

**TO:** Council

**FROM:** Group Chief Financial Officer

**MEETING DATE:** 24 February 2014

**SUBJECT:** **STATEMENTS OF INTENT - DUNEDIN CITY HOLDINGS LIMITED GROUP PLUS DUNEDIN VENUES LIMITED AND DUNEDIN VENUES MANAGEMENT LIMITED**

## SUMMARY

Attached are the Statements of Intent from Dunedin City Holdings Limited, the subsidiaries of Dunedin City Holdings Limited and the two Dunedin Venues companies, which are submitted for approval.

## IMPLICATIONS FOR:

(i) <b>Policy:</b>	No
(ii) <b>Approved Annual Budget:</b>	No
(iii) <b>LTP/Funding Policy:</b>	No
(iv) <b>Activity Management Plans:</b>	No
(v) <b>Community Boards:</b>	No
(vi) <b>Sustainability:</b>	No

## RECOMMENDATIONS

That the Statements of Intent, as submitted, be approved.

## **BACKGROUND**

Enclosed are nine Statements of Intent for approval of Council. Apart from Aurora Energy Limited that remains an "Electricity Company" within the meaning of the Electricity Industry Reform Act 1998, all are prepared under the provisions of the Local Government Act 2002.

The Dunedin City Holdings Board has reviewed these Statements of Intent progressively over the last few months.

The Statements of Intent provide the information as prescribed under the Local Government Act 2002.

- 1 Council Controlled Organisations have a need to provide the Statement of Intents to Council, complete with financial projections, by 1 March. The Council timetable and the need for the Holding Company board to review all Statement of Intents prior to submission to the Council means that the financial projections must be prepared well in advance of the beginning of the financial year to which they relate. The statutory requirement to produce the data early means that the forward-looking projections are likely to be at variance with the final situation.
- 2 The current dividends listed have been conservatively forecast. At this stage there is a dividend shortfall between what the Council has allowed for and what the companies have advised. This is being worked through with the individual companies with a final solution being presented as part of the final Statement of Intents for approval in June. The Board of DCHL are confident that the dividend provided in the Council budget will be achieved in the 2014/15 financial year.
- 3 The budget for DVML has been prepared and is currently showing a deficit. The solution for this will be part of the final review of the stadium.

Prepared by:

Grant McKenzie

**GROUP CHIEF FINANCIAL OFFICER**

Date report prepared: 13 February 2014

## **Attachments**

Statement of Intent - Dunedin City Holdings Limited  
Statement of Intent - Dunedin City Treasury Limited  
Statement of Intent - Aurora Energy Limited  
Statement of Intent - Delta Utility Services Limited  
Statement of Intent - City Forests Limited  
Statement of Intent – Taieri Gorge Railway Limited  
Statement of Intent - Dunedin International Airport Limited  
Statement of Intent - Dunedin Venues Limited  
Statement of Intent - Dunedin Venues Management Limited