vbase
all your bases covered

VBASE LIMITED

ANNUAL REPORT

For the Year Ended
30 June 2011

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DIRECTORY

REGISTERED OFFICE	95 Kilmore Street Christchurch
DIRECTORS	W G Cox (Chairman) (resigned 29 July 2011) G S Campbell (resigned 29 July 2011) D G Cox (resigned December 2010) C K Doig (resigned 29 July 2011) D F Dowding (resigned 29 July 2011) J T Gough (appointed December 2010) J A Keegan (resigned 29 July 2011) S G Mortlock (resigned 29 July 2011) T M Treacy (resigned 29 July 2011)

Due to the impact of the earthquake on Vbase's business, Christchurch City Council resolved on 24 June 2011 to take over direct responsibility for the management and control of Vbase and the above Board resigned on 29 July 2011. A new Board was appointed on 10 June.

DIRECTORS post re-structure	Mayor B Parker Deputy Mayor N Button Council CEO T Marryatt Councellor JT Gough
CEO - to 29 July 2011	Bryan Pearson
COMPANY SECRETARY	Brent Ford
BANKERS	Westpac Bank Christchurch
SOLICITORS	Lane Neave Christchurch
AUDITORS	Audit New Zealand on behalf of the Office of the Auditor General Christchurch

Statutory Disclosures
For the year ended 30 June 2011

SHAREHOLDER

Christchurch City Council	Ordinary Shares	100,136,204
	Redeemable Preference Shares – equity	80,500,000

NATURE OF BUSINESS

Vbase is a 100% subsidiary of the Christchurch City Council and owns and manages the four premier event venues in Christchurch; Christchurch Convention Centre, Christchurch Town Hall for Performing Arts, AMI Stadium and CBS Canterbury Arena. Vbase also owns 100% of the shares in Jet Engine Facility Ltd, which owns and leases the jet engine test cell facility located at Christchurch International Airport, a joint venture between Air New Zealand and Pratt and Whitney. As well, Vbase governs and manages Christchurch City Council subsidiary Civic Building Ltd (CBL). CBL is a 50% shareholder of the Christchurch Civic Building Joint Venture with Ngai Tahu and undertook the redevelopment of the the new Civic Offices. The Canterbury earthquakes have had a significant impact on the business - refer to note 1 for further details.

DIRECTOR'S INTERESTS

The following Directors have made general disclosures of interest with respect to any transaction that may be entered into with certain organisations on the basis of their being a Director, Partner, Trustee or Officer of those organisations during the year:

Wynton Gill Cox	Director	Elastomer Products Ltd
	Director	Mainpower NZ Ltd
	Director	Transwaste Canterbury Ltd
	Director	Coolpak Coolstores Ltd
	Director	Talbot Plastics Ltd
	Director	Barlow Brothers NZ Ltd
	Director	Independent Fisheries Ltd
	Director	Civic Building Ltd
	Director	Jet Engine Facility Ltd
	Advisory Board Member	Development West Coast
Christopher Keith Doig	Director	Jet Engine Facility Ltd
	Trustee	New Zealand Symphony Orchestra Foundation (resigned)
	Director	Southern Opera Charitable Trust
	Director	Halberg Trust (resigned)
	Director	Rowing New Zealand (resigned)
	Director	Christopher Doig Promotions Limited
	Director	Solvam Ltd
	Trustee	Winter Games (resigned)
	Director	Civic Building Ltd
	Board Member	New Zealand Rugby Union
	Trustee	Garden Events Trust
	Board Member	Crusaders trust
Dominique Fiona Dowding	Director	Jet Engine Facility Ltd
	Director	Dowding & Associates Ltd
	Director	The Sales Bureau Ltd
	Director	Human Intellectual Technologies Ltd
	Director	Evolution Technologies Ltd
	Director	CPI Ltd
	Director	Barry Doody Tours Ltd
	Director	Studio Properties (2007) Ltd
	Director	Studio's of NZ Ltd

	Director	Civic Building Ltd
	Director	NZCU South
Simon George Mortlock	Director	Jet Engine Facility Ltd
	Director	Santa Rosa Marketing Ltd
	Director	Danne Mora Holdings Ltd
	Senior Partner	Mortlock McCormach Law
	Director	Civic Building Ltd
	Director	Santano Holdings Ltd
	Director	Asado Food Solutions Ltd
	Director	Phantom Bill Stickers Ltd
	Director	WFH Properties Ltd
	Director	WFH Properties (No 2) Ltd
	Director	Westmoreland Nominees Ltd
	Director	Worsley Farm Ltd
	Director	Franco Farm Ltd
	Director	Spreydon Lodge Ltd
	Director	Nevele R Stud Ltd
	Director	MML Consultants Ltd
Arthur James Keegan	Director	Jet Engine Facility Ltd
	Director	Addington Raceway Ltd
	Director	Cavell Leitch Pringle & Boyle Nominees Ltd
	Director	Cavell Leitch Operations Ltd
	Director	New Zealand Metropolitan Properties Limited
	Director	Civic Building Ltd
	Director	Southern Opera Ltd
	Director	Arts Management Ltd
	Director	Cavell Leitch Pringle & Boyle Solicitors
Gregory Shane Campbell	Director	Jet Engine Facility Ltd
	Director	Civic Building Ltd
	Chief Executive	Ngai Tahu Holdings Corporation Ltd
	Trustee	GS & NA Campbell Family Trust
	Director	Ngāi Tahu Fisheries Investments Limited
	Director	Ngāi Tahu Lobster Quota Limited
	Director	Ngāi Tahu Migratory Quota Limited
	Director	Ngāi Tahu Pāua Quota Limited
	Director	Ngāi Tahu Scampi Quota Limited
	Director	Ngāi Tahu Shellfish Quota Limited
	Director	Ngāi Tahu Wetfish Quota Limited
	Director	Ngāi Tahu Fisheries Settlement Limited
	Director	EcoCentral Ltd
Thomas Michael Treacy	Director	Jet Engine Facility Ltd
	Director	Civic Building Ltd
	Director	Verona Fruit Pty Ltd
	Director	Fruitology Pty Ltd
	Director	LaManna Bananas Pty Ltd

	Director	LaManna Bananas (Adelaide) Pty Ltd (resigned)
	Director	LaManna Bananas Company Pty Ltd (resigned)
	Director	Ballina Lodge Ltd
	Director	United Flower Growers Ltd
	Director	Mainland Tomatoes Ltd (resigned)
	Chief Executive	MG Marketing Ltd
James Tracy Gough	Director	Jet Engine Facility Ltd
	Director	Civic Building Ltd
	Director	Gough Holdings Ltd
	Councillor	Christchurch City Council
	Committee Member	Bone Marrow Cancer Trust
	Committee Member	Diabetes Research Institute Trust
Robert Parker	Mayor	Christchurch City Council
Ngaire Button	Director	Christchurch Development Corporation
	Deputy Mayor	Christchurch City Council
Tony Marryatt	Director	Civic Assurance Ltd

DIRECTORS' INSURANCE

The companies have directors' liability insurance for all directors and indemnified each of the directors by agreement in writing. Premiums paid were $23,862 (2010:$23,343).

REMUNERATION OF DIRECTORS

Total remuneration and other benefits paid or due and payable to directors for services as a director during the year were as follows:

W G Cox (Chairman)	$50,000
D G Cox	$12,500
C K Doig	$25,000
D F Dowding	$25,000
J T Gough	$14,583
A J Keegan	$25,000
S G Mortlock	$25,000
G S Campbell	$25,000
T M Treacy	$25,000
R Parker	$0
N Button	$0
T Marryatt	$0

USE OF COMPANY INFORMATION

During the year the Board received no notices from members or directors of the parent entity or subsidiary company requesting to use company information received in their capacity as members or directors which would not otherwise have been available to them.

DONATIONS

There were donations made by the company during the year of $11,941 (2010 $8,422).

DIVIDENDS

There have been no dividends declared for the 2010/11 financial year (2009/2010 nil).

EMPLOYEES' REMUNERATION

The number of employees whose remuneration and benefits, excluding redundancy payments, exceeded $100,000 per annum in the group is as follows:

Range	Number
$110,000 - $120,000	1
$160,000 - $170,000	4
$410,000 - $420,000	1

AUDITORS

The Office of the Auditor-General is appointed as auditor under Section 15 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Audit New Zealand has been appointed to provide these services.

For and on behalf of the Board

Robert Parker Director | **Date** 23/3/2012

Ngaire Button Director | **Date** 23/3/2012

Vbase Ltd

Statement of Comprehensive Income

for the year ended 30 June 2011

	Note	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Revenue	3(a)	80,299	32,418	82,601	34,726
Other expenses	3(b)	16,968	19,956	17,070	20,095
Employee benefit costs	3(b)	8,729	7,544	8,729	7,544
Profit (loss) before depreciation, finance costs and income tax expense		54,602	4,918	56,802	7,087
Depreciation and amortisation	3(b)	8,868	8,306	8,868	8,306
Finance costs	3(b)	6,954	6,501	8,598	8,146
Loss on de-recognition of buildings	3(b)	21,121	-	21,121	-
Profit (loss) before income tax expense		17,659	(9,889)	18,215	(9,365)
Income tax (expense)/income	4(a)	(6,004)	(20,842)	(6,216)	(22,131)
Profit (loss) for the period		11,655	(30,731)	11,999	(31,496)
Other comprehensive income					
Net movement on property valuations		12,039	-	12,039	-
Asset impairment		(57,282)		(57,282)	
Deferred tax movement taken to revaluation reserve		14,054	1,337	14,054	1,337
Total other comprehensive income		(31,189)	1,337	(31,189)	1,337
Total Comprehensive income		(19,534)	(29,394)	(19,190)	(30,159)

The accompanying notes form part of these financial statements

Vbase Ltd
Statement of Financial Position as at 30 June 2011

	Note	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Current assets					
Cash and cash equivalents	25(a)	6,961	10,019	9,826	10,200
Trade and other receivables	7	46,153	4,072	49,860	7,779
Other financial assets	8	2,025	-	2,025	-
Inventories	9	106	544	106	544
Current tax assets	4(b)	538	2,633	538	3,049
Other current assets	10	280	326	280	326
Total current assets		56,063	17,594	62,635	21,898
Non-current assets					
Trade and other receivables	11	3,180	3,390	28,178	30,067
Other financial assets	12	11,450	11,450	-	-
Property, plant and equipment	13	165,744	233,287	165,744	233,287
Intangible assets	14	136	356	136	356
Total non-current assets		180,510	248,483	194,058	263,710
Total assets		236,573	266,077	256,693	285,608
Current liabilities					
Trade and other payables	15	7,296	12,041	7,696	12,409
Borrowings	16	4,500	1,700	4,500	1,700
Current tax payables	4(b)	-	-	404	-
Employee entitlements	17	1,391	738	1,391	738
Total current liabilities		13,187	14,479	13,991	14,847
Non-current liabilities					
Trade and other payables	18	187	371	187	371
Borrowings	19	40,046	83,021	52,596	95,571
Deferred tax liabilities	4(c)	32,379	39,648	38,179	45,639
Total non-current liabilities		72,612	123,040	90,962	141,581
Total liabilities		85,799	137,519	104,953	156,428
Net assets		150,774	128,558	151,740	129,180
Equity					
Capital and other equity instruments	20,21	184,715	143,789	184,715	143,789
Reserves	21	15,085	55,868	15,085	55,868
Retained earnings	21	(49,026)	(71,099)	(48,060)	(70,477)
Total equity		150,774	128,558	151,740	129,180

Director

Director

23/3/2012
Date

The accompanying notes form part of these financial statements

Vbase Ltd

Statement of changes in equity for the year ended 30 June 2011	Note	**Parent 11 $'000**	**Parent 10 $'000**	**Group 11 $'000**	**Group 10 $'000**
Balance at 1 July		128,558	108,702	129,180	110,089
Net shares issued		41,750	49,250	41,750	49,250
Total comprehensive income		(19,534)	(29,394)	(19,190)	(30,159)
Balance at 30 June	21	150,774	128,558	151,740	129,180

The accompanying notes form part of these financial statements

Vbase Ltd

Cash flow statement for the year ended 30 June 2011

	Note	Parent 11 Actual $'000	Parent 10 Actual $'000	Group 11 Actual $'000	Group 10 Actual $'000
Cash flows from operating activities					
Receipts from customers		24,794	31,604	28,662	32,545
Subvention received		2,789	1,893	3,205	2,469
Interest received		-	-	41	6
Insurance proceeds received		9,634	-	9,634	-
Payments to suppliers and employees		(25,438)	(27,027)	(25,472)	(27,054)
Interest and other finance costs paid		-	-	-	-
Income tax received (paid)		87	-	87	-
Net GST movement		311	100	361	143
Net cash provided by/(used in) operating activities	25	12,177	6,570	16,518	8,109
Cash flows from investing activities					
Loan to related party		-	(300)	-	-
Repayment of loan by related party		-	300	-	-
Proceeds from sale of investments		-	14,082	-	14,082
Payment for property, plant and equipment		(8,406)	(60,572)	(8,406)	(60,572)
Proceeds from sale of property, plant and equipment		6	456	6	456
Interest received		570	659	570	659
Deferred acquisition payment		-	(130)	-	(130)
Purchase of investments		(2,025)	-	(2,025)	-
Net cash (used in)/provided by investing activities		(9,855)	(45,505)	(9,855)	(45,505)
Cash flows from financing activities					
Proceeds from issues of equity securities		12,750	49,250	12,750	49,250
Payment for buy back of equity securities		(12,000)	-	(12,000)	-
Interest and other finance costs paid		(6,130)	(5,672)	(7,787)	(7,322)
Loan from related party		-	4,187	-	4,187
Repayment of loan from related party		-	(4,187)	-	(4,187)
Net cash provided by/(used in) financing activities		(5,380)	43,578	(7,037)	41,928
Net increase in cash and cash equivalents		(3,058)	4,643	(374)	4,532
Cash and cash equivalents at beginning of year		10,019	5,376	10,200	5,668
Cash and cash equivalents at end of year		6,961	10,019	9,826	10,200

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2011

1. ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of Vbase Limited (the 'Company')

NCC (New Zealand) Ltd was incorporated on 21 November 1995 under the Companies Act 1993 and changed its name to Vbase Venue Management Group Ltd on 13 September 2005. The subsequent change to Vbase Ltd was made on 5 April 2007. Vbase Limited is a wholly owned subsidiary of Christchurch City Council.

The Vbase Limited Group comprises Vbase Limited and its wholly owned subsidiary, Jet Engine Facility Limited (JEFL). Vbase Limited owns and manages and develops the Christchurch Town Hall for the Performing Arts, the Christchurch Convention Centre, CBS Canterbury Arena and AMI Stadium in Christchurch and holds the supply and business partnership contracts as well as being the employer of all staff within the facilities. Vbase is also the brand name for the combined management of the venues. JEFL's principal activity is to lease an aero engine test cell facility situated at Christchurch International Airport. Vbase Limited's operations were significantly affected by the February 2011 earthquake. See note 2 for details.

The Vbase group has been designated a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards.

The financial statements of Vbase Ltd have been prepared in accordance with the Financial Reporting Act 1993, the Companies Act 1993 and the Local Government Act 2002.

The financial statements of the company are for the year ended 30 June 2011. The financial statements were authorised for issue by the Board of Directors on ______________2011.

Basis of financial statement preparation

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable Financial Reporting Standards.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as follows:
The Group has adopted the following new and amended New Zealand Equivalents to International Financial Reporting Standards and interpretations as of 1 July 2010.

- Improvements to IFRSs 2009 – various standards

The adoption of the above standards or interpretations is not considered to have a material impact on the financial statements or performance of the group.

The financial statements have been prepared on an historical cost basis except for the revaluation of land and buildings.

The functional and presentation currency is New Zealand dollars.

In preparing these financial statements management has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the year if the change affects only that year, or into future years if it also affects future years. In the process of applying the group's accounting policies, management has made the following judgements estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements.

The decisions on the future of AMI Stadium and the Christchurch Town Hall will not be made until further engineering assessments have been undertaken. Management have assumed that both these venues will be repaired, therefore have continued to recognise the assets in the financial statements.

There are a number of assumptions and estimates used when performing valuations over the company's land and building assets. Following the February earthquake these assumptions are of a higher degree of sensitivity and uncertainty than would normally be the case. Management has also estimated the impairment of its buildings as a result of the February earthquake. These estimates contain a high level of uncertainty as the company is still in the process of assessing the full impact and not all data is to hand. Refer to note 13 - property, plant and equipment, and note 2 – impact of Canterbury earthquakes.

The following new standards, interpretations and amendments issued that are not yet effective for the year ended 30 June 2011, have not been early adopted and are relevant to the group include:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2013. The group has not yet assessed the impact of the new standard and expects it will not be early adopted.
- NZ IAS 24 Related Party Disclosures (Revised 2009) amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. This becomes effective for reporting periods beginning after 1 January 2011. This will be applied from 2011/12 financial year with any impact expected to be minor at this stage.
- IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value where that is required by other standards, and applies to both financial and non-financial items measured at fair value. This becomes effective for reporting periods beginning after 1 January 2013 with any impact expected to be minor at this stage.
- Amendments to New Zealand Equivalents to International Financial reporting Standards to Harmonise with International Financial Reporting Standards and Australian Accounting Standards and FRS-44 New Zealand Additional Disclosures. NZ IFRSs have been closer aligned to IFRS by relocating New Zealand specific disclosures to a specific standard (FRS-44). These disclosures have been relocated from NZ IFRSs to clarify that these disclosures are additional to those required by IFRSs. This will be applied from 2011/12 financial year with any impact expected to be minor at this stage

Principles of consolidation

Subsidiaries

Subsidiaries are those entities over which the Company has the power to govern financial and operating policies, generally accompanying a shareholding of at least half of the voting rights. Potential exercisable or convertible voting rights are considered when assessing whether the Company controls another entity.

The purchase method is used to prepare the consolidated financial statements.

Intercompany transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred.

Vbase's investment in its subsidiary is carried at cost in the company's own 'parent entity' financial statements.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.

Foreign currency monetary assets and liabilities at the balance date are translated to NZ dollars at the rate ruling at that date.

Financial Assets

Term deposits with maturities greater than three months are measured at cost and have been designated as loans and receivables.

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 (see impairment policy 11).

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and in current liabilities on the balance sheet.

Property, plant and equipment
The following assets are shown at fair value, based on periodic valuations by external independent valuers, less subsequent accumulated depreciation:

Land
Buildings

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Valuations are performed with sufficient regularity, but at least every 3 years, to ensure revalued assets are carried at a value that is not materially different from fair value.

The Company accounts for revaluations of property, plant and equipment on a class of asset basis. The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the

Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Assets to be depreciated include:

Operational Assets:	
Land	not depreciated
Site works	18-33 yrs
Building shell fit-out	3-53 yrs
Furniture, fittings, plant and equipment	2-15 yrs

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the asset and are included in the income statement. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Intangible assets

(i) Computer software
Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software.

(ii) Amortisation

Acquired computer software is amortised on a straight line basis over the period of that life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge is recognised in the income statement.

The useful lives and associated amortisation rates have been estimated as follows:

Computer software	24-36 months

The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment

The carrying amounts of the Company's assets, other than inventories (see Inventories policy 7) and deferred tax assets (see Income Tax policy 19), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses on non-revalued assets are recognised in the income statement and the reversal of an impairment loss is recognised in the income statement.

For revalued assets, the impairment loss is recognised in other comprehensive income to the extent the impairment loss does not exceed the amount in the revaluation reserve in equity for that same class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the income statement.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive income and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss

for that class of asset was previously recognised in the income statement, a reversal of the impairment loss
is
also recognised in the income statement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Share capital

(i) Ordinary share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(ii) Preference share capital
Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary, or is redeemable but only at the company's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Preference share capital is classified as a liability if it provides for mandatory redemption by the issuer for a specific amount at a specific date (or gives the holder the right to requires such redemption from the issuer), or if it gives the holder the right to put it back to the issuer for cash or another financial asset. Dividends thereon are recognised in the income statement as interest expense.

(iii) Dividends
Dividends are recognised in the period in which they are declared.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of expenditures, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Employee entitlements

Provision is made in respect of the Company's liability for the following short and long-term employee entitlements.

(i) Short-term entitlements
Liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately prior to the balance sheet date.

Liabilities for accumulating short-term compensated absences (e.g., sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the balance sheet date, that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

(ii) Long-term entitlements
The retiring gratuity and long service leave liabilities are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

Leases

(i) Finance leases
Leases in which substantially all of the risks and rewards of ownership of an asset transfer to the lessee are classified as finance leases whether or not title is eventually transferred. At inception, finance leases are recognised as assets and liabilities on the balance sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recognised at amounts equal to the present value of minimum lease payments recoverable plus the present value of any guaranteed residual value expected to accrue at the end of the lease term. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant rate of return on the net investment outstanding in respect of the lease.

(ii) Operating leases
An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Revenue

Revenue is measured at the fair value of consideration received.

(i) Services rendered
Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date.

(ii) Interest income
Interest income is recognised in the income statement as it accrues, using the effective interest method.

(iii) Finance lease income
Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Company's net investment in the finance lease.

(iv) Insurance proceeds
Insurance proceeds are recognised in the income statement when the compensation become receivable

Financing costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. All interest payable on borrowings is recognised as an expense in the income statements as it occurs.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense. The net amount of GST recoverable from, payable to, the Inland Revenue Department is included as part of receivables or payable in the balance sheet.

2 - Impact of Canterbury earthquakes

The purpose of this note is to disclose the estimated material impacts of the earthquake on the financial performance and financial position of the company and group.

Operational Impacts of Earthquake

The impact of the earthquake on the operations of Vbase has been significant. All four venues sustained damage and were closed. The CBS Canterbury arena only sustained superficial damage and was able to open after engineers checks were carried out and was utilised for at least a month after 22 February 2011 as a base by Civil Defence.

The other three venues, AMI Stadium, Christchurch Town Hall for Performing Arts and Christchurch Convention Centre all sustained major structural damage and have been closed since 22 February 2011. These venues will be closed for significant periods and all events (including Rugby World Cup 2011) have been cancelled. Vbase has business interruption insurance for a period of 2 years to cover lost revenues, however current expectations are that the Convention Centre and Town Hall will not reopen within this timeframe. AMI Stadium memberships and naming rights agreements are all on hold due to force majeure for the period that the stadium is closed. It remains uncertain when AMI will re-open.

Detailed engineering assessments are underway on the damaged venues. Once those assessments are complete long term decisions will be made in conjunction with the company's insurance underwriters. The possible outcomes include:

- Not economic to repair – full replacement to be built to modern standards
- Economic to repair – in conformance with council planning requirements
- Negotiated cash settlement with insurance underwriters – with the buildings partly or wholly demolished.

Initial engineers reports have indicated that the Christchurch Convention Centre, along with the Hadlee Stand at AMI Stadium, have sustained damage that will be uneconomical to repair, and both these buildings have been de-recognised in the financial statements.

Management and Governance Changes

Subsequent to the earthquake and due to the impact of the earthquake on the Vbase business, the Shareholder Christchurch City Council resolved on 24 June 2011 to accept a proposal to change the governance and management structure of Vbase. This has resulted in Council taking over direct responsibility for the management and governance of Vbase. This resulted in the following key changes:

- Resignation of Vbase board effective 29 July 2011
- Implementation of staffing change proposal resulting in 44 positions becoming redundant effective 30 June 2011
- Implementation of staffing change proposal resulting in 6 Leadership Team positions (including the Chief Executive) becoming redundant effective 29 July 2011
- Creation of the new position General Manger Vbase Venues to assume responsibility for business development and event delivery for the Vbase venues

A transition plan to hand over management and governance of Vbase to Council was developed subsequent to the Council decision and was successfully implemented prior to the resignation of the Vbase board 29 July 2011. The new board was appointed on 10 June and consists of Council representatives and management.

Financial Impacts recorded in financial statements

Vbase has a comprehensive insurance program in place with insurance arranged through the Council. All assets are insured for full replacement value. The company also has business interruption insurance covering lost revenues as a result of the earthquake for a period of two years.

Insurance proceeds are included in Other Income in the Statement of Comprehensive Income.

The key financial impacts of the Canterbury earthquakes on net profit in the year ended 30 June 2011 are as follows:

Impact on net profit	$'000	
Business Interruption Insurance claim in advance	4,294 *	
Material damage insurance claim in advance		5,000
Material damage insurance claim receivable		43,736
Redundancy costs		(1,247) *
Earthquake repair/additional costs included in expenses		(230) *
Loss on de-recognition of buildings		(21,121)
Impairment of property plant and equipment		(29,980)
Revaluation increment	29,980	
	30,432	
Impact on other comprehensive income		
Net revaluation of land & buildings as at 30 June		(45,243) **
Total impact on shareholders funds		(7,225)

* Net of income tax at 30%
** Net of deferred tax at 28%
The closure of the three venues has also resulted in reduction in revenues and operating costs, the total of which is difficult to quantify.

Estimation uncertainty

There are two key areas of estimation uncertainly that arise from the February earthquake. They are to:

- Determine the value of the company's assets. The key assumptions used in the independent impairment and valuation assessments are disclosed in note 13.
- Assess the carrying value of the insurance proceeds receivable, the details of which are discussed below.

Contingent asset in respect of insurance proceeds

The group has two key insurance policies relevant to the recent earthquakes:
Material damage – this is a full replacement policy and covers all of the company's four venues.
Business interruption – lost revenues and additional costs are claimable if they arise "... as a consequence of..." damage to the company's insured assets within the 24 months following the February earthquake.
The company has already received payments on account of both policies, and the company is virtually certain to receive a full payout of all claims. The insurers have agreed to pay out the indemnity amount of $44,986k relating to two of the company's assets. The quantum of the future proceeds cannot be reliably measured, because of the wide range of possible outcomes that will be negotiated with the group's insurers following completion of detailed engineering and financial assessments therefore no further amount recognised as assets within these financial statements.
It is still early in the group's insurance claims process and it will be several months before the group will be in a position to put forward definitive and detailed claims to the underwriters. There are currently no disputes with the group's underwriters or their assessors.
AMI Stadium turf damage is not covered by insurance. The Central Government have agreed to cover the $4.1m cost to replace the turf system. This has been disclosed as a contingent asset at note 23.

3 Profit from operations

Revenue	Note	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Rendering of services		24,174	31,047	24,257	31,164
		24,174	31,047	24,257	31,164
Interest revenue:					
Finance lease interest revenue		-	-	2,178	2,190
Bank deposits		614	527	655	534
Related parties		-	6	-	-
		614	533	2,833	2,724
Other revenue					
Management fee income		286	371	286	371
Government Grant receivable		-	-	-	-
Insurance monies received		54,867	-	54,867	-
Profit on disposals of assets		1	6	1	6
Other income		357	461	357	461
		55,511	838	55,511	838
Total revenue		80,299	32,418	82,601	34,726

(b) Profit before income tax

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Finance costs:				
Interest on related party loans	6,129	5,733	7,773	7,378
Reversal of RPS interest not payable	-	-	-	-
Unwinding of discount on RPS	825	759	825	759
Other interest expense	-	9	-	9
	6,954	6,501	8,598	8,146

Depreciation and amortisation:					
Depreciation of non-current assets	13	8,337	7,854	8,337	7,854
Amortisation of non-current assets	14	321	242	321	242
Amortisation of ground rent		210	210	210	210
Impairment of property, plant & equipment		41,476	-	41,476	
Revaluation increment		(41,476)	-	(41,476)	
		8,868	8,306	8,868	8,306
Loss on de-recognition		21,121	-	21,121	-
		21,121	-	21,121	-
Employee benefit expense:					
Salary and wages		8,056	7,382	8,056	7,382
Employer contributions to pension plans		19	26	19	26
Increase/(decrease) in employee benefit liabilities		654	136	654	136
		8,729	7,544	8,729	7,544
Other expenses:					
Operating lease expenses - minimum lease payments		326	330	362	384
Directors fees		227	192	227	192
Food and beverage expenses		8,254	9,735	8,254	9,735
Donations		12	8	12	8
Other expenses		8,149	9,691	8,215	9,776
		16,968	19,956	17,070	20,095
Total expenses		62,640	42,307	64,386	44,091

4 Income taxes

(a) Income tax recognised in profit or loss

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Tax expense/(income) comprises:				
Current tax expense/(income)	(535)	(2,543)	(131)	(2,959)
Adjustments recognised in current year in relation to the current tax of prior years	(546)	29	(546)	29
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	7,085	(201)	6,893	614
Deferred tax expense/(income) relating to the removal of future tax depreciation from buildings	-	23,395		24,713
Deferred tax expense/(income) relating to changes in tax rates or imposition of new taxes	-	162		(266)
Total tax expense/(income)	6,004	20,842	6,216	22,131

Reconciliation of prima facie income tax:

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Profit/(loss) from operations	17,659	(9,889)	18,215	(9,365)
Income tax expense calculated at 30%	5,298	(2,967)	5,465	(2,810)
Non-deductible expenses	252	223	298	223
Donations				
Non-assessable income	-	-	-	
Effect on deferred tax balances due to removal of tax depreciation on buildings	1,000	23,395	999	24,713
Effect on deferred tax balances due to a change in income tax rate from 30% to 28%	-	162	-	(266)
Over provision of previous years income tax	(546)	29	(546)	271
	6,004	20,842	6,216	22,131

The Government's Budget in May 2010 provided for a reduction in the rate of corporate income tax from 30% to 28%, effective for years beginning on or after 1 April 2011. The same Budget effectively removed the ability to claim a deduction for tax depreciation on buildings with a useful life of 50 years or more. The impact of both of these changes has been reflected in the tax expense for the 2010 year as shown above, and in the 2010 deferred tax balances shown below.

(b) Current tax assets and liabilities

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Current tax assets:				
Subvention Receivable	538	2,633	538	3,049
	538	2,633	538	3,049
Current tax payables:				
Income tax payable	-	-	404	-
	-	-	404	-

(c) Deferred tax balances

Taxable and deductible temporary differences arise from the following:

Group **Year ended 30 June 2011**	Opening balance $'000	Adjustment to opening balance $'000	Charged to income $'000	Charged to other comprehensive income $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	45,326	(316)	(1,297)	(14,054)	29,659
Intangible assets	(6)		(16)	-	(22)
Temporary timing differences - provisions	(61)	16	96	-	51
Temporary timing differences - other	380		8,111	-	8,491
	45,639	(300)	6,894	(14,054)	38,179
Deferred tax assets:					
Temporary timing differences - provisions	-	-		-	-
	-	-	-	-	-
Net deferred tax balance	45,639	(300)	6,894	(14,054)	38,179

Taxable and deductible temporary differences arise from the following:

Parent **Year ended 30 June 2011**	Opening balance $'000	Adjustment to opening balance $'000	Charged to income $'000	Charged to other comprehensive income $'000	Closing balance $'000
Deferred tax liabilities:					
Property, plant and equipment	39,335	(316)	(1,106)	(14,054)	23,859
Intangible assets	(6)		(16)		(22)
Temporary timing differences - provisions	(61)	16	96		51
Temporary timing differences - other	380		8,111		8,491
	39,648	(300)	7,085	(14,054)	32,379
Deferred tax assets:					
Temporary timing differences - provisions	-	-	-	-	-
	-	-	-	-	-
Net deferred tax balance	39,648	(300)	7,085	(14,054)	32,379

Taxable and deductible temporary differences arise from the following:

Group **Year ended 30 June 2010**	Opening balance	Adjustment to opening balance	Charged to income	Charged to other comprehensive income	Closing balance
	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities:					
Property, plant and equipment	21,950	(5)	24,718	(1,337)	45,326
Intangible assets	-	-	(6)	-	(6)
Deferred tax benefit of tax loss	-	-	-	-	-
Temporary timing differences - provisions	(81)	(19)	39	-	(61)
Temporary timing differences - other	70	(2)	312	-	380
	21,939	(26)	25,063	(1,337)	45,639
Deferred tax assets:					
Temporary timing differences - provisions	-	-		-	-
	-	-	-	-	-
Net deferred tax balance	21,939	(26)	25,063	(1,337)	45,639

Taxable and deductible temporary differences arise from the following:

Parent **Year ended 30 June 2010**	Opening balance	Adjustment to opening balance	Charged to income	Charged to other comprehensive income	Closing balance
	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities:					
Property, plant and equipment	17,665	(5)	23,012	(1,337)	39,335
Intangible assets	-	-	(6)	-	(6)
Deferred tax benefit of tax loss	(81)	(19)	39	-	(61)
Temporary timing differences - provisions	70	(2)	312	-	380
Temporary timing differences - other					
	17,654	(26)	23,357	(1,337)	39,648
Deferred tax assets:					
Temporary timing differences - provisions	-	-	-	-	-
	-	-	-	-	-
Net deferred tax balance	17,654	(26)	23,357	(1,337)	39,648

A Supplementary Order Paper to the Taxation (Tax Administration and Remedial Matters) Bill was released on 13 July 2011. Along with a number of remedial matters, the Supplementary Order Paper contains an amendment to depreciation rules in response to the Canterbury earthquakes. It allows roll-over relief for depreciation recovery and also addresses the issue of the timing of deemed sales of destroyed insured assets. The amending legislation is expected to be enacted in August, and will generally be effective from September 2010. This will have a significant impact on the tax position of the Company.

(d) Imputation credit account balances (group)

	2011	2010
	$'000	$'000
Balance at beginning of period	105	130
Taxation paid	-	-
Refunded	(87)	(25)
	18	105

5 Key management personnel compensation

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
The compensation of the directors and executives, being the key management personnel of the entity is set out below:				
Short term employee benefits	1,182	1,322	1,182	1,322
Post-employment benefits	-	-	-	-
Termination payments	891	-	891	-
	2,073	1,322	2,073	1,322

6 Remuneration of auditors

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
Auditor of the parent entity:				
Audit of the financial statements	48	53	57	62
	48	53	57	62

7 Current trade and other receivables

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
Trade receivables	2,246	3,725	2,246	3,725
Related party receivables	127	260	127	260
Insurance receivable	43,736		43,736	
GST receivable	-	-	-	-
Other receivables	72	134	72	134
Provision for impairment	(28)	(47)	(28)	(47)
	46,153	4,072	46,153	4,072
Finance lease receivable	-	-	3,707	3,707
	46,153	4,072	49,860	7,779

The status of receivables as at 30 June 2011 and 2010 are detailed below:

	2011			2010		
	Gross	Impairment	Net	Gross	Impairment	Net
	$'000	$'000	$'000	$'000	$'000	$'000
Parent						
Not past due	45,979	-	45,979	2,818	-	2,818
Past due 31-60 days	71	-	71	689	-	689
Past due 61 -120 days	60	(1)	59	447	(19)	428
Past due >120 days	71	(27)	44	165	(28)	137
Total	46,181	(28)	46,153	4,119	(47)	4,072

Group						
Not past due	49,686	-	49,686	6,525	-	6,525
Past due 31-60 days	71	-	71	689	-	689
Past due 61 -120 days	60	(1)	59	447	(19)	428
Past due >120 days	71	(27)	44	165	(28)	137
Total	49,888	(28)	49,860	7,826	(47)	7,779

The carrying value of debtors and other receivables approximate their fair value.

The carrying value of receivables that would otherwise be past due or impaired whose terms have been renegotiated amount to $nil (2010 nil)

The provision for impairment has been based on a review of significant debor balances and a collective assessment of all debtors. The collective impairment assessment is estimated on the basis of historical loss experience.

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
Individual impairment	(28)	(47)	(28)	(47)
Collective impairment	-	-	-	-
Total impairment	(28)	(47)	(28)	(47)

Movement in provision for impairment	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
As at 1 July	(47)	(21)	(47)	(21)
Additional provision made during the year	(69)	(50)	(69)	(50)
Provisions reversed during the year	11	15	11	15
Receivables written off during the year	77	9	77	9
Balance at 30 June	(28)	(47)	(28)	(47)

8 Other current financial assets

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
Term deposits	2,025	-	2,025	-
	2,025	-	2,025	-

There were no impairment provisions for other financial assets. Non of the financial assets are either past due or impaired.

9 Current inventories

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Inventory held for use in the provision of services	106	544	106	544
	106	544	106	544

No inventories are pledged as security for liabilities (2010:nil)
There was no write-down of inventories (2010:nil)

10 Other current assets

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Prepayments	280	325	280	325
Other (CVCT)	-	1	-	1
	280	326	280	326

11 Non-current trade and other receivables

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Prepayments	3,180	3,390	3,180	3,390
Finance lease receivable	-	-	24,998	26,677
	3,180	3,390	28,178	30,067

The carrying value of finance lease receivable is recorded at the present value of minimum future lease payments which is considered to be fair value.

12 Other non-current financial assets

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Shares in subsidiary	11,450	11,450	-	-
	11,450	11,450	-	-

13 Property, plant and equipment

Parent and Group	Freehold land at fair value $'000	Buildings at fair value $'000	Finance lease assets at fair value $'000	Plant & equipment at cost $'000	Total $'000
Gross carrying amount:					
Balance at 1 July 2009	14,312	157,977	8,277	7,373	187,940
Additions	-	58,376	-	1,103	59,479
Disposals	(164)	(302)	-	(183)	(649)
Transfers	-	-	-	-	-
Net revaluation increments/(decrements)	-	-	-	-	-
Balance at 30 June 2010	14,148	216,051	8,277	8,293	246,770
Additions	-	5,476	-	1,684	7,160
Disposals	-	(15,155)	(5,983)	(4,110)	(25,248)
Transfers	-	(2,228)	-	2,228	-
Net revaluation increments/(decrements)	(5,348)	43,797	231	-	38,680
Balance at 30 June 2011	8,800	247,941	2,525	8,095	267,362
Accumulated depreciation, amortisation and impairment:					
Balance at 1 July 2009	-	(4,004)	(389)	(1,438)	(5,832)
Disposals	-	19	-	183	202
Depreciation expense	-	(6,125)	(382)	(1,346)	(7,853)
Transfers					-
Reversed on revaluation	-	-	-	-	
Balance at 30 June 2010	-	(10,110)	(771)	(2,601)	(13,483)
Disposals	-	1,905	742	1,475	4,122
Depreciation expense	-	(6,391)	(281)	(1,665)	(8,337)
Impairment losses		(98,507)	(250)		(98,757)
Transfers	-	-	-	-	-
Reversed on revaluation	-	14,544	293	-	14,837
Balance at 30 June 2011	-	(98,559)	(267)	(2,791)	(101,618)
Net book value as at 30 June 2010	14,148	205,941	7,506	5,692	233,287
Net book value as at 30 June 2011	8,800	149,382	2,258	5,304	165,744

The total amount of buildings in the course of construction amounts to $nil (2010: $761,434).

Impairment

As a result of the February earthquake, significant damage was sustained to all Vbase venues. Engineers reports have indicated that the Christchurch Convention Centre, along with the Hadlee Stand at AMI Stadium, have sustained damage that will be uneconomical to repair, and both these buildings have been de-recognised. The turf at AMI Stadium has also been de-recognised. The other venues have been assessed by an independent quantity surveyor, Malcolm Timms of Rider Levett Bucknall, effective of 22 February, and their estimated costs of repair have been included as impairment losses. The reliability of the assessments is severely affected due to the Quantity Surveyor having limited or no access to some of the venues, and unable to internally inspect the properties. It was extremely difficult for the quantity surveyor to determine costs of repair, with the impacts of the earthquake continuing to be difficult to quantity. Accordingly there is considerable volatility and risk associated with the estimated repair costs.

Valuation

Land is valued at fair value using market based evidence based on its highest and best use with reference to comparable land values. The most recent valuation of land was performed by a registered independent valuer, William Blake of Knight Frank, and the valuation is effective of 30 June 2011. Buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for our buildings. It was extremely difficult for the valuer to determine market values and depreciated replacement cost as at 30 June 2011, with the value impacts of the earthquake continuing to be difficult to quantify. Accordingly there is considerable volatility and risk associated with the valuations. The valuer had limited or no access to some of the venues, and therefore was unable to internally inspect the properties. A 20% costs escalation was built into the replacement cost component of the valuations for AMI stadium,CBS Arena and Town Hall. However, there is presently no evidence or experience to support this level of price escalation.

14 Intangible assets

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
	Software		Software	
Gross carrying amount:				
Opening balance	673	411	673	411
Additions	101	262	101	262
Disposals	(2)		(2)	
Closing balance	772	673	772	673
Accumulated amortisation and impairment:				
Opening balance	(317)	(75)	(317)	(75)
Amortisation expense	(321)	(242)	(321)	(242)
Disposals	2		2	
Closing balance	(636)	(317)	(636)	(317)
Net book value:	136	356	136	356

15 Current trade and other payables

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
Trade payables	3,742	5,612	3,752	5,627
GST payable	275	142	372	188
Owing to related party	1,186	1,204	1,479	1,511
Deferred purchase consideration	-	130	-	130
Income in advance	2,093	4,953	2,093	4,953
	7,296	12,041	7,696	12,409

The carrying value of trade and other payables approximate their fair value.

16 Current borrowings

	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000
Unsecured:				
Loan from related party - CCC	4,500	1,700	4,500	1,700
Secured:				
Finance lease liabilities	-	-	-	-
	4,500	1,700	4,500	1,700

17 Employee Entitlements

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Employee benefits				
Accrued salary and wages	(8)	205	(8)	205
Annual leave	250	328	250	328
Long service leave	16	30	16	30
Sick leave	30	30	30	30
Service and gratuity	61	145	61	145
Redundancy	1,042	-	1,042	-
	1,391	738	1,391	738

18 Non-current trade and other payables

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Deferred purchase consideration	-	-	-	-
Income in advance	187	371	187	371
	187	371	187	371

The carrying value of trade and other payables approximate their fair value.

19 Non-current borrowings

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Unsecured:				
Loan from related party - CCC	29,723	73,523	29,723	73,523
Redeemable preference shares	10,323	9,498	10,323	9,498
Amount owing to parent entity	-	-	-	-
	40,046	83,021	40,046	83,021
Secured:				
Loan from related party - CCC	-	-	12,550	12,550
Finance lease liabilities	-	-	-	-
	-	-	12,550	12,550
	40,046	83,021	52,596	95,571

The company has entered into two cash advance facility agreements with Christchurch City Council. On 30 June 2011, $41m of debt was swapped for equity and the remaining $29.723m of the first facility is scheduled to be repaid in annual amounts commencing April 2024, with full repayment completed by 20 April 2030. The second facility for $4.5m is repayable in full on 30 June 2012. Interest is payable at different rates on the various tranches of the loan, with some payable quarterly and some annually.

Subsidiary company JEFL has entered into a cash advance facility agreement with Christchurch City Council, and the $12.55m borrowings have been undertaken under the terms of the agreement. Borrowing is secured under a general security agreement, which creates a charge over the company's property in favour of the Council. Principal amounts borrowed under the agreement are due for repayment in tranches between October 2013 and October 2018, although the company has the option to repay earlier. Interest is payable in April and October each year.

The fair value of the borrowing of the parent is is $39,795,264 based on cashflows discounted using the market borrowing rate of 8.76% (2010 $103,859,538). The fair value of the borrowing of the group is is $57,995,264 (2010 $120,889,538).

20 Capital and other equity instruments

All shares are $1 shares and are fully paid. There is no uncalled capital. All shares carry equal voting rights. Redeemable preference shareholders have first call on any surplus on winding up of the company. The redeemable preference shares (A) may be redeemed by the company giving the shareholder five working days notice of the intent to do so. None of the shares carry fixed dividend rights.

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Fully paid ordinary shares	100,136	59,136	100,136	59,136
Fully paid redeemable preference shares (A)	80,500	79,750	80,500	79,750
Equity component of mandatory redeemable preference shares	4,079	4,903	4,079	4,903
	184,715	143,789	184,715	143,789

(a) Fully paid ordinary shares

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Balance at beginning of financial year	59,136	59,136	59,136	59,136
Share issue	41,000		41,000	
Share buyback	-	-	-	-
Balance at end of financial year	100,136	59,136	100,136	59,136

(b) Fully paid redeemable preference shares (A)

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Balance at beginning of financial year	79,750	30,500	79,750	30,500
Share issue	12,750	49,250	12,750	49,250
Share buyback	(12,000)	-	(12,000)	-
Balance at end of financial year	80,500	79,750	80,500	79,750

(c) Equity component of mandatory redeemable preference shares

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Balance at beginning of financial year	4,903	-	4,903	-
Redeemable preference share liability discounted	-	5,662	-	5,662
Unwinding of discount	(824)	(759)	(824)	(759)
Balance at end of financial year	4,079	4,903	4,079	4,903

Prior to 2009, $14,402,000 of the redeemable preference shares carried a cumulative preferential dividend at the rate of 8.5% per annum. When the shares vested in the Christchurch City Council, they were converted to a 0% dividend therefore have been discounted to their present value using a discount rate of 8.5%. The discounting will be unwound through to the redemption date. The shares are to be redeemed in August 2015, although the company has the right to redeem shares prior to that date.

21 Equity

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Capital				
Balance at 1 July	143,789	95,298	143,789	95,298
Ordinary share issue	41,000	-	41,000	-
Redeemable preference share issue	12,750	49,250	12,750	49,250
Redeemable preference share buy back	(12,000)	-	(12,000)	-
Equity component of mandatory redeemable preference shares	(824)	(759)	(824)	(759)
Balance at 30 June	184,715	143,789	184,715	143,789
Retained Earnings				
Balance at 1 July	(71,099)	(41,127)	(70,477)	(39,740)
Transfer from RPS Reserve	824	759	824	759
Surplus/(Deficit) for the year	11,655	(30,731)	11,999	(31,496)
Transfer of prior revaluation on de-recognised assets	9,594	-	9,594	
Balance at 30 June	(49,026)	(71,099)	(48,060)	(70,477)
Revaluation Reserve - see below				
Balance at 1 July	55,868	54,531	55,868	54,531
Deferred tax adjustment due to change in tax rate from 30% to 28%		1,337		1,337
Asset impairment as at 22 February 2011	(57,282)	-	(57,282)	-
Asset revaluation as at 30 June 2011	12,039	-	12,039	-
Deferred tax adjustment due to revaluation of buildings	14,054	-	14,054	-
Transfer of prior revaluation on de-recognised assets	(9,594)	-	(9,594)	
Balance at 30 June	15,085	55,868	15,085	55,868
Total Equity	150,774	128,558	151,740	129,180

Revaluation Reserve - Parent & Group	Land	Buildings	Total
Balance at 1 July 2010	7,912	47,956	55,868
Transfer to retained earnings on asset de-recognition		(9,594)	(9,594)
Asset impairment as at 22 February 2011		(57,282)	(57,282)
Asset revaluation as at 30 June 2011	(5,348)	17,387	12,039
Deferred tax adjustment due to derecognition and revaluation of buildings		14,054	14,054
	2,564	12,521	15,085

22 Capital commitments

At balance date, the company and group had no specific commitment for capital expenditure.

23 Contingent liabilities and contingent assets

There are no contingent liabilities for either the parent or the group (2010 nil). Central Government have agreed in principle to fund the $4.14m cost to re-build the Turf at AMI Stadium. No contractual arrangements are yet in place. Vbase has and will continue to lodge insurance claims in relation to the loss of business and damage to the venues caused by the February earthquake. Insurance claims accepted by the insurers have been recognised as receivables at the year end, see note 7. The quantum of further insurance proceeds can not be reliably measured and any estimation of likely proceeds could be prejudicial to the settlement claim. Refer to note 2 for further details. Other than the above the parent and group had no material contingent assets as at 30 June 2011 (2010: none).

24 Events after balance date

On 17 August 2011, Vbase issued a further $9m of redeemable preference shares to Christchurch City Council. There have been no other material events known to the directors occurring subsequent to balance date that would have a significant impact on the financial statements for the year ended 30 June 2011.

25 Notes to the cash flow statement

(a) Cash and cash equivalents

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Cash on hand	73	110	2,938	291
Call and term deposits	6,888	9,909	6,888	9,909
	6,961	10,019	9,826	10,200

The carrying value of cash and cash equivalents approximate their fair value.

(b) Reconciliation of profit for the period to net cash flows from operating activities

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Net profit for the period	11,655	(30,731)	11,999	(31,496)
Non cash items				
Depreciation and amortisation of non-current assets	8,868	8,306	8,868	8,306
Loss on disposal of property, plant and equipment	21,122	-	21,122	-
Finance lease income accrued	-	-	1,679	(1,312)
Unwinding of discount on RPS	825	759	825	759
Movement in deferred tax	7,085	23,331	6,894	25,037
Other non-cash items		(6)		(6)
Items classified as investing/financing activities				
Movement in capital creditors	1,144	822	1,144	822
Gain on disposal of property, plant and equipment	(1)	-	(1)	-
Interest revenue received	(570)	(659)	(570)	(659)
Finance and interest costs paid	6,130	5,667	7,787	7,317
Interest on deferred acquisition payment	-	9	-	9
Movement in working capital				
(Decrease)/increase in creditors	(4,281)	106	(4,248)	149
Decrease/(increase) in receivables	(40,238)	(847)	(39,419)	(630)
(Increase)/decrease in inventory	438	(187)	438	(187)
Net cash from operating activities	12,177	6,570	16,518	8,109

26 Related-party transactions

Christchurch City Council is the ultimate controlling party of Vbase Ltd. The following transactions were carried out with related parties during the year:

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Transactions and balances with Christchurch City Council Group companies				
Receipts from related parties:				
Hire of rooms and related services to the Council	2,115	221	2,115	221
Hire of rooms and related services to City Care Ltd	2	29	2	29
Hire of rooms and related services to Christchurch International Airport Ltd	-	5	-	5
Hire of rooms and related services to Lyttleton Port Co Ltd	20	73	20	73
Hire of rooms and related services to Orion Ltd	439	66	439	66
Hire of rooms and related services to Connetics Ltd	-	8	-	8
Hire of rooms and related services to Christchurch City Holdings Ltd	-	-	-	-
Hire of rooms and related services to Redbus Ltd	-	26	-	26
Hire of rooms and related services to Christchurch City Networks Ltd	2	-	2	-
AMI Stadium redevelopment recharge to the Council	-	1,731	-	1,731
Operating costs and salaries charged to Tuam Ltd	-	35	-	35
Operating costs and salaries charged to Civic Building Ltd	132	120	132	120
Management fee receivable from Tuam Ltd	-	54	-	54
Management fee receivable from Civic Building Ltd	165	162	165	162
Subvention payments received from CCC group entities	2,790	1,893	3,206	2,468
Loan advances from CCC	-	4,187	-	4,187
Loan repayments by JEFL	-	300	-	300
Payments to related parties:				
Rental of Town Hall from the Council	60	106	60	106
Insurance cover, rates and other services provided by the Council	879	790	882	792
Interest expense to Council	6,129	5,751	7,773	7,395
Purchase of Christchurch Town Hall from the Council	-	33,500	-	33,500
Services provided by City Care Ltd	-	2	-	2
Services provided by Connetics Ltd	-	6	-	6
Operating lease charges to Christchurch International Airport Ltd	-	-	36	54
Rate payments to Christchurch International Airport Ltd	-	-	35	51
Tax losses offset to CCC group entities	6,508	4,418	6,508	5,760
Loan repayments to CCC	41,000	4,187	41,000	4,187
Loan advances to JEFL	-	300	-	300

Year end balances (exclusive of GST):

Accounts payable to the Council	1	17	1	17
Accounts payable to Orion NZ Ltd	84	-	84	-
Accounts receivable from the Council	21	-	21	-
Accounts receivable from Christchurch City Holdings Ltd	-	-	-	-
Accounts receivable from Christchurch City Networks Ltd	-	-	-	-
Accounts receivable from Civic Building Ltd	190	172	190	172
Accounts receivable from Lyttleton Port Co Ltd	-	-	-	-
Accounts receivable from Orion NZ Ltd	-	2	-	2
Accounts receivable from Tuam Ltd	-	57	-	57
Loan advances from the Council	34,223	75,223	46,773	87,773
Accrued interest payable to the Council	1,185	1,185	1,478	1,491
Subvention payments receivable from group companies	1,559	2,633	1,559	3,049

Key Management Personnel

All transactions occurred on normal trading terms and conditions.

Vbase Ltd received amounts for room hire and related services from Mortlock McCormack Law, of which S G Mortlock, a director the company, is a partner, of nil (2010 $1,280). At year end there was no balance receivable (2010 $1,280).

Vbase Ltd paid operating expenses to Addington Raceway Ltd, of which JA Keegan, a director of the company, is a director. The expenses were charged on normal terms and conditions. Total payments made during the period totalled $186,860 (2010 $170,760). At year end there was a balance payable of $41,281 (2010 $32,500). Vbase Ltd received amounts for room hire and related services from Addington Raceway of $63,646 (2010 $66,095). At year end there was a balance receivable of $3,225 (2010 nil).

Vbase Ltd paid operating expenses to Crusaders Trust, of which CK Doig, a director of the company, is a board member. The expenses were charged on normal terms and conditions. Total payments made during the period totalled $4,565 (2010 $357,533). At year end there was a balance payable of $1,992 (2010 $63,645). Vbase Ltd received amounts for room hire and related services from Crusaders Trust of $1,000 (2010 $315,979). At year end there was no balance receivable (2010 $80,694).

Vbase Ltd paid operating expenses to Halberg Trust , of which CK Doig, a director of the company, is a director. The expenses were charged on normal terms and conditions. Total payments made during the period totalled nil (2010 $1,067). At year end there was no balance payable (201
Vbase Ltd received amounts for room hire and related services from Independent Fisheries, of which WG Cox, the chairman of the company, is a director, of $7,857 (2010 $77,449) and issued credits against last year's services of $19,438 (2010 nil). At year end there was a balance payable of $21,869 (2010 nil).

Vbase Ltd received amounts for room hire and related services from Coolpack Coolstores Ltd, of which WG Cox, the chairman of the company, is a director, of $327 (2010 $1,869). At year end there was no balance receivable (2010 nil).

Vbase Ltd received amounts for room hire and related services from MG Marketing, of which TM Treacy, a director of the company, is a director, of $14,712 (2010 $50,876) and issued credits against last year's services of $30,878. At year end there was a balance payable of $34,738 (2010 nil).

Vbase Ltd received amounts for room hire and related services from New Zealand Rugby Union, of which CK Doig, a director of the company, is a board member, of $19,045 (2010 $2,500). At year end there was no balance receivable (2010 nil).

Vbase Ltd paid operating expenses to Phantom Bill Stickers Ltd, of which SG Mortlock, a director of the company, is a director. The expenses were charged on normal terms and conditions. Total payments made during the period totalled nil (2010 $4,500). At year end there was no balance payable (2010 nil).

JEFL paid legal fees to Mortlock McCormack Law, of which SG Mortlock, a director of the company, is a partner. The expenses were charged on normal terms and conditions. Total payments made during the period totalled $2,442 (2010 $3,609). At year end there was no balance payable (2010 nil).

Vbase Ltd paid operating expenses to Southern Opera Ltd, of which CK Doig, a director of the company, is a director. The expenses were charged on normal terms and conditions. Expenses paid during the period totalled nil (2010 $2,111). At year end there was no balance payable (2010 nil). Vbase Ltd received operating cost recharges from Southern Opera Ltd, of $8,473 (2010 $46,096). At year end there was no balance receivable of nil (2010 $1,990).

Vbase Ltd received amounts for room hire and related services from Ngai Tahu Holdings Corporation Ltd, of which GS Campbell, a director of the company, is a director, of $1,373 (2010 $1,938). At year end there was no balance receivable (2010 nil).

Vbase Ltd received amounts for room hire and related services from Cavell Leitch Operations Ltd, of which AJ Keegan, a director of the company, is a director, of $8,433 (2010 $20,298). At year end there was no balance receivable (2010 $20,298).

Vbase Ltd received amounts for room hire and related services from St Andrew's College, of which BMC Pearson, the CEO of the company, is a Governor, of $35,638 (2010 $21,356). At year end there was a balance receivable of $4,318 (2010 $2,964).

In 2010 Vbase Ltd received amounts for room hire and related services from New Zealand Symphony Orchestra Foundation, of which C Doig, a director of the company, is a trustee, of $71,292. No amounted were received during 2011 and at year end there was no balance receivable (2010 nil).

No provision has been required, nor any expense recognised, for impairment of recoverables from related parties (2010 nil)

JEFL has recorded income tax payable of $40,423 for the 2011 financial year (2010 nil). As other members of the tax group have incurred tax losses for the same period, it is probable that, once the group tax position has been established, the tincome tax payable will be replaced by a subvention payment payable to one or more group entities.

27 Leases

(a) Finance lease receivable

Jet Engine Facility Ltd is party to a long term lease arrangement with a Pratt & Whitney/Air New Zealand joint venture, trading as the Christchurch Engine Centre ('CEC'), in respect of the test cell constructed by the company. The lease incorporates an initial two year rent 'holiday', with future lease payments providing JEFL with a full return on its investment. Lease payments are guaranteed by Pratt & Whitney's holding company, United Technologies

	Minimum future lease payments				Present value of minimum future lease payments			
	Parent 11	Parent 10	Group 11	Group 10	Parent 11	Parent 10	Group 11	Group 10
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
No later than one year	-	-	3,856	3,856	-	-	3,707	3,707
Later than one year and not later than five years	-	-	15,425	15,425	-	-	12,387	12,387
Later than five years	-	-	21,904	25,760	-	-	12,611	14,290
Minimum lease payments	-	-	41,185	45,041	-	-	28,705	30,384
Unguaranteed residual	-	-	-	-	-	-	-	-
Gross finance lease receivables	-	-	41,185	45,041	-	-	28,705	30,384
Less unearned finance income	-	-	(12,480)	(14,657)	-	-	-	-
Present value of minimum lease payments	-	-	28,705	30,384	-	-	28,705	30,384
Included in the financial statements as:								
Current trade and other receivables					-	-	3,707	3,707
Non-current trade and other receivables					-	-	24,998	26,677
					-	-	28,705	30,384

(b) Non-cancellable operating lease commitments

The company and its subsidiaries leases property, plant and equipment in the normal course of business. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
No later than one year	218	326	272	398
Later than one year and not later than five years	767	875	984	1,163
Later than five years	5,151	5,337	5,638	6,057
	6,136	6,538	6,894	7,618

There are no restrictions imposed by lease arrangements. The lease on the Peterborough street offices is in the process of being assigned to Christchurch City Council.

(c) Non-cancellable operating leases as lessor

The Company owns two buildings which it leases for use by other parties. The future aggregate minimum lease receivables under
these leases are as follows:

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
No later than one year	130	130	130	130
Later than one year and not later than five years	70	87	70	87
Later than five years	-	-	-	-
	200	217	200	217

There are currently two leases on the two properties. The first lease finishes 31 December 2011. The second lease can be renewed every six years. The current term is up for renewal on 8 August 2013 and the lease end date is 7 August 2025.

28 Financial instruments

Financial instrument risk

The Vbase Limited group has a series of policies to manage the risks associated with financial instruments. Vbase Limited is risk averse and seeks to minimise exposure from its financing activities.

Credit risk management
Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company/group.

The accrued balance under the finance lease arrangement with Christchurch Engine Centre is the group's principal credit risk. This risk is ameliorated by the fact that Pratt & Whitney's ultimate holding company, United Technologies Ltd, is party to the lease arrangements. United Technologies Ltd is a global listed company, with a market capitalisation of some US$67 billion.

Other than the finance lease, financial instruments that potentially subject the company to concentrations of credit risk consist principally of cash and short term investments and accounts receivable. The company/group places its cash and short term investments with various high-credit-quality banking institutions, and has no deposits with finance companies.

The maximum credit exposure for each class of financial instrument is the same as the carrying value.

Other than already noted in the accounts, Vbase Ltd has no significant exposure to credit risk.

Over the next financial year, as the quality of the various engineering assessments and financial information available to the group improves, there is likely to be a material upwards adjustment to the carrying value of insurance proceeds receivable (currently nil).

Liquidity risk management
Liquidity risk is the risk that the company/group will not be able to meet its financial obligations as they fall due.

The company manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining adequate reserves with the maturity profile of financial assets being matched to the financial liabilities. The company maintains reserve borrowing facilities with its parent company, Christchurch City Council, as JEFL does with Vbase Ltd. JEFL will require short term funding at certain times over the next couple of years and arrangements are being put in place with Vbase Ltd to cover this.

The costs incurred by the group as at 30 June 2011 as a result of the February earthquake have been covered by the $11.1m insurance proceeds received up to balance date.

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

Interest rates
Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Vbase Ltd to interest rate risk.

Redeemable preference shares are now at a rate of 0%.

Interest rates on the company's borrowing facility with the Council vary, depending on when the tranche was drawn down, but all rates are fixed with the exception of a variable rate attached to a tranche of $1.023m. Before the end of each fixed interest rate term, the company and the Council enter into discussions to re-fix the interest rates before the expiry date, in order to keep the risk due to interest rate fluctuations to a minimum.

The interest rate on JEFL's finance lease of 7.35% is fixed for the majority of the term of the lease and the interest rate on JEFL's borrowings is fixed for a similar (though slightly shorter) period. At the expiry of the current interest rate periods, both the finance lease rate and the borrowing rate willbe reset in relation to the bank swap rate at the time.

For the reasons noted above, the company is not sensitive to movements in interest rates in respect of its borrowing obligations or finance lease income. Interest rate movements would, however, affect the amount of interest income received by the company/group on surplus cash – a 1% movement either way would have the effect of increasing/decreasing the company's profit before tax by $133,326 or $93,328 after tax and the group by $149,163/$104,414 before/after tax (2010: company $117,901 before tax, $82,530 after tax).

Foreign exchange
Exchange risk is the risk that the cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates.

The company has little exposure to foreign exchange risk. Any small foreign payments are settled at the rate prevalent on the due date. Should any large foreing currency transactions arise, the company would enter into forward foreign exchange contracts to hedge the foreing currency risk exposure.

Price risk
Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Vbase Ltd is not exposed to price risk on its financial instruments.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Parent 11 $'000	Parent 10 $'000	Group 11 $'000	Group 10 $'000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA	8,986	10,019	11,851	10,200
Total cash at bank and term deposits	8,986	10,019	11,851	10,200
Counterparties without credit ratings				
Loans to related parties				
Existing conterparty with no defaults in the past	127	260	127	260
Existing conterparty with defaults in the past	-	-	-	-
Total loans to related parties	127	260	127	260
Debtors and other receivables				
Existing conterparty with no defaults in the past	46,026	3,812	74,731	34,196
Existing conterparty with defaults in the past	-	-	-	-
Total debtors and other receivables	46,026	3,812	74,731	34,196

Classification of financial instruments

Parent 2011	Designated at fair value $'000	Loans & receivables $'000	Fair value through other comprehensive income $'000	Held-to-maturity $'000	Other amortised cost $'000	Total carrying amount $'000
Current assets						
Cash and cash equivalents	-	6,961	-	-	-	6,961
Trade and other receivables	-	46,026	-	-	-	46,026
Other financial assets	-	2,025	-	-	-	2,025
Other (related party loans)	-	127	-	-	-	127
	-	55,139	-	-	-	55,139
Non-current assets						
Trade and other receivables	-	-	-	-	-	-
Other (related party loans)	-	-	-	-	-	-
Other (finance lease receivable)	-	-	-	-	-	-
	-	-	-	-	-	-
Total Financial Assets	-	55,139	-	-	-	55,139

Classification of financial instruments

Parent 2011 (continued)

Current liabilities						
Trade and other payables	-	-	-	-	7,296	7,296
Borrowings	-	-	-	-	4,500	4,500
Other financial liabilities	-	-	-	-	-	-
	-	-	-	-	11,796	11,796
Non-current liabilities						
Borrowings	-	-	-	-	40,046	40,046
Other (income in advance)	-	-	-	-	187	187
	-	-	-	-	40,233	40,233
Total Financial Liabilities	-	-	-	-	52,029	52,029

Parent 2010	Designated at fair value $'000	Loans & receivables $'000	Fair value through other comprehensive income $'000	Held-to-maturity $'000	Other amortised cost $'000	Total carrying amount $'000
Current assets						
Cash and cash equivalents	-	10,019	-	-	-	10,019
Trade and other receivables	-	4,072	-	-	-	4,072
Other financial assets	-	-	-	-	-	-
Other (related party loans)	-	1	-	-	-	1
	-	14,092	-	-	-	14,092
Non-current assets						
Trade and other receivables	-	-	-	-	-	-
Other (related party loans)	-	-	-	-	-	
Other (finance lease receivable)	-	-	-	-	-	-
						-
	-	-	-	-	-	-
Total Financial Assets	-	14,092	-	-	-	14,092
Current liabilities						
Trade and other payables	-	-	-	-	12,041	12,041
Borrowings	-	-	-	-	1,700	1,700
Other financial liabilities	-	-	-	-		-
	-	-	-	-	13,741	13,741
Non-current liabilities						
Borrowings	-	-	-	-	83,021	83,021
Other (income in advance)	-	-	-	-		-
	-	-	-	-	83,392	83,392
Total Financial Liabilities	-	-	-	-	97,133	97,133

Group 2011	Designated at fair value $'000	Loans & receivables $'000	Fair value through other comprehensive income $'000	Held-to-maturity $'000	Other amortised cost $'000	Total carrying amount $'000
Current assets						
Cash and cash equivalents	-	9,826	-	-	-	9,826
Trade and other receivables	-	46,026	-	-	-	46,026
Other financial assets	-	2,025	-	-	-	2,025
Other - finance lease receivable		3,707				3,707
Other - related party	-	127	-	-	-	127
	-	61,711	-	-	-	61,711
Non-current assets						
Trade and other receivables	-	-	-	-	-	-
Other - finance lease receivable	-	24,998	-	-	-	24,998
Other - related party	-	-	-	-	-	-
	-	24,998	-	-	-	24,998
Total Financial Assets	-	86,709	-	-	-	86,709
Current liabilities						
Trade and other payables	-	-	-	-	7,696	7,696
Borrowings	-	-	-	-	4,500	4,500
	-	-	-	-	12,196	12,196
Non-current liabilities						
Borrowings	-				52,596	52,596
Other (income in advance)	-				187	187
	-	-	-	-	52,783	52,783
Total Financial Liabilities	-	-	-	-	64,979	64,979

Group 2010	Designated at fair value $'000	Loans & receivables $'000	Fair value through other comprehensive income $'000	Held-to-maturity $'000	Other amortised cost $'000	Total carrying amount $'000
Current assets						
Cash and cash equivalents	-	10,200	-	-	-	10,200
Trade and other receivables	-	7,779	-	-	-	7,779
Other financial assets	-	-	-	-	-	-
Other (related party loans)	-	1	-	-	-	1
	-	17,980	-	-	-	17,980

Non-current assets						
Trade and other receivables	-	-	-	-	-	-
Other (finance lease receivable)	-	26,677	-	-	-	26,677
Other (related party loans)	-	-	-	-	-	-
	-	26,677	-	-	-	26,677
Total Financial Assets	-	44,657	-	-	-	44,657
Current liabilities						
Trade and other payables	-	-	-	-	12,409	12,409
Borrowings	-	-	-	-	1,700	1,700
	-	-	-	-	14,109	14,109
Non-current liabilities						
Borrowings	-				95,571	95,571
Other (income in advance)	-				371	371
	-	-	-	-	95,942	95,942
Total Financial Liabilities	-	-	-	-	110,051	110,051

Contractual Maturity Analysis

Parent - As at 30 June 2011	Carrying Amount $'000	Contractual Cashflows $'000	Less than 1 year $'000	1 - 2 years $'000	3 - 5 years $'000	More than 5 years $'000
Financial assets:						
Cash and cash equivalents	6,961	6,961	6,961	-	-	-
Trade receivables	46,026	46,026	46,026	-	-	-
Other financial assets	2,025	2,025	2,025	-	-	-
Other (related party receivables)	127	127	127	-	-	-
Finance lease receivables	-	-	-	-	-	-
	55,139	55,139	55,139	-	-	-
Financial liabilities:						
Trade and other payables	4,017	4,017	4,017	-	-	-
Borrowings	44,546	84,172	6,979	2,152	6,458	68,583
Other (income in advance)	2,280	2,280	2,092	64	62	62
Other (related party)	1,186	1,186	1,186	-	-	-
Finance lease liabilities	-	-	-	-	-	-
	52,029	91,655	14,274	2,216	6,520	68,645

Contractual Maturity Analysis

Parent - As at 30 June 2010	Carrying Amount $'000	Contractual Cashflows $'000	Less than 1 year $'000	1 - 2 years $'000	3 - 5 years $'000	More than 5 years $'000
Financial assets:						
Cash and cash equivalents	10,019	10,019	10,019	-	-	-
Trade receivables	3,812	3,812	3,812	-	-	-
Other financial assets	-	-	-	-	-	-
Other (related party loans)	261	261	261	-	-	-
Finance lease receivables	-	-	-	-	-	-
	14,092	14,092	14,092	-	-	-
Financial liabilities:						
Trade and other payables	3,565	3,565	3,565	-	-	-
Borrowings	84,721	151,790	7,810	8,572	24,487	110,921
Other (income in advance)	5,324	5,324	4,953	228	62	81
Other (related party)	1,204	1,204	1,204	-	-	-
Finance lease liabilities	-	-	-	-	-	-
	94,814	161,883	17,532	8,800	24,549	111,002

Contractual Maturity Analysis

Group - As at 30 June 2011	Carrying Amount $'000	Contractual Cashflows $'000	Less than 1 year $'000	1 - 2 years $'000	3 - 5 years $'000	More than 5 years $'000
Financial assets:						
Cash and cash equivalents	9,826	9,826	9,826	-	-	-
Trade and other receivables	46,026	46,026	46,026	-	-	-
Other financial assets	2,025	2,025	2,025	-	-	-
Other - related party	127	127	127	-	-	-
Finance lease receivables	28,705	41,185	3,856	3,856	11,569	21,904
	86,709	99,189	61,860	3,856	11,569	21,904
Financial liabilities:						
Trade and other payables	4,122	4,122	4,122	-	-	-
Borrowings	57,096	103,947	8,623	3,796	14,589	76,939
Other (income in advance)	2,280	2,280	2,092	64	62	62
Other (related party)	1,479	1,479	1,479	-	-	-
Finance lease liabilities	-	-	-	-	-	-
	64,977	111,828	16,316	3,860	14,651	77,001

Contractual Maturity Analysis

Group - As at 30 June 2010	Carrying Amount $'000	Contractual Cashflows $'000	Less than 1 year $'000	1 - 2 years $'000	3 - 5 years $'000	More than 5 years $'000
Financial assets:						
Cash and cash equivalents	10,200	10,200	10,200	-	-	-
Trade and other receivables	3,812	3,812	3,812	-	-	-
Other financial assets	0	0	0	-	-	-
Other (related party loans)	261	261	261	-	-	-
Finance lease receivables	30,384	45,041	3,856	3,856	11,569	25,760
	44,657	59,314	18,129	3,856	11,569	25,760
Financial liabilities:						
Trade and other payables	3,626	3,626	3,626	-	-	-
Borrowings	97,271	173,056	9,454	10,216	33,273	120,113
Other (income in advance)	5,324	5,324	4,953	228	62	81
Other (related party)	1,511	1,511	1,511	-	-	-
Finance lease liabilities	-	-	-	-	-	-
	107,732	183,517	19,544	10,444	33,335	120,194

29 Capital Management

The Vbase group's capital is its equity, which comprises general funds and property valuation and fair value through comprehensive income reserves. Equity is represented by net assets.

Vbase is a Council Controlled Organisation as defined by the Local Government Act 2002 which includes restrictions on how the company operates and defines reporting and accountability processes. Council has a general security agreement over all Vbase assets which restricts the ability to dispose of certain property and to enter into new borrowing arrangements. During the year, Vbase issued $41m redeemable preference shares to Council in exchange for $41m of borrowings from Council.

All of JEFL's capital has been and will be retained within the business until full lease payments from the Christchurch Engine Centre commence in June 2010. From then on, surplus funds will be applied to a combination of dividend payments and debt repayment, ensuring at all times that the company maintains a prudent level of reserves and liquidity.

The group manages its revenues, expenses, assets, liabilites, investments and general financial dealings prudently and in a manner that promotes the current and future interest of the community. The group's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

The objective of managing the group's equity is to ensure that it effectively and efficiately achieves the goals and objectives for which it has been established, while remaining a going concern.

30 Prior period adjustment

The calculation of the deferred tax liability in the 30 June 2010 financial statements took account of the change in tax rate from 30% to 28%. However the full impact of the change in tax rate was taken in full to the tax expense recognised in profit or loss. Vbase has revaluation reserve relating to its buildings, therefore the adjustment should have been split between tax expense recognised in profit or loss and tax expense recognised in other comprehensive income. As a result, the parent's and group's tax expense recognised in profit and loss and tax expense recognised in other comprehensive income were understated by $1,337k and overstated by $1,337k respectively.

An adjustment to the 2010 tax expense is required and the following adjustment has been made:

Debit	Tax expense recognised in profit or loss	$1,337k
Credit	Tax expense recognised in other comprehensive income	$1,337k

Prior period adjustment (continued)

The effect of the adjustment is as follows:	**2010 balance**		**2010 balance restated**
Parent			
Income tax recognised in profit or loss:			
Charge for 2010 increases from	$19,505k	to	$20,842k
Income tax recognised in other comprehensive income:			
Charge for 2010 decreases from	$0k	to	($1,337k)
Retained earnings:			
Balance as at 30 June 2010 decreases from	($69,762k)	to	($71,099k)
Revaluation reserve			
Balance as at 30 June 2010 increases from	$54,531k	to	$55,868k
Group			
Income tax recognised in profit or loss:			
Charge for 2010 increases from	$20,794k	to	$22,131k
Income tax recongised in other comprehensive income:			
Charge for 2010 decreases from	$0k	to	($1,337k)
Retained earnings:			
Balance as at 30 June 2010 decreases from	($69,140k)	to	($70,477k)
Revaluation reserve			
Balance as at 30 June 2010 increases from	$54,531k	to	$55,868k

31 Statutory reporting declaration

Section 67 of the Local Government Act requires a Council Controlled Organisation to complete its annual report within 3 months after the end of the financial year. The deadline was not met.

Statement of Service Performance

Reporting against Statement of Intent

Note

Due to the earthquake on February 22 2011, three of the company's four venues have closed. This has had a direct bearing on the ability of the company to achieve its performance targets for the year.

Objective and Strategy	Performance Measure	Result
Leverage Asset & Capability		
• Maintain AMI Stadium corporate suite occupancy	> 92%	Prior to 22nd Feb, suite occupancy was averaging 78%.
• Maximise event days in the Convention Centre	> 210 event days	Prior to 22nd Feb, 139 event days
• Maximise event days in the Auditorium	> 100 event days	Prior to 22nd Feb, 89 event days
• Maximise event days in the James Hay	> 100 event days	Prior to 22nd Feb, 78 event days
• Maximise event days at CBS Arena	> 120 event days	124 event days for the year
• Maximise event days at AMI Stadium	> 14 event days (Field) > 100 event days (Functions)	Prior to 22nd Feb, 13 event days Prior to 22nd Feb, 88 event days
Great Hosting		
• Implement event guest experience standards and supporting training process	Achieve greater than 80% satisfaction rating during the year	To December 2010, 96.5% of respondents said "likely" or "very likely" to recommend the venue.
• Vbase Great Hosts casual staff recruitment and training fully operational	Extend e-learning to include role specific skills training	Role specific modules were to be introduced for RWC. Currently on hold, however hope to implement if the ability to do so arises.
• All milestones for AMI Stadium hosting of RWC2011 achieved	Milestones agreed with RWC2011 Ltd management and deadlines achieved, event planning and management resources deployed in support of RWC2011 by 1 July 2011	AMI Stadium no longer hosting RWC games. Prior to 22nd Feb all milestones had been agreed and event planning was well underway.
Community Impact		
• Secure events that will attract national and international visitors to Christchurch and generate positive economic impact	Annual visitor spending exceeds $50m	Annual visitor spending was $34m, with $29m prior to Feb and $5m post Feb.
• Secure events that will encourage high usage of the venues	Visitors to venues exceeds 800,000	Visitors to the venues were 392,000. 274,000 pre Feb and 118,000 post Feb

• Facilitate access to the venues for local sporting, charitable and cultural organisations • Nurture the Vbase way of doing business and develop leadership succession	Total venue discounts exceed $250,000 Establish a wider leadership group and invest in leadership development	Prior to 22nd Feb, $203,000 discounts had been given. A new transition leadership team is now in place.
Great Stages • Establish the technology platform for best practice Asset & Facilities Management • Commence Town Hall refurbishment project and achieve project milestones in accordance with plan	Implement EBMS asset management software by June 2011 Project milestones achieved	Achieved – EBMS implemented 1 October 2009 Prior to 22 Feb the refurbishment process was well underway. Milestones were achieved and the reception toilet block had just been completed. All refurbishment work ceased on 22 Feb.
Valuable Partnerships • Further develop Vbase staff culture and conduct staff climate survey • Continue to tune health and safety systems and processes • Provide leadership to clients, contractors and sub contractors	At least 80% engagement rating in staff climate survey Improvement in staff H&S performance review scores 100% contractor and client compliance Improvement in contractor performance review outcomes 100% accreditation of contractors	The 2011 survey had not been conducted prior to 22nd Feb. H&S continues to be a focus, however no performance reviews were conducted prior to the earthquake All contractors have been reviewed and compliance and accreditation has been achieved.
Building reputation, profile and influence • Increase Vbase influence in support of the Business Tourism strategy for Christchurch and Canterbury • Increase the recognition level of the Vbase brand	Vbase is influential in the direction of the Christchurch and Canterbury Business Tourism strategy Trend of increased recognition over prior year	Vbase was a platinum member of the Christchurch and Canterbury Tourism Association. Vbase was working with central and local government on a plan for the Convention Centre expansion. This is now on hold pending decisions around the venue. Achieved prior to February – anecdotal evidence

Environmental performance targets

Performance Target	Performance Measure	Result
Sustainable Energy Audit completed and recommendations implemented	By 31 December 2010	Phased roll out of recommendations from 2009 was underway but have since stopped due to the impact of the earthquake.

JEFL performance targets

Performance Target	Performance Measure	Result
The engine test cell continues to be provided as per the criteria established in the contract documentation	The Christchurch Engine Centre continues to operate the engine test cell successfully and meet its lease payment obligations	Achieved
The company meets all relevant legislative and contractual requirements	No breaches of legislative or contractual requirements are recorded	Achieved – no breaches

Financial performance targets

Vbase Ltd	Group 2011 Target $'000	Group 2011 Actual $'000
Income	$30,002	$82,601
Less Operating Expenses	$23,792	$25,799
EBITDA	$6,210	$56,802
Less		
Interest	$7,366	$8,598
Depreciation	$9,702	$8,868
Loss on derecognition of property	$0	$21,121
Net Surplus (deficit) before tax	-$10,858	$18,215
Taxation	-$3,408	$6,216
Net Surplus (deficit) after tax	-$7,450	$11,999

It is not valid to make a comparison between target and actual results due to the impact of the recent earthquakes. Pursuant to note 2 to the accounts, due to the impact of the February 22nd earthquake, and to a lesser extent the earthquake on September 4th, the company's operations have been severely affected. Three of the company's four venues have closed since February therefore event revenue is subsequently down. Insurance revenue has been recognised when appropriate.

Ratio of Shareholders funds to total assets

The forecast ratio of Shareholders funds to total assets is:

Target	Actual
62%	59%

The forecast capital structure is:

	Target	Actual
	$m	$m
Equity	$184m	$152m
Debt	$81m	$57m
Total Assets	$299m	$257m

Independent Auditor's Report

To the readers of Vbase Limited and group's financial statements and statement of service performance for the year ended 30 June 2011

The Auditor-General is the auditor of Vbase Limited (the company) and group. 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 statement of service performance of the company and group on her behalf.

We have audited:

- the financial statements of the company and group on pages 7 to 44, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the company and group on pages 45 and 48.

Disclaimer of opinion on the financial statements – we were unable to form an opinion because the impact of the Christchurch earthquakes on the carrying value of land and buildings, and the associated current and deferred tax balances, could not be determined

Reason for our disclaimer of opinion

The company owns land and buildings at four venues in Christchurch City which are carried at their fair value. The land and buildings are shown at their 30 June 2011 revaluation estimates, less amounts relating to derecognition and impairment due to earthquake damage. As outlined in note 13, the company's independent valuer and quantity surveyor have advised that, due to the Christchurch earthquakes, the assumptions underlying the revaluations and impairments to land and buildings are subject to significant uncertainty and there is no market evidence to support a reliable fair value for the land and buildings as at 30 June 2011. Additionally, the extent of earthquake damage suffered by a significant proportion of the land and buildings is not known as there are restrictions on access to the properties.

Land and buildings are included in the statement of financial position at their estimated fair value at 30 June 2011 of $158,182,000 which represents 95% of total property, plant and equipment as at 30 June 2011.

In accordance with NZ IAS 12 *Income Taxes*, the tax treatment of land and buildings is dependent on their future use. The uncertainties around the extent of earthquake damage means that the future use of a significant proportion of the company's land and buildings is not known. Accordingly, current and deferred tax balances in the statement of financial position associated with land and buildings cannot be reliably determined.

As a result of the above matters, the scope of our audit was limited and we were unable to determine whether the carrying values of land and buildings and the associated current and deferred tax balances are fairly stated.

Disclaimer of opinion on the financial statements, other than the cash flow statement

Because of the significance of the matters described in the "Reason for our disclaimer of opinion" paragraph above, we have been unable to obtain sufficient appropriate audit evidence to form an opinion as to whether the financial statements, other than the cash flow statement, of the company and group on pages 7 to 44:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company and group's:
  - financial position as at 30 June 2011; and
  - financial performance for the year ended on that date.

Opinion on the cash flow statement

In our opinion, the cash flow statement on page 10 complies with generally accepted accounting practice in New Zealand and gives a true and fair view of the company and group's cash flows for the year ended 30 June 2011.

Opinion on the statement of service performance

In our opinion the statement of service performance of the company and group on pages 45 and 48:

- complies with generally accepted accounting practice in New Zealand; and
- gives a true and fair view of the company and group's service performance achievements measured against the performance targets adopted for the year ended 30 June 2011.

Opinion on other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company and group as far as appears from an examination of those records.

Our audit was completed on 23 March 2012. This is the date at which our opinions are expressed.

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

Basis of opinions

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 statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. We are unable to determine whether there are material misstatements in the financial statements because the scope of our work was limited, as we referred to in our disclaimer of opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the financial statements and statement of service performance that give a true and fair view of the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

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

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. In accordance with the Financial Reporting Act 1993, we report that we have not obtained all the information and explanations we have required with the consequence that we have issued a disclaimer of opinion on the financial statements except for the cash flow statement.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company's financial position, financial performance and cash flows; and
- give a true and fair view of its service performance.

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

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing independent opinions on the financial statements and statement of service performance and reporting those opinions to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the company or any of its subsidiaries.

Ian Lothian

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