

Invercargill Venue & Events Management Limited

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

Invercargill Venue & Events Management Limited

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Invercargill Venue & Events Management Limited

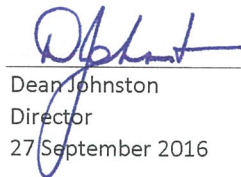
DIRECTORS' REPORT

The Board of Directors presents the annual report of Invercargill Venue & Events Management Limited, incorporating the financial statements and the independent auditor's report, for the year ended 30 June 2016.

For and on behalf of the Board of Directors who authorised these financial statements for issue on 27 September 2016.



Neil Boniface
Chairman
27 September 2016



Dean Johnston
Director
27 September 2016

Invercargill Venue & Events Management Limited

COMPANY DIRECTORY AND BOARD OF DIRECTORS

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

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 have 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 \$6559. 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 2016

OUTPUTS FOR THE YEAR ENDED 30 JUNE 2016

Below are the outputs planned by the organisation and the strategies that will be used to achieve these.

2016 Outputs	Strategies to achieve Outputs
Increasing public awareness and use of the Civic Theatre complex and its range of facilities.	<ul style="list-style-type: none"> • Book at least twelve major shows (nationally or internationally significant) per year for the Civic Theatre complex. • Increase bookings of the Civic Theatre complex by local groups and performers. • Increase bookings of the Civic Theatres' meeting spaces. • Run regular promotions and 'outreach' initiatives to raise awareness of the Civic Theatre complex in the Southland community.
Expanding the use and awareness of the Scottish Hall as a venue for meetings and a range of social and cultural experiences.	<ul style="list-style-type: none"> • Increase the bookings and use of the Scottish Hall. • Run regular promotions and 'outreach' initiatives to raise awareness of the Scottish Hall complex in the Southland community.
Operating the venue in a fiscally responsible manner that is self-sustaining.	<ul style="list-style-type: none"> • To have a Solvency ratio above 1 at each month end. • To have a Profitability ratio above 1 at year end
Recognising and promoting the cultural and historical significance of the Civic Theatre as an icon within the Southland region.	<ul style="list-style-type: none"> • Use of marketing and advertising materials to emphasises the historical significance of the Civic Theatre, and promote it as an iconic venue in Southland.
Maintaining and professionally managing the venue with a strong customer focus and a genuine, warm welcome to all theatre users and visitors.	<ul style="list-style-type: none"> • Hold regular staff meetings with the permanent staff to discuss weaknesses and strengths as well as discuss improvements that can be adopted. • Regular communication with casual staff to ensure they are aware of and are adopting the company's ideas and processes so a high level of service can be delivered to hirers and patrons.
Integrating the theatre into Invercargill's inner city as a vibrant place for shows and gatherings of all shapes and sizes, as well as providing regular opportunities for the general public to simply visit and enjoy the venue.	<ul style="list-style-type: none"> • Undertake numerous venue tours during the year to a wide cross section of the community. • Hold an Open Day every two years for all members of the public.
Building and maintaining co-operative, win-win relationships with relevant stakeholders in the region.	<ul style="list-style-type: none"> • Work with community groups & stakeholders on hosting events.

Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

OUTCOMES DELIVERED FOR THE YEAR ENDED 30 JUNE 2016

Below are the comparisons of the organisation's actual outcomes against planned outcomes as contained in the

Strategies to achieve Outputs	2015-16 Outcome	2015-16 Target	2014-15 Outcome
<ul style="list-style-type: none"> Book at least twelve major shows (nationally or internationally significant) per year for the Civic Theatre complex. 	16 major shows (Achieved)	12 major shows	22 major shows (Achieved)
<ul style="list-style-type: none"> Increase bookings of the Civic Theatre complex by local groups and performers. 	28 local bookings (Achieved)	Increase bookings from last year	25 local bookings (Not achieved)
<ul style="list-style-type: none"> Increase bookings of the Civic Theatres' meeting spaces. 	44 Victoria rooms bookings 70 Drawing room bookings = 114 Total room bookings (Achieved)	Increase bookings from last year	41 Victoria rooms bookings 47 Drawing room bookings = 88 Total room bookings (Not Achieved)
<ul style="list-style-type: none"> Increase the bookings and use of the Scottish Hall. 	35 Hall bookings (Achieved)	Increase bookings from last year	25 Hall bookings (Achieved)
<ul style="list-style-type: none"> Run regular promotions and 'outreach' initiatives to raise awareness of the Civic Theatre complex & Scottish Hall in the Southland community. 	Use of Civic Theatre Facebook page to reach a wide range of the public (1,681 Facebook followers) Use of ICC website to provide information on all upcoming shows at the venues, as well as providing all venue information re spaces for hire. Regular communications sent to the Friends of the Theatre database to inform on all events held at the Civic Theatre and material on our spaces for hire. (475 Friends) Booth at local wedding show	Continue to develop awareness program	Use of Civic Theatre Facebook page to reach a wide range of the public (1,381 Facebook followers) Use of ICC website to provide information on all upcoming shows at the venues, as well as providing all venue information re spaces for hire. Regular communications sent to the Friends of the Theatre database to inform on all events held at the Civic Theatre and material on our spaces for hire.

Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

Strategies to achieve Outputs	2015-16 Outcome	2015-16 Target	2014-15 Outcome
<ul style="list-style-type: none"> To have a Solvency ratio above 1 at each month end. 	1.08 at year end (Achieved for each month of the financial year)	Ratio of assets over liabilities of above 1	1.85 at year end (Achieved for each month of the financial year)
<ul style="list-style-type: none"> To have a Profitability ratio above 1 at year end 	-0.89 (Not achieved due to the cost of maintenance required for Rugby Park)	Ratio of income over expenses above 1	1.08 (Achieved)
<ul style="list-style-type: none"> Use of marketing and advertising materials to emphasises the historical significance of the Civic Theatre, and promote it as an iconic venue in Southland. 	Extensive advertising via The Southland Times, The Southland Express, They Eye, The Mirror, Fiordland Advocate, Mountain Scene and Otago Daily Times, along with several Bridal publications.	No Target Set	Extensive advertising via The Southland Times, The Southland Express, They Eye, The Mirror, Fiordland Advocate, Mountain Scene and Otago Daily Times, along with several bridal publications.
<ul style="list-style-type: none"> Hold regular staff meetings with the permanent staff to discuss weaknesses and strengths as well as discuss improvements that can be adopted. 	Ongoing	No Target Set	Ongoing
<ul style="list-style-type: none"> Regular communication with casual staff to ensure they are aware of and are adopting the company's ideas and processes so a high level of service can be delivered to hirers and patrons. 	Staff training evenings held twice yearly for casual staff.	No Target Set	Staff training evenings held twice yearly for casual staff.
	E-mails to inform of new initiatives, as and when required.	No Target Set	E-mails to inform of new initiatives, as and when required.
<ul style="list-style-type: none"> Undertake numerous venue tours during the year to a wide cross section of the community. 	6 tours given to community groups	No Target Set	N/A
<ul style="list-style-type: none"> Hold an Open Day every two years for all members of the public. 	13 September 2015	No Target Set	Nil

Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

Strategies to achieve Outputs	2015-16 Outcome	2015-16 Target	2014-15 Outcome
<ul style="list-style-type: none"> Work with community groups & stakeholders on hosting events. 	Work with Stadium Southland in attracting and hosting international events and share resources to reduce costs to both organisations.	No Target Set	Work with Stadium Southland in attracting and hosting international events and share resources to reduce costs to both organisations.
	Work with Invercargill Musical Theatre Inc to ensure good working relationships continue to be built.	No Target Set	Work with Invercargill Musical Theatre Inc to ensure good working relationships continue to be built.
	Work with Promoters to ensure Invercargill is a destination for their shows, by providing them with support and advice.	No Target Set	Work with Promoters to ensure Invercargill is a destination for their shows, by providing them with support and advice.
<ul style="list-style-type: none"> Develop a Business Plan to demonstrate how the Vision, Mission and Key Priorities of the Statement of Intent will be implemented. 	Business Plan on hold until Rugby Park ownership change is signed.	Develop Business Plan	Business Plan under development

Rugby Park:

This is the company's first year of managing Rugby Park Stadium in Invercargill. The company has been working with historic hirers of the venue to ensure continued use by existing hirers (i.e. Rugby Southland & The Highlanders), along with promoting the venue to attract new hirers (i.e. a local fireworks display).

Relationships have been established with a large number of Southland community groups, as well as Rugby Southland, to ensure current bookings are retained, and new ones are sought.

An initial maintenance program has been undertaken to raise the standard of the venue to a level which will ensure it's viability as a hireable venue for the future.

Invercargill Venue & Events Management Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	<i>Note</i>	2016 \$	2015 \$
Operating revenue		704,956	460,370
Grants revenue		212,750	112,750
REVENUE		917,706	573,120
Operating expenses	1	(1,051,007)	(535,096)
Depreciation of property, plant and equipment	2	(11,404)	(1,544)
OPERATING PROFIT / (LOSS) BEFORE TAX		(144,705)	36,480
Finance income	3	9,779	6,578
PROFIT / (LOSS) BEFORE INCOME TAX		(134,926)	43,058
Income tax expense	4	(37,471)	(16,462)
PROFIT / (LOSS) FOR THE YEAR		(97,455)	59,520
Other comprehensive income/(loss) for the year, net of income tax		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		(97,455)	59,520
Profit / (Loss) for the year attributable to:			
- Owners of the parent		(97,455)	59,520
		(97,455)	59,520
Total comprehensive income / (loss) attributable to:			
- Owners of the parent		(97,455)	59,520
		(97,455)	59,520

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 2016

	<i>Note</i>	2016 \$	2015 \$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	5	91,582	146,498
Trade and other receivables	6	157,239	67,758
Inventories	7	3,007	3,314
Current tax assets		5,398	2,171
TOTAL CURRENT ASSETS		257,226	219,741
<i>Non-current assets</i>			
Property, plant and equipment	2	40,327	38,294
Deferred tax assets	8	46,566	9,095
TOTAL NON-CURRENT ASSETS		86,893	47,389
TOTAL ASSETS		344,119	267,130
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	9	248,295	106,564
Revenue received in advance		70,449	37,736
TOTAL CURRENT LIABILITIES		318,744	144,300
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		318,744	144,300
NET ASSETS		25,375	122,830
EQUITY			
Equity attributable to owners of the parent:			
Share Capital	10	-	-
Retained Earnings		25,375	122,830
TOTAL EQUITY		25,375	122,830

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 2016

	Attributable to owners of the parent		Total Equity \$
	Share Capital \$	Retained Earnings \$	
Balance at 1 July 2014	-	63,310	63,310
Profit / (Loss) for the year	-	59,520	59,520
Other comprehensive income/(loss) for the year	-	-	-
Balance at 30 June 2015	-	122,830	122,830
Balance at 1 July 2015	-	122,830	122,830
Profit / (Loss) for the year	-	(97,455)	(97,455)
Other comprehensive income/(loss) for the year	-	-	-
Balance at 30 June 2016	-	25,375	25,375

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 2016

	<i>Note</i>	2016 \$	2015 \$
<i>Cash Flows from Operating Activities</i>			
Interest received		9,778	6,578
Operational revenue		827,362	512,457
Operational expenses		(921,251)	(529,707)
GST received		118,018	91,541
GST paid		(135,004)	(99,430)
Deposits received		62,845	55,317
Catering expenses paid		-	662
Tax refunds received		-	1,968
Tax paid		(3,227)	(2,171)
Net Cash Flow from Operating Activities	11	(41,479)	37,215
<i>Cash Flows from Investing Activities</i>			
Purchase of property, plant and equipment		(13,437)	(39,837)
Net Cash Flow from Investing Activities		(13,437)	(39,837)
Net Increase/ (Decrease) in Cash and Cash equivalents		(54,916)	(2,622)
Cash and Cash equivalents at the beginning of the year		146,498	149,120
Cash and Cash equivalents at the end of the year	5	91,582	146,498

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 2016

GENERAL INFORMATION

Invercargill Venue and Events Management Limited (the "Company") is a profit orientated entity incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company is a 100% owned subsidiary of Invercargill City Council.

The Company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002 and registered under the Companies Act 1993.

The primary objective of the Company is to manage and operate the Civic Theatre (Invercargill), Scottish Hall (Invercargill) and Rugby Park (Invercargill) as well as promote events in Southland.

Accordingly, the Company has designated itself as a profit orientated entity for the purpose of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The Company has elected to report in accordance with the Tier 2 for-profit Accounting Standards (NZ IFRS Reduced Disclosure Regime). The company is a qualifying Tier 2 entity as the entity does not have public accountability and it is not a large for-profit public sector entity.

The financial statements of the Company have been prepared in accordance with the requirements of the Local Government Act 2002 and Companies Act 1993.

The financial statements have been prepared on the historical cost basis, are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest whole dollar (\$0) unless otherwise specified.

The financial statements have been prepared on a going concern basis based on any deficit in year to year funding being met from Invercargill City Council.

The financial statements of the Company are for the year ended 30 June 2016 and were approved & authorised for issue by the Board of Directors on 27 September 2016.

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

CHANGES IN ACCOUNTING POLICIES

Except for the new accounting standards adopted, there have been no changes in accounting policy during the year. All accounting policies have been consistently applied throughout the period covered by these financial statements.

Invercargill Venue & Events Management Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REVENUE

Revenue is recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of refunds, allowances and discounts given.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

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.

Dividends are recognised when the right to receive payment has been established.

EXPENSES

All expenditure is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which it is incurred.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, it is then recognised as part of the related asset or expense.

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

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

INCOME TAX

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

Current income 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.

Invercargill Venue & Events Management Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

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 Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

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.

A provision for impairment of 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 receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

INVENTORIES

Inventories are valued at the lower of cost or net realisable value.

Net realisable value is the estimated selling price in ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The write down from cost to current realisable value is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Profit or Loss and Other Comprehensive Income.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or services potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Invercargill Venue & Events Management Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

Depreciation

Depreciation is provided on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- (a) Motor Vehicles 20% Diminishing Value
- (b) Plant & Equipment 20% - 67% Diminishing Value

The residual value, useful life and method of depreciation of an asset is reviewed, and adjusted if applicable, at each balance date.

FINANCIAL INSTRUMENTS

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Where applicable the Company classifies its financial assets into the following categories:

- a) Financial assets at fair value through profit or loss.
- b) Loans and receivables.
- c) Held to maturity financial assets.
- d) Available for sale financial assets.

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.

a) Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit. Derivatives are also categorised as held for trading unless they are designated as hedges.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This arises when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after balance date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

c) Held to maturity financial assets.

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

Invercargill Venue & Events Management Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

d) Available for sale financial assets.

Available for sale financial assets, comprising principally marketable equity securities are non-derivatives that are either designated in this category or not classified in any of the other categories. They are non-current assets unless management intends to dispose of the investment within 12 months of balance date. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity financial assets are carried at amortised cost using the effective interest method. Gains or losses arising from changes in fair value of the financial assets at fair value through profit or loss category, including interest and dividend income, are presented in the Statement of Profit or Loss and Other Comprehensive Income within other income or other expenses in the period in which they arise.

At each balance date, the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

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.

NEW STANDARDS ADOPTED

The company has elected to report in accordance with Tier 2 for-profit Accounting Standards (NZ IFRS Reduced Disclosure Regime). This is the first financial year this standard has been applied. No other new standards have been 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

Except for changes detailed below there are no other standards or interpretations that have been issued but not yet effective, that have been currently assessed as being applicable to the Company

Amendments to NZ IFRS 9 - Financial instruments

The amendment comes into effect for fiscal years beginning on or after 1 January 2018.

The final version of NZ IFRS 9 Financial Instruments brings together the classification and measurement, impairment and hedge accounting phases of the International Accounting Standards Board's project. The standard will replace NZ IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of NZ IFRS 9. An entity may elect to apply earlier versions of NZ IFRS 9 if, and only if, the entity's relevant date of initial application is before 1 February 2015. Otherwise, early application is only permitted if the complete version of NZ IFRS 9 is adopted in its entirety for reporting periods beginning after 4 September 2014. The transition to NZ IFRS 9 differs by requirements and is partly retrospective and partly prospective. Despite the requirement to apply NZ IFRS 9 in its entirety, entities may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements in the standard. An entity that elects to do so is required to disclose that fact and provide the related disclosures set out in paragraphs 10-11 of NZ IFRS 7 Financial Instruments: Disclosures.

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 OPERATING EXPENSES

	2016 \$	2015 \$
<i>Employee expenses</i>		
Wages and Salaries	448,179	365,762
Total employee expenses	448,179	365,762
Audit Remuneration to Audit New Zealand - audit of financial statements	6,559	6,425
Administration expenses	105,168	83,906
Operating expenses	491,101	79,003
<i>Total Expenditure</i>	1,051,007	535,096

2 PROPERTY, PLANT & EQUIPMENT

	Motor Vehicles \$	Plant \$	Total \$
Cost			
Balance at 1st July 2015	30,506	9,332	39,838
Additions	-	13,437	13,437
Disposals	-	-	-
Balance at 30th June 2016	30,506	22,769	53,275
Balance at 1st July 2014	-	-	-
Additions	30,506	9,332	39,838
Disposals	-	-	-
Balance at 30th June 2015	30,506	9,332	39,838
Accumulated Depreciation			
Balance at 1st July 2015	508	1,036	1,544
Depreciation expense	6,000	5,404	11,404
Balance at 30th June 2016	6,508	6,440	12,948
Balance at 1st July 2014	-	-	-
Depreciation expense	508	1,036	1,544
Balance at 30th June 2015	508	1,036	1,544
Carrying amounts			
At 1st July 2014	-	-	-
At 30th June 2015 and 1st July 2015	29,998	8,296	38,294
At 30 June 2016	23,998	16,329	40,327

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3 FINANCE INCOME	2016 \$	2015 \$
Interest income from cash & cash equivalents	9,779	6,578
Total Finance income	9,779	6,578
4 INCOME TAX EXPENSE	2016 \$	2015 \$
Current tax expense	-	-
Adjustment to current tax in prior periods	-	(17,685)
Deferred tax expense	(4,134)	1,223
Tax losses carried forward	(33,337)	-
Total deferred tax expense	(37,471)	(16,462)
Total income tax expense	(37,471)	(16,462)
Reconciliation of effective tax rate		
Profit / (Loss) for the year	(134,926)	43,058
Permanent differences	1,100	365
Profit excluding income tax	(133,826)	43,423
Tax at 28%	(37,471)	12,158
Tax exempt income	-	-
Under/(over) provided in prior periods	-	(17,685)
Group loss offset	-	(10,935)
Total income tax expense	(37,471)	(16,462)
Effective Tax Rate	28%	-38%

Invercargill City Council will transfer tax losses to Invercargill Venue and Events Management Limited of \$0 (2015: \$39,054).

	2016 \$	2015 \$
Imputation credits available for use in subsequent periods	NIL	NIL
5 CASH AND CASH EQUIVALENTS	2016 \$	2015 \$
BNZ Operating Account	90,182	145,098
Cash on Hand	1,400	1,400
Total cash and cash equivalents	91,582	146,498

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

6 TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
Inland Revenue Department - GST	20,236	-
Trade Receivables	137,003	67,758
<i>Total trade and other receivables</i>	157,239	67,758

All amounts are short-term and non-interest bearing. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

7 INVENTORY

	2016 \$	2015 \$
Items held for sale	3,007	3,314
<i>Total inventory</i>	3,007	3,314

8 DEFERRED TAX ASSETS AND LIABILITIES

<u>Movements in temporary differences during the year</u>		2016 \$	2015 \$
Balance as at 1 July		9,095	9,836
Recognised in profit or loss:			
	Payables and provisions	4,134	(741)
	Tax losses	33,337	-
Balance as at 30 June		46,566	9,095

9 TRADE AND OTHER PAYABLES

	2016 \$	2015 \$
Inland Revenue Department - GST	-	4,989
Accident Compensation Corporation	2,197	1,886
Invercargill City Council - accrued wages and salaries	38,489	24,170
Audit New Zealand - accrued audit fee	6,559	6,425
Trade Payables	201,050	69,094
<i>Total trade and other payables</i>	248,295	106,564

Trade payables are non-interest bearing and normally settled on 30-day terms. All other payables have an average term of six months. The carrying values of trade & other payables are considered to be a reasonable approximation of fair value.

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

10 SHARE CAPITAL

The share capital of Invercargill Venue and Events Management Ltd consists of 100 ordinary shares issued but not paid; the shares do not have a par value; All shares are equally eligible to receive dividends and the repayment of capital and represents one vote at the shareholders' meeting of Invercargill Venue and Events Management Ltd.

11 RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES WITH REPORTED PROFIT / (LOSS) BEFORE INCOME TAX

	2016 \$	2015 \$
PROFIT / (LOSS) BEFORE INCOME TAX	(134,926)	43,058
Add/(Less) Non cash items		
<i>Depreciation</i>	11,404	1,544
Add/(Subtract) Movement in Other Working Capital Items:		
<i>(Increase) / Decrease in Accrued Revenue and Prepayments</i>	(60,213)	(26,660)
<i>Increase / (Decrease) in GST paid</i>	(16,986)	(7,889)
<i>(Increase) / Decrease in Tax paid</i>	(3,227)	(203)
<i>Increase / (Decrease) in Payables and Accrued Expenditure</i>	129,450	8,704
<i>Increase / (Decrease) in Revenue in Advance</i>	32,712	21,975
<i>(Increase) / Decrease in Stock</i>	307	(3,314)
	93,447	(5,843)
Net Cash Flow from Operating Activities	(41,479)	37,215

12 RELATED PARTIES

	2016 \$	2015 \$
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(a) Invercargill City Council

The company is a wholly owned business of Invercargill City Council. During the year, the following transactions took place:

Revenue

<i>Operational grants</i>	212,750	112,750
<i>Ticket Sales</i>	-	1,029,760
<i>Provision of goods and services</i>	59,154	43,670
Total	271,904	1,186,180

Invercargill City Council has an outstanding amount owing to Invercargill Venue and Events Management Ltd as at 30 June 2016 of \$12,845 (30 June 2015 - \$1,924).

During the 2014/15 year, Invercargill Venue & Events Management Limited took back the ticket processing from Invercargill City Council.

Expenditure

<i>Reimbursement of administration expenses</i>	441,188	372,590
<i>Provision of good & services</i>	66,711	63,279
Total	507,899	435,869

Invercargill Venue and Events Management Ltd has an outstanding amount owing to the Invercargill City Council as 30 June 2016 of \$44,592 (30 June 2015 - \$44,821).

Invercargill City Council will transfer tax losses to Invercargill Venue and Events Management Limited of \$NIL (2015: \$39,054).

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

13 FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially subject the Company to a credit risk consist principally of cash, cash equivalents and receivables. Cash is placed with banks with high credit ratings assigned by international credit-rating agencies, or other 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	\$157,239 outstanding	Non interest bearing
0 - 30 days	\$139,918	
30 - 60 days	\$1,357	
60 - 90 days	\$3,014	
90 plus	\$12,950	

Financial Liabilities

Trade and other payables	\$248,295 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 2016 had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the operating profit / (loss) by \$1,855 (2015 : \$884)

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.

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

14 POST BALANCE DATE EVENTS

No post balance date events have occurred since balance date.

15 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 30 June 2016 (30 June 2015: nil).

16 COMMITMENTS

There are no commitments contracted for at 30 June 2016 (30 June 2015: 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 2016

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 10 to 24, that comprise the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 7 to 9.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; 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.
- the performance information of the company 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 2016.

Our audit was completed on 27 September 2016. 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 appropriateness of the reported performance information within the company's framework for reporting performance;
- 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. 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 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.



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