

WELLINGTON VENUES LIMITED

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POSITIVELY  
WELLINGTON  
VENUES



2012/2013

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**ANNUAL REPORT**

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## From the Chair

**As Chairman of the Board of Positively Wellington Venues (PWV) I am very pleased to be delivering our 2012/13 Annual Report.**



This has been a year of significant milestones for the PWV business and I would like to acknowledge the contribution of the Board, the commitment of the leadership team and the role of the many supporters and suppliers and external hirers who have helped us to achieve such a pleasing outcome.

Not only have we delivered a better than budget financial result, but we made a considerable contribution to community events and we have added to our portfolio of venues in a way that will create a very real competitive edge for Wellington in the coming years.

### Successful Commercial Performance

2012/13 was our second full year of trading as a Council Controlled Trading Organisation and we were able to deliver a significant improvement in our financial performance with a trading profit of \$66,000 vs. a budgeted profit of \$1,000.

Prior to the merger of the Wellington Convention Centre and St James Theatre Trust and the establishment of PWV as a CCTO, it has been estimated that WCC subsidised the Convention Centre business by more than \$1million per annum.

In 2011/12 PWV posted a net trading loss of \$458,000 vs. a budgeted loss of \$507,000.

The 2012/13, better than breakeven result, represents a hard-earned turn around in performance in a trading environment that has delivered ongoing management challenges.

Total revenue in 2012/13 was \$15, 816, 000 – an improvement of \$1,005,000 over the previous year, gross profit was \$626,000 higher and total expenses were reduced by \$141,000 over 2011/12.

### Significant Community Outcomes

While such a significant improvement in PWV's commercial performance is fundamental to the ongoing success of the business and the positive contribution that it can make to Wellington, the more significant achievement is that this result was delivered while supporting a range of City and community events to the value of almost \$2m.

The specific details of the PWV support for events like WOW, The Festival of the Arts, the NZSO and other performing arts organisations as well as sporting events are bound by confidentiality agreements. However, we are pleased to be able to make such a substantial contribution to a range of events and organisations that help to define the cultural vibrancy that Wellington is known for both domestically and internationally and the economic vitality that Wellington needs to survive and grow.

## Strategic Growth Opportunities

A significant part of the Board's agenda throughout the 2012/13 financial year was the redevelopment of Shed 6 and the Plimmer's Ark Gallery.

The redevelopment of Shed 6 was overseen by a project steering group that was chaired by PWV director Lorraine Witten and while the steering group was responsible for the "on time and on budget" delivery of the project, the Board maintained an active interest in ensuring that the commitment that we made to deliver the rebuild for \$4 million to WCC as our shareholder was met.

Opened by the Prime Minister and Mayor Wade Brown on 21 August 2013, Shed 6 and the refitted Arcade that link it to the TSB Bank Arena will provide both PWV and the City with a "first-of-its-kind" venue offering in Wellington.

Developed as a temporary replacement for the Wellington Town Hall, PWV remains of the view that not only will the short term cover provided by the Shed 6 development deliver immediate and significant benefits to the City, but when the Town Hall comes back on line in 2016, Wellington will have two significant mid to large scale venues on offer – an offering that will be unique to Wellington.

The Board and Management of PWV are currently engaged in developing an accelerated growth strategy to enable us to capitalise on this opportunity and to further strengthen Wellington's competitiveness in the local and international Meetings, Incentives, Conventions and Events (MICE) and live performance markets.

Finally on behalf of the Board, I want to acknowledge the unstinting efforts of our CEO Glenys Coughlan and her leadership team during the year. We are proud of what we were able to deliver in 2012/13 and very enthusiastic about what we can deliver in the 'coolest little capital' in the years ahead.

*Chris Parkin*

*Chairman*

## From the CEO



### Building the business

2012/13 was the midpoint in our three year “merge, build, grow” strategy.

As we outlined in our 2012/13 Statement of Intent (SOI), our first (transition) year of operation involved merging the two pre-existing businesses while confronting the challenges involved in losing an anchor venue (The Wellington Town Hall) from our portfolio.

Our second year has been all about building the business – including improving our financial performance, finalising changes to our organisation structure to better align the business with our three main revenue streams – shows and performances, conventions and events and food and beverage - improving our market development and sales conversion efforts and ensuring that we could build a venue capable of replacing the capacity and functionality of the Wellington Town Hall.

It is great to report that we have been successful in putting all of these building blocks in place during the 2012/13 financial year in order to deliver on our intent of ensuring that the business can continue to be self sufficient and capable of further growth.

We are pleased to be delivering a better than budget financial result – a trading surplus of \$66,000 vs a budgeted surplus of \$1000 - especially given the challenges that we faced in the fourth quarter of our financial year and the fact that we were hovering around break even for the nine months prior to that.

All things considered, generating a surplus of \$66,000 was a great result for the year and I would like to thank both the Board and the management team for their guidance and commitment in achieving this substantial improvement in our performance. There were a number of occasions on which we had to make some tough calls to realise savings in the business and other times where we had to drive hard to land new business. The response from the team was always based on “whatever it takes” we will give it our best shot.

### Growing the economy

We are proud to provide a summary of our 2012/13 business highlights on pages 7 to 10.

It has been a busy and successful year on both the “show” and “grow” sides of the business.

In the Show & Performance area ticket sales were up 14% over the previous year with 41 sell out shows across a wide range of genres – including a strong boost in family oriented shows.

We know that on average about 33% of those who purchased tickets to a show travelled from outside Wellington to attend the performance. And, we know that these out of town visitors stay for an average of two days and spend on average an additional \$258 during their time in Wellington (meaning, in addition to what they pay for their tickets).

As a conservative estimate this means that visitors attending shows in our venues would have injected approximately \$23.5 million into the Wellington economy – and that’s something we are both keen and committed to see grow.

Our conference business was up by 10% with a 44% increase in the number of attendees at conferences in our venues when compared with the previous year.

Of the \$110m total convention delegate spend in Wellington, PWV accounts for a 40% share of the value of that market. Close to half of that delegate spend is from out of town delegates pegging the contribution from convention business to match the out of town spend associated with our live performances.

## Living the brand

We have put a great deal of emphasis on understanding the contribution that we can make to adding to the vibrancy and vitality of the Destination Wellington story.

The launch of “LIVE in Wellington” was designed to create a vehicle that would enable our hirers to talk to their audiences in an engaging and creative way. While we can’t claim all of the success as ours, a 14% increase in ticket sales to our live events must tell us something?

The re-launch of the Wellington Conventions and Events expo as “Show me Wellington” was also done to inspire, engage and create a better platform from which we can showcase why Wellington is such a cool place to host conferences and events. We have deliberately targeted more out of town buyers to attend this revamped showcase.

Our new uniform was designed to reflect our passion for the venues that we so proudly represent. The fabric design is based on the quirky illustrations we use in our “precinct map” ‘specially designed for us to promote the unique character and walkability of the venues that we have in our portfolio - all right in the heart of Wellingtons arts and entertainment precinct.

Shed 6 and the complete makeover of the old Plimmer’s Ark Gallery is a reflection of what Wellington can “pull off” when we set our minds to it. To be able to offer such a sophisticated space to the market without breaking the bank is something that we can all be proud of.

Internally, we have rolled out a PDP programme and we will continue to invest in up skilling our team in areas that are critical to safety and success in the business.

We are working on a programme to develop and refresh the service attitudes and styles that we know are required to create the kind of absolutely positive customer experiences that will set us apart. We regularly receive positive feedback about what our teams deliver and we aim to continue to improve on that.

As a business we have made a significant commitment to rebuilding the foundations for our health and safety procedures and giving far greater visibility to those procedures both back and front of house. We have introduced new “EMP” - emergency management procedure - signage across all of our venues and we continue to audit compliance with our new procedures.

## Looking ahead

As the Chairman has outlined in his introduction, with the Town Hall closed for public hire and Shed 6 now open for business, we are focused on making the most of our venue offering in the year ahead.

While we will be operating with reduced inventory and increased costs, we are committed to optimising the profitable utilisation of the venues under our management - continuing to attract and grow new events and business to Wellington.

Understanding the lead times involved in securing new grow and show business events, our sales and marketing efforts won’t simply focus on the year ahead. 2013/14 will see us roll out an aggressive marketing programme to win the kind of business that we may have missed out on prior to having the Shed 6/Arcade/TSB Bank Arena offering and we are determined to fill our order book to make the most of having both the Shed 6 offering and a strengthened Town Hall back in play from 2016.

We look forward to growing our contribution to Wellington.

*Glenys Coughlan*

CEO

# SHOW/GROW

## 2012/13 highlights

### JUL 2012

#### Flight of the Conchords

**SELL OUT**

#### NZ School Trustees Association Conference

A 770 delegate conference held in Wellington for the first time since 2007. Special mention was made of PWV's helpful and friendly "Venue GPS" staff

#### Show Me Wellington

Wellington's premier conference and events expo organised by PWV



### AUG 2012

#### NZ College of Midwives Biennial Conference

660 delegates

### SEPT 2012

#### Seriously Good Food Launch

PWV's in-house catering brand is officially launched

#### Bill Bailey

**SELL OUT**

#### The Wiggles

**4 SELL OUT SHOWS**

#### Tu Tanga Polyfest

**SELL OUT**

#### LIVE in Wellington

PWV's LIVE in Wellington magazine is launched on stage at the St James Theatre

#### 4th Digital Earth Summit

175 delegates, international conference

#### Australasian Society for Clinical Immunology and Allergy Conference

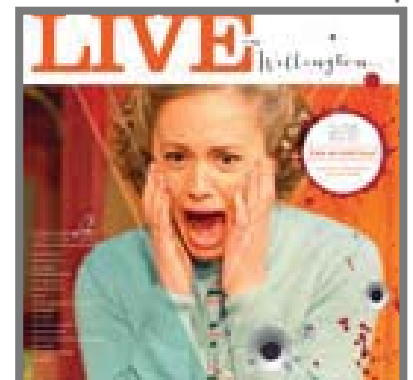
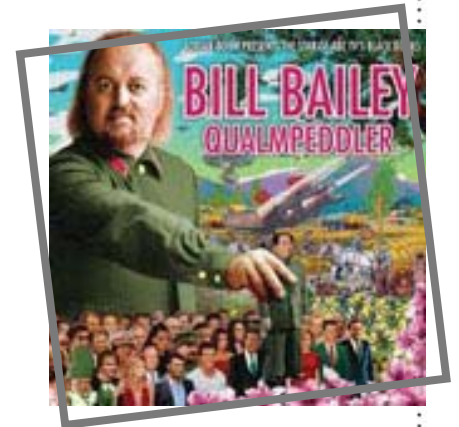
A highly successful trans-Tasman event with 300 delegates

#### Japan Festival

1000 pax

#### SAFETY 2012 Conference

770 pax - Safety 2012 was the 11th World Conference on Injury Prevention and Safety Promotion



## OCT 2012

**Silver Ferns vs England**

**SELL OUT**

**PWV s Green Team**

PWV's Green Team (comprising of staff) meet for the first time to promote environmentally sustainable initiatives in PWV venues

**Breast Cancer Awareness**

PWV lights the MFC pink in support of breast cancer awareness, while staff raise funds for Pink Day

**Health & Safety Launch**

PWV rolled out the first of its new patron health & safety communication materials at a launch event, showcasing the new wheelchair lift funded by PAF

**Shed 6 Funding**

Funding is officially approved by WCC to commence the build of Shed 6 and the seismic strengthening of the wharf

**2012 Mustang Convention**

1000 pax



## NOV 2012

**Mumford & Sons**

**SELL OUT**

**Ben Harper**

**SELL OUT**

**Black Keys**

**SELL OUT**

**The Mousetrap**

New Zealand exclusive for Wellington held at St James Theatre

**47th Annual Conference for Australasian Society for Intellectual Disability**

400 pax, speakers came from NZ, Australia, Scotland and Norway

**10th International Ombudsman Institute World Conference**

250 pax

**Hobbit Premiere Function**

Held at St James Theatre

**Venue Hire Agreements**

PWV rolls our new venue hire agreements and pricing strategy



## DEC 2012

**Academy of Fine Arts**

The Academy is officially added to PWV's portfolio of venues under its management

**Morrissey**

**SELL OUT**





## DEC 2012 (cont)

**7 Days Live**

**SELL OUT**

**Stephen Merchant**

**SELL OUT**

**ANZ, Weta, Vodafone, Telecom/Gen-i**

Corporate Christmas party season sees some major events including WETA (1350 pax) and ANZ (2500 pax)

**Spirit of Wellington Sailing League**

PWV staff secure first place in the league, as part of a team building experience

**ISO Audit**

PWV received international standard certification across all venues – the only group of venues in NZ to have earned this certification

**Cystic Fibrosis Xmas Tree Festival**

PWV shows its support once again by offering the foyer of MFC for the festival, and raising funds for the charity at its client Christmas function



## JAN 2013

**Alan Davies**

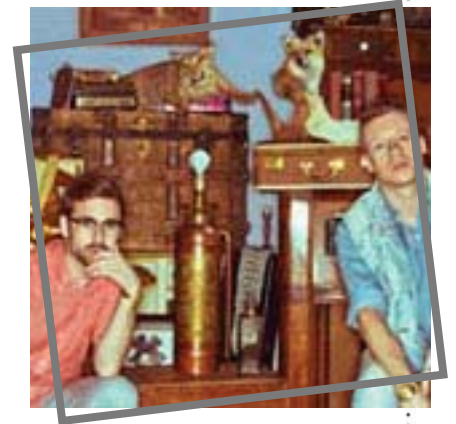
**SELL OUT**

**Macklemore**

**SELL OUT**

**New home for NZ Festival**

NZ Festival commence their tenancy at St James Theatre



## FEB 2013

**Asia-Pacific Incentives & Meetings Expo**

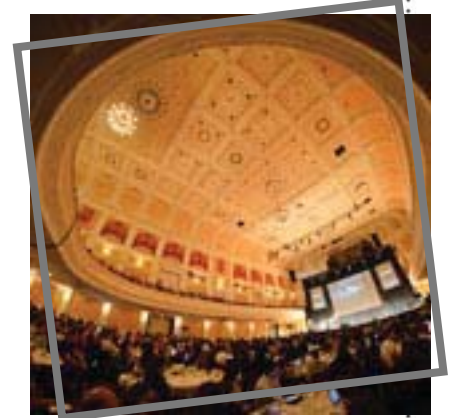
PWV staff represent PWV alongside Wellington Convention Bureau at the Expo. PWV's sales manager spends two weeks in Australia promoting PWV's offerings as part of our Australian Business Plan

**PWV recycling & compost initiative**

PWV implements a new in-venue recycling and compost program designed to minimise waste

**Webstock**

835 pax conference (re-contracted for 2014)



## MAR 2013

**Shed 6**

The Shed 6 re-design and build commences

**Neil Young**

**SELL OUT**

**Ed Sheeran**

**SELL OUT**

**Rodriguez**

**SELL OUT**

**Tony Joe White**

**SELL OUT**

**Joan Armatrading**

**SELL OUT**



## APR 2013

**First Laughs**

**SELL OUT**

**Danny Bhoy**

**2 SELL OUT SHOWS**

**Bryan Adams**

**SELL OUT**

**Six60**

**SELL OUT**

**Robert Plant**

**SELL OUT**

**Bonnie Raitt**

**SELL OUT**

**LIVE Reporting**

PWV starts its first season of LIVE Reporters - selecting 6 Wellingtonians to review performances as part of our audience development program



## MAY 2013

**Disney On Ice**

**3 SELL OUT SHOWS (FIRST TIME IN WELLINGTON)**

**Madame Butterfly**

**4 SELL OUT SHOWS**

**125 Harcourts Conference**

The first time this 1050 pax conference has been held in Wellington, and a huge success!

**Opera House**

The Opera House bathrooms receive a significant and much needed face lift



## JUN 2013

**Glen Miller**

**SELL OUT**

**Phantom of the Opera**

**7 SELL OUT SHOWS**

**Shed 6 Hard Hat Tour**

PWV takes clients and stakeholders on a guided tour of the Shed 6 construction site

**PWV Uniforms**

PWV rolls out its custom designed new uniforms for front of house, F&B, operations and cleaning staff

**Security**

The Opera House and St James Theatre are installed with new security systems

**MEETINGS 2013**

PWV sales team attend MEETINGS 2013 tradeshow in Auckland

**Year End Result**

PWV ends the financial year with a better than budget trading result



Please note that the above highlights represent a sample of events held in our venues throughout 2012/13

## Governance Report

The Directors of Wellington Venues Limited are appointed by Wellington City Council as sole shareholder and they are responsible for setting the strategic direction of the company. They also approve the annual Statement of Intent and the Annual Report.

A transition Board was established at 10 January 2011 upon the incorporation of the company and all directors' appointments concluded on 31 December 2011. Director's appointment terms thereafter have been staggered to ensure continuity of knowledge, skills and experience.

The Board welcomed Daniel Bridges as the newest Director in January 2013.

The Board meets 12 times per year and has established an Audit & Risk sub-committee which reviews relevant matters prior to consideration by the full Board.

	<b>Appointed</b>	<b>Expiry of Term</b>	<b>Meetings Attended</b>	<b>Meetings Eligible to Attend</b>
Christopher Parkin (Chair)	10 January 2011	31 December 2014	11	12
Cr. Ngairé Best	10 January 2011	31 October 2013	12	12
Mike Egan	1 January 2012	31 December 2014	10	12
Cr. Paul Eagle	1 July 2011	31 December 2013	9	12
Daniel Bridges	1 January 2013	31 December 2015	5	6
Linda Rieper	10 January 2011	31 December 2014	12	12
Samantha Sharif	1 January 2012	31 December 2014	11	12
Lorraine Witten	1 January 2012	31 December 2014	12	12
Sam Knowles	10 January 2011	31 December 2013	4	6

## PWV Financials

The way in which WCC structured Positively Wellington Venues is a combination of Wellington Venues Limited (the venue manager) and Wellington Venues Project (a business unit of Wellington City Council).

As the venue manager, Wellington Venues Limited is the employer of the staff who manage events at the Michael Fowler Centre, the Wellington Town Hall, TSB Bank Arena, St James Theatre, Opera House, Academy Galleries and Shed 6. This is done on behalf of the Wellington Venues Project. The income and expenditure arising from events in our venues is to the account of Wellington Venues Project.

The audited financial statements on pages 11-29 of this annual report only apply to Wellington Venues Limited as the financial outcome for Wellington Venues Project is contained within the results of Wellington City Council.

Positively Wellington Venues prepares an annual Statement of Intent which includes a budget and our performance against that budget is explained below.

	2012/13 Actual (' \$000)	2012/13 Budget (' \$000)
<b>Income</b>	15,816	15,291
Direct costs	8,997	8,343
Personnel costs	3,559	3,706
Marketing & travel	475	617
Other operating costs	2,528	2,436
Depreciation	191	188
<b>Total expenditure</b>	<b>15,750</b>	<b>15,290</b>
<b>Net trading profit/(loss)</b>	<b>66</b>	<b>1</b>
<b>Unbudgeted transition correction</b>	<b>(129)</b>	<b>0</b>
<b>NET TRADING RESULT (after unbudgeted transition correction)</b>	<b>195</b>	<b>1</b>

Positively Wellington Venues traded to a full year business as usual. A trading profit of \$66,000 was achieved against the budgeted profit of \$1,000 as noted in our Statement of Intent.

Due to the great effort of the team, revenue came in at \$525,000 over budget. The budgeted gross margin of 45% was an aggressive target which helped in achieving gross margin of 43% for the 2012/13 year. This is an improvement on the 2011/12 gross margin of 41%.

Major savings were achieved by cost management over two main areas. Savings of \$147,000 in personnel costs and \$142,000 in marketing & travel. These helped cover any above budget expenditure resulting from the increase in events.

**Unbudgeted Transactions**

Correction to Depreciation expense from Incorporation of PWV Ltd	(128,983)
<b>TOTAL UNBUDGETED TRANSACTION COSTS</b>	<b>(128,983)</b>

# Wellington Venues Limited Financial Statements

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## Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	2013 (\$)	2012 (\$)
<b>Income</b>			
Management fee income	2	5,451,338	5,444,776
<b>Total revenue from operating activities</b>		<b>5,451,338</b>	<b>5,444,776</b>
<b>Expenditure</b>			
Personnel costs		5,253,986	5,207,854
Directors' fees		135,000	127,500
Other expenses		40,157	60,019
<b>TOTAL OPERATING EXPENDITURE</b>		<b>5,429,143</b>	<b>5,395,373</b>
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; SUBVENTION</b>		<b>22,195</b>	<b>49,403</b>
Subvention Payment		22,195	49,403
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		-	-
Income tax expense	7	-	-
<b>NET PROFIT/(LOSS) AFTER TAX</b>		-	-
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS)</b>		-	-

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.

## Statement of Changes in Equity for the year ended 30 June 2013

Notes	2013 (\$)	2012 (\$)
Balance brought forward	100	100
Net profit/(loss) for the period	-	-
Other comprehensive income	-	-
<b>BALANCE AS AT 30 JUNE 2013</b>	<b>100</b>	<b>100</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.



## Balance Sheet

as at 30 June 2013

	Notes	2013 (\$)	2012 (\$)
<b>Current Assests</b>			
Cash and cash equivalents	3	-	174,213
Trade and other receivables	4	562,078	362,211
<b>TOTAL ASSETS</b>		<b>562,078</b>	<b>536,424</b>
<b>Current Liabilities</b>			
Overdraft		8,004	
Trade and other payables	5	248,324	260,633
Employee entitlements	6	305,651	275,691
<b>TOTAL LIABILITIES</b>		<b>561,978</b>	<b>536,324</b>
<b>Equity</b>			
Share capital		100	100
Retained losses		-	-
<b>TOTAL EQUITY</b>		<b>100</b>	<b>100</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>562,078</b>	<b>536,424</b>

The statement of accounting policies and notes to these statements form part of, and should be read in conjunction with, these financial statements.

*The Board of Directors authorised these financial statements for issue on 13 September 2013*

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

#### **Reporting Entity**

The financial statements are those of Wellington Venues Limited ("the Company"). The Company was incorporated on 10 January 2011 and is registered under the Companies Act 1993. The financial statements are prepared in accordance with the Financial Reporting Act 1993 and the Companies Act 1993. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 111 Wakefield St, Wellington.

The primary objective of the Company is to provide venue management services.

The financial statements of the Company are for the year ended 30 June 2013. The financial statements were authorised for issue by the Board of Directors on 13 September 2013.

#### **Basis of Preparation**

##### **Statement of Compliance**

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other relevant applicable Financial Reporting Standards as appropriate for public benefit entities.

The Company is a qualifying entity within the Framework for Differential Reporting. The Company qualifies on the basis that it is not publicly accountable and is not a large entity. The Company has taken advantage of all differential reporting concessions available to it.

##### **Measurement Base**

The financial statements have been prepared on a historical cost basis.

##### **Functional and Presentation Currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional and presentation currency of the Company is New Zealand dollars.

##### **Comparative Information**

The comparatives shown in these financial statements are for the 12 months ended 30 June 2012.

##### **Changes in Accounting Policies**

There have been no changes in accounting policies.

##### **Standards Issued**

The following standard, which has been issued but is not yet effective, has not been adopted early:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement* and is expected to be adopted by the Company in the year ended

30 June 2014 when it becomes effective. The standard is not expected to materially affect the Company's financial statements.

### ***Significant Accounting Policies***

The particular accounting policies, which materially affect the recognition, measurement and disclosure of items in these financial statements are set out below.

#### **Revenue**

Management fee income is recognised in the accounting period in which the services are rendered.

#### **Cash and cash equivalents**

Cash and cash equivalents includes deposits held at call with banks.

#### **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 doubtful debts. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

#### **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **Personnel Costs**

Short-term employee entitlements are those that the Company expects to be settled within 12 months of balance date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned, but not yet taken at balance date.

#### **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 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 (IRD) is included as part of receivables or payables in the Balance Sheet.

Commitments and contingencies are disclosed exclusive of GST.

#### **Taxation**

The income tax expense recognised for the year is calculated using the taxes payable method and is determined using tax rules. Under the taxes payable method, income tax expense in respect of the current period is equal to the income tax payable for the same period.

## Equity and Share Capital

Ordinary shares are classified as equity.

## 2. Revenue and Other Income

	2013 (\$)	2012 (\$)
Management fees	5,451,338	5,444,776
<b>MANAGEMENT FEES TOTAL</b>	<b>5,451,338</b>	<b>5,444,776</b>

Management fees are earned for managing venues owned by Wellington City Council. Fees are chargeable at a value equivalent to the aggregate of employee and directors' costs.

## 3. Cash and Cash Equivalents

The Company operates one non-interest bearing bank account.

	Interest Rate	Maturity	2013 (\$)	2012 (\$)
Cash at bank and in hand	0%	Current	-	174,213
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>			<b>-</b>	<b>174,213</b>

## 4. Trade and Other Receivables

	Notes	2013 (\$)	2012 (\$)
Trade receivables		-	-
Related parties	8	556,886	362,211
Prepayment		5,192	
Less provision for doubtful less		-	-
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>		<b>562,078</b>	<b>362,111</b>

## 5. Trade and Other Payables

	Notes	2013 (\$)	2012 (\$)
Trade payables	5a	100,971	88,361
GST payables		71,252	70,502
Accruals – related parties		79,101	101,770
<b>TOTAL TRADE AND OTHER PAYABLES</b>		<b>248,324</b>	<b>260,633</b>

### 5a. Audit Fee

The Company's auditors are Audit New Zealand, on behalf of the Auditor-General.

Amount paid or payable to Audit New Zealand	2013 (\$)	2012 (\$)
Audit fee	16,770	16,770
Other services	-	-
<b>TOTAL PAYABLE TO AUDIT NEW ZEALAND</b>	<b>16,770</b>	<b>16,770</b>

## 6. Employee Entitlements

	2013 (\$)	2012 (\$)
Salaries payable	100,510	32,752
Accrued annual leave	205,141	242,939
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>305,651</b>	<b>275,691</b>

No accrual has been made for sick pay, as an analysis of payments made for sick pay has identified that the potential cost is not material.

The number of employees whose remuneration and benefits exceeded \$100,000 is shown below:

	<b>2013</b>	<b>2012</b>
\$300,000 to \$309,999	1	-
\$260,000 to \$269,000	-	1
\$150,000 to \$159,999	-	2
\$140,000 to \$149,999	2	1
\$130,000 to \$139,999	1	1
\$100,000 to \$109,999	1	2

## 7. Income Tax

	<b>2013 (\$)</b>	<b>2012 (\$)</b>
<b>Tax expense</b>		
Current year	-	-
Prior period adjustment	-	-
	-	-
<b>Reconciliation of effective tax rate</b>	-	-
Profit for the period before tax	-	-
Prima facie income tax at the domestic tax rate	-	-
Change in unrecognised temporary differences	25,349	43,568
Effect of group loss offset	25,349	43,568
<b>INCOME TAX</b>	-	-

There are no imputation credits at year end.

## 8. Related party information

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions. The Company's sole shareholder is Wellington City Council (WCC) which is therefore a related party by virtue of this ownership.

The Company had the following material transactions with related parties during the year.

The Company charges WCC a management fee for venue management which is equivalent in value to the aggregate of the Company's personnel costs, directors' fees, audit fee and directors' liability insurance. The charge for the year ended 30 June 2013 was \$5,451,338 (2012: \$5,444,776). At balance date, fees of \$556,886 (2012: \$362,211) were due to the Company.

A subvention payment of \$22,195 (2012: \$49,403) was paid to WCC during the year to offset Wellington Venues Limited's taxable income from 2012. The current year's taxable income is also expected to be offset by losses from WCC as shown by the effect of the group loss offset.

As at year end, \$76,101 was owing to Council for payments made on behalf of Positively Wellington Venues Ltd. No provision has been required, nor any expense incurred, for impairment of receivables from related parties (2012: nil)

<b>Key management personnel compensation</b>	<b>2013 (\$)</b>	<b>2012 (\$)</b>
Salaries and other short-term employee benefits	1,019,309	880,590
Termination benefits	-	-
Directors' Fees	135,000	127,500
<b>TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>1,154,309</b>	<b>1,008,090</b>

Key management personnel includes the Chief Executive and the 7 other members of the Company's leadership team.

<b>Directors' Fees</b>	<b>2013 (\$)</b>	<b>2012 (\$)</b>
Christopher Parkin (Chair)	30,000	30,000
Cr. Ngaire Best	15,000	15,000
Cr. Paul Eagle (appointed 1 July 2011)	15,000	15,000
Mike Egan (appointed 1 January 2012)	15,000	7,500
Linda Rieper	15,000	15,000
Samantha Sharif (appointed 1 January 2012)	15,000	7,500
Lorraine Witten (appointed 1 January 2012)	15,000	7,500
Daniel Bridges (appointed 1 January 2013)	7,500	-
Sam Knowles (retired 31 December 2012)	7,500	15,000
Kim Wicksteed (retired 31 December 2011)	-	7,500
Stephen Whittington (retired 31 December 2011)	-	7,500
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>135,000</b>	<b>127,500</b>

## **9. Commitments**

The Company has no commitments at 30 June 2013 (2012: nil).

## **10. Contingent Liabilities and Liabilities**

There are no contingent liabilities or contingent assets at 30 June 2013 (2012: nil).

## **11. Events Occurring After Balance Date**

There were no significant events after the balance date.



## Statement of Service Performance

### 2012/13 KPIs

The following KPIs were approved as part of the Positively Wellington Venues' 2012/13 SOI.

STRATEGIC FOCUS & TARGETS	MEASURE(S)	RESULT
<p><b>1. Business Viability</b></p> <p>Achieve budgeted net profit</p>	<p>Net profit based on approved budget</p>	<p>Achieved (Exceeded) <i>(net profit of \$195k vs \$1k)</i></p>
<p><b>2. Venue Utilisation</b></p> <p>Achieve or increase the number of hired days and/or venue hire revenue compared to 2011/12</p> <p>NOTE: Hired days on its own is not a meaningful measure of how the business is performing. Need to also consider the mix of events in any given year and various discounting arrangements.</p> <p>Refer to next table for detailed targets</p>	<p>Total hire days and event revenue across all venues</p> <p>Split of hire days for Performances &amp; Exhibitions and Conventions &amp; Events and budget revenue targets.</p>	<p>Achieved <i>(Increase in the venue hire revenue compared to 2011/12 budget was achieved, even though the hired days were less than 2011/12)</i></p>
<p><b>3. Duty of Care</b></p> <p>Achieve and maintain ISO 9001 Quality Management Systems certification</p> <p>Refer to next table for detailed targets</p>	<p>Certification received by Q2</p>	<p>Achieved <i>(Q4 pan-venue)</i></p>
<p><b>4. Marketing Edge</b></p> <p>Improved sales and marketing impact</p>	<p>Sales revenue growth of 5%</p> <p>Pipeline development – maintain or increase the ratio of the 12 month forward pipeline to budget. Target is 70%</p>	<p>Partially Achieved <i>(3.5% growth achieved in tough market)</i></p>
<p><b>5. Outstanding Experiences</b></p> <p>Audience and hirer satisfaction (maintain/increase relative to past surveys)</p>	<p>Maintain or improve satisfaction ratings in annual survey and focus group research</p>	<p>Achieved</p>

<p><b>6. Town Hall alternative venue development</b></p> <p>Support bid for \$4m development fund and participate in the LTP planning process</p> <p>Commission stage two feasibility study including developing detailed design specifications and costings and project milestones (in partnership with Wellington Waterfront and WCC)</p> <p>Manage seamless transition from closure of Wellington Town Hall to opening of alternative venue facilities to maintain the viability of PWV's business and maintain/grow the contribution that business events make to the Wellington economy</p>	<p>LTP approval June 2012</p> <p>Commence work May 2012</p> <p>Alternative venue plans announced July 2012 and venue opened July 2013</p>	<p>Achieved</p> <p>Achieved</p> <p>Achieved <i>(Q1 2013/14, Shed 6 officially opened on August 21, 2013)</i></p>

## 2012/13 Management targets & measures

STRATEGIC FOCUS & TARGETS	MEASURE(S)	RESULT																			
<p><b>1. Venue Utilisation</b></p> <p>Achieve or exceed the 2011/12 Conventions &amp; Events hire days and/or 2012/13 budgeted revenue</p>	<table border="1"> <thead> <tr> <th>C&amp;E targets</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>days target</td> <td>100</td> <td>125</td> <td>53</td> <td>99</td> </tr> <tr> <td>revenue target</td> <td>\$2.7m</td> <td>\$2.2m</td> <td>\$1.5m</td> <td>\$2.1m</td> </tr> </tbody> </table>	C&E targets	Q1	Q2	Q3	Q4	days target	100	125	53	99	revenue target	\$2.7m	\$2.2m	\$1.5m	\$2.1m	<p>Achieved</p> <table border="1"> <tbody> <tr> <td>days</td> <td>347</td> </tr> <tr> <td>revenue</td> <td>\$8.8m</td> </tr> </tbody> </table>	days	347	revenue	\$8.8m
C&E targets	Q1	Q2	Q3	Q4																	
days target	100	125	53	99																	
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days	347																				
revenue	\$8.8m																				
<p>Achieve or exceed the 2011/12 Performance &amp; Exhibitions hire days and/or 2012/13 budgeted revenue</p>	<table border="1"> <thead> <tr> <th>P&amp;E targets</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>days target</td> <td>238</td> <td>132</td> <td>161</td> <td>124</td> </tr> <tr> <td>revenue target</td> <td>\$1.1m</td> <td>\$1.4m</td> <td>\$1.0m</td> <td>\$1.5m</td> </tr> </tbody> </table>	P&E targets	Q1	Q2	Q3	Q4	days target	238	132	161	124	revenue target	\$1.1m	\$1.4m	\$1.0m	\$1.5m	<p>Achieved</p> <table border="1"> <tbody> <tr> <td>days</td> <td>601</td> </tr> <tr> <td>revenue</td> <td>\$5.1m</td> </tr> </tbody> </table>	days	601	revenue	\$5.1m
P&E targets	Q1	Q2	Q3	Q4																	
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days	601																				
revenue	\$5.1m																				
<p>Maintain community access to PWV/s venues by ensuring community hires are at a similar level to 2011/12 or better</p>	<table border="1"> <thead> <tr> <th>Community targets</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>days target</td> <td>83</td> <td>38</td> <td>12</td> <td>26</td> </tr> </tbody> </table>	Community targets	Q1	Q2	Q3	Q4	days target	83	38	12	26	<p>Achieved</p> <table border="1"> <tbody> <tr> <td>days</td> <td>225</td> </tr> </tbody> </table>	days	225							
Community targets	Q1	Q2	Q3	Q4																	
days target	83	38	12	26																	
days	225																				
<p><b>2. Duty of Care</b></p> <p><b>Health &amp; Safety</b> Develop and implement a OHS performance indicator system to measure the success of prevention and intervention programmes</p> <p>Safety and security of patrons, visitors and Staff Managed</p> <p><b>Venue Equipment Asset Management Plan</b> Including condition assessments, programmed</p>	<p>LTI's (Lost Time Injuries), MTI's (Medical Treatment Injuries) FAI's (First Aid Injuries) and Near Misses are accurately reported to LT Meeting on a monthly basis in the form of IFR's (Injury Frequency Rates) that have a downward trend</p> <p>Program rolled out that encompasses Hazard Management, Incident Investigation, Training &amp; Supervision, Employee Participation, Emergency Readiness, Contractor Management and Injury Management</p> <p>Asset maintenance plan to be completed Q2</p> <p>Positive trend of reduced cost in reactive maintenance</p>	<p>Achieved</p> <p>Achieved</p> <p><i>(deferred to 2014 due to budget constraints)</i></p>																			

<p>maintenance and 10 year capital expenditure renewals program</p>		
<p><b>Environmental Footprint</b> Achieve and maintain ISO 14001:2004 Environmental Management System certification</p>	<p>Implement and maintain at least 2 new sustainability initiatives 2012/13 that fit within the ISO 14001 framework</p> <p>Retain ISO EMS 14001:2004 certification pan venue</p>	<p>Achieved</p>
<p><b>Buildings Asset Management</b> Work plans jointly agreed with WCC Property Group to insure alignment to PWV SOI ensuring customer focus at all times</p>	<p>Priorities agreed to and scheduled to minimise business interruption</p>	<p>Achieved</p>
<p>Work with WCC Property to achieve positive asset management outcomes that are aligned with PWV's business priorities</p>	<p>City Care Ltd achieve WCC performance KPIs in Health and Safety, Customer Satisfaction, Annual Renewals and Reactive Maintenance</p>	<p>Achieved</p>

## 2012/13 Business transformation objectives

The following measures were used by the management and Board of Wellington Venues to measure the delivery of our business transformation projects.

PROJECT & TARGET(S)	MEASURE(S)	RESULT (S)
<b>1. Business Growth</b>		
Increase events revenue by 5% over 2011/12	Meet 2012/13 budget	Partially Achieved <i>(3.5% growth achieved in tough market)</i>
Meet the set business objectives for the new “Show Me Wellington”	Refer section 2 of 2012/13 SOI re: new leads generation, exhibitor numbers etc	Achieved
Increase events business from Australia	Targets to be agreed with PWT and Te Papa	Achieved
Make substantial progress towards developing Wellington-wide events three year calendar with other City partners	To be agreed with City Events and others	Achieved
Increase annual volume of ticket sales to ticketed events.	Increase ticket sales over 2011/12 levels	Achieved
<b>2. Business Re-engineering</b>		
With a more efficient organisation structure, hands-on staff at all levels and improved rostering we will manage our wages and salary envelope to deliver some savings against 2011/12 actuals	Perform to budget (which includes reallocation of some waged staff to salaried positions but a cap on overall spend vs 2011./12 – i.e. new structure delivers savings over old)	Partially Achieved <i>(salary and wage costs reduced from 35% to 33% of revenue)</i>
Complete a staff engagement survey in Q1 to inform our human resource development and communications strategies.	Human Synergistics framework to be used	<i>(deferred due to budget constraints)</i>
In conjunction with staff undertake work on developing values as well as launch a number of HR policies and procedures in order to consolidate a highly productive team-based culture	PWV values programme to be initiated in 2012/13	Achieved

<p><b>3. New pan-venue Health and Safety programme</b></p> <p>To implement updated health &amp; safety policies and procedures</p>	<p>To have updated HSEQ policies and procedures in place by end of the 2011/12 FY and new monitoring and reporting systems established and operating in 2012/13</p> <p>New emergency evacuation procedures (including pre-recorded announcements and supporting print collateral) will be in place by the end of 2011/12. In 2012/13 the focus will be on rolling out new induction and training programmes to support evacuation procedures</p> <p>ISO certification maintained</p>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
<p><b>4. New community access programmes</b></p> <p>Review Community Access Strategy with WCC grants and community events teams, refresh criteria where required to support Wellington's sports teams in addition to performing arts and community groups</p> <p>Develop communications strategy to ensure that community groups know where to go for what and how/when to apply</p> <p>Launch Wellington on Stage July 2012</p>	<p>Review to be completed before end of 2011/12 FY ready to roll out with WCC in Q1 2012/13</p> <p>Launch Q1 2012/13</p>	<p>Partially Achieved <i>(review has been completed, roll-out still to be determined)</i></p> <p>Achieved</p> <p><i>(deferred due to budget constraints)</i></p>

## Towards 2040 – 2012/13 objectives

WCC's 2040 GOAL/PWV TARGET(S)	MEASURE(S)	RESULT									
<p><b>People Centred City</b></p> <p>To grow our contribution to a resilient and diversified economy</p>	<p>Economic contribution of events held in our venues to Wellington</p> <p>Export earnings (contribution of international conference delegates)</p>	<p>Partially Achieved <i>(national delegate days down by 1% for year to December 2012, with 1,194 international delegate days and 1,521 Australian delegate days)</i></p> <p><i>(33% of those attending a ticketed (show) event were from outside Wellington)</i></p>									
<p><b>Connected City</b></p> <p>To increase our share of business events and conferences and shows and performances that connect us to the wider world</p>	<p>Improve ratio of new business wins (with international delegates) and improved share of convention market. Strength of show business calendar with internationals acts.</p>	<p>Achieved</p> <table border="1" data-bbox="1054 958 1390 1111"> <thead> <tr> <th></th> <th>12/13</th> <th>11/12</th> </tr> </thead> <tbody> <tr> <td>new events</td> <td>28</td> <td>16</td> </tr> <tr> <td>repeat events</td> <td>49</td> <td>32</td> </tr> </tbody> </table>		12/13	11/12	new events	28	16	repeat events	49	32
	12/13	11/12									
new events	28	16									
repeat events	49	32									
<p><b>Eco-City</b></p> <p>To reduce our environmental footprint</p>	<p>Achieve ISO 14001:2004 Environmental Management Certification.</p> <p>Implement 2 new initiatives that fit within this framework</p>	<p>Achieved</p>									
<p><b>Dynamic Central City</b></p> <p>To enhance the dynamism of the central city for the communities we serve and visitors we host</p>	<p>Work with WCC and PWT on community engagement and visitor satisfaction surveys – suggest online survey tool/panel</p>	<p><i>(deferred due to budget constraints)</i></p>									