



INVERCARGILL
venue and events management ltd.

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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, for the year ended 30 June 2019.

The shareholders of the company have exercised their right under Section 211(3) of the Companies Act 1993 and all shareholders agree that the annual report of the company need not comply with paragraphs (a) and (e) to (j) of section 211(1) of the Act.

For and on behalf of the Board of Directors who authorised these financial statements for issue on 19 September 2019.

Darren Ludlow
Chairperson
19 September 2019

Lindsay Abbott
Director
19 September 2019

Invercargill Venue & Events Management Limited

COMPANY DIRECTORY AND BOARD OF DIRECTORS

Directors

Darren Ludlow
Lindsay Abbott
Toni Biddle

Chairperson
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

Invercargill Venue & Events Management Limited

STATUTORY INFORMATION

Directors Remuneration

Darren Ludlow	Nil
Toni Biddle	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.

Recommended Dividend

There is no dividend recommended

Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

OUTPUTS FOR THE YEAR ENDED 30 JUNE 2019

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

2019 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.
Expanding the use and awareness of Rugby Park as a venue for meetings and a range of social, cultural & sporting experiences.	<ul style="list-style-type: none"> • Increase the bookings and use of the Rugby Park. • Run regular promotions and 'outreach' initiatives to raise awareness of the Rugby Park 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 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 venues as vibrant places 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 venues.	<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.

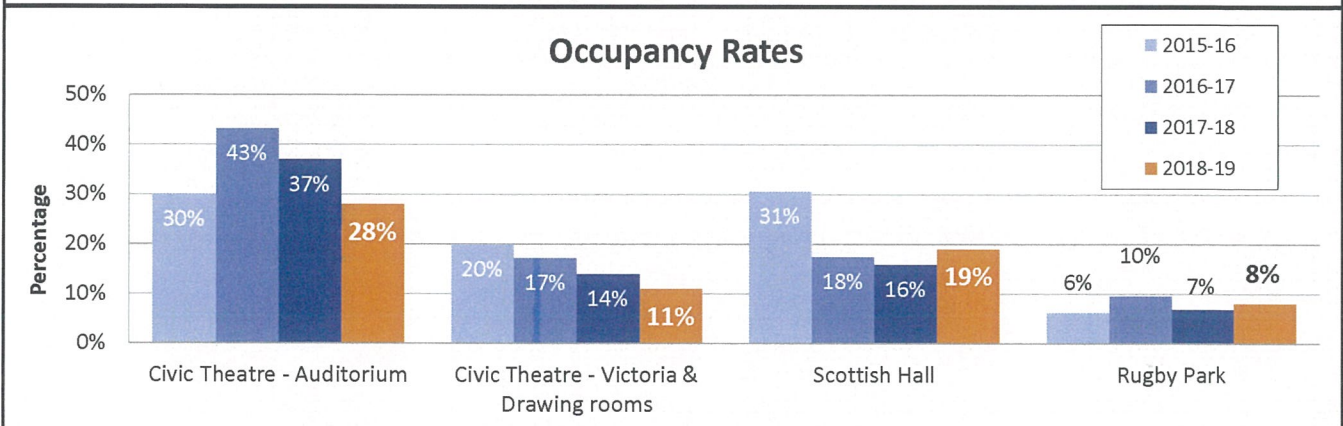
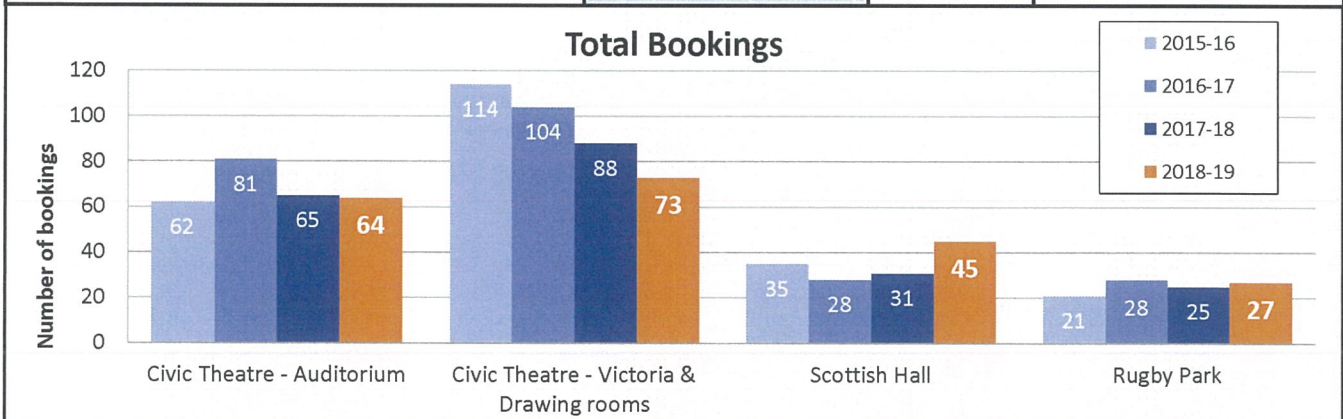
Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

OUTCOMES DELIVERED FOR THE YEAR ENDED 30 JUNE 2019

Below are the comparisons of the organisation’s actual outcomes against planned outcomes as contained in the Statement of Intent for the 2018 / 2019 financial year.

Strategies to achieve Outputs	2018-19 Outcome	2018-19 Target	2017-18 Outcome
<ul style="list-style-type: none"> Book at least twelve major shows (nationally or internationally significant) per year for the Civic Theatre complex. 	23 major shows (All venues) (Achieved)	12 major shows	20 major shows (All venues) (Achieved)
<ul style="list-style-type: none"> Increase bookings of the Civic Theatre complex by local groups and performers. 	27 local bookings (Achieved)	Increase from last year	30 local bookings (Achieved)
<ul style="list-style-type: none"> Increase bookings and occupancy rate of each venue. 	See below	Increase from last year	See below



A booking is generated when a venue has been hired out for a period of time.

The occupancy rate is the percentage of time a venue is hired for over the total time the venue is available to be hired.

Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Strategies to achieve Outputs	2018-19 Outcome	2018-19 Target	2017-18 Outcome
<ul style="list-style-type: none"> Run regular promotions and 'outreach' initiatives to raise awareness of the venues in the Southland community. 	<p>Use of Civic Theatre Facebook page to reach a wide range of the public (3,164 Facebook followers)</p> <hr/> <p>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.</p> <hr/> <p>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. (552 Friends)</p>	<p>Continue to develop awareness program</p>	<p>Use of Civic Theatre Facebook page to reach a wide range of the public (2,501 Facebook followers)</p> <hr/> <p>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.</p> <hr/> <p>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. (528 Friends)</p>
<ul style="list-style-type: none"> To have a Solvency ratio above 1 at each month end. 	<p>2.97 at year end (Achieved for each month of the financial year)</p>	<p>Ratio of assets over liabilities of above 1</p>	<p>2.39 at year end (Achieved for each month of the financial year)</p>
<ul style="list-style-type: none"> To have a Profitability ratio above 1 at year end. 	<p>1.05 (Achieved)</p>	<p>Ratio of income over expenses above 1</p>	<p>1.15 (Achieved)</p>

Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Strategies to achieve Outputs	2018-19 Outcome	2018-19 Target	2017-18 Outcome
<ul style="list-style-type: none"> Use of marketing and advertising materials to emphasises the significance of each venue, and promote it as an iconic venue in Southland. 	Extensive advertising via The Southland Times, The Southland Express, along with several Bridal publications.	Maintain advertising levels in line with last year	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	Ongoing meetings as & when required	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. 	2 held in 2018/19	2 staff training evenings with casual staff.	1 held in 2017/18
	6 E-mails sent in 2018/19	Email to inform of new initiatives	3 E-mails sent in 2017/18
<ul style="list-style-type: none"> Undertake numerous venue tours during the year to a wide cross section of the community. 	8 tour given to community groups	When opportunity arise	6 tour given to community groups
<ul style="list-style-type: none"> Hold an Open Day every two years for all members of the public. 	None held in 2018/19	None for 2018/19	Held in October 2017

Invercargill Venue & Events Management Limited

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Strategies to achieve Outputs	2018-19 Outcome	2018-19 Target	2017-18 Outcome
<ul style="list-style-type: none"> Work with community groups & stakeholders on hosting events. 	<p>Work with Stadium Southland in attracting and hosting international events and share resources to reduce costs to both organisations.</p>	<p>Work with various local, national & international partners</p>	<p>Work with Stadium Southland in attracting and hosting international events and share resources to reduce costs to both organisations.</p>
	<p>Work with Invercargill Musical Theatre Inc to ensure good working relationships continue to be built.</p>		<p>Work with Invercargill Musical Theatre Inc to ensure good working relationships continue to be built.</p>
	<p>Work with Promoters to ensure Invercargill is a destination for their shows, by providing them with support and advice.</p>		<p>Work with Promoters to ensure Invercargill is a destination for their shows, by providing them with support and advice.</p>

Invercargill Venue & Events Management Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	<i>Note</i>	2019 \$	2018 \$
Operating revenue		625,366	597,087
Grants revenue		150,000	305,942
Gain on Disposal of Assets		7,713	-
REVENUE		783,079	903,029
Operating expenses	1	(742,039)	(782,305)
Depreciation of property, plant and equipment	2	(8,290)	(9,504)
OPERATING PROFIT / (LOSS) BEFORE TAX		32,750	111,220
Finance income		5,559	6,080
PROFIT / (LOSS) BEFORE INCOME TAX		38,309	117,300
Income tax expense	3	4,810	(2,691)
PROFIT / (LOSS) FOR THE YEAR		33,499	119,991
Other comprehensive income/(loss) for the year, net of income tax		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		33,499	119,991
Profit / (Loss) for the year attributable to:			
- Owners of the parent		33,499	119,991
		33,499	119,991
Total comprehensive income / (loss) attributable to:			
- Owners of the parent		33,499	119,991
		33,499	119,991

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 2019

	<i>Note</i>	2019 \$	2018 \$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	4	316,069	314,774
Trade and other receivables	5	87,599	54,735
Inventories - Finished Goods	6	2,632	2,912
Current tax assets		2,313	2,271
TOTAL CURRENT ASSETS		408,613	374,692
<i>Non-current assets</i>			
Property, plant and equipment	2	-	30,229
Deferred tax assets	7	10,132	14,942
TOTAL NON-CURRENT ASSETS		10,132	45,171
TOTAL ASSETS		418,745	419,863
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	8	123,369	158,861
Revenue received in advance		17,829	16,954
TOTAL CURRENT LIABILITIES		141,198	175,815
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		141,198	175,815
NET ASSETS		277,547	244,048
EQUITY			
Equity attributable to owners of the parent:			
Share Capital	9	-	-
Retained Earnings		277,547	244,048
TOTAL EQUITY		277,547	244,048

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 2019

	<u>Attributable to owners of the parent</u>		Total Equity \$
	Share Capital \$	Retained Earnings \$	
Balance at 1 July 2017	-	124,057	124,057
Profit / (Loss) for the year	-	119,991	119,991
Other comprehensive income/(loss) for the year	-	-	-
Balance at 30 June 2018	-	244,048	244,048
Balance at 1 July 2018	-	244,048	244,048
Profit / (Loss) for the year	-	33,499	33,499
Other comprehensive income/(loss) for the year	-	-	-
Balance at 30 June 2019	-	277,547	277,547

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 2019

	<i>Note</i>	2019	2018
		\$	\$
<i>Cash Flows from Operating Activities</i>			
Interest received		5,559	6,080
Operational revenue		719,472	867,033
Operational expenses		(775,256)	(753,283)
GST received		107,759	113,781
GST paid		(114,036)	(106,687)
Deposits received		28,187	29,374
Catering expenses paid		-	261
Tax refunds received		1,793	788
Tax paid		(1,835)	(2,006)
Net Cash Flow from / to Operating Activities	10	(28,357)	155,341
<i>Cash Flows from Investing Activities</i>			
Purchase of property, plant and equipment	2	(3,550)	(1,770)
Proceeds from sale of property, plant and equipment		33,202	-
Net Cash Flow from / to Investing Activities		29,652	(1,770)
Net Increase/ (Decrease) in Cash and Cash equivalents		1,295	153,571
Cash and Cash equivalents at the beginning of the year		314,774	161,203
Cash and Cash equivalents at the end of the year	4	316,069	314,774

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 2019

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 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 2019 and is exempted under Section 7 from being a council controlled trading organisation for the purposes of section 6 of the Local Government Act 2002.

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

CHANGES IN ACCOUNTING POLICIES

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 2019

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.

Revenue from grants is recognised when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Interest revenue is recognised using the effective interest rate method.

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.

Invercargill Venue & Events Management Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2019

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.

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.

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.

Invercargill Venue & Events Management Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2019

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.

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

Invercargill Venue & Events Management Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2019

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.

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.

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 2019

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.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates, assumptions and critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Employee benefits

Provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and the liability is capable of being reliable measurement. Provisions made are measured at their normal rates using the remuneration rate expected to apply at the time of settlement.

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 OPERATING EXPENSES	2019	2018
	\$	\$
Audit Remuneration to Audit New Zealand - audit of financial statements	-	10,726
Staffing expenses	493,054	516,083
Administration expenses	69,314	76,914
Operating expenses	179,671	178,582
<i>Total Expenditure</i>	742,039	782,305

2 PROPERTY, PLANT & EQUIPMENT

	Motor Vehicles	Plant	Total
	\$	\$	\$
Cost			
Balance at 1 July 2018	30,506	33,096	63,602
Additions	-	3,550	3,550
Disposals	(30,506)	(36,646)	(67,152)
Balance at 30 June 2019	-	-	-
Balance at 1 July 2017	30,506	31,326	61,832
Additions	-	1,770	1,770
Disposals	-	-	-
Balance at 30 June 2018	30,506	33,096	63,602
Accumulated Depreciation			
Balance at 1 July 2018	15,147	18,226	33,373
Depreciation expense	3,072	5,218	8,290
Disposals	(18,219)	(23,444)	(41,663)
Balance at 30 June 2019	-	-	-
Balance at 1 July 2017	11,308	12,561	23,869
Disposals	3,839	5,665	9,504
Balance at 30 June 2018	15,147	18,226	33,373
Carrying amounts			
At 1 July 2017	19,198	18,765	37,963
At 30 June 2018	15,359	14,870	30,229
At 30 June 2019	-	-	-

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3 INCOME TAX EXPENSE	2019	2018
	\$	\$
Deferred tax expense	4,810	(2,691)
Total income tax expense	4,810	(2,691)
Reconciliation of effective tax rate		
Profit / (Loss) for the year	38,309	117,300
Permanent differences	-	482
Profit excluding income tax	38,309	117,782
Tax at 28%	10,727	32,979
Tax exempt income	-	-
Under/(over) provided in prior periods	-	-
Group loss offset	(5,916)	(35,670)
Total income tax expense	4,811	(2,691)
Effective Tax Rate	28%	28%

Invercargill City Council will transfer tax losses to Invercargill Venue and Events Management Limited of \$21,130 (2018: \$127,394).

	2019	2018
	\$	\$
Imputation credits available for use in subsequent periods	NIL	NIL

4 CASH AND CASH EQUIVALENTS	2019	2018
	\$	\$
BNZ Operating Account	314,669	313,374
Cash on Hand	1,400	1,400
Total cash and cash equivalents	316,069	314,774

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5 TRADE AND OTHER RECEIVABLES

	2019 \$	2018 \$
Trade Receivables	87,599	54,735
<i>Total trade and other receivables</i>	87,599	54,735

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

6 INVENTORY

	2019 \$	2018 \$
Items held for sale	2,632	2,912
<i>Total inventory</i>	2,632	2,912

In 2019, a total of \$23,108 of inventories was included in profit and loss as an expense (2018: \$28,644). There was no write down of inventories during the year (2018: \$0).

7 DEFERRED TAX ASSETS AND LIABILITIES

	2019 \$	2018 \$
<u>Movements in temporary differences during the year</u>		
Balance as at 1 July	14,942	12,251
Recognised in profit or loss:		
Payables and provisions	(4,810)	2,691
Tax losses	-	-
Balance as at 30 June	10,132	14,942

8 TRADE AND OTHER PAYABLES

	2019 \$	2018 \$
Inland Revenue Department - GST	10,150	8,440
Accident Compensation Corporation	5,011	2,563
Invercargill City Council - accrued wages and salaries	68,823	77,558
Audit New Zealand - accrued audit fee	-	10,726
Trade Payables	39,385	59,573
<i>Total trade and other payables</i>	123,369	158,861

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 2019

9 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.

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

	2019 \$	2018 \$
PROFIT / (LOSS) BEFORE INCOME TAX	38,309	117,300
Add/(Less) Non cash items		
<i>Depreciation</i>	8,290	9,504
Add/(Subtract) Movement in Other Working Capital Items:		
<i>(Increase) / Decrease in Accrued Revenue and Prepayments</i>	(28,572)	4,982
<i>Increase / (Decrease) in GST paid</i>	(6,277)	7,095
<i>(Increase) / Decrease in Tax paid</i>	(42)	(1,218)
<i>Increase / (Decrease) in Payables and Accrued Expenditure</i>	(33,502)	17,575
<i>Increase / (Decrease) in Revenue in Advance</i>	870	661
<i>(Increase) / Decrease in Property, Plant and Equipment</i>	(7,713)	0
<i>(Increase) / Decrease in Stock</i>	280	(558)
	<u>(66,666)</u>	<u>38,041</u>
Net Cash Flow from Operating Activities	<u>(28,357)</u>	<u>155,341</u>

11 RELATED PARTIES

	2019 \$	2018 \$
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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>	150,000	305,942
<i>Provision of goods and services</i>	191,427	44,748
<i>Total</i>	<u>341,427</u>	<u>350,690</u>

Invercargill City Council has an outstanding amount owing to Invercargill Venue and Events Management Ltd as at 30 June 2019 of \$39,741 (2018 - \$610).

Expenditure

<i>Reimbursement of administration expenses</i>	495,459	519,234
<i>Provision of good & services</i>	35,064	44,508
<i>Total</i>	<u>530,523</u>	<u>563,742</u>

Invercargill Venue and Events Management Ltd has an outstanding amount owing to the Invercargill City Council as 30 June 2019 of \$78,624 (30 June 2018 - \$91,595).

Invercargill City Council will transfer tax losses to Invercargill Venue and Events Management Limited of \$21,130 (2018: \$127,394).

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

(b) Invercargill City Charitable Trust

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

Expenditure

<i>Provision of good & services</i>	15,373	15,431
<i>Total</i>	<u>15,373</u>	<u>15,431</u>

Invercargill Venue and Events Management Ltd has an outstanding amount owing to the Invercargill City Charitable Trust as 30 June 2019 of \$11,699 (2018 - \$11,500).

12 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).

Invercargill Venue & Events Management Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

Financial Assets

Cash and cash equivalents	\$316,069	Variable and fixed interest rates
Trade and other receivables	\$87,599	Outstanding & non interest bearing
0 - 30 days	\$85,761	
30 - 60 days	\$198	
60 - 90 days	\$250	
90 plus	\$1,391	

Financial Liabilities

Trade and other payables	\$123,369	Outstanding & non interest bearing
0 - 30 days	\$123,369	
30 - 60 days	\$0	
60 - 90 days	\$0	
90 plus	\$0	

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

- Sensitivity analysis on Financial Instruments

Cash and cash deposits: If interest rates on deposits for the year at 30 June 2019 had fluctuated by plus or minus 0.5%, the effect would have been to increase/decrease the operating profit / (loss) by \$1,577 (2018 : \$1,740)

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.

13 POST BALANCE DATE EVENTS

No post balance date events have occurred since balance date.

14 CONTINGENCIES

There are no known contingent liabilities or contingent assets at 30 June 2019 (2018: nil).

15 COMMITMENTS

There are no capital or operating lease commitments contracted for at 30 June 2019 (2018: nil).