DUNEDIN STADIUM PROPERTY LTD

STATEMENT OF INTENT

for the year ending 30 June 2027

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1. INTRODUCTION

Dunedin Stadium Property Limited (DSPL) is a Council-Controlled Organisation (CCO) established to hold the ownership of Forsyth Barr Stadium.

DSPL is a wholly owned subsidiary of Dunedin City Holdings Limited (DCHL), which is wholly owned by Dunedin City Council (DCC).

This Statement of Intent (SoI) sets out DSPL's planned activities, objectives and financial forecasts for the next three years. It includes performance measures and targets which will be reported against in DSPL's 2027 Annual Report.

2. OBJECTIVES

DSPL was established with the primary purpose of ownership of Forsyth Barr Stadium. DSPL's overarching objective is to ensure this asset remains a fit for purpose venue for public and private events.

As a Dunedin City Council Group company, DSPL aims to contribute to the Dunedin City Council's strategic framework and achievement of city objectives.

In line with the DCHL Carbon Roadmap, DSPL will reduce and report on emissions and explore potential contributions to citywide emissions reduction goals.

The Local Government Act 2002 defines the principal objectives of CCOs as to:

a) achieve the objective of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent; and

b) be a good employer as per clause 36 of Schedule 7 LGA); and

c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

DSPL conducts its affairs in accordance with sound business practice.

In 2026/2027, DSPL intends to focus on:

a) ensuring Forsyth Barr Stadium is maintained in accordance with the Asset Management Plan; and

b) managing DSPL's debt prudently.

DSPL's objectives and targets for the year, as set out on the following page, support this focus.

3. NATURE AND SCOPE OF ACTIVITIES

In support of its objectives, DSPL approves and regularly reviews the stadium's Asset Management Plan, monitors execution of the Asset Management Plan and the asset's performance, ensures an appropriate debt repayment programme is in place, and gives consideration to the long-term strategy for the asset.

The undertaking by DSPL of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholder.

4. APPROACH TO GOVERNANCE

DSPL is governed by a board of independent directors, appointed by DCHL. DCHL directors appointed to the board of DSPL are appointed by DCC. Directors meet regularly to direct and control DSPL's proceedings. The role of a Director of a CCO is defined in the Local Government Act 2002 as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent." The DSPL board operates in accordance with accepted best practice.

5. PERFORMANCE TARGETS

Goal	Objective	Performance Targets
Forsyth Barr Stadium remains a fit for purpose venue for public and private events	Ensure an Asset Management Plan which enables general use of the stadium, and meets asset warranty and guarantee requirements, is in place.	An Asset Management Plan is in place.
	Ensure the Asset Management Plan remains current and relevant.	The Asset Management Plan is internally reviewed annually, and externally reviewed every three years.
	Ensure assets are appropriately maintained.	A current Building Warrant of Fitness is always maintained for the stadium.
		The Board monitors progress against the Asset Management Plan and material changes to approved budgets.
Manage debt prudently	Ensure an appropriate debt repayment plan is in place.	The Board reviews long-term debt forecasts annually and engages with the shareholder as required.
DSPL maintains a strategic direction that is consistent with the policies and objectives of the shareholder	Ensure Statement of Intent is consistent with objectives of the shareholder.	A draft 2027/2028 Statement of Intent will be submitted to the shareholder by 1 March 2027.
Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives	Reduce emissions and explore potential contributions to citywide emissions reduction goals.	Refine and continue to implement DSPL's carbon emissions and waste reduction strategies.
Communicate with the shareholder on a 'no surprises' basis	Consult with the shareholder in a timely manner on DSPL strategic or operational matters which could compromise the Council's community outcomes.	No such matters that were not escalated to the shareholder in a timely manner.
	Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	No such matters that were not reported to the shareholder within 24 hours.

6. FINANCIAL FORECASTS

This section sets out DSPL's financial forecasts for the next three financial years.

	Year ending 30 June 2027 $'000	Year ending 30 June 2028 $'000	Year ending 30 June 2029 $'000
EBITDA	(358)	(127)	(179)
Net / (loss) profit after tax	(5,211)	(6,838)	(6,779)
Cash flow from operations	(718)	(2,207)	(2,468)
Capital expenditure	7,286	4,043	1,938
Term loans	86,328	87,173	86,174
Shareholder's funds	45,219	43,785	42,411

The board of DSPL acknowledges the Council's decision on 4 March 2026 to provide additional funding of $1.25 million in the year ending 30 June 2027, then increasing the additional funding to $2.5 million from the year ending 30 June 2028 onwards, to support capital expenditure and debt repayment for the Forsyth Barr Stadium. This funding is provided by way of increases to share capital, via DSPL's shareholder, DCHL.

As a council-controlled organisation that is not a council-controlled trading organisation, the company presents forecast financial statements for the year ending 30 June 2027 and the following two years, as required by section 64(6) of the Local Government Act 2002. The financial information is prospective.

Actual results are likely to vary from the information presented and the variations may be material. In preparing the financial forecasts it was necessary for the company to make key assumptions about the future. The following assumptions are significant in that if actual future events differ from the assumptions, it may result in material variances.

- Equity injections from DCHL each year are assumed to continue for the foreseeable future; and
- Subvention receipts are forecast to be received on the assumption that the DCHL tax group will continue to make sufficient taxable profits.

The board is responsible for the information presented, including the underlying assumptions and all other disclosures. The prospective financial statements contain no actual operating results and will not be updated subsequent to presentation in this Statement of Intent.

Forecast Statement of Comprehensive Revenue and Expenses	**FY27 Budget 000's**	**FY28 Forecast 000's**	**FY29 Forecast 000's**
Rent received	1,152	1,260	1,260
Total revenue	1,152	1,260	1,260
Less Expenses:			
Operating expenses	1,509	1,387	1,439
Interest expense	3,741	3,843	3,970
Depreciation	4,553	4,530	4,251
Total expenditure	9,803	9,761	9,659
Share of surplus/(deficit) in associates and jointly controlled entities	-	-	-
Net Profit before Tax	**(8,651)**	**(8,501)**	**(8,399)**
Add: subvention receipt	3,440	1,662	1,620
Less: tax expense	-	-	-
Net Profit/(Loss) after Tax	**(5,211)**	**(6,838)**	**(6,779)**
Other comprehensive revenue and expense:			
Interest rate swap hedges gains (losses) during the year	-	-	-
Total Comprehensive Revenue and Expenses for the year	**(5,211)**	**(6,838)**	**(6,779)**

Forecast Statement of Changes in Equity	**FY27 Budget 000's**	**FY28 Forecast 000's**	**FY29 Forecast 000's**
Opening equity	46,275	45,219	43,785
Share capital contributions	4,155	5,405	5,405
Total comprehensive revenue and expense for the year	(5,211)	(6,838)	(6,779)
Closing Equity	**45,219**	**43,785**	**42,411**

Forecast Statement of Financial Position	**FY27 Budget 000's**	**FY28 Forecast 000's**	**FY29 Forecast 000's**
Equity			
Share capital	140,989	146,394	151,799
Accumulated losses	(95,770)	(102,609)	(109,388)
	45,219	43,785	42,411
Non-controlling interest	-	-	-
Total Equity	**45,219**	**43,785**	**42,411**
Current Assets			
Bank balance	20	20	20
Trade and other receivables	105	52	26
Total current assets	125	72	46
Non-current Assets			
Property, plant and equipment	132,420	131,933	129,620
Total non-current assets	132,420	131,933	129,620
Total Assets	**132,546**	**132,005**	**129,667**
Current Liabilities			
Trade and other payables	117	133	138
Current portion of term borrowings	882	914	944
Total current liabilities	999	1,047	1,082
Non-current Liabilities			
Term borrowings	86,328	87,173	86,174
Total non-current liabilities	86,328	87,173	86,174
Total Liabilities	**87,327**	**88,220**	**87,256**
Net Assets	**45,219**	**43,785**	**42,411**

Forecast Cash flow Statement	**FY27 Budget 000's**	**FY28 Forecast 000's**	**FY29 Forecast 000's**
Cash flows from Operating			
Cash was provided from:			
Receipts from customers	1,152	1,260	1,260
Income tax/ subvention	3,440	1,662	1,620
Net GST received	23	55	26
	4,614	2,977	2,906
Cash was disbursed to:			
Payments to suppliers	1,624	1,373	1,435
Net GST paid	-	-	-
Interest paid	3,708	3,811	3,940
	5,332	5,184	5,374
Net cash inflows/(outflows) from operating	**(718)**	**(2,207)**	**(2,468)**
Cash flows from Investing			
Cash was provided from:			
Proceeds from asset disposals	-	-	-
	-	-	-
Cash was disbursed to:			
Capital expenditure	7,286	4,043	1,938
	7,286	4,043	1,938
Net cash inflows/(outflows) from investing	**(7,286)**	**(4,043)**	**(1,938)**
Cash flows from financing			
Cash was provided from:			
Call on capital	4,155	5,405	5,405
Loan draw downs	9,660	845	-
	13,815	6,250	5,405
Cash was disbursed to:			
Loan repayments	5,811	-	998
	5,811	-	998
Net cash inflows/(outflows) from financing	**8,004**	**6,250**	**4,407**
Opening cash	20	20	20
Net change in cash	(0)	0	(0)
Closing Cash	**20**	**20**	**20**

7. ACCOUNTING POLICIES

General accounting policies

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

Particular accounting policies

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are fully listed in DSPL's Annual Report.

8. DIVIDEND POLICY

DSPL's current policy is to not pay dividends.

9. TRANSACTIONS WITH RELATED PARTIES

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Railways Ltd, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

Transactions between the companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

Related party transactions

Related party	Transactions
Dunedin City Council	Council rates for properties owned by DSPL Lease of Council owned land
Dunedin City Holdings Limited	Provision of administrative services to DSPL
Dunedin City Treasury Limited	Provision of debt funding to DSPL generating interest payments to DCTL
Dunedin Venues Management Limited	Maintenance of asset and grounds Lease of asset

DCHL and its subsidiaries, including DSPL, undertake to obtain all debt funding from DCTL, with exceptions as agreed with the board of DCHL.

10. OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD

Information to be provided to the Shareholder

Information	Quarterly	Half Yearly	Annual
Key financial and service performance indicators	✓	✓	✓
Long-term debt forecasts	✓		
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against SoI targets		✓	✓
Directors' Report		✓	✓
Auditors' Report			✓
Draft Statement of Intent			Prior to 1 Mar
Final Statement of Intent			Prior to 30 Jun

Working with the shareholder

DSPL will undertake to keep the Shareholder informed of all substantive matters, as set out in the performance targets above. DSPL will work to build a culture of accountability and constructive working practices between DSPL, Shareholder, and Ultimate Shareholder as required. It is expected that any conflicts that may arise will be resolved directly between the Shareholder and DSPL, in accordance with appropriate governance practices.

Acquisition / divestment of assets or shares in any company or organisation

DSPL will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to DSPL. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that DSPL should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds $500,000. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that DSPL should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) they will obtain prior approval of the Shareholder. The approval of the Shareholder is required before disposal by DSPL of any segment of its business, or disposal of any shares in a subsidiary or associated company where the value of the asset to be disposed of exceeds $500,000.

Compensation sought

At the request of the Shareholder, DSPL may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities. At present, DSPL does not have any activities in respect of which its Board wishes to seek compensation from any local authority.

Group Facility Use

DSPL will undertake "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

Other agreements

DSPL will not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's ethical position. DSPL will continue to work with DCHL to ensure that its sponsorship policy aligns with DCC's strategic framework and ensure that any sponsorships are clearly articulated in the company's Annual Report.

DSPL will work with DCC and DCHL and the group's auditors to incrementally shorten the DCC group annual reporting timeline.