DUNEDIN CITY COUNCIL
Kaunihera-a-rohe o Otepoti

Report

TO:	Council
FROM:	Group Chief Financial Officer
MEETING DATE:	24 February 2014
SUBJECT:	**DUNEDIN CITY HOLDINGS LIMITED FINANCIALS FOR THE SIX MONTHS ENDED 31 DECEMBER 2013**

SUMMARY

Attached are the financials for the six months ended 31 December 2013 from Dunedin City Holdings Limited, which are submitted for approval.

IMPLICATIONS FOR:

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

RECOMMENDATIONS

That the Dunedin City Holdings Limited financials for the six months ending 31 December 2013, as submitted, be approved.

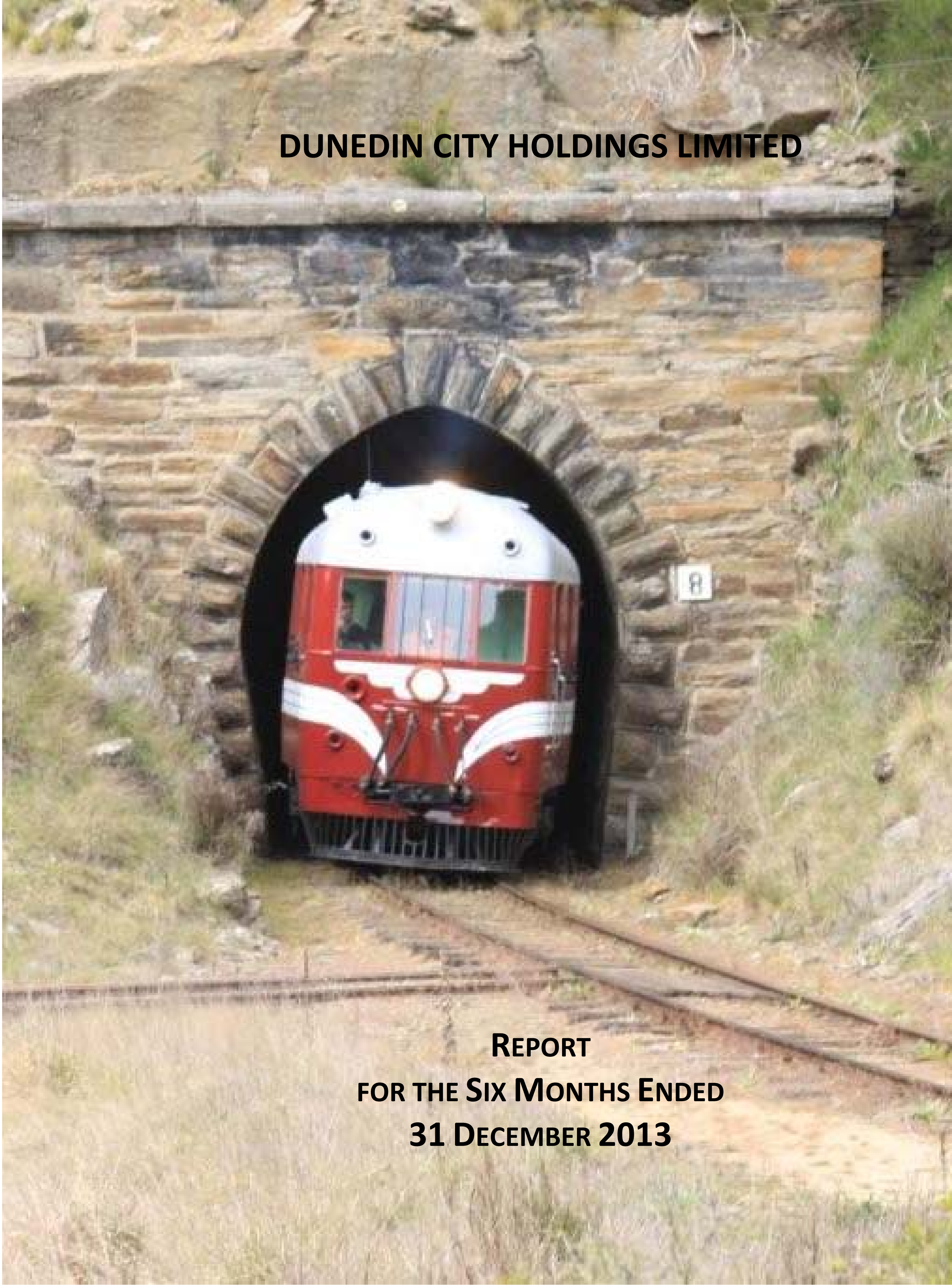
Prepared by:

Grant McKenzie
GROUP CHIEF FINANCIAL OFFICER

Date report prepared: 13 February 2014

Attachments

Dunedin City Holdings Limited Six Month Financials



DUNEDIN CITY HOLDINGS LIMITED

REPORT
FOR THE SIX MONTHS ENDED
31 DECEMBER 2013

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HIGHLIGHTS

Six Months Ended 31 December 2013

- The after tax profit increases from $7.869 million for the six months to 31 December 2013 to $8.667 million a $798k (10.1%) increase
- Group revenue decreased by 1.8% to $122.635 million.
- Cash flow from operating activities, increased by $2.359 million to $21.691 million.
- Term borrowings (including current portion) have decreased by $19.047 million to $607.145 million.

DIRECTORS' REPORT

For the Six Months Ended 31 December 2013

Results for the Six Months Ended 31 December 2013

	Group $000
Operating surplus before income tax	12,675
Income tax	4,008
Net surplus/(deficit) for the period	8,667
Interest paid to Dunedin City Council on the shareholders advance	3,365
Subvention paid to Dunedin City Council subsidiaries	3,727
Net surplus/(deficit) pre shareholders interest and subvention	15,759

DIRECTORS' REPORT

For the Six Months Ended 31 December 2013

Dividends

The company paid a $1.5m interim dividend to Dunedin City Council in December.

Reserves and Retained Earnings

Forest revaluation reserves were increased by a net $204k following a full revaluation, net of deferred tax, of the forest.

The change in retained earnings comprises the after tax profit reduced by the dividend to Council and the transfer of the $204k increase in forest revaluation to reserves.

Review of Operations

Dunedin City Holdings Limited

The parent company returned a net surplus after income tax for the half year of $1.4 million compared to a surplus of $2.3 million for the same period in 2012. The reduction in surplus has been due to lower dividends received and higher interest costs being incurred by the company. This is due to timing and will correct in the coming months.

Subsidiary Companies

Aurora Energy Limited

The company has been affected by the mild winter in 2013. This has resulted in a decline in operating revenue and a reduced surplus for the first six months of the financial year. The surplus after tax for the half year at $5.8 million was down on the $8.6 million achieved in the same period last year.

Delta Utility Services Limited

The financial performance of the Delta Group in the first half of this year has been ahead of budget at $2.8 million. The higher than budgeted surplus is due in part to greater surpluses from the sale of assets no longer required.

City Forests Limited

Continued strong prices for export logs and gains made from carbon credit allocation has resulted in City Forests Limited having a solid first six months of the financial year. The surplus after tax for this period has been $5.1 million which is significantly higher than the $2.0 million achieved in the same period last year.

Taieri Gorge Railway Limited

The company has reported a before income tax loss for six months of $692k. This is worse than the result achieved at the same time last year of a loss of $488k. The general tourist market in the South Island has declined by 3.3%. This has been further compounded by a weaker cruise ship season and has also been adversely affected by the cancellation of a number of ships due to poor weather conditions.

DIRECTORS' REPORT

For the Six Months Ended 31 December 2013

Dunedin City Treasury Limited

The company continues to act as the central banker for the Dunedin City Holdings group and as financial adviser to the city. The company has been able to consistently obtain the funds that it has required for the shareholder and the group at good margins which are highly competitive as measured against similar organisations of equal credit rating.

Associate Company

Dunedin International Airport Limited

Lower than budgeted income has led to the surplus being lower than budget and compared to this time last year. The reduction of 3.5% in total airline capacity across both international and domestic services for the period had a significant impact on the aeronautical revenue of the company. Total passenger numbers were up slightly at 437,284.

Corporate Governance

Dunedin City Holdings Limited is a Council Controlled Trading Organisation (CCTO). The directors' role is defined in the Local Government Act 2002. This states that all decisions relating to the operation of the CCTO shall be made pursuant to the authority of the directorate of the CCTO and its Statement of Intent (SI). The board is responsible for the preparation of the SI. In addition to the obligations of the Local Government Act, Dunedin City Holdings is also covered by the Companies Act and governed by directors in accordance with the law and best practice.

The shareholder reviews and approves the SI and three-year financial plan. Quarterly and annual reports of financial and operational performance are provided to the shareholder.

Financial Statements

The unaudited financial statements for the six months ended 31 December 2013 are attached to this report.

Directors' Interests in Contracts

Disclosures of interests made by directors are recorded in the company's interest register. Any transaction entered into was in the group's normal course of business and on its usual terms and conditions.

Directors' Insurance

In accordance with their constitutions, Dunedin City Holdings Limited and its subsidiary companies have arranged policies of Directors' and Officers' Liability Insurance which, together with a deed of indemnity, ensure that the directors will not incur any monetary loss as a result of actions undertaken by them as directors provided that they operate within the law.

DIRECTORS' REPORT

For the Six Months Ended 31 December 2013

Directors' Benefits

No director of Dunedin City Holdings Limited has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total remuneration received or due and receivable by the directors shown in the financial statements). There were no notices from directors of the company requesting to use company information received in their capacity as directors which would not otherwise have been available to them.

Events Subsequent to Balance Date

The directors are not aware of any matters or circumstances since the end of the financial period not otherwise dealt with in this report or the financial statements that has significantly or may significantly affect the operation of Dunedin City Holdings Limited, the results of those operations or the state of affairs of the parent company or the group.

Outlook

The outlook for the group is mixed, with City Forest Limited and Delta performing very well and other companies within the group being affected by weather conditions (Aurora and Taieri Gorge Railway Limited). Overall the group should be close too, if not exceed last year’s financial result. This will be a pleasing outcome.

The strong operating cash flow for the group has also resulted in the ability to repay debt. This is improving the financial position of the group.

In the current environment continued hard work will be required across the group for the remainder of the year to achieve a satisfactory result.

On behalf of the Board of Directors

Chairman

24 February 2014

Principal Activities of the Group

Dunedin City Holdings Limited as the parent company of the group has a primary role to monitor and support the performance of its subsidiary companies on behalf of the ultimate shareholder, Dunedin City Council. This role involves continual review of strategic direction, operating activities, financial performance, and service delivery of each of the subsidiaries.

It is the responsibility of Dunedin City Holdings Limited to ensure that each of its subsidiary companies has a sustainable competitive position and, where appropriate, a basis for growth. Dunedin City Holdings Limited also has the responsibility to ensure that its subsidiary companies receive the synergistic advantages available from being a group of companies and that the group's financial strength is maintained through sound financial management. The principal activities of the subsidiary companies are as follows:

- **City Forests Limited** manages approximately 16,100 hectares of land from which forest products are grown, harvested and marketed.

- **Dunedin City Treasury Limited** provides the group with funding and financial services.

- **Delta Utility Services Ltd** is an electrical and civil contracting company with a wide-ranging customer base. It is also an asset management company. As asset manager to Aurora Energy Ltd it is responsible for the efficient distribution of electricity in Dunedin City and a large proportion of Central Otago.

- **Aurora Energy Limited** owns electricity network assets in the city of Dunedin and in Central Otago in areas from Roxburgh through to Queenstown and Wanaka.

- **Taieri Gorge Railway Limited** operates a tourist and community orientated train on the Taieri Gorge Railway Line and provides other train services in the South Island, principally for charters and excursions.

- **Dunedin International Airport Limited** (Associate) operates the Dunedin Airport. It also farms adjacent land in partnership with a sharemilker and owns a small residential housing estate on land adjoining the airfield to the north.

Group Financial Statistics

	Six Months to Dec 2013 $'000	Six Months to Dec 2012 $'000	Year to June 2013 $'000	Year to June 2012 $'000	Year to June 2011 $'000	Year to June 2010 $'000	Year to June 2009 $'000
Revenue	122,635	124,891	255,986	254,922	245,784	233,583	214,434
Tax	4,001	4,553	5,791	2,838	7,704	5,918	5,210
Surplus after tax	8,667	7,869	20,512	(5,087)	16,244	18,110	8,704
Net interest paid to Council on Advance	3,365	2,951	5,903	7,213	7,616	8,223	10,333
Surplus after tax before shareholder interest and subvention [1]	15,759	11,501	31,665	7,376	23,860	26,333	19,037
Shareholder's funds	168,544	148,776	159,197	142,289	153,175	152,238	151,743
Rate of return p.a. (on shareholder's funds)	10.3%	10.6%	12.9%	(3.5)%	10.6%	11.9%	5.7%
Shareholders Advance	112,000	112,000	112,000	112,000	112,000	112,000	113,060
Dividend paid in period	1,500	1,500	4,547	10,737	15,584	14,877	9,468
Net interest paid to Council on Advance	3,365	2,951	5,903	7,213	7,616	8,223	10,333
Subvention to Council subsidiary	3,727	681	5,250	5,250	-	-	-
Total paid to Council and subsidiaries	8,592	5,132	15,700	23,200	23,200	23,100	19,801
Total assets	1,029,299	1,034,801	1,036,288	1,022,319	965,829	889,710	753,146
Shareholder's funds to total assets	16.4%	14.4%	15.3%	13.9%	15.8%	17.1%	20.2%

Notes:

[1] The surplus after tax figure is impacted by differing methods of distribution to the shareholder. The surplus after tax before shareholder interest provides a more consistent measure on the surpluses achieved.

Statement of Comprehensive Income

For the Six Months Ended 31 December 2013

	Note	Six months to 31 December 2013 $'000	Six months to 31 December 2012 $'000	Year to 30 June 2013 $'000
Continuing operations				
Revenue		104,878	94,708	196,690
Forest revaluation		283	817	7,046
Financial income		13,601	14,303	27,132
Share of retained net surplus of associates		448	583	863
Total revenue from continuing operations		119,210	110,411	231,731
Less expenses				
Audit fees		126	133	241
Contractors		11,011	11,124	21,948
Depreciation		8,572	8,311	16,802
Directors' Fees		343	342	696
Employee expenses		19,689	17,652	35,535
Financial expenses		22,968	22,842	45,541
Raw materials and consumables used		8,173	6,613	43,479
Transmission charges		14,209	15,412	-
Other expenses		17,596	12,358	29,365
Profit before tax, impairment and subvention		16,523	15,623	38,124
Subvention payments to DVL/DVML		3,727	681	7,367
Impairment in value of assets in subsidiary companies		133	-	-
Profit before tax from continuing operations		12,663	14,942	30,757
Income tax expense		4,008	5,211	5,997
Profit for the Period from continuing operations		8,655	9,731	24,760
Discontinued operations	**8**			
Gain/(Loss) for the year from discontinued operations net of tax		12	(1,862)	(4,248)
Profit for the period		8,667	7,869	20,512
Other comprehensive income				
Items that may be reclassified subsequently to Profit or Loss				
Interest rate swap hedge gains/(losses) during period		2,321	(69)	2,078
Foreign exchange hedge gains/(losses) during period		503	97	(1,091)
Share of other comprehensive income of associates		158	102	236
Income tax on other comprehensive income		(803)	(15)	(280)
Other comprehensive income		2,180	115	943
Total comprehensive income for period net of tax		10,847	7,984	21,455
Profit attributable to:				
Parent Interest		8,806	7,967	20,501
Minority Interest		(139)	(98)	11
Net Surplus/(Deficit)		8,667	7,869	20,512
Earnings per share from continuing operations (cents)		1.02	0.92	2.41

The accompanying notes and accounting policies form an integral part of these financial statements.

Statement of Changes in Equity

For the Six Months Ended 31 December 2013

GROUP	Share Capital $'000	Reserves $'000	Retained Earnings $'000	Minority Interest $'000	Total Equity $'000
Balance at 1 July 2013	100	38,664	119,939	494	159,197
Comprehensive income					
Profit for the year	-	-	8,806	(139)	8,667
Other comprehensive income					
Interest rate swap hedge gains/(losses) during period	-	1,817	-	-	1,817
Foreign exchange hedge gains/(losses) during period	-	362	-	-	362
Transfer between reserves	-	203	(203)	-	-
Total comprehensive income for the year	-	2,383	8,603	(139)	10,847
Less distribution to owners	-	-	(1,500)	-	(1,500)
Equity at 31 December 2013	100	41,046	127,042	355	168,544

For the Six Months Ended 31 December 2012

GROUP	Share Capital $'000	Reserves $'000	Retained Earnings $'000	Minority Interest $'000	Total Equity $'000
Balance at 1 July 2012	100	32,648	109,058	483	142,289
Comprehensive income					
Profit for the year	-	588	7,379	(98)	7,869
Other comprehensive income					
Interest rate swap hedge gains/(losses) during period	-	(54)	-	-	(54)
Foreign exchange hedge gains/(losses) during period	-	70	-	-	70
Share of other comprehensive income of associates	-	102	-	-	102
Total comprehensive income for the year	-	706	7,379	(98)	7,987
Less distribution to owners	-	-	(1,500)	-	(1,500)
Equity at 31 December 2012	100	33,354	114,937	385	148,776

The accompanying notes and accounting policies form an integral part of these financial statements.

Consolidated Balance Sheet

At 31 December 2013

	Note	Group 31 December 2013 $'000	Group 31 December 2012 $'000	Group 30 June 2013 $'000
Equity				
Share capital	5	100	100	100
Associate company asset revaluation reserve		10,340	10,206	10,340
Forest revaluation reserves	6	29,027	24,338	28,823
Hedging reserve	6	1,680	(1,190)	(499)
Retained earnings	7	127,042	114,937	119,939
		168,189	148,391	158,703
Minority Interest		355	385	494
Total Equity		168,544	148,776	159,197
Current Liabilities				
Short term borrowings		5,633	2,805	5,100
Trade and other payables		23,567	17,893	20,340
Other current liabilities		2,123	3,015	2,991
Provisions		4,150	4,848	5,096
Derivative financial instruments		19,757	36,316	27,852
Provision for tax		3,404	3,349	2,768
Current portion of term borrowings		152,757	111,869	61,765
Total current liabilities		211,391	180,095	125,912
Non-Current Liabilities				
Shareholders advance- DCC		112,000	112,000	112,000
Term borrowings		454,388	514,323	558,872
Other liabilities		333	320	320
Provisions		355	380	389
Deferred tax liability		82,288	78,907	79,538
Total non-current liabilities		649,364	705,930	751,119
Total Liabilities		860,755	886,025	877,031
TOTAL EQUITY PLUS LIABILITIES		1,029,299	1,034,801	1,036,228

The accompanying notes and accounting policies form an integral part of these financial statements.

	Group 31 December 2013 $'000	Group 31 December 2012 $'000	Group 30 June 2013 $'000
Current Assets			
Cash and short term deposits	20,084	7,106	14,469
Trade and other receivables	35,517	35,064	37,974
Derivative financial instruments	24,047	34,643	27,165
Inventories	6,049	5,853	5,447
Prepayments	3,359	1,686	2,038
Tax refund due	-	223	-
Investment	10,246	13,166	20,662
Investments in jointly controlled operations	-	-	133
Assets classified as held for sale	5,139	9,329	7,970
Total current assets	104,441	107,070	115,858
Non-Current Assets			
Investments	359,494	366,020	351,952
Property, plant and equipment	433,993	435,807	436,998
Forestry assets	108,423	103,678	108,589
Investments in associates	22,346	22,036	22,449
Investments in jointly controlled operations	-	-	-
Intangible asset	602	190	382
Total non-current assets	924,858	927,731	920,370
TOTAL ASSETS	1,029,299	1,034,801	1,036,228

For and on behalf of the Board of Directors

__________________ Director

__________________ Director
G W Crombie

24 February 2014

The accompanying notes and accounting policies form an integral part of these financial statements.

Statement of Cash Flows

For the Six Months Ended 31 December 2013

	Note	Six months to 31 December 2013 $'000	Six months to 31 December 2012 $'000	Year to 30 June 2013 $'000
Cash Flows from Operating Activities				
Cash was provided from				
Receipts from customers		114,333	120,554	234,799
Dividends from associates		565	330	-
Interest received		21	747	351
		114,919	121,631	235,150
Cash was disbursed to				
Payments to suppliers and employees		72,312	77,282	149,063
Interest paid		19,463	22,646	39,654
Income tax paid		1,431	620	839
Net GST paid		(1,339)	498	274
Subvention to DVL/DVML		1,361	1,253	9,575
		93,228	102,299	199,405
Net Cash Inflows/(Outflows) from Operating Activities	**9**	21,691	19,332	35,745
Cash Flows from Investing Activities				
Cash was provided from				
Sale of property, plant and equipment		7,675	831	2,410
Investments realised		10,774	46	2,583
		18,449	877	4,993
Cash was disbursed to				
Purchase of property, plant and equipment		13,245	11,319	22,939
Purchase of investments		6,494	12,204	5,969
		19,739	23,523	28,908
Net Cash Inflows/(Outflows) from Investing Activities		(1,290)	(22,646)	(23,915)

The accompanying notes and accounting policies form an integral part of these financial statements.

	Six months to 31 December 2013 $'000	Six months to 31 December 2012 $'000	Year to 30 June 2013 $'000
Cash Flows from Financing Activities			
Cash was provided from			
Proceeds from borrowings	100	8,370	5,552
	100	8,370	5,552
Cash was disbursed to			
Repayment of borrowings	13,386	888	2,804
Dividends paid	1,500	1,500	4,547
	14,886	2,388	7,351
Net Cash Inflows/(Outflows) from Financing Activities	(14,786)	5,982	(1,799)
NET INCREASE/(DECREASE) IN CASH HELD	5,615	2,668	10,031
Cash and short term deposits at the beginning of the year	14,469	4,438	4,438
CASH AND SHORT TERM DEPOSITS AT THE END OF THE PERIOD	20,084	7,106	14,469
Composition of Cash			
Cash and short term deposits	20,084	7,106	14,469
Bank overdraft	-	-	-
CASH AND SHORT TERM DEPOSITS AT THE END OF THE YEAR	20,084	7,106	14,469

The accompanying notes and accounting policies form an integral part of these financial statements.

Notes to the Financial Statements

For the Six Months Ended 31 December 2013

1. REPORTING ENTITY

The financial statements presented here are for the group comprising Dunedin City Holdings Limited and its subsidiary and associate companies.

Dunedin City Holdings Limited is a Council Controlled Trading Organisation as defined in the Local Government Act 2002. The company, incorporated in New Zealand under the Companies Act 1993, is wholly owned by the ultimate parent of the group, Dunedin City Council.

The registered address of the company is 50 The Octagon, Dunedin

Dunedin City Holdings Limited is a profit orientated entity.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the company and group operates.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The condensed consolidated financial report is a general purpose financial report which has been prepared in accordance with NZ IAS 34: Interim Financial Reporting.

The condensed consolidated financial report does not include all of the information required for a full annual report.

The financial report is to be read in conjunction with the most recent annual financial report.

Basis of Accounting

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain property, plant and equipment, investment properties, biological assets, derivative financial instruments, financial instruments classified as available for sale and financial instruments held for trading.

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

The accounting policies have been applied consistently by group entities.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Associate Entities

An associate is an entity over which the group is in a position to exercise significant influence, but not control, or joint control, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the group's interest in those associates are not recognised.

Any excess of the cost of acquisition over the group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. Any deficiency of the cost of acquisition below the group's share of the fair values of the identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited in profit and loss in the period of acquisition.

Where a group company transacts with an associate of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Investment in Associates

The financial statements of the company (parent) include the investment in entities over which the company is in a position to exercise significant influence (associates) at the cost of the acquisition.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is recognised as an asset and reviewed for impairment at least at each reporting date. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Any negative goodwill arising on an acquisition is recognised directly in profit or loss.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Sales of goods are recognised when significant risks and rewards of owning the goods are transferred to the buyer, when the revenue can be measured reliably and when management effectively ceases involvement or control.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as Lessee

Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements the results and financial position of each entity are expressed in New Zealand dollars, which is the functional currency of the Group.

Transactions in currencies other than New Zealand dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. The group does not hold non-monetary assets and liabilities denominated in foreign currencies.

In order to hedge its exposure to certain foreign exchange risks, the group may enter into forward contracts and options (see below for details of the group's accounting policies in respect of such derivative financial instruments).

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Government Loans

Forestry term liabilities include Ministry of Forestry Suspensory Loans and Ministry of Forestry Repayable Loans. Interest is calculated annually on the suspensory loans. However the interest and principal may be forgiven when the loan conditions are met. Interest is also calculated annually on the repayable loans. The interest and principal is not repayable on repayable loans until harvesting of the trees planted with the loan monies occurs.

Employee Entitlements

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date at current rates of pay.

Entitlements to long service leave are calculated on an actuarial basis and are based on the reasonable likelihood that they will be earned by employees and paid by the group.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, Plant and Equipment

Property plant and equipment are those assets held by the group for the purpose of carrying on its business activities on an ongoing basis.

All property, plant and equipment, apart from forestry land, is stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Forestry land is stated at its revalued amount, being the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by Quotable Value.

Self constructed assets include the direct cost of construction to the extent that they relate to bringing the fixed assets to the location and condition for their intended service.

Revaluations are performed with sufficient regularity such that the carrying amount for forests and/or forest land does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase is credited to the appropriate revaluation reserve, except to the extent that it reverses a revaluation decrease previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of forests and/or forest land is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation is charged so as to write off the cost or valuation of assets, other than land, forestry land, properties under construction and capital work in progress, on the straight-line basis. Rates used have been calculated to allocate the asset's cost or valuation less estimated residual value over their estimated remaining useful lives.

Depreciation of these assets commences when the assets are ready for their intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation on revalued assets, excluding land, is charged to the profit and loss. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the appropriate property revaluation reserve is transferred directly to retained earnings.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, over the term of the relevant lease.

Depreciation rates and methods used are as follows:

	Rate	*Method*
Buildings	1% to 5%	Straight line
Roads and bridges	2% to 16%	Straight line
Metering Equipment	5% to 20%	Straight line
Electricity network assets	2 % to 20%	Straight line
Sawmill assets	3% to 10%	Straight line
Plant and equipment	5% to 50%	Straight line

Motor vehicles	5% to 25%	Straight line
Railway assets	1% to 20%	Straight line
Office equipment and fittings	5% to 25%	Straight line
Construction in progress	no depreciation charged	
Software	20% to 100%	Straight line

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

At transition date, when the accounts were transferred to International Financial Reporting Standards, the carrying value of the network assets of Aurora Energy Limited and the carrying value of plant and equipment, motor vehicle and office equipment and fixture assets of Citibus Limited were transferred at deemed cost in accordance with NZ IFRS1. Amounts in the revaluation reserves in these two companies were transferred to retained earnings.

Forests

The fair value of the forest, exclusive of the forest land, is determined at each reporting date. Fair value is equivalent to the NZIF Forest Valuation Standards definition of market value. Fair value is determined using the discounted cash flow methodology and in using this method taxation, financing costs and replanting costs are excluded. The method first determines the current market value of the collective forest and land resource, with land then subtracted at its current market value to provide the value of the forest asset.

The valuation takes into account changes in price over the accounting period as well as the quantity of trees harvested and the growth that has occurred in the forest. Any change in forest valuation is recorded in the income statement.

Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation. All investment properties are stated at fair value, as determined annually by independent valuers at the balance sheet date.
Gains or losses arising from changes in the fair value of investment properties are recognised in the income statement for the period in which the gain or loss arises.

Research and Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Patents and Trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Impairment of assets excluding goodwill

At each balance sheet date, the group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of any previous revaluation increase for that asset (or cash-generating unit) that remains in the revaluation reserve. Any additional impairment is immediately transferred to the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Log inventories are valued at net realisable value less estimated point of sale costs. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial Instruments

Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Accounts receivable

Accounts receivable are stated at cost less any allowances for estimated irrecoverable amounts.

Cash and short term deposits

Loans and other receivables are financial instruments that are measured at amortised cost using the effective interest method. This type of financial instrument includes deposits, term deposits, community loans and mortgages.

Investments Held for Trading

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments in debt and equity securities:
Investments in debt and equity securities are financial instruments classified as held for trading and are measured at fair value at balance date. Any resultant gains or losses are recognised in the income statement for the period.

Accounts payable

Accounts payable are stated at cost.

Borrowings

Borrowings are initially recorded net of directly attributable transaction costs and are measured at subsequent reporting dates at amortised cost. Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to the Income Statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Financial Liability and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Derivative financial instruments and hedge accounting

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses foreign exchange forward contracts, foreign exchange options and interest rate swap contracts to hedge these exposures.

The group does not use derivative financial instruments for speculative purposes. However, derivatives that do not qualify for hedge accounting, under the specific NZ IFRS rules, are accounted for as trading instruments with fair value gains/losses being taken directly to the income statement.

The use of financial derivatives in each entity within the group is governed by that entity's policy approved by its board of directors. The policies provide written principles on the use of financial derivatives.

Derivative financial instruments are recognised at fair value on the date that the derivative is entered into and are subsequently re-measured to their fair value.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and any ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in the income statement. Gains or losses from re-measuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are recognised in the income statement.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement for the period.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

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 economic benefits will be required to settle the obligation.

Provisions for restructuring costs are recognised when the group has a detailed formal plan for the restructuring that has been communicated to affected parties.

Prior Period Comparatives

Prior period comparatives have been restated as appropriate to comply with current reporting.

Changes in Accounting Policy

There has been no change in accounting policy. Policies for the current year and comparative year have been applied on a consistent basis

3. SEASONALITY OF OPERATIONS

The profitability and cash flow of the group contains seasonal elements. Some businesses of the group have quite marked seasonal elements but overall the winter business of the electricity distribution company has a bigger impact on the group than the summer flows of the tourism based businesses of Taieri Gorge Railway and the summer bias of the Delta Utility Services contracting activity.

Subvention payments have been made, and are planned to be made from primarily from Aurora Energy Limited to Dunedin Venues Limited. For the six months ended 31 December 2013 a subvention payment of $3,664k was recognised between these entities. A subvention payment of the same amount is expected to be made from Aurora Energy Limited to Dunedin Venues Limited in the forthcoming six months. However for the same comparative periods the subvention payments were not evenly recognised during the year. In the six months ended 31 December 2012 was $681k, with the remaining amount of $6,686k in the six months ended 30 June 2013.

4. DIVIDENDS

The following dividends were paid by the group:

	Group 31 December 2013 $'000	Group 31 December 2012 $'000	Group 30 June 2013 $'000
Interim dividends	1,500	1,500	1,500
Final dividend	-	-	3,047

5. EQUITY - Share Capital

Issued Capital			
850,000,000 ordinary shares	100	100	100

On incorporation, Dunedin City Holdings Limited issued 100,000,000 ordinary shares in favour of the Dunedin City Council. Only $100,000 was called.

Since incorporation Dunedin City Holdings Ltd has issued additional shares for a consideration of $1 each in favour of the Dunedin City Council. The shares carry equal voting rights and are uncalled. The amounts and dates of issue are:

- May 1996 75,000,000 ordinary shares
- March 1999 100,000,000 ordinary shares
- June 2002 75,000,000 ordinary shares
- September 2008 250,000,000 ordinary shares
- April 2011 250,000,000 ordinary shares

6. RESERVES

	Group 31 December 2013 $'000	Group 31 December 2012 $'000	Group 30 June 2013 $'000
Forest and Forest Land Revaluation Reserve			
Balance at beginning of the year	28,823	23,750	23,750
Net revaluations of forest	204	588	5,073
Net revaluations of forest land	-	-	-
Balance at the end of the year	29,027	24,338	28,823
Hedging Reserve			
Balance at beginning of the year	(499)	(1,206)	(1,206)
Net revaluations	2,977	(5)	872
Deferred tax arising on hedges	(798)	21	(165)
Balance at the end of the year	1,680	(1,190)	(499)

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments relating to interest payments and foreign exchange transactions that have not yet occurred.

7. RETAINED EARNINGS

	Group 31 December 2013 $'000	Group 31 December 2012 $'000	Group 30 June 2013 $'000
Balance at the beginning of the year			
Group companies	112,763	101,882	101,882
Associate companies	7,176	7,176	7,176
	119,939	109,058	109,058
Net surplus for the year	8,667	7,869	20,512
Dividend distributions	(1,500)	(1,500)	(4,547)
Transfer to forest reserve	(203)	(588)	(5,073)
Minority share of surplus	139	98	(11)
Balance at the end of the year	127,042	114,937	119,939
Represented by			
Group companies	119,418	107,508	112,763
Associate companies	7,624	7,429	7,176
Balance at the end of the year	127,042	114,937	119,939

8. DISCONTINUED OPERATIONS AND DISPOSAL GROUPS

Discontinued operations

In 2013 Delta Utilities Limited decided to close it civil works division. The activities related to that division have been reclassified to discontinued operations and have been set out below.

Included in the cash flows from investing activities is $7,509k received from the sale of property, plant and equipment associated with the civil works division. Additionally unsold property plant and equipment with an estimated net realisable value of $114k is included in assets intended for sale.

In 2012 City Forests Limited entered into a lease agreement in respect of the processing mill at Milburn. The activities related to the wind up of City Forests Limited operations at that plant have been reclassified to discontinued operations also.

Income statement information

	Delta Utilities Ltd Six months ended		City Forests Ltd Six months ended		Total Six months ended	
	31 December 2013 $'000	31 December 2012 $'000	31 December 2013 $'000	31 December 2012 $'000	31 December 2013 $'000	31 December 2012 $'000
Revenue	3,195	13,572	230	907	3,425	14,479
Expenses	(3,249)	(16,092)	(157)	(907)	(3,406)	(16,999)
Loss before income tax from discontinued operations	(54)	(2,520)	73	-	19	(2,520)
Income tax(expense)/credit	13	658	(20)	-	(7)	658
Loss after income tax from discontinued operations	(41)	(1,862)	53	-	12	(1,862)

9. RECONCILIATION OF NET SURPLUS FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES

	Group 31 December 2013 $'000	Group 31 December 2012 $'000	Group 30 June 2012 $'000
Net surplus/(deficit) for the year	8,667	7,869	20,512
Share of net surplus/(deficit) in associate companies	(448)	(583)	(863)
Items Not Involving Cash Flows			
Amortisation of intangibles	474	5	-
Asset impairment	133	105	
Depreciation	9,009	9,425	18,785
Depletion of forest	1,607	1,860	4,132
Deferred tax	2,362	1,227	1,858
Forest revaluation	(283)	(817)	(7,046)
Other non-cash items	(511)	356	167
Impact of Changes in Working Capital Items			
(Increase)/Decrease in trade and other receivables	3,777	3,668	758
(Increase)/Decrease in inventories	(602)	(219)	187
(Increase)/Decrease in prepayments	(1,321)	(986)	(1,338)
(Increase) / Decrease in tax refund due	-	310	533
Increase / (Decrease) in trade and other payables	3,317	(3,692)	(1,449)
Increase / (Decrease) in provision for tax	636	2,413	1,832
Increase / (Decrease) in other current liabilities	(3,299)	(1,125)	(651)
Items Classified as Investing or Financing Activities			
(Gain) on sale of property, plant and equipment	(1,827)	(484)	(1,672)
Net cash inflows / (outflows) from operating activities	21,691	19,332	35,745

10. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 30 June 2013. There have been no changes in the risk management strategies or in any risk management policies since the year end.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2013.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivatives used for hedging	–	21,719	–	21,719
NZ Carbon Credits	2,328	–	–	2,328
Forest land	–	–	25,114	25,114
Forestry assets	–	–	108,423	108,423
Total assets	2,328	21,719	133,537	157,584
Liabilities				
Derivatives used for hedging	–	19,757	–	19,757
Total liabilities	–	19,757	–	19,757

The following table presents the group's assets and liabilities that are measured at fair value at 30 June 2013.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivatives used for hedging	–	27,165	–	27,165
NZ Carbon Credits	386	–	–	386
Forest land	–	–	25,114	25,114
Forestry assets	–	–	108,589	108,589
Total assets	386	27,165	133,703	161,254
Liabilities				
Derivatives used for hedging	–	27,852	–	27,852
Total liabilities	–	27,852	–	27,852

There were no transfers between any levels during the period.

Valuation techniques used to derive Level 2 fair values

Level 2 hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

Fair value measurements using significant unobservable inputs (Level 3)

	Forest land $'000	Forestry assets $'000	Total $'000
Opening balance at 1 July 2013	25,114	108,589	133,703
Gains/(losses) in profit or loss, under 'Forest revaluation'	–	283	283
Gains/(losses) recognised in other comprehensive income, under 'Forestry land revaluation'	–	–	–
Costs capitalised in establishing forests during the period	–	854	854
Less Value of logs harvested	–	(1,303)	(1,303)
Closing balance at 31 December 2013	**25,114**	**108,423**	**133,537**

Discounted cash flow or similar modelling techniques are generally used to determine the recurring fair value measurements for Level 3 forestry assets. Use of these techniques requires determination of relevant inputs and assumptions, some of which represent significant unobservable inputs. Accordingly, changes in these unobservable inputs may have a significant impact on fair value.

The forestry valuation is subject to unobservable inputs such as the yield per hectare, the log price, and the discount rate. The higher the yield and the log price the higher the fair value. The higher the discount rate, the lower the fair value.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.
There were no changes in valuation techniques during the period.

Group's valuation processes

The valuation processes used for valuing derivatives, forest land, forestry and carbon credits are as described in the full annual financial statements for the year ended 30 June 2013, with the exception that the forestry valuation is only peer reviewed annually at 30 June.

Fair value of financial assets and liabilities measured at amortised cost.

The directors estimate the fair value of the group's borrowings are as follows:

	31 December 2013 $'000	30 June 2013 $'000
Multi-option note facility	622,994	550,507
Forestry loans	7,826	8,365
	630,820	558,872

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Cash and cash equivalents
- Trade and other receivables
- Investments
- Trade and other payables

COMPANY DIRECTORY

As at 31 December 2013

Directors	Responsibilities	Declarations of Interests
Graham William Crombie Date appointed – 25 June 2012	Chairman Company Director	Chairman, NZ Institute of Chartered Accountants Chairman, Otago Museum Trust Independent Chairman, Action Engineering Limited Director, Australia/NZ Chartered Accountants Director, Surf Life Saving NZ Chairman, NZ Genomics Limited Trustee, Arai Te Uru Kokiri Centre Charitable Trust Director, Innovatio Limited Chairman, Dunedin City Treasury Ltd
Kathleen Enid Grant Date appointed – 25 June 2012	Company Director	Consultant, Gallaway Cook Allan Chair of Council, Otago Polytechnic Trustee, Sport Otago Director, Dunedin City Treasury Limited Director, Dunedin International Airport Limited Director, Southern Sinfonia
Linda May Robertson Date appointed – 17 October 2013	Company Director	Chairman, Statistics New Zealand Audit and Risk Committee Director, Dunedin City Treasury Limited Director, Hunter Downs Development Limited Employee and shareholder, Meridian Energy Limited
Brian John Wood Date appointed - 17 October 2013	Company Director	Chairman, Buller Holdings Limited Chairman, Westreef Services Limited Chairman, Buller Recreation Limited Chairman, Westport Harbour Limited Chairman, Canterbury Linen Services Limited Chairman, Abley Transportation Consultants Limited Director, Interpret Geospatial Solutions Limited Director, Lyttelton Port of Christchurch Limited Director, Dunedin City Treasury Limited
James Denham (Denham) Shale Date resigned – 17 October 2013	Chairman Company Director	Chairman, The Farmers Trading Company Limited Group Chairman, Jenkin Timber Limited Chairman, Mercy Hospice Auckland Foundation Director, Carlaw Heritage Trust Inc Director, Consortium Limited Director, D'Argent Trust Limited Director, Oceana Gold Limited Director, Oceana Gold Corporation Director, Turners Auctions Limited Director, Whitcoulls 2011 Limited President, Institute of Directors in New Zealand Inc

Arthur William (Bill) Baylis Date resigned – 17 October 2013	Company Director	Chairman, Blackhead Quarries Limited Chairman, Dairy Holdings Limited Chairman, Landcorp Farming Limited and subsidiaries Director, Palmer & Son Limited Director, Palmer Oliver Holdings Limited Director, Port of Tauranga Limited Director, Tenby Estate Limited Director, Edincorp Business Services Limited Director, Edincorp Equities Limited Director, Pengxin New Zealand Farm Management Limited Trustee Carisbrook Stadium Trust Director, Melbourne Street Development Limited Director, PrimePort Timaru Limited

REGISTERED OFFICE
50 The Octagon
Dunedin, New Zealand

TAXATION ADVISORS
Deloitte

SOLICITORS
Anderson Lloyd

AUDITOR
Audit New Zealand on behalf of the Controller and Auditor-General

BANKERS
ANZ National Bank Limited

CHIEF EXECUTIVE

Bevan R N Dodds – resigned 20 December 2013

GROUP CHIEF FINANCIAL OFFICER
Grant McKenzie – started 16 January 2014

COMPANIES COMPRISING THE DUNEDIN CITY HOLDINGS GROUP

Subsidiary Companies
City Forests Limited
Delta Utility Services Limited
Dunedin City Treasury Limited
Aurora Energy Limited
Delta Investments Limited
Taieri Gorge Railway Limited (72% Owned)

Associate Companies
Dunedin International Airport Limited (50% Owned)
Otago Chipmill Limited (50% Owned by City Forests Limited)
Intelogic Online Limited (36.1% Owned)

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