACKGROUND

- 2 The subsidiaries and associate companies of Dunedin City Holdings Ltd are required to prepare and deliver an Annual Report to Council for noting.

DISCUSSION

- 3 The annual report for Dunedin City Holdings Limited along with the annual reports for the majority of group company were presented to the FCCOO meeting on 8 March 2022.

- 4 The report to that meeting was noted that “the Annual Reports for the following companies were outstanding pending completion of the statutory audits by Audit NZ: Dunedin Railways Limited and Dunedin Venues Management Limited”.
- 5 These audits have now been completed and the Annual Reports are now being presented for noting.
- 6 As this report is for administrative and statutory reporting purposes, a summary of considerations and options is not required.

OPTIONS

- 7 Not applicable

Signatories

Author:	Gavin Logie - Chief Financial Officer
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

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A	Dunedin Railways Limited	6
B	Dunedin Venues Management Limited	44

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DUNEDIN RAILWAYS

WORLD CLASS TRAIN TRIPS

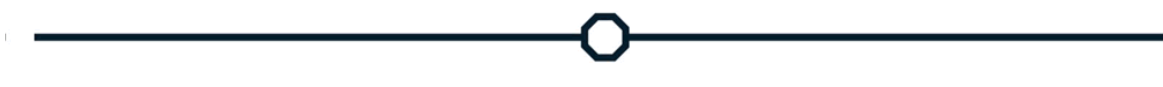


Annual report 2021



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Chair's report

Principal activities of the Company

Until March 2020 Dunedin Railways Ltd (the Company) operated a tourist and excursion train on the Taieri Gorge railway line and on the Seaside line north of Dunedin. Covid-19 had a severe impact on the company and it transitioned to hibernation from 1 July 2020. The company's current focus is on maintaining key assets pending further decisions from Dunedin City Council.

Year in review

	Year Ended 30 June 2021	Year Ended 30 June 2020
	\$'000	\$'000
Revenue	1,347	6,515
Net surplus/(loss) for the year	(236)	(6,606)
Shareholders' funds	221	457
Total assets	412	587

Dunedin Railways transitioned to hibernation on 1 July 2020, after the impacts of Covid-19 on the tourism sector compounded existing financial challenges at the company. Dunedin City Council agreed to financially support Dunedin Railways in hibernation by way of a grant as an alternative to complete closure of the business.

Over the 2021 financial year, a hibernation team of seven has focussed on keeping key rolling stock and the Taieri Gorge line maintained.¹ Dunedin Venues Management Ltd have supported the hibernation team and have performed the company's administrative functions.

The directors of Dunedin City Holdings Ltd have assumed roles as directors of the Company over its hibernation period.

With further support from Council in the form of an underwrite, the hibernation resource was temporarily expanded and applied to running passenger services over the 2020/2021 summer in a promotion titled A Summer of Trains Not Planes.

5,719 passengers travelled on 27 services to either Hindon (the "Inlander") or Waitati (the "Seaside"). Passenger surveys recorded a very high level of satisfaction. Themed trains such as the Santa Express were popular, and collaboration with the Waitati community resulted in an excellent experience for customers as well as benefits for the community.

Dunedin Railways Ltd will continue its hibernation operations into the coming financial year, as well as operating a limited schedule of passenger services, pending further decisions from Dunedin City Council as to the company's long-term future.



Keith Cooper
Chair

¹ To support passenger services as far as Hindon, with minimal maintenance between Hindon and Middelmarc.

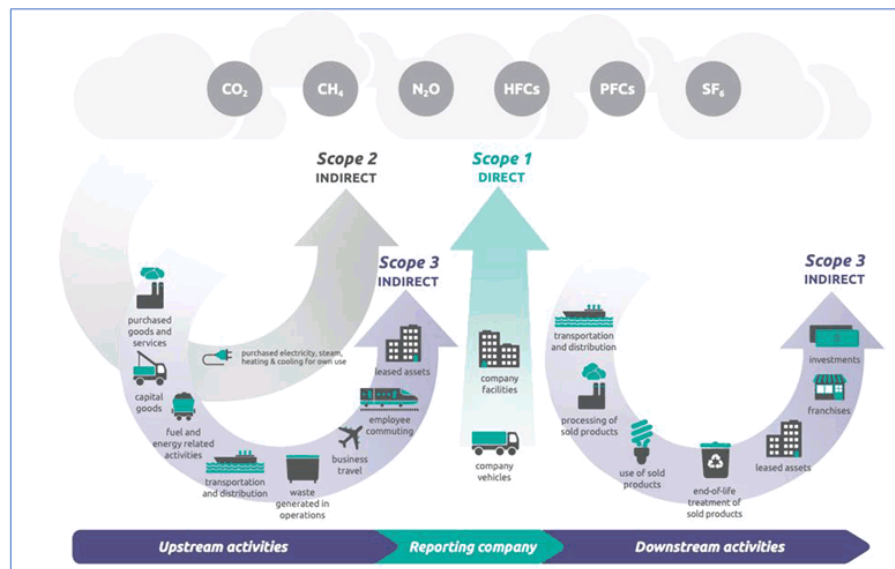
Greenhouse Gas Emissions Summary

During the year we have, for the first time, assessed and measured our Greenhouse Gas (GHG) emissions.

We completed this process with the assistance of external advisors and in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2006 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

We have at this stage focussed on measuring our Scope 1 and 2 emissions and an agreed selection of Scope 3 (indirect, or value chain) emissions.

Figure 1 Source: GHG Protocol - Figure 1.1 of Scope 3 Standard



Scope 1 emissions are direct emissions that are operationally controlled by DRL, including:

- Mobile combustion emissions related to operating the trains.
- Mobile combustion emissions related to maintenance vehicles.

Scope 2 emissions are indirect GHG emissions from imported energy, including

- Purchased electricity that is consumed at the railway yard and DRL office.

The Scope 3 emissions to provide alignment across the Dunedin City Holdings Limited (DCHL) group of companies a consistent set of Scope 3 emission categories have been applied.

Our Scope 3 emissions include the following:

- Waste generated in our offices.
- Business travel
- Freight transportation
- Electricity transmission and distribution losses

At this stage we have not captured the indirect emissions from our suppliers and contractors.

We will review which Scope 3 emissions are relevant and appropriate on an ongoing basis, as we continue to measure and report our carbon footprint.

Results

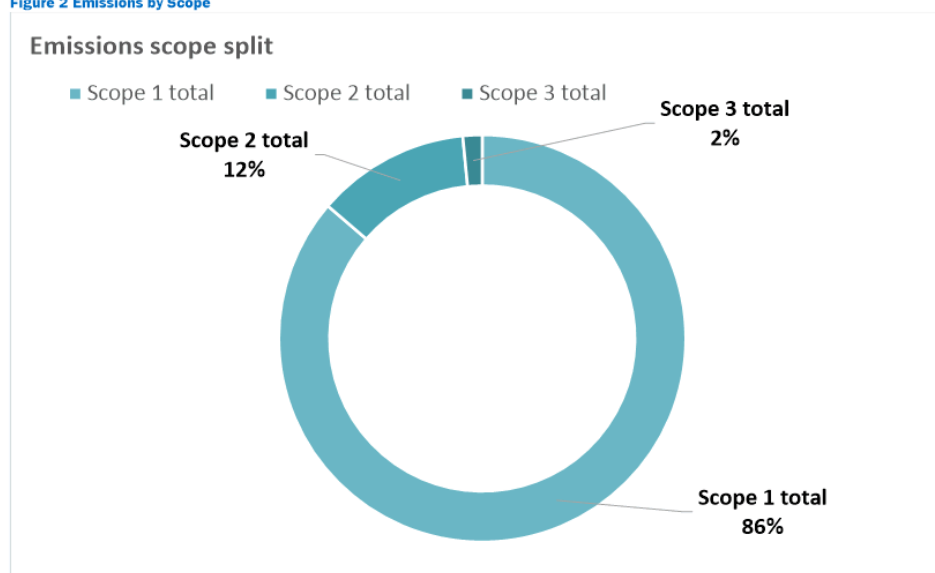
Emissions are reported as tonnes (t) of Carbon Dioxide (CO₂) equivalent (e); or tCO₂-e. "Carbon dioxide equivalent" is a standard unit for counting greenhouse gas emissions regardless of whether they are from carbon dioxide or another greenhouse gas.

DRL's measured GHG emissions for the year end 30 June 2021 are 94 tCO₂-e.

Table 1 Emissions by Scope

Scope	tCO ₂ -e	% of total
Scope 1	81.5	86%
Scope 2	11.5	12%
Scope 3	1.5	2%
Total	94.5	100%

Figure 2 Emissions by Scope



Emissions by Activity

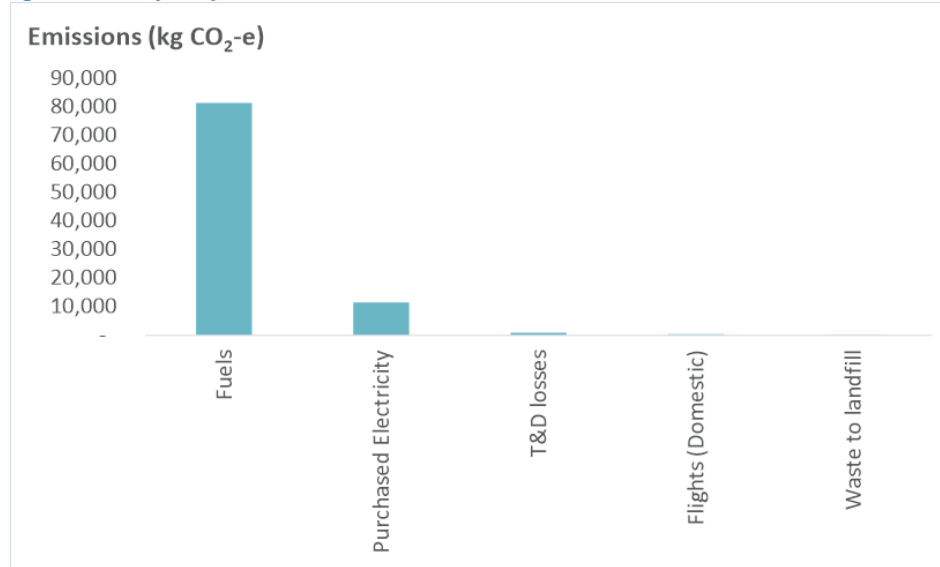
Our top emissions sources are summarised below.

Table 2 Emissions by activity

Category emission source	t CO ₂ -e
Fuels	81.5
Purchased Electricity	11.5
Electricity Transmission	0.9
Flights (Domestic)	0.5
Waste to landfill	0.1
Total	94.5

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Figure 3 Emissions by activity



Next Steps

As this is our first footprint, a number of assumptions and estimates have been made when calculating our emissions. It is our intention to measure and manage our footprint on an ongoing basis and to report on this annually. As noted in our 2021-2022 Statement of Intent, next steps include developing emissions and waste reduction strategies and associated targets.

We will also focus on improving the accuracy of our calculations, giving consideration to the most relevant Scope 3 emissions that we track, and implementing measures to reduce our emissions.



Statutory Information

For the year ended 30 June 2021

Directors' interests register

As advised to the Company:

Director	Entity	Nature of interest
Keith Cooper	Dunedin City Holdings Limited Dunedin City Treasury Limited Dunedin Stadium Property Limited Miller Creative Group Littlebrook Farm Limited	Director Director Director Director Shareholder/Director
Kathleen Grant	Dunedin City Holdings Limited Dunedin City Treasury Limited Dunedin Stadium Property Limited NMIT Limited Weltec Limited Whitireia Limited NZ Institute of Skills and Technology Central Lakes Trust Trustee to various client Trusts	Director Director Director Director Director Director Council Member Trustee Trustee
Christopher Hopkins	Dunedin City Holdings Limited Dunedin City Treasury Limited Dunedin Stadium Property Limited Oakwood Group Limited Our Planit Limited Spade Work Limited GW Batts Trustee Limited JB Frame & Son Limited Bletsoe Securities Limited Southmed Limited INMR Measure Limited Mimeo Industrial Limited Health Central Limited	Director Director Director Director Director Director Director Director Director Shareholder/Director Shareholder/Director Shareholder/Director Chair
Linda Robertson	Central Otago District Council Central Lakes Trust Crown Irrigation Investments Limited Dunedin City Holdings Limited Dunedin City Treasury Limited Dunedin Stadium Property Limited NZ Local Government Funding Agency Alpine Energy Limited Central Lakes Direct Limited RML Consulting Limited The Treasury The Treasury	Chair, Audit and Risk Committee Chair Chair Director Director Director Director Director Director Shareholder/Director Risk and Audit Committee Capital Markets Advisory Committee

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Richard Thomson	Dunedin City Holdings Limited Dunedin City Treasury Limited Dunedin Stadium Property Limited Thomson & Cessford Limited Hawksbury Community Living Trust Healthcare Otago Charitable Trust	Director Director Director Shareholder/Director Chair Trustee
Susan Johnstone	Dunedin City Holdings Limited Dunedin City Treasury Limited Dunedin Stadium Property Limited Shand Thomson Chartered Accountants Office of the Auditor General Johnstone Afforestation Limited Dunedin Diocese Trust Board Various clients through Shand Thomson & Abacus Nominee Companies	Director Director Director Shareholder/Director Audit and Risk Committee Shareholder/Director Trustee Trustee

Directors' interests in contracts

Disclosures of interests made by Directors are recorded in the Company's interest register (above). These general disclosures of interests are made in accordance with s140 (2) of the Companies Act 1993 and serve as notice that the Directors may benefit from any transaction between the Company and any of the disclosed entities.

Any significant contracts involving Directors' interests that were entered into during the year ended 30 June 2021 or existed at that date are disclosed in the related parties' section of this report.

Directors' benefits

No Director has received or become entitled to receive a benefit since the end of the previous financial period other than a benefit included in the Directors remuneration received or due and receivable by the Directors as shown in the financial statements.

There were no notices from Directors requesting to use Company information received in their capacity as Directors that would not otherwise have been available to them.

Directors' insurance

The Company has arranged policies of the Directors' Liability Insurance which ensure generally that the Directors will incur no monetary loss as a result of action undertaken by them as Directors, provided that they operate within the law.

Change of Directors

The Directors of parent entity, Dunedin City Holdings Limited, were appointed as the Directors of the Company from 1 July 2020, while the Company is in hibernation.

Kathleen Grant ceased to be a Director on 30 June 2021.

Susan Johnstone was appointed a Director on 1 March 2021.

Directors' remuneration

The remuneration paid to Directors during the year was:

	For the year ended 30 June 2021	For the year ended 30 June 2020
Keith Cooper (Chair, appointed 1 July 2020)	-	-
Kathleen Grant (appointed 1 July 2020, ceased 30 June 2021)	-	-
Christopher Hopkins (appointed 1 July 2020)	-	-
Linda Robertson (appointed 1 July 2020)	-	-
Richard Thomson (appointed 1 July 2020)	-	-
Susan Johnstone (appointed 1 March 2021)	-	-
Kevin Winders (ceased 30 June 2020)	-	23,227
Judy Bevin (ceased 30 June 2020)	-	14,923
Richard Roberts (ceased 30 June 2020)	-	14,923
David Wood (ceased 30 June 2020)	-	14,923
Graeme Smart (ceased 30 June 2020)	-	14,923
Hon. Stan Rodger (ceased 30 November 2019)	-	7,740
Total	\$Nil	\$90,659

Employees' remuneration

Employees whose remuneration and benefits exceeded \$100,000 for the year ended 30 June 2021, remuneration includes all non-cash benefits and redundancy payments at total cost to the company where applicable.

	For the year ended 30 June 2021	For the year ended 30 June 2020
Remuneration band	Number of employees	Number of employees
\$100,000 - \$110,000	1	4
\$110,000 - \$120,000	-	5
\$120,000 - \$130,000	-	2
\$190,000 - \$200,000	-	1

Health and Safety

Dunedin Railways operated during the past financial year with zero lost time injuries to staff which was an excellent result. The focus of the Health and Safety system became passenger safety when Dunedin Railways operated a summer program of Trains not Planes. An external audit was conducted with no major findings acting as a catalyst to allow the passenger service to run. Dunedin Railways delivered the summer of Trains not Planes promotion with zero passenger incidents through robust passenger management plans which identified risks and controls that put passenger safety at the forefront.

Dividends

The directors have recommended that no dividend be paid for the year ended 30 June 2021.

Auditor

The Auditor-General is appointed as Auditor pursuant to s70 of the Local Government Act 2002. The Auditor-General has contracted the audit to Audit New Zealand.

Statement of service performance

Performance measures	Achievement
1. Hibernation plan is prepared and reported on to the Board on a quarterly basis.	Compliance to the hibernation plan was reported on at each DRL Board meeting.
2. Target zero lost time injuries.	There were no LTI's during the reporting period.
3. A draft 2021/22 Statement of Intent will be submitted to the Shareholder by 1 March 2021.	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.
4. Establish systems for measuring and publicly reporting carbon emissions by end of FY2021, in a cost effective manner, with a view to then identify and set emissions reductions targets.	The Company has put in place systems and process' for measuring carbon emissions.
5. Consult with the shareholders in a timely manner on DRL strategic or operational matters which could compromise Council's community outcomes.	There were no matters which could compromise community outcomes that required escalation to the Shareholder.
6. Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	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.

DRL are committed to, and achieved, paying all employees the living wage (as calculated by the New Zealand Family Centre Social Policy Unit), or more.

	Target	Achievement
Shareholders' Funds to Total Assets	100%	53%
Dividend/Subvention Distributions	0	0
EBITDA	0	(222)
Net Profit after Tax	0	(236)
Cash Flow from Operations	0	(98)
Capital Expenditure	0	0
Term Loans	0	0



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Company directory

As at 30 June 2021

Directors

Keith Cooper (Chair)
Christopher Hopkins
Linda Robertson
Richard Thomson
Susan Johnstone – appointed 1 March 2021
Kathleen Grant – retired 30 June 2021

Registered office

50 The Octagon
Dunedin
New Zealand

Bankers

Westpac Banking Corporation

Solicitors

Anderson Lloyd Lawyers

Taxation advisers

Deloitte

Auditor

Audit New Zealand on behalf of the Controller and Auditor-General

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Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$000	2020 \$000
Revenue	3	1,347	6,515
Total revenue		1,347	6,515
Less Expenses			
Operating expenses	4	1,583	8,572
Financial expenses	5	-	88
Impairment		-	4,486
Total expenses		1,583	13,146
Profit (Loss) before tax		(236)	(6,631)
Income tax expense (credit)	8	-	(25)
Net Profit (Loss) from continuing operations		(236)	(6,606)
Other comprehensive income		-	-
Total comprehensive income		(236)	(6,606)

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



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Statement of Changes in Equity

For the Year Ended 30 June 2021

	Note	2021 \$000	2020 \$000
Equity at beginning of year		457	1,813
Comprehensive income			
Profit/(Loss) from continuing operations		(236)	(6,606)
		221	(4,793)
Capital contributions from owners	9	-	5,250
Less distribution to owners	7	-	-
Equity at the end of the year		221	457

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



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Statement of Financial Position

As at 30 June 2021

	Note	2021 \$000	2020 \$000
Equity			
Share capital	9	6,822	6,822
Retained earnings	10	(6,601)	(6,365)
Total equity		221	457
Current liabilities			
Trade and other payables	11	47	36
Contract liabilities	12	12	16
Provisions	13	132	45
Total current liabilities		191	97
Non-current liabilities			
Provisions	13	-	33
Deferred tax liability (asset)	14	-	-
Term borrowings	15	-	-
Total non-current liabilities		-	33
Total liabilities		191	130
Total equity and liabilities		412	587

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

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Statement of Financial Position

As at 30 June 2021 (continued)

	Note	2021 \$000	2020 \$000
Current assets			
Cash and cash equivalents	18	131	229
Trade and other receivables	19	9	14
Inventories	20	55	61
Income tax refund receivable		-	25
GST refund receivable		(4)	22
Total current assets		191	351
Non-current assets			
Property, plant and equipment	21	221	236
Intangible assets	22	-	-
Total non-current assets		221	236
Total assets		412	587

For and on behalf of the Board of Directors:



Chair



Director

Date: 29 April 2022

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

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Statement of Cashflows

For the Year Ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Cash flows from operating activities			
<i>Cash was provided from</i>			
Receipts from customers		1,401	6,580
<i>Cash was disbursed to</i>			
Payments to suppliers and employees		1,473	8,994
Interest paid		-	88
Income tax paid (received)		-	25
Net GST movement		26	40
		1,499	9,147
Net cash inflows/(outflows) from operating activities		(98)	(2,567)
Cash flows from investing activities			
<i>Cash was provided from</i>			
Sale of property, plant and equipment		-	-
		-	-
<i>Cash was disbursed to</i>			
Purchase of property, plant and equipment		-	264
		-	264
Net inflows/(outflows) from investing activities		-	(264)

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



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Statement of Cashflows

For the Year Ended 30 June 2021 (continued)

	Notes	2021 \$000	2020 \$000
Cash flows from financing activities			
<i>Cash was provided from</i>			
Contributions of capital		-	5,250
Proceeds from borrowings		-	5,274
		-	10,974
<i>Cash was disbursed to</i>			
Repayment of borrowings		-	7,940
		-	7,940
Net cash inflows/(outflows) from financing activities		-	3,034
Net increase (decrease) in cash		(98)	203
Cash equivalents and bank overdraft			
Cash and cash equivalents at the beginning of the year		229	26
Cash and cash equivalents at the end of the year	18	131	229
Composition of cash			
Cash and cash equivalents		131	229
Bank overdraft		-	-
Cash and cash equivalents at the end of the year	18	131	229
Represented by: Cash at bank		131	229

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



Notes to the Financial Statements

For the Year Ended 30 June 2021

1. Reporting Entity

The financial statements are for the reporting entity Dunedin Railways Limited (the “Company”).

Company Details:

- Incorporated in New Zealand under the Companies Act 1993
- A Council Controlled Trading Organisation as defined in the Local Government Act 2002.
- Registered address of the company is 50 The Octagon, Dunedin.
- Classed as a Public Benefit Entity (PBE) for financial reporting.

Company shareholding interests:

- 100% owned by Dunedin City Holdings which is wholly owned by Dunedin City Council.

The financial statements are presented in New Zealand dollars (the functional currency of the company) and have been rounded to the nearest thousand.

These financial statements are the first financial statements presented in accordance with the PBE Tier 2 accounting standards.

2. Significant Accounting Policies

Statement of Compliance

The Company is a Tier 2 Public Benefit entity as defined by the External Reporting Board; expenses less than \$30 million and not publicly accountable and has reported in accordance with Tier 2 PBE Accounting Standards (New Zealand equivalents to International Reporting Standards with reduced disclosure requirements).

The financial statements have been prepared in accordance with generally accepted accounting practices in New Zealand (NZ GAAP).

The financial statements were authorised for issue by the Directors on 29 April 2022.

Basis of Accounting

The financial statements are prepared on a non-going concern basis. The Company ceased operations and was put into hibernation from 1 July 2020. There is a high degree of uncertainty associated with the future of the Company and a decision on the future of the Company will not be known until next year.

The accounting policies set out below have been applied consistently to all periods in these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

Change of Accounting Policies

The Company has changed its reporting classification from a for-profit entity to a Public Benefit Entity. The accounting policies have therefore been adjusted from the prior year, to now report as a Public Benefit Entity. The Board do not consider the change to have materially impacted the company or its financial statements, including the written-down value of the company's Inventory, or Property, Plant and Equipment.

Standards Amended or Issued During the Year

There were no standards amended or issued during the year that materially impact the Company.

Standards or Interpretations Not Yet Effective

A number of new standards, amendments, and interpretations have been issued but not yet effective that have not been applied to these financial statements. These standards are to be applied to future financial statements. The impact of the new standards has been assessed as minimal.

Critical Accounting Estimates and Assumptions

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

Good and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables and the Cashflow Statement which are stated on a GST inclusive basis.

Financial Instruments

Financial instruments are contracts that give rise to financial assets or liabilities that are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Provisions

A provision is recognised in the balance sheet 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$000	2020 \$000
3. Revenue		
Sales revenue	301	5,963
Government Grants (received from Dunedin City Council)	1,018	-
Covid-19 wage subsidy	28	370
Engineering contract with customer	-	182
	1,347	6,515

Revenue Accounting Policy

Sales revenue

Revenue from ticket sales is recognised in revenue in advance at the fair value of the consideration received. Amounts are transferred to revenue in the Statement of Comprehensive Income when it is probable that the economic benefits associated with the transaction will flow to the entity.

Sales of goods are recognised when significant risks and rewards of owning the goods are transferred to the buyer and when the revenue can be measured reliably.

Government Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grants are satisfied.

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 goods and services tax (GST).

Revenue is recognised in the income statement as performance obligations are met. Contract assets and contract liabilities are included within "trade and other receivables" and "contract liability" respectively on the face of the statement of financial position.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$000	2020 \$000
4. Operating Expenses		
Audit fees - audit of annual report	24	23
Contractors, materials & consumables	613	2,721
Depreciation	14	450
Directors fees	-	91
Employee expenses	660	4,803
Other expenses	272	484
	<u>1,583</u>	<u>8,572</u>

5. Financial Expenses

Interest - related parties	-	88
	<u>-</u>	<u>88</u>

Financial Expenses Accounting Policy

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

6. Earnings per Share

Earnings per share from continuing operations (cents per share)	(3.46)	(96.83)
Number of shares	6,821,900	6,821,900

7. Dividends

Dividends	-	-
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Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$000	2020 \$000
8. Taxation		
Operating surplus/(loss) before tax - continuing operations	(236)	(6,631)
Operating surplus/(loss) before income tax	(236)	(6,631)
Tax thereon at 28%	(66)	(1,856)
<i>Plus / (less) the tax effect on differences</i>		
Revenue not liable for taxation	-	(6)
Expenditure not deductible for taxation	7	-
Under/(over) provision in prior years	-	3
Derecognise deferred tax asset	59	1,834
Tax effect of differences	66	1,831
Tax expense	-	(25)
Effective tax rate	28%	28%
<i>Represented by</i>		
<u>Current tax provision</u>		
Prior period adjustment	-	-
Current tax movement	-	-
<u>Current deferred tax provision</u>		
Deferred tax movement	-	(28)
(Under) / over tax provision in prior years	-	3
Income Tax	-	(25)

Taxation Accounting Policy

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$000	\$000

9. Equity – Share Capital

Issued capital

6,821,900 ordinary shares	6,822	6,822
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There were no changes in the Company's issued capital during the year.

10. Retained Earnings

Balance at the beginning of the year	(6,365)	241
Total comprehensive income	(236)	(6,606)
Dividend distributions	-	-
Balance at the end of the year	(6,601)	(6,365)

11. Trade and Other Payables

Trade payables	36	36
Due to related parties	11	-
	47	36

Trade and Other Payables Accounting Policy

Trade and other payables are stated at cost.

12. Contract Liability

Unearned revenue in advance	12	16
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Contract Liability Accounting Policy

Contract liability is initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

The contract liability balance represents where payment has been received but the corresponding performance has not been carried out within the financial year. This is usually associated with mobilisation payments. The 2021 contract liability balance is expected to be released in the financial year 2022 as work is completed and revenue is realised.

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$000	\$000

Employee Entitlements Accounting Policy

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 are based on the reasonable likelihood that they will be earned by employees and paid by the company.

13. Provisions

Current

Accruals and revenue in advance	106	45
Employee entitlements	26	-
	<u>132</u>	<u>45</u>

Non - current

Employee entitlements	-	33
	<u>-</u>	<u>33</u>

14. Deferred Tax Liability

	2021	2021	2021	2021	2021	2021	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	Opening	Charged	Charged	Subvention	Closing		
	Balance	to	to	(Receipt)/	Balance Sheet		
	Sheet	Equity	Income	Payment	Assets	Liabilities	Net
Receivables	(11)	-	7	-	(3)	-	(3)
Inventories	(98)	-	-	-	(98)	-	(98)
Property, plant and equipment	130	-	159	-	-	289	289
Employee entitlements	(8)	-	0	-	(7)	-	(7)
Provisions and adjustments	-	-	(6)	-	(6)	-	(6)
Tax losses	-	-	-	-	-	-	-
Derecognise deferred tax asset	(14)	-	(161)	-	114	(289)	(175)
Balance at the end of the year	-	-	-	-	-	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000
	Opening Balance Sheet	Charged to Equity	Charged to Income	Subvention (Receipt)/ Payment	Assets	Closing Balance Sheet Liabilities	Net
Receivables	-	-	(11)	-	(11)	-	(11)
Inventories	-	-	(98)	-	(98)	-	(98)
Property, plant and equipment	134	-	(4)	-	130	-	130
Employee entitlements	(64)	-	56	-	(8)	-	(8)
Provisions and adjustments	(2)	-	2	-	-	-	-
Tax losses	(43)	-	43	-	-	-	-
Derecognise deferred tax asset	-	-	(14)	-	-	(14)	(14)
Balance at the end of the year	25	-	(25)	-	14	(14)	-

A deferred tax asset has not been recognised in relation to tax losses of \$3,143,281 (tax effect \$880,119) and temporary differences of \$3,541,470 (tax effect \$990,640).

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 and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised 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.

15. Term Borrowings

	2021 \$000	2020 \$000
Dunedin City Treasury Limited	-	-
Current	-	-
Non-current	-	-
Opening long term borrowings	-	1,890
Plus/less cash flows	-	(1,890)
Closing long term borrowings	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2021

2021	2020
\$000	\$000

Borrowings Accounting Policy

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

16. Capital Expenditure Commitments

Capital expenditure committed at balance date but not provided for in the financial statements	20	-
	20	-

17. Lease Commitments

The Company is a lessee for a photocopier and EFTPOS terminal. Both leases are considered short-term, low value assets. The Company does not currently hold any further lease commitments.

Leases Accounting Policy

Assets held under leases are treated as operating leases. Rentals payable are expensed on a straight-line basis over the term of the relevant lease.

18. Cash and Cash Equivalents

Cash and bank	131	229
	131	229

Cash and Cash Equivalents Accounting Policy

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

Bank overdrafts or short-term borrowings are shown within the cash or cash equivalents figure in either the current liabilities or current assets of the balance sheet.

19. Trade and Other Receivables

Trade receivables	21	52
Due from related parties	-	-
Less: Provision for impairment of trade receivables	(12)	(38)
	9	14

Disclosed as:

Trade and other receivables	9	14
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Notes to the Financial Statements

For the Year Ended 30 June 2021

2021	2020
\$000	\$000

The directors consider the carrying amount of trade and other receivables approximates their fair value.

Trade and Other Receivables Accounting Policy

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

20. Inventory

Raw materials and stores	55	61
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Inventory Accounting Policy

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

21. Property, Plant and Equipment

	Buildings	Rolling Stock	Track	Plant & Equipment	Vehicles	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year Ended 30 June 2021:							
Cost or Valuation							
Balance at beginning of period	-	234	-	-	3	-	237
Purchases	-	-	-	-	-	-	-
Sales/disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Balance at end of period	-	234	-	-	3	-	237
Accumulated depreciation							
Balance at beginning of period	-	1	-	-	-	-	1
Depreciation	-	14	-	-	1	-	15
Sales/disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
	-	15	-	-	1	-	16
Balance at end of period	-	219	-	-	2	-	221

Notes to the Financial Statements

For the Year Ended 30 June 2021

	Buildings \$'000	Rolling Stock \$'000	Track \$'000	Plant & Equipment \$'000	Vehicles \$'000	Work in Progress \$'000	Total \$'000
Year Ended 30 June 2020:							
Cost or Valuation							
Balance at beginning of period	21	5,336	923	1,020	347	289	7,936
Purchases	-	376	175	45	3	-	599
Sales/disposals	-	(48)	-	-	-	(289)	(337)
Impairment	(21)	(5,430)	(1,098)	(1,063)	(347)	-	(7,961)
Balance at end of period	-	234	-	-	3	-	237
Accumulated depreciation							
Balance at beginning of period	18	2,551	73	590	239	-	3,471
Depreciation	-	284	19	127	20	-	450
Sales/disposals	-	(41)	-	-	-	-	(41)
Impairment	(18)	(2,793)	(92)	(717)	(259)	-	(3,879)
	-	1	-	-	-	-	1
Balance at end of period	-	233	-	-	3	-	236

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 accumulated depreciation and any accumulated impairment losses.

Self-constructed assets include the direct cost of construction to the extent that they relate to bringing the fixed assets to the location and condition for their intended service.

Depreciation is charged so as to write off the cost or valuation of assets, other than land, properties under construction and capital work in progress, on the straight-line basis. Rates used have been calculated to allocate the asset's 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 over their expected useful lives on the same basis as owned assets, or where shorter, over the term of the relevant lease.

Notes to the Financial Statements

For the Year Ended 30 June 2021

Depreciation rates and methods used are as follows:

	Rate	Method
Rolling stock	2% to 33%	Straight Line
Plant and equipment	3% to 50%	Straight Line
Vehicles	20% to 22%	Straight Line
Construction in progress	No depreciation charged	

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Impairment of assets excluding goodwill

At each balance sheet 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 (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Any impairment loss is immediately expensed to the Statement of Comprehensive Income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$000	2020 \$000
22. Intangible Assets		
Software		
Cost or Valuation		
Balance at beginning of period	98	98
Purchases	-	-
Sales/disposals	-	-
Balance at end of period	98	98
Accumulated depreciation		
Balance at beginning of period	98	18
Depreciation	-	39
Impairment	-	41
	98	98
Balance at end of period	-	-

Intangible Assets Accounting Policy

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of comprehensive income. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Software 40%

23. Related Party Transactions

The Company is 100% owned by Dunedin City Holdings Limited. Dunedin City Holdings Limited is a wholly owned subsidiary of the Dunedin City Council.

The Company undertakes transactions with the Dunedin City Council and other Dunedin City Council controlled entities.

Amounts receivable from and payable to related parties at balance date are disclosed in notes 5, 11, 15 and 19.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$000	2020 \$000
Transactions with the Dunedin City Council		
Sales of services to the Dunedin City Council		
Grant	1,018	-
Ticket sales	11	76
Purchases of goods and services from the Dunedin City Council		
Rates, events, leases	13	54
Transactions with Dunedin City Holdings Limited		
Purchases of goods and services from Dunedin City Holdings Limited		
On charged Consultant Fees	5	-
Transactions with the Dunedin City Treasury Limited		
Interest paid (Note 5)	-	88
Transactions with the Dunedin Venues Management Limited		
Purchases of goods and services from Dunedin Venues Management Limited		
Management Fees	120	-
On charged Consultant and Marketing Fees	98	-
Transactions with Delta Utility Services Limited		
Purchases of goods and services from Delta Utility Services Limited		
Engineering Services	1	-

There were no other related party transactions during the year.

No related party debts have been written off or forgiven during the period.

Key Management Personnel Remuneration

Director's Fees	-	91
Short - term employment benefits	108	649
Termination benefits	-	37

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021	2020
	\$000	\$000

24. Financial Risk

Loan facility limit – Dunedin City Treasury Limited.	500	4,300
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Dunedin City Treasury Limited co-ordinates access to domestic markets for all group members. They monitor and manage the financial risks relating to the operations of the company. These risks include market risk, credit risk and liquidity risk.

Liquidity risk represents the company's ability to meet its contractual obligations. The company evaluates its liquidity requirements on an ongoing basis and has credit lines to meet these requirements.

Capital Management Strategy

The capital of the company is its equity, which is comprised of subscribed capital and retained earnings. Equity is represented by net assets. The company manages its capital to ensure that it will be able to continue to operate until 30 June 2022 and optimises the balance of debt to equity on a prudent basis in consultation with its Shareholders.

The Directors perform continual reviews of operating strategies and financial performance, and include in those reviews, any strategies required to protect the capital of the company. The Board seeks to maximise overall returns to their shareholders and maintain the Company's strength.

The Company is required to provide to Dunedin City Holdings Limited an Annual Statement of Intent.

25. Impact of COVID-19

Prior to COVID-19 affecting New Zealand, the Company had been forecasting ongoing losses and required additional equity to maintain its financial viability.

On 11 March 2020 the World Health Organisation declared the outbreak of COVID-19, a pandemic. Travel restrictions were introduced on 14 March and have been in place ever since.

Faced with continued uncertainty regarding international visitors and the risk of insolvency, the difficult decision was made by ultimate shareholder, Dunedin City Council, to hibernate the Company, effective 1 July 2020.

During the 2020/21 financial year a limited Summer programme was run to cater for the domestic market. The continued absence of international visitors means the Company remains in hibernation with a limited operating programme for the 2021/22 Summer.

During the year Dunedin City Council considered alternative operating models for the company. A decision on the future of Dunedin Railways Limited has been deferred 12 months to allow Dunedin City Council to publicly consult on options in early 2022. Dunedin City Holdings Limited has agreed to meet the ongoing costs of hibernation until 30 June 2022.

Notes to the Financial Statements

For the Year Ended 30 June 2021

26. Breach of Statutory reporting deadline

The Company was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

27. Events Subsequent to Balance Date

The Company has made 3 share issues since 30 June 2021. Each issue was of 575,000 fully paid shares at \$1 each. The share issues were made on 30 July 2021, 1 November 2021 and 31 January 2022.

Dunedin City Council and Dunedin City Holdings Limited continue to look for alternative operating models that keep Dunedin Railways in the city. A decision on the future of the Company is not expected until next year.

As there is a high degree of uncertainty associated with the future of the Company, the financial statements have been prepared on a non-going concern basis of accounting (as per note 2 basis of accounting).

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Dunedin Railways Limited's financial statements and statement of service performance for the year ended 30 June 2021

The Auditor-General is the auditor of Dunedin Railways 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 the statement of service performance of the Company on his behalf.

We are required to audit the financial statements of the Company on pages 12 to 33, that comprise the statement of financial position as at 30 June 2021, 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.

We have audited the statement of service performance of the Company on page 10.

Disclaimer of opinion on the financial statements

We do not express an opinion on the financial statements of the Company.

Because of the significance of the matters described in the basis for our disclaimer of opinion on the financial statements section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Qualified opinion on the statement of service performance

In our opinion, except for the possible effects of the matter described in the basis for our qualified opinion on the statement of service performance section of our report, the statement of service performance of the Company on page 10 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 2021.

Our audit was completed late

Our audit was completed on 29 April 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 67(5) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinions is explained below, and we draw attention to other matters. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the statement of service performance, and we explain our independence.

Basis for our disclaimer of opinion on the financial statements

As outlined in the accounting policies in note 2 on page 18 and note 25 on page 32, the Company was put into hibernation from 1 July 2020. For the year ended 30 June 2020, the Company's property, plant and equipment and inventory were written-down to \$236,000 and \$61,000 respectively. The Company recognised an associated impairment expense of \$4,486,000 for the year ended 30 June 2020.

Our audit report contained a disclaimer of opinion on the 30 June 2020 financial statements because we were unable to obtain adequate evidence to support the written-down values of these assets and the associated impairment expense.

For the current year, the Board of Directors of the Company has assessed there has been no change in the recoverable amount of the Company's assets from the prior year and no further evidence has been provided to support the amounts recognised as at 30 June 2021 for property, plant and equipment of \$221,000 and inventories of \$55,000.

Additionally, in the current year the Company has changed its classification to a public benefit entity (PBE) for financial reporting purposes. In transitioning to the PBE accounting standards, any changes in accounting policies to comply with PBE accounting standards are accounted for by restating the comparative year financial statements.

The Board of Directors has not adequately assessed and recognised the impact of the transition to the PBE accounting standards. In particular, how the Company's property, plant and equipment and inventories shall be measured under the PBE accounting standards, including the measurement of the recoverable amount of these assets for impairment purposes.

We have not been able to confirm the amount of any reversal of the previously recognised impairment expense that would have been required should the written down value of assets be understated.

As a consequence of the above, the scope of our audit was limited because we are unable to determine whether any adjustments are necessary to the carrying values of the Company's property, plant and equipment and inventories for the current year and comparative year.

Basis for our qualified opinion on the statement of service performance

The statement of service performance contains certain financial related performance measures derived from the financial statements. As a consequence of the impact of the matters above on the financial statements, we were also unable to obtain sufficient appropriate evidence to support the "shareholders' funds to total assets", "EBITDA" and "net profit after tax" financial related performance measures presented on page 10.

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 in respect of the statement of service performance is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matters

Without further modifying our opinion, we draw your attention to the following disclosures in the financial statements.

The financial statements have been prepared on a non-going concern basis

The statement of accounting policies in note 2 on page 18 outlines that the financial statements have been prepared on a non-going concern basis because the Company was put into hibernation from 1 July 2020, and there is a high degree of uncertainty associated with the future of the Company.

Impact of Covid-19

Note 25 on page 32 outlines the impact of Covid-19 on the Company.

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 that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of service performance for the Company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and 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 are 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***

Our responsibility is to carry out an audit of the financial statements 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.

However, because of the matters described in the basis for our disclaimer of opinion on the financial statements section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

The statement of service performance

Our objective is to obtain reasonable assurance about whether 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 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 of the statement of service performance 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 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 the reported statement of service performance within the Company's framework for reporting its performance.

- We evaluate the overall presentation, structure and content of the statement of service performance, including the disclosures, and whether the statement of service performance represent the underlying 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.

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: Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

A Board member of the Company was a member of the Auditor-General's Audit and Risk Committee until December 2021. Since March 2022, another Board member of the Company became a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as the members of the Auditor-General's Audit and Risk Committee have no involvement in, or influence over, the audit of the Company.

Other than the audit, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with or interests in the Company.



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

Dunedin Venues Management Limited

Annual Report

2021

**Dunedin Venues Management Limited
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For the Year Ended 30 June 2021**

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**Dunedin Venues Management Limited
Directory
For the Year Ended 30 June 2021**

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

Throughout the year Covid-19 continued to dramatically impact on all operations at DVML. Event planning and operational planning was challenged due to three Alert Level Two lockdowns during the year that resulted in a mix of postponements and cancellations; and events all needing careful management operating under Alert Level restrictions.

The impact cannot be underestimated when you consider an All Blacks v Scotland Test match was cancelled (July 2020), the Hella Mega concert was cancelled (November 2020) and the Rod Stewart Concert (November 2020) was postponed to February 2022.

To add to the major event cancellations/postponements during the year, eight Community events were cancelled, matches scheduled for ICC Women's Cricket World Cup that were scheduled to be played at University of Otago Oval in February 2021 were postponed and several conferences and meetings were also affected.

On a positive note, the year highlighted the incredible support DVML received from its Forsyth Barr Stadium Members, Commercial Partners and Sponsors. This is demonstrated by the extension of our major naming rights partner, Forsyth Barr, for a further 10-year period. Throughout the uncertainty of the year and the fact that the pandemic significantly affected everyone in the community, our Members, Partners and Sponsors continued to believe in DVML as we strive to rebuild and drive economic recovery. We thank them for their commitment and loyalty through this very uncertain time.

While stadiums throughout the rest of the world have been locked down and unable to host any events, New Zealand remained 'open'. The introduction of Super Rugby Aotearoa experienced a stronger than normal attendance at the Stadium. This tournament was followed by a series of Super Rugby Trans-Tasman matches. The Mitre10 Cup season was then played from September 2020 to November 2020 with the Stadium hosting six matches. With one match from each series being played to 'no crowds' due to Alert Level 2 restrictions, a total of just under 100,000 spectators enjoyed attending both competitions.

Other events held at Forsyth Barr Stadium such as the Dunedin Craft Beer Festival, continue to go from strength to strength, with the event selling out to a capacity of 6,000 for each of the two days.

In March 2021, FIFA WWC 2023 announced the much-anticipated news that Forsyth Barr Stadium was a successful venue to host matches in 2023 and we look forward to receiving confirmation of the allocated schedule of matches in due course.

We can't forget that Dunedin hosted the first T20 Black Caps International Cricket Match played in this region at the University of Otago Oval in February 2021, with the match selling out and delivering a memorable event for all who attended. An additional Black Caps v Bangladesh match also played to a large crowd in March 2021. Two White Ferns v England matches also took place during this period with one of the matches affected by Covid-19 and played to no crowd.

A total of 47 Community Events were hosted across both the Dunedin Centre and Forsyth Barr Stadium during the year. Once again there was a variety of memorable events such as the first ever Pasifika Festival, with 4,500 members of the public treated to warm Pacific hospitality and cuisine. Nine Island Nations hosted stalls displaying everything from local food to arts alongside an array of performances on a main stage.

Due to the uncertainty associated with hosting international events, DVML experienced a very strong domestic concert/entertainment program with three times the number of events hosted at the Town Hall from the previous year. These included, Crowded House, Bill Bailey, The Wiggles, Bennee, Palace Dance Studio and Russell Howard.

Several large conferences were also delivered, and our annual 'Women You Can Bank On' was once again, sold out and a great success.

Managing and forecasting our business during the uncertainty of this pandemic has been, and remains, incredibly challenging. With the introduction and roll out of vaccines, we are seeing other parts of the world start to reopen and stadiums host major events with mass gatherings. Once New Zealand is in the same position, it is expected there will be a very busy events calendar.

DVML have an experienced, focused team and a proven record with all event providers. The organisation is committed to continue delivering great events for the region, which in turn ensures the community prospers through economic impact and pride.

Our final thanks go to our staff, whose commitment and skill continue to help us navigate through what has been very challenging waters.

Raewyn Lovett
Chairperson



29 April 2022

Terry Davies
Chief Executive Officer



29 April 2022

**Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2021**

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 2021.

Principal Activities of the Company

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

Results for the Year Ended 30 June 2021

The report covers the financial year 1 July 2020 to 30 June 2021.

	2021
	\$'000
Profit/(Loss) for the year before taxation	(424)
Income tax expense	(117)
Profit/(Loss) for the year after taxation	<u>(307)</u>

State of Affairs

The Company recorded a net loss after tax of \$307,000 for the year.

Changes in Accounting Policies

There have been no changes in accounting policies adopted during the year.

Review of Operations

Net loss before taxation and subvention was \$424,000 for the year, compared to a net loss of \$81,000 for the previous year.

Change of Directors

Andrew Douglas commenced an Intern Directorship on 1 January 2020, resigned from this position on 21 July 2020 and was reappointed on 12 May 2021.

**Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2021**

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 2021 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 29 to 31.

Auditors

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 21.

Employee Remuneration

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

Remuneration range	Number of Employees	
	2021 Total	2020 Total
\$380,000 - 389,999	1	-
\$360,000 - 369,999	-	1
\$140,000 - 149,999	1	-
\$130,000 - 139,999	2	1
\$120,000 - 129,999	-	2
\$110,000 - 119,999	-	1
\$100,000 - 109,999	1	2

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

**Dunedin Venues Management Limited
Statutory Information
For the Year Ended 30 June 2021**

Directors' Remuneration

Director	Responsibility	Remuneration	
		2021 \$'000	2020 \$'000
Raewyn J Lovett	Chairperson	37	27
Joanne M Conroy	Director	21	18
Adam La Hood	Director (appointed 27 August 2019)	20	15
Dylan Rushbrook	Director (appointed 27 August 2019)	20	15
Kevin Winders	Director (resigned effective 5 September 2019)	-	4

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 2021**

Director	Declarations of Interest
Raewyn Lovett (appointed 1 January 2015)	Partner of Duncan Cotterill, Lawyers Director, Sport New Zealand Trustee of CHT Healthcare Trust Trustee of Sir Ray Avery Foundation * resigned 6 July 2020 Co-Chair of International Working Group of Women and Sport Shareholder, Onelaw Limited Shareholder, Pearl River Holdings Limited Shareholder in various Duncan Cotterill companies
Joanne Conroy (appointed 1 January 2018)	Director, Queenstown Housing Bonds Limited Director, Queenstown Lakes Community Housing Trust Developments Limited Director, Queenstown Lakes Community Housing Trust Property Portfolio Limited Director and Shareholder, QDC Services Limited Director and Shareholder, Marcon Holdings Limited Director, Quoteable Value Chair of Westland Holdings Limited Director, QLCHT Shotover Country Limited Director, Destination Westland Limited Director, Queenstown Citizens Advice Bureau * appointed 31 August 2020 Trustee, Queenstown Lakes Community Housing Trust Chair, Sky City Queenstown Community Trust Trustee, St John New Zealand Priory Chapter Member, Economic Development Committee - Westland District Council * appointed 1 October 2020
Adam La Hood (appointed 27 August 2019)	Chair, Otago Polytechnic Limited * Appointed Chair 12 February 2021 CFO, Cook Brothers Construction Limited
Dylan Rushbrook (appointed 27 August 2019)	Director and Shareholder, Synergy Tourism Consulting Limited Director and Shareholder, Tourism Talent Limited Director and Shareholder, Tourism Central Limited Director, The Tourism Export Council of New Zealand (Incorporated Society) * resigned 29 October 2020 Director, Tourism Talent Australia Trustee, Regional Tourism New Zealand Southern Lakes Events Investment Panel * appointed 1 February 2021 General Manager, Tourism Central Otago

Dunedin Venues Management Limited
Statement of Responsibility
For the Year Ended 30 June 2021

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 2021 fairly reflect the financial position and operations of Dunedin Venues Management Limited.

The Company's owners do not have the power to amend the financial statements after issue.

Raewyn Lovett
Chairperson



29 April 2022

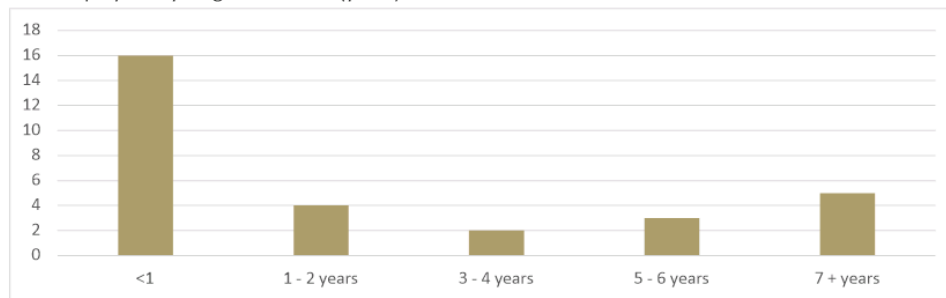
Adam La Hood
Director



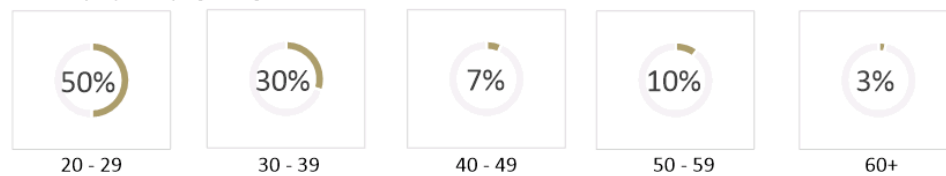
29 April 2022

**Dunedin Venues Management Limited
Our People
As at 30 June 2021**

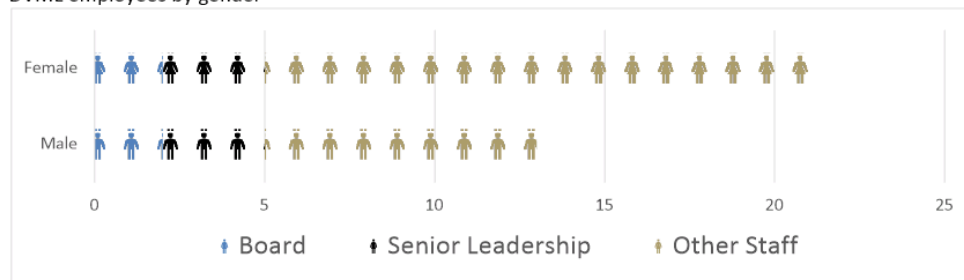
DVML employees by length of service (years)



DVML Employees by age range



DVML employees by gender

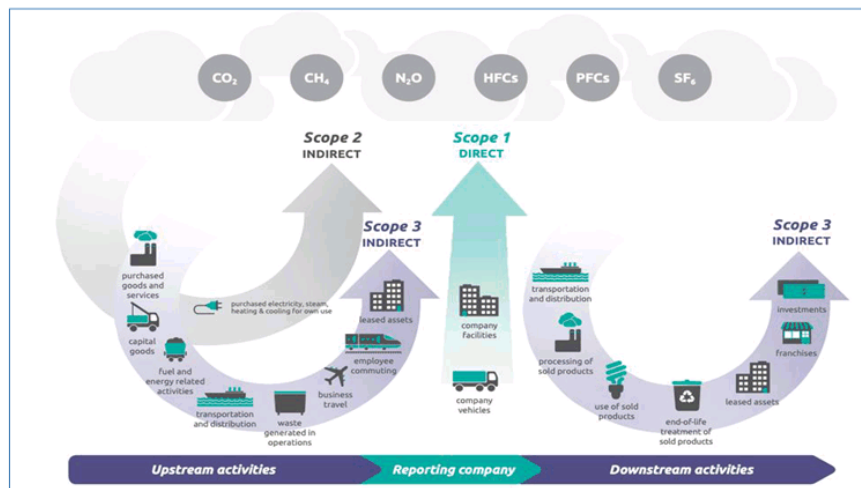


**Dunedin Venues Management Limited
Our Sustainability
For the Year Ended 30 June 2021**

Greenhouse gas emissions summary

During the year we have, for the first time, assessed and measured our Greenhouse Gas (GHG) emissions. We completed this process with the assistance of external advisors and in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2006 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. At this stage we have focussed on measuring our Scope 1 and 2 emissions and an agreed selection of Scope 3 (indirect, or value chain) emissions.

Figure 1 Source: GHG Protocol - Figure 1.1 of Scope 3 Standard



Scope 1 emissions are direct emissions that are operationally controlled by DVML, including:

- Stationary combustion emissions related to heating Forsyth Barr Stadium and the Dunedin Centre
- Mobile combustion emissions related to vehicles and machinery owned or operated by DVML.
- Fugitive emissions from refrigerant use within HVAC systems we operate.

Scope 2 emissions are indirect GHG emissions from imported energy, including

- Purchased electricity that is consumed at Forsyth Barr Stadium and the Dunedin Centre.

Scope 3 emissions - To provide alignment across the Dunedin City Holdings Limited (DCHL) group of companies a consistent set of Scope 3 emission categories have been applied, which are waste, travel and freight.

Our Scope 3 emissions include the following:

- Waste generated in our offices.
- Waste generated from activity at Forsyth Barr Stadium and the Dunedin Centre. We have widened the scope of our waste measurement and reporting to include the waste generated from our key contractors who operate from these facilities.
- Business travel (primarily flights and accommodation).
- Freight transportation (the freighting of goods purchased by DVML).
- Electricity transmission and distribution losses.

At this stage we have not captured the indirect emissions from the third-party promoters who hold events on our sites (i.e. their travel and freight activity).

We will review which Scope 3 emissions are relevant and appropriate on an ongoing basis, as we continue to measure and report our carbon footprint.

Results

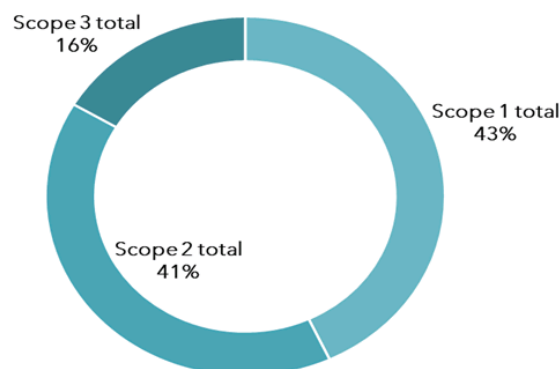
Emissions are reported as tonnes (t) of Carbon Dioxide (CO₂) equivalent (e); or tCO₂-e. "Carbon dioxide equivalent" is a standard unit for counting greenhouse gas emissions regardless of whether they are from carbon dioxide or another greenhouse gas.

DVML's measured GHG emissions for the year end 30 June 2021 are 640 tCO₂-e.

Table 1 Emissions by Scope

Scope	tCO ₂ -e	% of total
Scope 1	276	43%
Scope 2	259	41%
Scope 3	105	16%
Total	640	100%

Figure 1 Emissions by Scope



Emissions by Activity

Our top emissions sources are summarised below.

Table 2 Emissions by activity

Category emission source	t CO ₂ -e
Purchased Electricity	259
Fuels	198
Waste to landfill	78
Refrigerant	66
T&D losses	20
Fertiliser	12
Flights (Domestic)	7
Flights (International)	0.4
Taxis	0.2

Next Steps

As this is our first footprint, a number of assumptions and estimates have been made when calculating our emissions. It is our intention to measure and manage our footprint on an ongoing basis and to report on this annually. As noted in our 2021-2022 Statement of Intent, next steps include developing emissions and waste reduction strategies and associated targets.

We will also focus on improving the accuracy of our calculations, giving consideration to the most relevant Scope 3 emissions that we track, and implementing measures to reduce our emissions.

**Dunedin Venues Management Limited
Statement of Profit or Loss
For the Year Ended 30 June 2021**

	<i>Note</i>	2021 \$'000	2020 \$'000
Revenue			
Operating revenue	3	10,114	10,637
Government grants		978	1,272
Interest received from funds on deposit		9	28
Total revenue		11,101	11,937
Less expenses			
Operating expenses	4	9,029	9,444
Depreciation and impairment	11	358	393
Depreciation - Right of use lease asset		1,619	1,620
Interest expense		519	561
Total expenditure		11,525	12,018
Profit/(Loss) for the Year before Taxation		(424)	(81)
Income tax expense/(credit)	5	(117)	(17)
Profit/(Loss) for the Year after Taxation		(307)	(64)

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

**Dunedin Venues Management Limited
Statement of Comprehensive Income
For the Year Ended 30 June 2021**

	2021 \$'000	2020 \$'000
Profit/(Loss) for the year after taxation	(307)	(64)
Total Comprehensive Income after Taxation	(307)	(64)

**Dunedin Venues Management Limited
Statement of Changes in Equity
For the Year Ended 30 June 2021**

	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
1 July 2020	9,777	(7,859)	1,918
Comprehensive Income for the year	-	(307)	(307)
Capital contribution	300	-	300
30 June 2021	10,077	(8,166)	1,911
1 July 2019	9,477	(7,032)	2,445
Comprehensive Income for the year	-	(64)	(64)
Capital contribution	300	-	300
Adjustment on transition to IFRS 16 Leases	-	(763)	(763)
30 June 2020	9,777	(7,859)	1,918

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 2021**

	Note	2021 \$'000	2020 \$'000
Current Assets			
Cash and cash equivalents		3,675	2,858
Trade and other receivables	7	810	921
Assets held for sale	17	-	173
Total Current Assets		<u>4,485</u>	<u>3,952</u>
Non-Current Assets			
Property, plant and equipment	11	958	1,296
Right of use assets	10	16,229	17,823
Deferred tax	12	748	629
Total Non-Current Assets		<u>17,935</u>	<u>19,748</u>
TOTAL ASSETS		<u>22,420</u>	<u>23,700</u>
Current Liabilities			
Trade and other payables	8	734	500
Contract liabilities / Income in advance	3(b)	2,038	1,636
Employee entitlements		103	79
Current portion of lease liabilities	10	1,536	1,492
Total Current Liabilities		<u>4,411</u>	<u>3,707</u>
Non-Current Liabilities			
Contract liabilities / Income in advance	3(b)	53	517
Lease liabilities	10	16,045	17,558
Total Non-Current Liabilities		<u>16,098</u>	<u>18,075</u>
Equity			
Share capital	6	10,077	9,777
Retained deficits	6	(8,166)	(7,859)
Total Equity		<u>1,911</u>	<u>1,918</u>
TOTAL EQUITY AND LIABILITIES		<u>22,420</u>	<u>23,700</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 2021**

	<i>Note</i>	2021 \$'000	2020 \$'000
Cashflows from Operating activities			
<i>Cash was provided from</i>			
Receipts from customers		11,100	12,929
Interest received		9	28
Income tax received		-	12
Net GST received		69	-
		<u>11,178</u>	<u>12,969</u>
<i>Cash was disbursed to</i>			
Payments to suppliers and employees		8,628	9,913
Subvention payments		-	(3)
Net GST paid		-	133
		<u>8,628</u>	<u>10,043</u>
Net Cashflow from Operating activities	9	<u>2,550</u>	<u>2,926</u>
Cashflows from Investing activities			
<i>Cash was provided from</i>			
Sale of property, plant and equipment		11	-
<i>Cash was distributed to</i>			
Purchase of property, plant and equipment		31	484
Net Cashflow from Investing activities		<u>(20)</u>	<u>(484)</u>
Cashflows from Financing activities			
<i>Cash was provided from</i>			
Shareholder capital		300	300
		<u>300</u>	<u>300</u>
<i>Cash was disbursed to</i>			
Repayment of finance lease		1,493	1,453
Interest paid		519	561
		<u>2,012</u>	<u>2,014</u>
Net Cashflow from Financing activities		<u>(1,712)</u>	<u>(1,714)</u>
Net Increase/(Decrease) in Cash and Cash equivalents		818	727
Opening Cash and Cash equivalents		2,858	2,132
Closing Cash and Cash equivalents		<u>3,675</u>	<u>2,858</u>
Composition of Cash and Cash equivalents			
Cash on hand		4	4
Bank current account		371	854
Deposit/(overdraft) accounts		3,300	2,000
Cash and Cash Equivalents at the end of the year		<u>3,675</u>	<u>2,858</u>

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 2021****1 REPORTING ENTITY**

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

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

The financial statements of the Company are for the year ended 30 June 2021.

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.

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 29 April 2022.

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 2021 and the comparative information for the year ended 30 June 2020.

The financial statements have been prepared on a going concern basis. The Directors deem this basis to be appropriate for the reasons set out in note 18 below.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021**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 2021**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.

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. The Event Attraction Grant has not been recognised as income during the financial year, and is held as Income in Advance at Balance Date.

Changes in Accounting Policies

There have been no changes in the company's accounting policies since the date of the last audited financial statements. Accounting policies have been applied consistently to all years presented in these financial statements.

Standards amended or issued during the year

During the period, there were no new or amended accounting standards which materially affected the Company or its reporting

Standards issued but not yet effective

No other new accounting standards or interpretations that will become effective after the period are expected to have a material impact on the Company.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021
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:

	2021	2020
	\$'000	\$'000
Segment revenue	9,470	10,225
Less inter-segment	-	-
Revenue - external customers	<u>9,470</u>	<u>10,225</u>
<u>Timing of revenue recognition:</u>		
At a point in time	4,553	5,240
Over time	<u>4,917</u>	<u>4,985</u>
	<u>9,470</u>	<u>10,225</u>

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

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

	2021	2020
	\$'000	\$'000
Current liabilities	2,038	1,636
Non-current liabilities	53	517
Contract liabilities - Income in Advance	<u>2,091</u>	<u>2,153</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 2021, 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 2021 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.

	2021	2020
	\$'000	\$'000
3(c) Reconciliation to total revenue		
Contracts with customers	9,470	10,225
Government grants	978	1,272
Leases	349	331
Other Revenue	295	81
Interest	9	28
	<u>11,101</u>	<u>11,937</u>

3(d) Critical accounting judgements, estimates and assumptions

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 2021
4 OPERATING EXPENSES

	2021	2020
	\$'000	\$'000
Other operating expenses	6,890	6,467
Audit fees - for audit of financial statements	33	32
Bad debts	(11)	11
Directors fees	98	79
Salaries and wages	2,032	2,843
Loss/(gain) on fixed asset disposal	(13)	12
	<u>9,029</u>	<u>9,444</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.

	2021	2020
	\$'000	\$'000
Income Tax Recognised in Comprehensive Income		
Profit/(Loss) for the year before taxation	(424)	(81)
Income tax expense calculated at 28% (2020: 28%)	(119)	(23)
<i>Tax effect of following adjustments</i>		
Non-deductible expenses	2	4
Prior period adjustments	-	2
Tax effect of differences	<u>2</u>	<u>6</u>
Tax expense	<u>(117)</u>	<u>(17)</u>
 Represented by:		
Current tax provision	2	-
Prior period adjustment to current tax	-	(11)
Deferred tax provision	(119)	(19)
Prior period adjustment to deferred tax	-	13
	<u>(117)</u>	<u>(17)</u>

**Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021**

6 EQUITY - Share Capital

	2021 \$'000	2020 \$'000
Called and Fully Paid Up Capital		
10,077,065 fully paid ordinary shares (2020: 9,777,065)	10,077	9,777

On the 8th June 2021, the Company issued and called 300,000 shares of \$1 each in favour of Dunedin City Holdings Limited. The shares carry equal voting rights.

10,600,000 shares have been issued to Dunedin City Holdings Limited at \$1 per share. At 30 June 2021, 10,077,065 (2020: 9,777,065) 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.

7 TRADE AND OTHER RECEIVABLES

Accounting Policy

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

	2021 \$'000	2020 \$'000
Trade and other receivables	722	820
Expected credit losses	(10)	(38)
Accrued income and prepayments	98	100
GST receivable	-	39
	810	921

8 TRADE AND OTHER PAYABLES

Accounting Policy

Trade and other payables are stated at cost.

	2021 \$'000	2020 \$'000
Trade payables	713	508
GST payable	30	-
Subvention payable	(9)	(8)
	734	500

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021

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

	2021	2020
	\$'000	\$'000
Profit/(Loss) for the year after taxation	(307)	(64)
<i>Items Not Involving Operating Cashflows</i>		
Depreciation and impairment	358	393
Depreciation on right of use asset	1,619	1,620
(Gain)/Loss on fixed asset disposal	(13)	12
Interest paid	519	561
<i>Impact of Changes in Working Capital Items</i>		
(Increase)/Decrease in trade and other receivables	70	491
(Increase)/Decrease in inventory held for sale	173	(33)
(Increase)/Decrease in prepayments	2	(3)
(Increase)/Decrease in deferred tax	(119)	(302)
(Increase)/Decrease in deferred tax - non cash impact on transition to IFRS 16	-	297
(Increase)/Decrease in GST receivable	39	(39)
Increase/(Decrease) in GST payable	30	(94)
Increase/(Decrease) in trade and other payables	218	(382)
Increase/(Decrease) in subvention payable	(1)	3
Increase/(Decrease) in employee entitlements	24	(63)
Increase/(Decrease) in income received in advance	(62)	529
Net cashflows from operating activities	2,550	2,926

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021
10 RIGHT OF USE ASSET AND LEASE LIABILITY

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% (2020: 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. The weighted average lessee's incremental borrowing rate applied is 2.85% (2020: 2.85%).

	2021 \$'000	2020 \$'000
Right of use assets:		
Opening Balance	17,823	19,443
Additions	25	-
Depreciation	(1,619)	(1,620)
	<u>16,229</u>	<u>17,823</u>
Lease Liabilities		
Opening Balance	19,050	20,503
Additions	25	-
Payments - Property	(1,482)	(1,440)
Payments - Plant & Equipment	(5)	(5)
Payments - Vehicles	(7)	(9)
	<u>17,581</u>	<u>19,050</u>
Classified as:		
Less than one year	1,536	1,492
One to five years	6,568	6,373
More than five years	9,477	11,185
Lease liabilities recognised as at 30 June 2021	<u>17,581</u>	<u>19,050</u>

Low Value Leases

Low value leases have been identified and are exempt from recognition under IFRS 16. Low value lease expenses are \$4k annually (2020: \$4k).

Critical accounting judgements, estimations and assumptions
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 \$33.9m (2020: \$33.3m) and the Lease Liability by \$35.9m (2020: \$34.5m). The impact on the reported before tax surplus would be a decrease of \$401k (2020: \$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.

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021

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

Critical accounting judgements, estimations and assumptions

Impairment of Assets

At each balance date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense.

**Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021**
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.

	2021 Leasehold Alterations \$'000	Furniture & Fittings \$'000	Office Equipment \$'000	Stadium Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Cost or Valuation						
Balance at beginning of year	573	462	364	3,541	23	4,963
Additions	-	-	31	-	-	31
Transfer to Assets held for sale	-	-	-	-	-	-
Disposals	-	-	-	(30)	(23)	(53)
Impairment	(134)	(13)	(215)	(380)	-	(742)
Balance at end of year	439	449	180	3,131	-	4,199
Accumulated depreciation						
Balance at beginning of year	227	240	341	2,846	14	3,667
Depreciation	36	44	19	259	-	358
Transfer to Assets held for sale	-	-	-	-	-	-
Impairment	(134)	(13)	(215)	(380)	-	(742)
Disposals	-	-	-	(28)	(14)	(42)
	129	271	145	2,696	-	3,241
Balance at end of year	310	178	35	435	-	958
	2020 Leasehold Alterations \$'000	Furniture & Fittings \$'000	Office Equipment \$'000	Stadium Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Cost or Valuation						
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
Accumulated depreciation						
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

**Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021**
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.

	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
	Opening Balance Sheet	IFRS 16 Leases	Charged to Income	Closing Balance Sheet Assets	Liabilities	Net
Property, plant and equipment	244	-	(38)	206	-	206
Employee entitlements	13	-	22	35	-	35
Provisions and adjustments	12	-	(9)	3	-	3
IFRS 16 Leases	343	-	35	378	-	378
Tax losses	17	-	109	126	-	126
	629	-	119	748	-	748

	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
	Opening Balance Sheet	IFRS 16 Leases	Charged to Income	Closing Balance Sheet Assets	Liabilities	Net
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

Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021

13 CAPITAL EXPENDITURE COMMITMENTS

The Company had capital expenditure commitments of \$52,000 at year end (2020: \$282,000).

14 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at year end (2020: \$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.

	2021	2020
	\$'000	\$'000
b) Categories of Financial Instruments		
Financial Assets		
Trade and other receivables	810	921
Less:		
Accrued income and prepayments	98	100
GST receivable	-	39
Loans and receivables	<u>712</u>	<u>782</u>
Financial Liabilities		
Trade and other payables	734	500
Less:		
GST payable	30	-
Subvention payable	(9)	(8)
Lease liabilities	17,581	19,050
Financial liabilities at amortised cost	<u>18,294</u>	<u>19,558</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 2021
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:

	2021	2020
	\$'000	\$'000
Rates and property rentals and other charges	(649)	(734)
Revenue from property/event management and contribution from Event Attraction Fund	2,066	2,607
	<u>1,417</u>	<u>1,873</u>
<i>As at balance date:</i>		
Payable to Dunedin City Council	54	54
Receivable from Dunedin City Council	75	147

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:

	2021	2020
	\$'000	\$'000
Dunedin City Treasury Limited		
Interest received	7	20
	<u>7</u>	<u>20</u>
<i>As at balance date:</i>		
Deposit with Dunedin City Treasury Limited	3,300	2,000
	<u>3,300</u>	<u>2,000</u>

**Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021**

16 RELATED PARTY TRANSACTIONS (CONTINUED)

	2021 \$'000	2020 \$'000
Dunedin Stadium Property Limited		
Management fee and reimbursements	310	134
Expense on charges	(413)	(411)
Lease liability and interest payments	(2,000)	(1,750)
Subventions paid	-	-
	<u>(2,103)</u>	<u>(2,027)</u>
<i>As at balance date:</i>		
Receivable from Dunedin Stadium Property Limited:	-	-
Dunedin Railways Limited		
Management fee and consultant reimbursement	218	-
	<u>218</u>	<u>-</u>
<i>As at balance date:</i>		
Receivable from Dunedin Railways Limited:	12	-
Delta Utility Services Limited		
Assets sold on transfer of contract and other services	180	-
Equipment hire	-	1
	<u>180</u>	<u>1</u>

At balance date there were no amounts outstanding (2020: \$nil)

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.

In relation to the 2021 year, there is not expected to be any transfer of tax losses to other entities in the DCC Group (2020: \$Nil).

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 2021
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:

- Sport New Zealand, of which Raewyn Lovett is a Director of, purchased services of \$0 (2020: \$22,000). No amounts (2020: \$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 \$11,000 and services of \$11,000 (2020: \$16,000). An amount of \$7,000 (2020: \$4,000) was outstanding at balance date.
- Otago Polytechnic Ltd, of which Adam La Hood is a Director of, purchased carparks for \$111,000, sponsorship of \$85,000, and services of \$22,000 (2020: \$222,000). An amount of \$52,000 (2020: \$5,000) was outstanding at balance date.
- The Company purchased \$2,000 (2020: \$14,000) of services from Otago Polytechnic Ltd. Adam La Hood is a Director of Otago Polytechnic Ltd. An amount of \$1,000 (2020: \$nil) was outstanding at balance date.

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

	2021	2020
	\$'000	\$'000
Key management remuneration	1,038	1,044

17 ASSETS HELD FOR SALE

The sale of assets held for sale was completed in October 2020 at fair value less costs to sell and comprised the following assets:

	2021	2020
	\$'000	\$'000
Property, plant & equipment	-	139
Inventories	-	34
Assets held for sale	<u>-</u>	<u>173</u>

18 IMPACT OF COVID-19

The Covid-19 pandemic has continued to significantly impact the revenues of Dunedin Venues Management Limited in the year ended 30 June 2021 through the restrictions on mass gatherings and the constraints on New Zealand's borders. This impact has continued in the 2022 financial year.

In April 2022 the Government started to ease restrictions on mass gatherings by changing the traffic light setting from red to orange. Borders are now opening, paving the way for international sports teams and entertainment acts to return. Any future mass gathering restrictions will again impact the company's revenues directly through loss of events.

Underpinning the going concern assessment is the incredibly positive future commitment from the company's members, sponsors and commercial partners. All of which are continuing to invest in the company into and beyond the next financial year.

Judgements have been made regarding the event calendar and the timing and recovery of events. Financial forecasts have been prepared which incorporate the Directors' and management's current view of the recovery time frame. Based on what is known today the forecasts show that Dunedin Venues Management Limited can return to profit within the next three years.

**Dunedin Venues Management Limited
Notes to the Financial Statements
For the Year Ended 30 June 2021**

Should there be another wave of Covid-19 lockdowns, other scenarios have been considered including careful management of operating and capital expenditure, the support of Dunedin City Holdings Limited and Dunedin Stadium Property Limited and funding through loan facilities. The Directors are satisfied that the going concern basis remains valid for the preparation of these financial statements.

19 BREACH OF STATUTORY REPORTING DEADLINE

The Company was required under section 67(5) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 November 2021. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

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 2021

Performance Targets	Achievements
Safety and Compliance	
Meet Ministry of Health and Government requirements as set out in New Zealand's Alert Level system which specifies measures to be implemented against COVID-19 at each level. Ensure all staff have access to systems in the event they are not able to work in the office.	Achieved. DVML has met requirements set out by the Ministry of Health through all levels of the Covid pandemic. Achieved. Staff are able to access systems remotely.
Health and Safety Plan has been reviewed. Corrective actions are prioritised and actioned.	Achieved. 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. Only inducted Contractors gain entry into venues.	Achieved. 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 at the venues.	Achieved. The Incident Frequency Rate was 0.014% of the total number of people attending events and the venues.
Total Incident Rate of less than six incidents per 200,000 hours worked.	Achieved. Total Incident Rate was zero incidents per 200,000 hours worked.
Total Recordable Incidents rate of less than three.	Achieved. Total Recordable Incidents was zero for the reporting period.
Lost Time Incident rate of less than two.	Achieved. 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.	Achieved. The Lost Time Incident Frequency Rate was zero for the reporting period.
Staff training is current and meets current legislative requirements.	Training requirements have been met throughout the year.
Continuously show improvement to audit achieving a Performing Score or better across all elements of the Safe Plus criteria within three years.	An overall score of Developing was achieved against the SafePlus auditing criteria in FY2020. The next external audit is due FY2022. DVML has been working on improvement actions from the previous audit.
Meet and maintain all statutory, regulatory and resource consent requirements. No material breaches of legislation.	Achieved. 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 material breaches of KPI's as set out in the approved current Asset Management Plan section 4.4.3.	Achieved. 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. Reports are provided within deadlines and data is acted upon.	Achieved. Agreed KPI's reported against at each Dunedin Stadium Property Limited Board meeting.

Performance Targets	Achievements
Safety and Compliance (Social and Wellbeing)	
Positive community feedback and increased satisfaction levels through the Residents Opinion Survey.	Achieved. The latest DCC's Residents Opinion Survey resulted in an increased satisfaction rating from 86% to 89% for Forsyth Barr Stadium. The satisfaction rating for the Dunedin Centre also increased from 80% to 85%.
Report to the Dunedin City Council on the application of the Service Level Agreement for Community Event Funding to ensure it is applied efficiently and caters to a variety of events and community groups.	Achieved. Two reports were provided to the Dunedin City Council on the application of the Service Level Agreement for Community Event Funding 2020/21. These reports were issued on 20 January 2021 which covered the community events between July - December 2020 and a further report issued on 20 July 2021 which covered a full reconciliation report of community events over the entire period July 2020 - June 2021.
Senior management conduct a minimum of five speaking engagements.	Achieved. Senior management conducted six speaking engagements for the year.
Marketing and Business Objectives	
Survey Commercial Partners for satisfaction level - minimum 80% satisfaction to be achieved.	Achieved. One on One meetings have been conducted with all sponsors. The renewal process indicates a very high level of satisfaction. All major sponsors and commercial partners have renewed.
Produce a Venue Hirer document that encompasses all venues and shows the diversity of space. Bookings to be secured through engagement with venue hirers both new and existing.	Not achieved. Proposals have been developed and presented to clients with the focus on increased utilisation of spaces. Bookings have been secured with new and existing venue hirers.
New business opportunities are created through non-event business activity.	Achieved. The Village of Learning was created in collaboration with University of Otago, the Otago Polytechnic and Enterprise Dunedin.
Members receive quality engaging communication and content through a regular newsletter.	Achieved. Members are sent a monthly newsletter with an update from the CEO and of various aspects of their membership.
Survey Members for satisfaction level – minimum 80% satisfaction to be achieved.	Not achieved. A membership Survey was conducted in March / April 2021. Due to the unusual nature of 2020 with Covid-19 lockdowns, Membership satisfaction was not measured. The survey was used as a health check of Members. 76% of respondents at the time of the survey indicated they were likely to renew their Membership.
Achieve a 75% retention rate of member renewals.	Not achieved. The retention rate of Members up for renewal was 72%.
Achieve 45 new Memberships.	Not achieved. A total of 29 Memberships were sold during the year (2020: 30).
Introduce at least one new Member initiative each year.	Achieved. In seat service was introduced during the 2021 Highlanders season to the members that sit in Aisle 306 member section. A click and collect service was also introduced to members on Level 4. Both initiatives are designed for greater service and convenience to members.

Performance Targets	Achievements
Marketing and Business Objectives (Economic Development Strategy)	
Achieve a minimum of \$5m visitor spend per each major event (> 10,000 pax) for Dunedin City.	Not achieved. There were no major events held in the 2021 financial year.
Achieve minimum 80% satisfaction rating through surveys of all major events (> 10,000 pax).	Not achieved. There were no major events held in the 2021 financial year.
60% of attendees of all major events (> 10,000 pax) to come from outside of Dunedin City.	Not achieved. There were no major events held in the 2021 financial year.
In conjunction with the DCC, submit bids of a high quality that will drive economic benefit and civic pride for the city.	Achieved. A submission was made to FIFA to host matches at Forsyth Barr Stadium for the FIFA Women's World Cup 2023 in which Venues across Australia and NZ were all competing for. The bid was successful.
Environment & Sustainability	
Identification of Hazardous Substances and New Organisms (HSNO) across the Company's facilities ensuring the HSNO database is current.	Achieved. The HSNO database has been reviewed and updated during the reporting period.
Establish systems for measuring and publicly reporting carbon emissions by the end of FY2021, in a cost effective manner, with a view to then identifying and setting emissions reduction targets.	Achieved. During the year DVML have, for the first time, assessed and measured its Greenhouse Gas (GHG) emissions. This process was completed with the assistance of Lumen and Opportune Consulting and in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064-1:2006 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.
Building Management System (BMS) has been reviewed annually to ensure maximum efficiency from Heating, Ventilation and Air-Conditioning (HVAC system).	Not achieved. Due to a large portion of the year being run at reduced utilisation there was no opportunity to review the BMS when functioning at maximum availability or capacities.
Increased communication with attendees at all venues about recycling and waste management.	Achieved. All signage throughout the stadium has been updated, recycling centres added, and sustainability options given to event organisers to enhance their delivery. The measuring of carbon impact for business events is now being offered to hirers as part of DVML's services.
Sustainability Team is formed and develops a Sustainability Plan in conjunction with an external sustainability consultant.	Achieved. A sustainability team has been formed and a sustainability plan has been developed.

Performance Targets	Achievements																					
Human Resources																						
Staff numbers are at a level and skill base whereby all business activity can be undertaken safely and successfully.	Achieved. Staff numbers and skill base are constantly reviewed against the event calendar to ensure business activity can be undertaken safely and successfully.																					
Conduct a confidential staff survey and implement improvements / recommendations as appropriate.	Not achieved.																					
Performance Reviews are conducted with all staff at least every six months.	Achieved. Staff Performance Reviews were completed in December 2020 and June 2021.																					
Ensure all DVML employees are paid at least the Living Wage.	Achieved. All employees are paid the living wage, or more.																					
Staff participate in at least one community activity.	Achieved. DVML ran events during the year for the benefit of the community in addition to the events funded by the Community Access Grant.																					
Financial																						
Achieve or exceed budget results.	Achievement against forecasted SOI results are as follows:																					
	<table><tr><td></td><td>Actual \$'000</td><td>Target \$'000</td></tr><tr><td>EBITDA</td><td>2,072</td><td>70</td></tr><tr><td>Net Profit after Tax</td><td>(307)</td><td>(372)</td></tr><tr><td>Operating Cashflow</td><td>2,550</td><td>(1,250)</td></tr><tr><td>Capital Expenditure</td><td>(95)</td><td>10</td></tr><tr><td>Shareholder Funds to Total Assets</td><td>0.09 : 1</td><td>0.07 : 1</td></tr><tr><td>Dividend</td><td>-</td><td>-</td></tr></table>		Actual \$'000	Target \$'000	EBITDA	2,072	70	Net Profit after Tax	(307)	(372)	Operating Cashflow	2,550	(1,250)	Capital Expenditure	(95)	10	Shareholder Funds to Total Assets	0.09 : 1	0.07 : 1	Dividend	-	-
	Actual \$'000	Target \$'000																				
EBITDA	2,072	70																				
Net Profit after Tax	(307)	(372)																				
Operating Cashflow	2,550	(1,250)																				
Capital Expenditure	(95)	10																				
Shareholder Funds to Total Assets	0.09 : 1	0.07 : 1																				
Dividend	-	-																				
Achieve a 15:1 return on investment of the Event Attraction Fund (EAF). ROI is achieved and calculated by Visitor Marginal Direct Spend against the level of EAF investment for the major event.	Not achieved. The Event Attraction Fund for 2020/21 was not applied to any major events in the 2021 financial year, the fund is held as Income in Advance on the Balance Sheet to be carried into 2021/22.																					
Shareholder																						
Submit annually the Company's Statement of Intent having given consideration to Dunedin City Holding Ltd's expectations.	Achieved. 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 which may or could conflict have been escalated to the Shareholder.	Achieved. 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.	Achieved. 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.																					

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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 2021

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 13 to 32, that comprise the statement of financial position as at 30 June 2021, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cashflows 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 33 to 36.

In our opinion:

- the financial statements of the company on pages 13 to 32:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; 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 33 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 2021.

Our audit was completed late

Our audit was completed on 29 April 2022. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 67(5) of the Local

Government Act 2022. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

The basis for our opinion is explained below and we draw attention to the ongoing 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 statement of service performance, we comment on other information, and we explain our independence.

Emphasis of matter – ongoing impact of Covid-19

Without modifying our opinion, we draw attention to note 18 to the financial statements, which outlines the significant ongoing impact of Covid-19 on the company's operations. The note also highlights the Board of Directors' judgements made in forecasting the company's future performance and the reasons why the going concern basis remains valid in preparing 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 that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of service performance for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and 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 12, 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