

Invercargill Venue & Events Management Limited

ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2015

## *Invercargill Venue & Events Management Limited*

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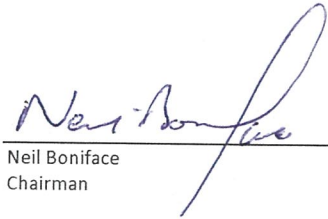
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*Invercargill Venue & Events Management Limited*

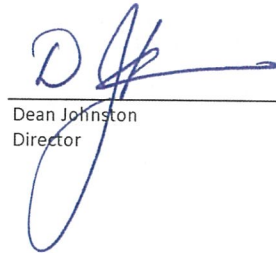
APPROVAL BY DIRECTORS

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The Directors have approved for issue the financial statements of Invercargill Venue & Events Management Limited for the year ended 30 June 2015

  
Neil Boniface  
Chairman

For and on behalf of the Board of Directors  
23 September 2015

  
Dean Johnston  
Director

## *Invercargill Venue & Events Management Limited*

### COMPANY DIRECTORY AND BOARD OF DIRECTORS

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#### **Directors**

Neil Boniface  
Dean Johnston  
Lindsay Abbott

Chairman  
Director  
Director

#### **Postal address**

Private Bag 90-104  
Invercargill  
Phone (03) 2111 777  
Fax (03) 2111 692

#### **Registered office**

c/o Invercargill City Council  
101 Esk Street  
Invercargill

#### **Bankers**

Bank of New Zealand  
84 Esk Street  
Invercargill

#### **Solicitors**

Preston Russell Law  
45 Yarrow Street  
Invercargill

#### **Auditor**

Audit New Zealand on the behalf of the  
office of the Auditor-General

## *Invercargill Venue & Events Management Limited*

### STATUTORY INFORMATION

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#### Directors Remuneration

Neil Boniface	Nil
Dean Johnston	Nil
Lindsay Abbott	Nil

#### Shareholding

Invercargill City Council	100%
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#### Loans to Directors

There are no loan to Directors

#### Shareholding by Directors

No Director has an interest in any of the shares held, acquired or disposed of during the year.

#### Use of Company Information By Directors

No Directors has disclosed, used or acted on information that would not otherwise be available to a Director.

#### Directors' and Officers' Indemnity Insurance

The company has insured all it's directors and Executive Officers against liabilities to other parties that may arise from their positions.

#### Employees remuneration

There are no employees that received remuneration and other benefits of \$100,000 or greater during the year.

#### Auditors remuneration

Audit fees for the company totalled \$6425. Details of the fees payable are contained in note 1.

#### Recommended Dividend

There is no dividend recommended

## Invercargill Venue & Events Management Limited

### STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

Below is the comparison of the organisation's actual performance with the planned performance as contained in its statement of intent for the 2014/2015 financial year

Objective	2015 Actual Performance	2015 Budget Performance	2014 Actual Performance
<b>Financial</b>			
Profitability Ratio - To always have this ratio above 1 at year end.	1.08 - Achieved for financial year.	Ratio of income over expenditure above 1	1.13 - Achieved for financial year.
Solvency Ratio - To always have this ratio above 1 at month end.	1.85 at year end - Achieved for each financial month of the year.	Ratio of income over expenditure above 1	1.47 at year end - Achieved for each financial month of the year.
<b>Non-Financial</b>			
Increase bookings of Civic Theatre Complex & Scottish Hall - Theatre hires  - Theatre meeting rooms Victoria & Drawing rooms  - Scottish Hall	56 Theatre hires - Not achieved, has returned to normal levels of bookings (decrease of 21)  41 Victoria rooms, 47 Drawing room - Not achieved (Total hires of 88, decrease of 25)  25 Hall hires - Achieved (increase of 10)	0 hire increase on last year  0 hire increase on last year  0 hire increase on last year	77 Theatre hires - Achieved  48 Victoria rooms hires, 65 Drawing room hires - Achieved (Total hires of 113 are an increase of 9 from 2012/13 year)  15 Hall hires - Achieved (Increase of 15)
Book at least twelve major shows (nationally or internationally significant) per year.	22 major shows - Achieved	12 major shows	26 major shows - Achieved
Increase bookings of the theatre by local groups and performers	25 local bookings - Not achieved	0 hire increase on last year	32 local bookings
Run regular promotions and 'outreach' initiatives to raise awareness of the complex in the Southland community.	Increase Facebook follower from 600 to 1381.  Increase in Theatre Friends numbers.  Continued with regular advertising	Continue to develop this program within all form of advertising media	Increase Facebook follower from 100 to 600.  Achieved 1 Radio advertising program during the 2013/14 year  Continued with regular advertising programmes.
Develop a Business Plan to demonstrate how the Vision, Mission and Key Priorities of the Statement of Intent will be implemented.	Business Plan under development	Develop Business Plan	Business Plan under development

*Invercargill Venue & Events Management Limited*

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

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<i>Income</i>	<i>Note</i>	2015 \$	2014 \$
Operating revenue		460,370	466,229
Grants		112,750	112,750
Interest revenue		6,578	3,865
<i>Total revenue</i>		579,698	582,843
<i>Expenditure</i>			
Total operating expenditure	1	535,096	516,226
Depreciation	2	1,544	-
<i>Total expenditure</i>		536,640	516,226
Operating surplus / (deficit) before tax		43,058	66,617
Income tax expense	3	(16,462)	5,424
Operating surplus / (deficit) after tax		59,520	61,193
Other revenue		-	-
<b>Total Comprehensive Income for the year</b>		<b>59,520</b>	<b>61,193</b>

The Statement of Accounting Policies and Notes form and integral part of, and should be read in conjunction with these financial statements.

*Invercargill Venue & Events Management Limited*

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

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	2015 \$	2014 \$
Equity Balance at 1 July	63,310	2,117
Total recognised comprehensive income for the period	59,520	61,193
Equity Balance at 30 June	122,830	63,310

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The Statement of Accounting Policies and Notes form and integral part of, and should be read in conjunction with these financial statements.



*Invercargill Venue & Events Management Limited*

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

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	<i>Note</i>	2015 \$	2014 \$
<i>Assets</i>			
Cash and cash equivalents	4	146,498	149,120
Trade and other receivables	5	67,758	37,765
Inventory	6	3,314	-
Taxation receivable		2,171	1,968
TOTAL CURRENT ASSETS		219,741	188,853
Deferred tax asset	7	9,095	9,836
Property, Plant and Equipment	2	38,294	-
TOTAL NON-CURRENT ASSETS		47,389	9,836
TOTAL ASSETS		267,130	198,689
<i>Equity</i>			
Share Capital		-	-
Retained Earnings		122,830	63,310
TOTAL EQUITY		122,830	63,310
<i>Liabilities</i>			
Trade and other payables	8	106,564	118,953
Revenue received in advance		37,736	16,426
TOTAL LIABILITIES		144,300	135,379
TOTAL LIABILITIES AND EQUITY		267,130	198,689

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The Statement of Accounting Policies and Notes form and integral part of, and should be read in conjunction with these financial statements.

***Invercargill Venue & Events Management Limited***

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2015**

	<i>Note</i>	2015 \$	2014 \$
<b><i>Cash Flows from Operating Activities</i></b>			
Interest		6,578	3,865
Operational income		512,457	550,430
Operational expenses		(529,707)	(519,850)
GST received		91,541	96,242
GST paid		(99,430)	(92,436)
Deposits received		55,317	41,810
Catering expenses paid		662	0
Tax refunds received		1,968	0
Tax paid		(2,171)	0
<b>Net Cash Flow from Operating Activities</b>	<b>9</b>	<b>37,215</b>	<b>80,061</b>
<b><i>Cash Flows from Investing Activities</i></b>			
Purchase of property, plant and equipment		(39,837)	-
<b>Net Cash Flow from Investing Activities</b>		<b>(39,837)</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash and Cash equivalents</b>		<b>(2,622)</b>	<b>80,061</b>
<b>Cash and Cash equivalents at the beginning of the year</b>		<b>149,120</b>	<b>69,059</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>4</b>	<b>146,498</b>	<b>149,120</b>

The Statement of Accounting Policies and Notes form and integral part of, and should be read in conjunction with these financial statements.

## ***Invercargill Venue & Events Management Limited***

### **STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2015**

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#### ***REPORTING ENTITY***

The Invercargill Venue & Events Limited is a Company formed and domiciled in New Zealand.

Invercargill Venue & Events Management Limited ("the Company") is a council controlled organisation as defined in the local Government Act 2002 and registered under the Companies Act 1993.

The Company was formed as a joint venture on the 14 June 2010, by the Invercargill City Council and the Southland Indoor Leisure Centre Charitable Trust. Both parties hold a 50% shareholding in the Company. On 1 August 2012 Invercargill City Council terminated the joint venture agreement with Southland Indoor Leisure Centre Charitable Trust, and the Southland Indoor Leisure Centre Charitable Trust transferred their 50% shareholding to Invercargill City Council.

The financial statements of the Company are for the year ended 30 June 2015.

The financial statements were authorised for issue by the Company on 23 September 2015.

The entities directors do not have the right to amend the financial statements after issue.

#### ***STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION***

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Company has determined that it is a 'tier three' entity. This is because it is not publically accountable and is not large. This means that the Company can continue to apply NZ IFRS differential reporting for these financial statements, and the Company has chosen to do this. The Company will be required to move to 'tier two' and apply the new NZ IFRS Reduced Disclosure Regime for the 2015/16 accounts at the latest, and can decide to move to this regime earlier. The Company has elected to delay adoption of revisions to NZ IFRS13 Fair Value Measurement until the Company moves to 'tier two'.

The financial statements are presented in New Zealand Dollars (NZD). The financial statements are prepared on the historical cost basis.

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

#### ***REVENUE***

Revenue is measured at the fair value of consideration received. Revenue in the financial statement is shown as net of discounts given.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Interest revenue is recognised using the effective interest rate method.

#### ***EXPENDITURE***

All expenditure is recognised in the Statement of Financial Performance in the period in which it is incurred.

#### ***GOODS AND SERVICES TAX***

The Financial Statements have been prepared exclusive of Goods and Services Tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the Statement of Financial Position

## *Invercargill Venue & Events Management Limited*

### STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2015

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#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes 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 are shown within borrowings in current liabilities in the Statement of Financial Position.

#### **TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### **INVENTORY**

Inventory is initially recorded at cost. Goods held for sale are subsequently measured at lower of cost and their selling price.

#### **INCOME TAX**

The Company has elected not to apply the differential reporting exemptions for income tax under NZ IAS 12.

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor 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, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Financial Performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

## *Invercargill Venue & Events Management Limited*

### STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2015

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#### **FINANCIAL ASSETS**

Where applicable the Company classifies its financial assets into the following three categories: available for sale investments, loans and receivables and financial assets at fair value through surplus or deficit. The classification depends on the purpose for which the investments were acquired. Management determine the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs.

#### **a) Loans and receivables:**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Financial Performance.

Investments in this category include fixed term deposits.

#### **b) Property, plant and equipment:**

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

#### *Additions*

In most instances, an item of property, plant and equipment is recognised at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

The cost replacing part of an item of property, plant and equipment and ongoing costs is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Company and the cost of the item can be measured reliably.

All repairs and maintenance expenditure is charged to the Statement of Performance in the year in which the expense is

#### *Disposals :*

When an item of property, plant or equipment is disposed of, the gain or loss recognised in the Statement of Performance is calculated as the difference between the net proceeds from disposal and the carrying amount of the asset.

#### *Depreciation :*

Depreciation has been charged in the Financial Statements on the basis of the economic life rates recommended by the Inland Revenue Department as follows:

Motor vehicles	DV 20%
Plant	DV 20 - 50%

#### **FINANCIAL INSTRUMENTS**

The Company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

#### *Receivables*

Trade and other receivables are recognised initially at fair value. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other highly liquid short term investments that are readily convertible to a known amount of cash and are subject to an insignificant amount of risk of change in value.

#### *Trade and other payables*

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## ***Invercargill Venue & Events Management Limited***

### **STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2015**

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#### ***STATEMENT OF CASH FLOWS***

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Company invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the Company and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Company.

#### ***CHANGES IN ACCOUNTING POLICIES***

There are no changes in accounting policy during the year.

#### ***NEW STANDARDS ADOPTED***

There have been no new standards adopted during the financial year. The company has not elected to early adopt any new standards or interpretations that are issued but not yet effective.

#### ***NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE***

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for applications by public sector entities for reporting periods beginning on or after 1 July 2014. The Company has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Company will apply these updated standards in preparing its 30 June 2016 financial statements. The Company expects there will be minimal or no change in applying these updated accounting standards.

#### ***Amendments to NZ IFRS 9 - Financial Instruments***

The amendment comes into effect for fiscal years beginning on or after 1 January 2015.

NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*.

NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) standard and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit.

*Invercargill Venue & Events Management Limited*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1 EXPENDITURE	2015 \$	2014 \$
<i>Employee expenses</i>		
Wages and Salaries	365,762	345,384
Total employee expenses	365,762	345,384
Audit Remuneration to Audit New Zealand - audit of financial statements	6,425	6,368
Administration expenses	83,906	92,587
Operating expenses	79,003	71,887
<i>Total Expenditure</i>	535,096	516,226

2 PROPERTY, PLANT & EQUIPMENT

	Motor Vehicles \$	Plant \$	Total \$
<i>Cost</i>			
Balance at 1st July 2014	-	-	-
Additions	30,506	9,332	39,838
Disposals	-	-	-
Balance at 30th June 2015	30,506	9,332	39,838
Balance at 1st July 2013	-	-	-
Additions	-	-	-
Disposals	-	-	-
Balance at 30th June 2014	-	-	-
<i>Accumulated Depreciation</i>			
Balance at 1st July 2014	-	-	-
Depreciation expense	508	1,036	1,544
Balance at 30th June 2015	508	1,036	1,544
Balance at 1st July 2013	-	-	-
Depreciation expense	-	-	-
Balance at 30th June 2014	-	-	-
<i>Carrying amounts</i>			
At 1st July 2013	-	-	-
At 30th June 2014 and 1st July 2014	-	-	-
At 30 June 2015	29,998	8,296	38,294

*Invercargill Venue & Events Management Limited*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3 <i>INCOME TAX EXPENSE</i>	2015 \$	2014 \$
Current tax expense	-	18,753
Adjustment to current tax in prior periods	(17,685)	(1,943)
Deferred tax expense	1,223	(11,385)
<b>Total income tax expense</b>	<b>(16,462)</b>	<b>5,425</b>
<b><u>Reconciliation of effective tax rate</u></b>		
Profit for the year	43,058	66,617
Permanent differences	365	360
Profit excluding income tax	43,423	66,977
Tax at 28%	12,158	18,754
Tax exempt income	-	-
Under/(over) provided in prior periods	(17,685)	(13,329)
Group loss offset	(10,935)	-
<b>Total income tax expense</b>	<b>(16,462)</b>	<b>5,425</b>
Effective Tax Rate	-38%	8%

Invercargill City Council will transfer tax losses to Invercargill Venue and Events Management Limited of \$39,054 (2014: \$65,906).

	2015 \$	2014 \$
Imputation credits available for use in subsequent periods	NIL	NIL

4 *CASH AND CASH EQUIVALENTS*

	2015 \$	2014 \$
BNZ Operating Account	145,098	147,851
BNZ On Call account	-	20
Cash on Hand	1,400	1,250
<i>Total cash and cash equivalents</i>	<b>146,498</b>	<b>149,120</b>

5 *TRADE AND OTHER RECEIVABLES*

	2015 \$	2014 \$
Trade Debtors	67,758	37,103
Catering Receivables	-	662
<i>Total trade and other receivables</i>	<b>67,758</b>	<b>37,765</b>



*Invercargill Venue & Events Management Limited*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6 INVENTORY

	2015 \$	2014 \$
Items held for sale	3,314	-
<i>Total inventory</i>	3,314	-

7 DEFERRED TAX ASSETS AND LIABILITIES

<u>Movements in temporary differences during the year</u>		2015 \$	2014 \$
Balance as at 1 July		(9,836)	(1,764)
Recognised in profit or loss	Payables and provisions	741	(8,072)
Balance as at 30 June		(9,095)	(9,836)

8 TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Inland Revenue Department - Income Tax	-	17,203
Inland Revenue Department - GST	4,989	10,590
Accident Compensation Corporation	1,886	3,605
Invercargill City Council - accrued wages and salaries	24,170	26,877
Audit New Zealand - accrued audit fee	6,425	6,368
Trade Creditors	69,094	54,310
<i>(all trade creditors are current within 30 days)</i>		
<i>Total trade and other payables</i>	106,564	118,953

9 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES WITH REPORTED OPERATING SURPLUS

	2015 \$	2014 \$
Operating Surplus / (Deficit)	43,058	66,617
Add/(less) Non cash items		
<i>Depreciation</i>	1,544	0
Add/(Subtract) Movement in Other Working Capital Items:		
<i>(Increase) / Decrease in Accrued Revenue and Prepayments</i>	(26,660)	5,033
<i>Increase / (Decrease) in GST paid</i>	(7,889)	3,806
<i>(Increase) / Decrease in Tax paid</i>	(203)	(1,275)
<i>Increase / (Decrease) in Creditors and Accrued Expenditure</i>	8,704	2,833
<i>Increase / (Decrease) in Income in Advance</i>	21,975	3,047
<i>(Increase) / Decrease in Stock</i>	(3,314)	0
	(5,843)	13,444
Net Cash Inflow(Outflow) From Operating Activities	37,215	80,061

## ***Invercargill Venue & Events Management Limited***

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

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#### **10 FINANCIAL INSTRUMENTS**

##### **Credit Risk**

Financial instruments which potentially subject the Company to a credit risk consist principally of bank deposits and receivables. Bank deposits are placed with high credit quality financial institutions.

Security is not required for the provision of goods and services but regular monitoring of balances outstanding is undertaken.

##### **Market Risk**

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's revenue or the value of its holdings of financial instruments.

##### ***Foreign Exchange and Currency Risk***

The Company is not exposed to foreign exchange or currency risk.

##### ***Interest Rate Risk***

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Some of the cash and cash equivalents are short term deposits taken at fixed interest rates which expose the Trust to fair value interest rate risk, which is not significant as the fixed interest period is in the short term (less than 3 months).

The financial assets and liabilities are exposed to interest rate risk as follows:

##### **Financial Assets**

Cash and cash equivalents		Variable and fixed interest rates
Trade and other receivables	\$67,758 outstanding	Non interest bearing
0 - 30 days	\$66,638	
30 - 60 days	\$1,017	
60 - 90 days	\$0	
90 plus	\$103	

##### **Financial Liabilities**

Trade and other payables	\$106,564 outstanding	Non interest bearing
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Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Cash deposits at variable interest rates expose the Trust to cash flow interest rate risk.

##### ***- Sensitivity analysis on Financial Instruments***

Cash and cash deposits: If interest rates on deposits for the year at 30 June 2015 had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the surplus by \$884 (2014 : \$696)

##### **Liquidity Risk**

Liquidity Risk represents the Company's ability to meet its contractual obligations.

The Company monitors its liquidity requirements on an ongoing basis. In general, the Company generates sufficient cash from its operating activities to meet its contractual obligations arising from financial liabilities.

All of the Company's financial assets and liabilities (cash and equivalents, trade and other receivables, and trade and other payables) all have maturity dates within one year.

##### ***Fair Values***

The representatives consider the fair value of each class of financial instrument is the same as the carrying value in the Statement of Financial Position.

##### ***Off Balance sheet Financial Instruments***

The Company does not have any off-balance sheet financial instruments.

#### **11 POST BALANCE DATE EVENTS**

No post balance date events have occurred since balance date.

## *Invercargill Venue & Events Management Limited*

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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#### 12 RELATED PARTIES

	2015	2014
	\$	\$
<b>(a) Invercargill City Council</b>		
Revenue		
<i>Operational grants</i>	112,750	112,750
<i>Ticket Sales</i>	1,029,760	1,392,505
<i>Provision of goods and services</i>	43,670	15,372
<i>Total</i>	<u>1,186,180</u>	<u>1,520,627</u>

Invercargill City Council has an outstanding amount owing to Invercargill Venue and Events Management Ltd as at 30 June 2015 of \$1,924 (30 June 2014 - \$2,905).

Expenditure		
<i>Reimbursement of administration expenses</i>	372,590	355,211
<i>Provision of good &amp; services</i>	63,279	85,217
<i>Total</i>	<u>435,869</u>	<u>440,428</u>

Invercargill Venue and Events Management Ltd as an outstanding amount owing to the Invercargill City Council as 30 June 2015 of \$44,821 (30 June 2014 - \$42,259).

Invercargill City Council will transfer tax losses to Invercargill Venue and Events Management Limited of \$39,054 (2014: \$65,906).

#### 13 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 30 June 2015 (30 June 2014: nil).

#### 14 COMMITMENTS

There are no commitments contracted for at 30 June 2015 (30 June 2014: nil).

## Independent Auditor's Report

### To the readers of Invercargill Venue and Events Management Limited's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of Invercargill Venue and Events Management Limited (the company). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on her behalf.

#### Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the company on pages 7 to 19, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on page 6.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with NZ IFRS with differential reporting concessions.
- the performance information of the company presents fairly, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 23 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

## **Basis of opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## **Responsibilities of the Board of Directors**

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand and New Zealand equivalents to International Financial Reporting Standards with reduced disclosure requirements. The Board of Directors is also responsible for preparation of the performance information for the company.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

A handwritten signature in black ink, appearing to read "Ian Lothian". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ian Lothian  
Audit New Zealand  
On behalf of the Auditor-General  
Dunedin, New Zealand