



DUNEDIN CITY HOLDINGS LIMITED

INTERIM REPORT

For the six months ended 31 December 2024

Contents

Page

Directors' report	2
Statement of responsibility	6
Principal activities of the group	7
Group financial statistics	8
Statement of comprehensive income	9
Statement of changes in equity	11
Statement of financial position	12
Statement of cash flows	14
Notes to the financial statements	15
Statement of Service Performance	22
Company directory	33

Dunedin City Holdings Limited

Directors' report

The Directors of Dunedin City Holdings Limited are pleased to present their report on the activities of the Group for the six months ended 31 December 2024.

Overview of results

	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Total revenue	192,398	176,249	360,219
Net profit before tax	16,346	14,553	23,007
Income tax	5,700	5,070	10,157
Net profit after tax	10,646	9,483	12,850
Other comprehensive income (see page 10)	(15,532)	15,186	6,317
Total comprehensive income for the period	(4,886)	24,669	19,167
Net cash flow from operating activities	34,874	37,348	69,814
Total assets	2,132,889	1,980,187	2,049,674

Dividends

No interim dividend has been paid to the Dunedin City Council. This is consistent with the current year Statement of Intent.

Retained earnings and reserves

The change in retained earnings comprises the after tax profit and items subsequently reclassified to profit and loss.

Lower New Zealand interest rate swap yields decreased the positive mark to market of cash flow hedging arrangements, significantly decreasing the positive value of the Hedge Reserve by \$23.175 million

The carbon credit reserve has significantly increased in value and there were no sales of carbon credit units during the period.

Review of operations

Group Overview

This review of operations and the accompanying financial reports cover the first six months of the 2024/2025 financial year.

The financial results for this reporting period are broadly ahead of budget projections. Overall, the Group recorded a pre tax profit of \$16.346 million.

Total revenue has increased from the same period last year. Across the Group operating costs are higher than the same period last year, largely in line with the increase in revenue. This is due to rising operating costs and the cost of borrowing.

Directors' report

Dunedin City Holdings Ltd has pursued a range of initiatives in order to **achieve the best for Dunedin from its investments**.

Activities this period include:

- monitoring the performance of the DCHL Group companies to ensure returns (financial and other) are optimised
- engaging with the DCHL Group companies on their medium term strategies
- communicating with Dunedin City Council with regular reports and on ad hoc matters as required
- providing support for Dunedin Railways
- engaging with the DCHL Group companies on their medium term strategies
- appointing new directors and overseeing a programme of subsidiary board evaluations
- administering the DCHL Graham Crombie Intern Director programme
- participating in the DCHL Group companies' annual planning processes, and providing expectations guidance for the companies
- seeking opportunities to create synergies, and leverage experience and expertise across the DCHL Group, such as progressing work on carbon emissions and waste reduction strategies.

DCHL Group Company Summaries



DUNEDIN CITY HOLDINGS LIMITED

DCHL parent entity received \$3.609 million in dividends during the six-month period (\$1.434 million from City Forests Ltd, \$1.175 million from Dunedin International Airport Ltd and \$1m from Delta). This income will be applied to paying \$5.9 million to Council as interest on its shareholder's advance, and funding Dunedin Railways in line with Council instructions. DCHL also anticipates paying a dividend of \$11 million to Dunedin City Council prior to 30 June 2025.



Aurora Energy recorded a net profit after tax of \$15.1 million for the six months to 31 December 2024, was \$2.0 million above budget and \$2.2 million higher than the same period last year (HY23 \$12.9 million). Half year revenue increased to \$89.0 million (HY23: \$82.6 million) driven by higher use of system (+\$6.4 million). Operating expenses (including network management, operations and maintenance) increased to \$68.0 million (HY23: \$64.6 million) largely due to higher interest costs, transmission charges, and depreciation, which were partially offset by lower network operations and maintenance charges. Asset additions were \$50.5 million (HY23: \$50.7 million) for the half year reporting period. The company continues to fund its investment programmes through a combination of operating cashflows and term borrowings from Dunedin City Treasury Ltd. Term borrowings increased by \$13.6million, from \$538.5 million as at 30 June 2024, to \$552.1 million at 31 December 2024.

Directors' report



City Forests has experienced modest profitable trading conditions and delivered a \$3.359m profit after tax for the first six months of the 2024 / 2025 financial year. This is ahead of the profit recorded for the same period of the previous year (\$2.274m). Financial performance is ahead due to log export returns in NZD terms being above plan. No serious harm injuries were recorded in Company operations during the period. The Company has continued to develop its Health and Safety Management System during the period including a focus on risk management, PCBU responsibilities and contract operations.



The first six months of FY25 have shown improved financial results from operations when compared to prior years. All of the Delta operational divisions have improvement plans in place and it is pleasing to see the results of these reflection the improved financial performance. It has however continued to be a challenging operational period with attraction and retention of skilled and experienced staff, the large increase in the living wage, continued high fuel prices and an inconsistent work programme challenging our ability to achieve acceptable margins. Total operating revenue of \$70.4 million was \$5.9 million (9%) higher than for the same period last year due largely to an increase in the value of workplans for our major customers. The Company's net profit after income tax of \$1.5 million for the six months (FY24: \$1.6 million, HY24: \$1.1 million) provided a return on average shareholder's equity of 5.1% for HY25 (FY24: 6%, HY24: 4%).

Dunedin City Treasury Ltd

DCTL experienced a decrease in the cost of funds for the DCC Group, with the average cost of funds reducing to 4.35% from around 4.41% over the six month period, as New Zealand short term wholesale interest rates fell sharply. DCTL continues to manage interest rate risk on behalf of its borrowing entities in line with Dunedin City Council's Treasury Risk Management Policy. DCTL continues to source borrowings from domestic debt capital markets and LGFA, which provides diversity of funding sources for the Group.

DUNEDIN STADIUM PROPERTY LTD

DSPL's results for the period were consistent with expectations.



DVML's reporting year began with hosting an All Blacks test match against England in July. DVML recorded a profit before taxation of \$191,000 for the half year period compared with a profit before taxation of \$1,049,000 for the same period in the previous year, which included the 2023 FIFA Women's World Cup.

Directors' report

DUNEDIN RAILWAYS

WORLD CLASS TRAIN TRIPS

DRL made a loss of \$934,000 during the period to 31 December 2024. DRL has been pleased to continue a limited schedule of passenger services into the 2024/2025 season. During the period, DRL hosted 12,886 passengers on 96 services to Hindon, Pukerangi, Waitati, Merton and Oamaru. This included several charter services for cruise ship passengers, DRL remains proud to share its rail experiences and the Taieri Gorge's beauty with international travellers once again.



Passenger volumes declined by 3.6% and available seats reduced by 2.1% compared to the same period last year. Demand remains under pressure due to ongoing economic challenges and elevated market prices driven by Air New Zealand's constrained capacity. For the six-month period, passenger volumes are tracking 1.8% behind our half-year forecast, on the back of a 2.2% decrease in capacity. However, economic indicators for the 2025 calendar year suggest signs of recovery, supporting our optimism for a rebound in demand over the next 12 months. At \$3.965m operating surplus before tax is ahead of budget and the prior year.

Events subsequent to balance date

The Directors are not aware of any matters or circumstances since the end of the financial period not otherwise discussed in the notes to these 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.

Corporate governance

DCHL is governed by a Board of independent Directors, in accordance with the law and best practice. Directors meet regularly to direct and control DCHL's proceedings.

The role of a Director of a CCO is defined in section 58 of the Local Government Act 2002 as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent."

In addition to the obligations of the Local Government Act, DCHL is also subject to the requirements of the Companies Act 1993, and all other applicable legislative requirements.

Outlook

The outlook for the Group remains stable, with no significant changes in markets or updates to the projections set out in Statements of Intent.

Statement of responsibility

The Directors accept responsibility for the preparation of the interim financial statements and the judgements used in them.

The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

In the opinion of the Directors, the interim financial statements fairly reflect the financial position as at 31 December 2024 and operations for the six months to 31 December 2024 of Dunedin City Holdings Limited Group.

The Directors of Dunedin City Holdings Limited have pleasure in presenting the interim group financial statements, set out on pages 9 to 21, for the six months ended 31 December 2024 and authorises them for issue on 27 February 2025.



Chair



Director

Dunedin City Holdings Limited

Principal activities of the group

Dunedin City Holdings Limited's purpose is to **achieve the best for Dunedin from its investments** on behalf of its shareholder, the Dunedin City Council.

Dunedin City Holdings Limited's primary objective is to encourage and facilitate increased shareholder value of DCHL Group companies. The company does this by monitoring performance, engaging with companies on strategy and planning, making governance appointments, and seeking synergies across the Group.

Dunedin City Holdings Limited is responsible for the overall strategic direction of the group and provides guidance and support to its subsidiary and associate companies.

Principal activities of the subsidiary and associate companies

- [Aurora Energy Limited](#) owns the electricity network assets of poles, lines, cables, and substations in Dunedin, Central Otago and Queenstown Lakes. Its function is to transfer electricity from the national grid to the end consumer.
- [City Forests Limited](#) owns and or manages approximately 25,245 hectares of land from which forest products are grown, harvested and marketed. Products are sold in both the export and domestic markets.
- [Delta Utility Services Limited's](#) principal activity is the provision of contracting services, which encompasses a broad range of energy and environmental services to local authority and private sector customers. The Company's core business centres on the construction, operation and maintenance of essential energy and environmental infrastructure.
- [Dunedin City Treasury Limited](#) provides the group with funding and financial services and manages the financial risks of the group.
- [Dunedin Stadium Property Limited](#) owns Forsyth Barr Stadium and oversees the maintenance programme with the objective of ensuring the stadium is at a standard that enables it to operate effectively.
- [Dunedin Venues Management Limited](#) is an event, stadium and facilities management company which currently operates out of the Forsyth Barr Stadium, and the Dunedin Centre/Town Hall Complex.
- [Dunedin Railways Limited](#) operates a rail tourism business, including services through the Taieri Gorge. Having been hibernated during the height of the Covid-19 pandemic, the company is now focused on rebuilding the business.
- [Dunedin International Airport Limited](#) (associate) operates the Dunedin Airport. It also farms adjacent land in partnership with sharemilkers and owns a small residential housing estate on land adjoining the airfield to the north.

Dunedin City Holdings Limited

Group financial statistics

	Six Months to Dec 2024 \$'000	Six Months to Dec 2023 \$'000	Year to June 2024 \$'000	Year to June 2023 \$'000	Year to June 2022 \$'000
Revenue	192,398	176,249	360,219	319,980	281,784
Profit before subvention and tax	16,346	14,553	23,007	7,266	(2,771)
Income tax	5,700	5,070	10,157	3,925	688
Net profit after tax	10,646	9,483	12,850	3,340	(3,459)
Net interest paid to the Council on advance	2,951	2,951	5,902	5,902	5,902
Profit after tax before shareholder interest	13,597	12,434	18,752	9,242	2,443
Cash flows from operating activities	34,874	37,348	69,814	46,687	43,223
Shareholder's funds	420,533	439,371	425,419	414,702	435,635
Shareholder's advance	112,000	112,000	112,000	112,000	112,000
Total shareholder's interest	532,533	551,371	537,419	526,702	547,635
Rate of return (on shareholder funds)	2.5%	2.2%	3.0%	0.8%	-0.8%
Dividend paid	-	-	11,000	5,500	-
Total assets	2,132,889	1,981,473	2,049,674	1,830,480	1,658,003
Shareholder's funds to total assets	19.7%	22.2%	20.8%	22.7%	26.3%

**Statement of comprehensive income
For the six months ending 31 December 2024**

	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Income continuing operations			
Operating revenue	173,064	159,620	322,887
Gain on sale of assets	4	45	40
Interest on advances to related parties	14,348	11,955	24,400
Interest - other	917	566	1,205
Gain in fair value of forestry land	4,065	4,063	11,686
Total operating revenue	192,398	176,249	360,219
Expenses continuing operations			
Bad debts written off	2	2	43
Movement in expected credit losses for receivables	1	5	180
Donations	6	1	16
Lease expense	700	291	851
Research expenditure	71	73	36
Employee expenses	43,703	38,950	73,743
Directors remuneration	592	679	1,273
Audit fees	518	420	936
Interest - related parties	2,951	2,951	5,773
Interest - other	31,244	25,951	54,071
Net loss on foreign currency transactions	65	1,578	2,129
Depreciation and amortisation	20,161	19,452	38,554
Other expenses	77,506	72,493	159,395
Total operating expenditure	177,520	162,846	337,000
Profit (Loss) from continuing operations	14,878	13,403	23,219
Share of associate profit	1,468	1,150	(212)
Income tax	5,700	5,070	10,157
Profit (Loss) after tax	10,646	9,483	12,850
Attributable to:			
Equity holders of the parent	10,646	9,483	12,850

Statement of comprehensive income
For the six months ending 31 December 2024

	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Profit (Loss) after tax brought forward	10,646	9,483	12,850
Other comprehensive income:			
Gain (loss) on forestry land revaluations	-	-	2,830
Gain (loss) on interest rate swap hedges	(27,750)	(16,088)	(4,949)
Gain (loss) on foreign exchange hedges	(3,195)	3,500	-
Gain (loss) on carbon credit revaluation	7,712	33,753	5,497
Other comprehensive income associates	(69)	(63)	3,089
Income tax on other comprehensive income	7,770	(5,917)	(151)
Total other comprehensive income	(15,532)	15,186	6,317
Total comprehensive income for the period	(4,886)	24,669	19,167
Attributable to:			
Equity holders of the parent	(4,886)	24,669	19,167
Minority interest	-	-	-
	(4,886)	24,669	19,167

Dunedin City Holdings Limited

Statement of changes in equity For the six months ending 31 December 2024

	Share capital \$'000	Retained earnings \$'000	Reserves \$'000	Total equity \$'000
Unaudited				
Equity as at 1 July 2024	136,339	157,643	131,437	425,419
Profit after tax	-	10,646	-	10,646
Other comprehensive income	-	-	(15,532)	(15,532)
Dividends Paid	-	-	-	-
Share capital contribution	-	-	-	-
Distributions to equity holders	-	-	-	-
Equity as at 31 December 2024	136,339	168,289	115,905	420,532
Unaudited				
Equity as at 1 July 2023	133,789	155,793	125,120	414,702
Profit after tax	-	9,483	-	9,483
Other comprehensive income	-	-	15,186	15,186
Dividends Paid	-	-	-	-
Share capital contribution	-	-	-	-
Equity as at 31 December 2023	133,789	165,276	140,306	439,371
Audited				
Equity as at 1 July 2023	133,789	155,793	125,120	414,702
Profit after tax	-	12,850	-	12,850
Other comprehensive income	-	-	6,317	6,317
Dividends Paid	-	(11,000)	-	(11,000)
Share capital contribution	2,550	-	-	2,550
Equity as at 30 June 2024	136,339	157,643	131,437	425,419

Dunedin City Holdings Limited

Statement of financial position As at 31 December 2024

	Note	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Current assets				
Cash and cash equivalents		32,619	6,320	18,696
Derivative financial instruments	6	20	1,301	554
Trade and other receivables		42,797	39,137	38,110
Inventories		6,682	6,948	7,111
Other current financial assets		-	8,000	-
Assets held for sale		3,208	-	3,208
Prepayments		2,172	2,316	2,252
Total current assets		87,498	64,022	69,931
Non-current assets				
Other non-current financial assets	7	637,778	553,274	597,274
Investments in associate companies		44,546	42,530	44,320
Intangible assets - carbon credits		56,479	74,032	45,776
Intangible assets - other		6,900	6,867	7,366
Forestry assets		211,083	207,110	210,248
Property, plant and equipment	4	1,062,305	995,270	1,032,720
Right of Use Assets		10,319	12,283	11,530
Derivative financial instruments	6	15,982	24,799	30,509
Total non-current assets		2,045,392	1,916,165	1,979,743
Total assets		2,132,889	1,980,187	2,049,674

Dunedin City Holdings Limited

Statement of financial position As at 31 December 2024

	Note	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Current liabilities				
Short term borrowings		1,339	1,526	1,436
Current Portion of Lease Liability		4,014	3,537	3,650
Trade and other payables		39,909	38,265	43,483
Employee entitlements		8,878	7,665	7,711
Accrued expenditure		231	194	-
Derivative financial instruments	6	1,294	-	588
Provision for tax		9,683	6,481	2,945
Total current liabilities		65,348	57,668	59,814
Non-current liabilities				
Term borrowing	5	1,377,528	1,207,974	1,288,354
Term Portion of Lease Liability		7,006	9,498	8,226
Shareholders advance - DCC		112,000	112,000	112,000
Employee entitlements		126	639	881
Other non-current liabilities		1,313	1,469	1,399
Derivative financial instruments	6	24,497	22,608	21,596
Deferred taxation		124,538	128,960	131,985
Total non-current liabilities		1,647,008	1,483,148	1,564,441
Total liabilities		1,712,356	1,540,816	1,624,255
Equity				
Share Capital		136,339	133,789	136,339
Retained earnings		168,289	165,276	157,643
Associate company asset revaluation reserve		27,344	24,261	27,413
Cash flow hedge reserve		(2,112)	15,562	21,063
Land revaluation reserve		50,720	47,891	50,720
Carbon credit reserve		39,953	52,592	32,241
Total equity		420,533	439,371	425,419
Total liabilities and equity		2,132,889	1,980,187	2,049,674

Dunedin City Holdings Limited

Statement of cash flows For the six months ending 31 December 2024

	Note	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Cash flow from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		170,141	165,142	324,261
Interest received		17,160	14,079	22,794
Dividend received		1,175	1,250	1,251
		188,476	180,471	348,306
<i>Cash was applied to:</i>				
Suppliers and employees		118,487	114,584	220,981
Finance costs paid		38,068	30,335	57,594
Taxation paid		4	2	395
Net GST paid / (received)		(2,957)	(1,798)	(479)
		153,603	143,123	278,491
Net cash flow from operating activities	3	34,874	37,348	69,814
Cash flow from investing activities				
<i>Cash was provided from:</i>				
Sale of property, plant and equipment		266	46	158
		266	46	158
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment		51,969	53,533	108,435
Increase in investments		42,538	102,555	137,324
		94,507	156,088	245,759
Net cash flow from investing activities		(94,241)	(156,042)	(245,601)
Cash flow from financing activities				
<i>Cash was provided from:</i>				
Call on Capital		-	-	2,550
Loans raised		160,700	152,421	195,877
		160,700	152,421	198,427
<i>Cash was applied to:</i>				
Lease liabilities		2,410	2,590	4,299
Loans repaid		85,000	36,171	-
Dividends		-	-	11,000
		87,410	38,761	15,299
Net cash flow from financing activities		73,290	113,660	183,128
Net increase/(decrease) in cash		13,923	(5,034)	7,342
Opening cash and cash equivalents		18,696	11,354	11,354
Closing cash and cash equivalents		32,619	6,320	18,696

Notes to the financial statements (unaudited) For the six months ending 31 December 2024

1 Reporting entity

The financial statements presented here are the consolidated financial statements of the Group comprising Dunedin City Holdings Limited (the Company) 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 Dunedin City Council.

The registered address of the company is 50 The Octagon, Dunedin 9016.

The financial statements of Dunedin City Holdings Limited are for the six months ended 31 December 2024.

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 operate.

Dunedin City Holdings Limited is a profit orientated entity.

2 Basis of preparation

The financial statements for the period ended 31 December 2024 are unaudited.

The financial statements have been prepared in accordance with New Zealand Equivalents to International Reporting Standards 34, Interim Financial Reporting, and should be read in conjunction with the audited financial statements for the year ended 30 June 2024.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2024.

The judgement, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2024.

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2024

3 Reconciliation of operating profit to net cash flows from operating

	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Net profit after tax	10,646	9,483	12,850
Share of net profit/(loss) in associated companies	(1,468)	(1,150)	212
<i>Items Not Involving Cash Flows</i>			
Depreciation & amortisation	20,161	19,452	38,554
Depletion of forest	5,104	4,063	10,887
Deferred tax	(1,004)	(120)	7,757
Asset impairment	-	-	2,274
Forest revaluation	(4,065)	(4,063)	(11,686)
Carbon credit revaluation	-	-	-
(Increase)/Decrease in cash flow hedge valuation	67	(4)	-
Other non-cash items	4,166	4,336	(7,492)
<i>Impact of Changes in Working Capital Items</i>			
(Increase)/Decrease in trade and other receivables	(4,686)	(2,092)	(1,067)
(Increase)/Decrease in other current assets	-	113	113
(Increase)/Decrease in inventories	429	545	383
(Increase)/Decrease in prepayments	80	247	311
Increase /(Decrease) in trade and other payables	(3,574)	(678)	4,540
Increase /(Decrease) in provision for tax	6,738	5,620	2,084
Increase /(Decrease) in other current liabilities	1,398	422	274
<i>Items Classified as Investing or Financing Activities</i>			
Gain on sale of property, plant and equipment	559	645	(40)
Loss on sale of property, plant and equipment	-	-	1,261
Investment in Financial Instruments	-	-	8,598
Movement in capital creditors	324	529	-
Net cash inflows from operating activities	34,874	37,348	69,814

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2024

4 Property, plant and equipment

	Unaudited 6 months to 31 Dec 2024 \$'000	Unaudited 6 months to 31 Dec 2023 \$'000	Audited full year to 30 Jun 2024 \$'000
Additions	36,355	37,824	118,463
Revaluations	-	-	2,830
Net disposals	(1,181)	(691)	(1,293)
Capital commitments	32,725	35,217	27,081

There have been no material changes in fair value for all property, plant and equipment asset classes between 30 June 2024 and 31 December 2024.

5 Term borrowings

	Unaudited as at 31 Dec 2024 \$'000	Unaudited as at 31 Dec 2023 \$'000	Audited as at 30 Jun 2024 \$'000
Current			
Forestry loans	-	-	-
Other loans	-	-	-
	-	-	-
Non Current			
Multi-option note facility	1,377,528	1,207,974	1,288,354
	1,377,528	1,207,974	1,288,354
Total term borrowings	1,377,528	1,207,974	1,288,354

The group has an \$1,600 million multi option debt issuance facility which is secured against certain assets and undertakings of the Dunedin City Council Group. Debt is raised by issuing long dated bonds, floating rate notes or by the issue of promissory notes usually issued for three month terms.

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2024

	Unaudited as at 31 Dec 2024 \$'000	Unaudited as at 31 Dec 2023 \$'000	Audited as at 30 Jun 2024 \$'000
Term borrowings			
Promissory notes	259,088	240,864	258,501
Floating rate notes 15/02/24	-	25,000	-
Medium term notes 16/10/24	-	35,000	35,000
Floating rate notes 01/04/25	50,000	50,000	50,000
Floating rate notes 15/10/25	75,000	75,000	75,000
Medium term notes 17/7/25	50,000	50,000	50,000
Medium term notes 15/3/26	50,000	50,000	50,000
Medium term notes 15/4/26*	65,000	65,000	65,000
Medium term notes 15/11/26*	55,000	55,000	55,000
Medium term notes 16/11/26	60,000	60,000	60,000
Medium term notes 18/04/28*	110,000	110,000	110,000
Medium term notes 15/11/28*	60,000	60,000	60,000
Medium term notes 27/11/28*	100,000	100,000	100,000
Floating rate notes 09/02/30	75,000	75,000	75,000
Floating rate notes 09/02/30	25,000	25,000	25,000
Floating rate notes 09/02/30	25,000	25,000	25,000
Floating rate notes 15/05/31	25,000	25,000	25,000
Floating rate notes 15/05/31	100,000	100,000	100,000
Floating rate notes 14/04/33	20,000	-	20,000
Floating rate notes 15/02/27	50,000	-	50,000
Floating rate notes 17/07/25	20,000	-	20,000
Floating rate notes 08/07/27	50,000	-	-
Medium term notes 10/10/33*	60,000	-	-
Fair value impact on bonds (*)	(6,560)	(17,890)	(20,147)
Total term borrowings	1,377,528	1,207,974	1,288,354
The repayment period on the term borrowings is as follows:			
Repayable less than one year	454,088	300,864	343,501
Repayable between one to five years	593,440	657,110	674,853
Repayable later than five years	330,000	250,000	270,000
	1,377,528	1,207,974	1,288,354

Fair value of borrowings

Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. Debt instruments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices.

Directors estimate the fair value of the groups borrowings as at 31 December 2024 as being \$1,370,225,990 (December 2023 \$1,194,916,832).

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2024

6 Derivative financial instruments

	Unaudited as at 31 Dec 2024 \$'000	Unaudited as at 31 Dec 2023 \$'000	Audited as at 30 Jun 2024 \$'000
Assets			
Interest rate swaps and FX contracts	16,002	26,100	31,063
<i>Analysed as:</i>			
Current	20	1,301	554
Non-Current	15,982	24,799	30,509
	16,002	26,100	31,063
Liabilities			
Interest rate swaps and FX contracts	25,791	22,608	22,184
<i>Analysed as:</i>			
Current	1,294	-	588
Non-Current	24,497	22,608	21,596
	25,791	22,608	22,184

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

**Notes to the financial statements (unaudited)
For the six months ending 31 December 2024****7 Other financial assets**

	Unaudited as at 31 Dec 2024 \$'000	Unaudited as at 31 Dec 2023 \$'000	Audited as at 30 Jun 2024 \$'000
Related Party Advances:			
Maturity one to five years	-	-	-
Maturity over five years	630,500	547,000	590,000
Shares and units in other companies and funds	28	24	24
LGFA Borrower Notes	7,250	6,250	7,250
Total other non current financial assets	637,778	553,274	597,274

Related Party Advances

Related party advances are reported at amortised cost at both 31 December 2024 and 31 December 2023. The group has reviewed the terms of its related party advances and concluded that, at 31 December 2024, the advances are held to collect contractual cash flows and those cash flows are solely payments of principle and interest as defined by NZ IFRS 9 Financial Instruments. However, the group concluded that advances at 31 December 2023 should be recorded at fair value, since some cash flows may not have met the definition of 'solely payments of principal and interest' as defined by NZ IFRS 9.

The directors have elected to report related party advances at amortised cost in both periods, on the basis that this will provide greater clarity for users and the group has made adjustments to its related party lending arrangements so that they meet the requirements of NZ IFRS 9 to record related advances at amortised cost at 31 December 2024 and future reporting periods.

Note 6 to the audited financial statements for the year ended 30 June 2024 contains further disclosure in connection with this matter.

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2024

8 Contingent liabilities

	Unaudited as at 31 Dec 2024 \$'000	Unaudited as at 31 Dec 2023 \$'000	Audited as at 30 Jun 2024 \$'000
Performance bonds	736	761	761

The performance bonds issued are principally in favour of South Island Local Authorities, including the Dunedin City Council, for contract work by Delta Utility Services Limited. There is no indication that any of the above contingent liabilities will crystallise in the foreseeable future.

In future years there will be a carbon credit liability against a proportion of the carbon credits sequestered from post-1989 forest areas in accordance with New Zealand Emission Trading Scheme Regulations. A proportion of carbon sequestered from Post-1989 areas will have to be surrendered to compensate for the carbon liability generated from harvesting those forest areas. As at 31 December 2024 the value of the potential liability in future years is unknown due to the variations in the harvesting schedule, carbon reporting periods and the value of carbon to surrender.

9 Subsequent events

There were no significant post balance date events.

Statement of Service Performance For the six months ending 31 December 2024

OBJECTIVES	PERFORMANCE TARGET	OUTCOME
Monitor performance of DCHL Group companies to ensure returns (financial and other) are optimised	DCHL Board perform a monthly review of DCHL Group companies' operating activities, including financial performance against budget (DIAL quarterly)	Each month the DCHL Board reviewed of each of the DCHL Group companies' operating activities, including financial performance against budget, with DIAL reviewed on a quarterly basis.
	DCHL Board monitor DCHL Group companies' progress against their Sol targets quarterly	Each month the DCHL Board monitored each of the DCHL Group companies' progress against their Sol targets on an exception basis.
Seek opportunities to create synergies, leverage experience or expertise across DCHL Group, where appropriate	Synergies have been made across the DCHL Group	Throughout the year DCHL has continued to support group-wide co-operation including climate-related reporting and insurances. DCHL also led roundtable meetings with Chairs and Chief Executives.
Monitor performance of DCHL portfolio as a whole to ensure returns (financial and other) are optimised	DCHL Board review consolidated DCHL Group financial performance against budget (monthly)	Each month the DCHL Board reviewed the consolidated DCHL Group financial performance against budget.
	DCHL Board review of DCHL Group companies' rates of return (quarterly)	The DCHL board reviewed returns from group companies on a monthly basis and considered portfolio analysis, including rates of return.
	DCHL Board provide a quarterly update to DCC's Finance and Council Controlled Organisations Committee on the DCHL Group's performance (financial and other)	On a quarterly basis, the DCHL Chair updates the Council on the DCHL Group's performance. Comprehensive information is provided on the Group's performance for the previous quarter.
Consider strategic issues	DCHL Board review the ownership and capital structures of the DCHL Group companies (at least annually)	The ownership and capital structures of the DCHL Group companies are an ongoing consideration of the DCHL Board.
	Consider capital expenditure proposals and business cases in accordance with company constitutions and Sols	Capital expenditure proposals and business cases have been considered in accordance with individual company constitutions and Sols.
Provide input on DCHL Group companies' medium to long term strategies	DCHL Board engage with each group company at least annually on strategy.	Several DCHL company engagements have taken place. All remaining DCHL company engagements will be completed prior to 30 June 2025.

Statement of Service Performance For the six months ending 31 December 2024

	DCHL Board meet with full group of Chairs twice annually.	To be completed prior to 30 June 2025.
Review and approve DCHL Group Statements of Intent for consistency with Council's strategic direction	Review draft Sols by 1 March 2025 Approve Sols by 30 June 2025	The DCHL Board reviewed each of the DCHL Group companies draft SOLs in February 2025. All DCHL Group Statements of Intent will be reviewed and approved prior to 30 June 2025.
Set expectations through annual Letters of Expectation to DCHL Group companies	Send Letters of Expectation to subsidiary and associate companies by 31 December 2024	The DCHL Board sent each of the DCHL Group companies a Letter of Expectation by 31 December 2024.
Monitor performance of the DCHL group in measuring, reporting and reducing carbon emissions and waste	Refine and implement DCHL's carbon emissions strategy, and achieve and publicly report progress against our targets for the group Refine and implement DCHL's waste reduction strategy, and achieve and publicly report progress against our targets Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report for the group	Progress continued Progress continued DCHL's 2024 Annual Report included summaries of emissions and commentary on progress.
Appoint Directors to DCHL Group companies; appoint Chairs to subsidiary companies	Appointments and re-appointments are all completed on time, and in compliance with DCHL and Council policy	All appointments and re-appointments made during the 2025 financial year were completed on time, and in compliance with DCHL and Council policy.
Ensure companies are good employers, and operate in an environmentally and socially responsible way. DCHL expects Group companies to maintain ongoing focus on health and safety as a top priority.	Ensure DCHL Group companies have appropriate policies and procedures in place DCHL Board review DCHL Group companies' (including DCHL) ESG disclosures in their Annual Reports.	Confirmed that all group companies have appropriate policies and procedures in place and they are reviewed on a regular basis. The Board reviewed these sections when Annual Reports were published.
Living wage	Ensure that all direct employees are paid at living wage or above.	All employees were paid equal to or higher than the living wage
Health and safety	DCHL Board review DCHL Group companies' Health and Safety measures in monthly KPI reporting.	The Board monitors key measures each month.

Statement of Service Performance For the six months ending 31 December 2024

Consult with the shareholder in a timely manner on DCHL Group strategic or operational matters which could compromise the Council's community outcomes

All such matters escalated to the shareholder in a timely manner.

All strategic or operational matters which could compromise the Council's community outcomes, were reported to the shareholder in a timely manner.

DCHL board provide briefings to Councillors on matters of significance as required.

Briefing provided on all matters of significance required.

Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.

All such matters reported to the shareholder within 24 hours.

All substantive matters were reported to the shareholder within 24 hours of the DCHL Board becoming aware of them.

Statement of Service Performance - Aurora Energy Limited For the six months ending 31 December 2024

OBJECTIVES	PERFORMANCE TARGET	OUTCOME
Zero serious harm events involving members of the public	No serious injury events (excluding third party contacts with the network) involving members of the public	Achieved
Reduce harm to employees and contractors	Total Recordable Injury Frequency Rate (TRIFR) per 200,000 hours worked by Aurora and Contractors Targets: Aurora nil, Contractors <3.25	Not Achieved. Aurora TRIFR: Nil, Contractor TRIFR: 6.0 Note: The Contractors TRIFR target of <3.25 in Statement of Intent was incorrectly calculated. The calculation included Aurora hours worked which produced a higher number of hours in the denominator and lowered the TRIFR target as a result
Effective long-term planning for Aurora Energy's asset portfolio is in place.	Annual and compliant Asset Management Plan is published as per regulatory requirements.	On-track to achieve
SAIDI System Average Interruption Duration Index - Class B Interruptions (Planned)	Average minutes without electricity per consumer year ended 31 March 2025: ≤ 195.96 minutes	On-track to achieve
SAIDI System Average Interruption Duration Index - Class C Interruptions (Unplanned)	Average minutes without electricity per consumer year ended 31 March 2025: ≤ 124.94 minutes	On-track to achieve
SAIFI System Average Interruption Frequency Index - Class B Interruptions (Planned)	Average frequency of outages per consumer year ended 31 March 2025: ≤ 1.11	On-track to achieve
SAIFI System Average Interruption Frequency Index - Class C Interruptions (Unplanned)	Average frequency of outages per consumer year ended 31 March 2025: ≤ 2.07	On-track to achieve

Statement of Service Performance - City Forests For the six months ending 31 December 2024

OBJECTIVES

To ensure that the appropriate yield monitoring systems are in place and sufficient forest is available to achieve long term sustainable yield from the forest estate

To minimise lost time accidents, injuries and property damage.

To maintain Environmental Certification of the Company's forests. (Currently FSC)

PERFORMANCE TARGET

The Company's annual harvest volumes as detailed in the strategic plan will be within 30% of projected long term sustainable yield

Lost time accident rates for staff and contractors will be minimised and tracked with a target of less than 15 lost time accidents per 1,000,000 hours worked.

Forest Stewardship Council Certification of the Forest Estate will be maintained.

OUTCOME

The half year harvest from the Company Forest estate during the period was 194,840m including billet wood and slash. This is 55.6% of the budget sustainable annual yield of 350,036m. On track to be within +/- 30% of the sustainable yield.

12 month rolling lost time accident rate for staff and forest contractors was 5.6 lost time injuries per 1,000,000 hours at 31 December 2024. (12.0 F 2024 year)

Forest Stewardship Council Certification was maintained following audit in 2024.

Statement of Service Performance - Delta For the six months ending 31 December 2024

OBJECTIVES

Maintain effective Health and Safety systems and processes supported by positive organisational culture to enable the Company value of Everyone Home Safe, Every Day.

PERFORMANCE TARGET

Total recordable injury frequency rate (TRIFR) per 200,000 hours worked of ≤ 3.50

Maintain ISO 45001 Occupational Health and Safety Management System accreditation

OUTCOME

TRIFR for the period was 2.23 per 200,000 hours worked.

The Company maintained ISO45001 Occupational Health and Safety Management System accreditation throughout the period.

Statement of Service Performance - Dunedin Venues Management For the six months ending 31 December 2024

OBJECTIVES	PERFORMANCE TARGET	OUTCOME
Visitor Marginal Direct Spend target is achieved, determined through a post event patron survey assessed by an independent economist.	A minimum of \$5m visitor marginal direct spend for Dunedin City per each major event which uses Event Attraction Funding.	The visitor direct spend for major events for the six months to 31 December 2024 are as follows: Event - All Blacks V England Visitor marginal direct expenditure \$13.7m
	Achieve minimum 80% satisfaction rating through surveys of all major events (>10,000 pax).	The following satisfaction and attendance numbers were achieved for the six months to 31 December 2024: Event - All Blacks V England satisfaction 92%
Report on Safety & Wellness management and provide statistical data at each scheduled Board meeting.	An Incident Frequency Rate Events (IFRE) < 0.05% of the total number of event attendees across all venues.	Achieved. The IFRE of total attendees is 0.035% for the 6 month reporting period. (2023 HY: 0.033%)
	Total Incident Rate (TIR) < 6 incidents per 200,000 hours worked.	Not Achieved. The TIR is 6.0 for the 6 month reporting period (2023 HY: 5.4).
	Total Recordable Incidents (TRI) < 3.	Achieved. The TRI rate is 1 for the 6 month reporting period (2023 HY: 1).
	Lost Time Incidents (LTI) < 2 worked.	Achieved. Lost Time Incident rate is 0 for the 6 month reporting period (2023 HY: 1).
	Lost Time Incident Frequency Rate (LTIFR) < 17 per 1,000,000 hours	Achieved. The LTIFR is 0 for the 6 month reporting period (2023 HY: 27).

Statement of Service Performance - Dunedin Stadium Property For the six months ending 31 December 2024

OBJECTIVES

Ensure an Asset Management Plan which enables general use of the stadium, and meets asset warranty and guarantee requirements, is in place.

Ensure assets are appropriately maintained.

PERFORMANCE TARGET

An Asset Management Plan is in place.

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

OUTCOME

An Asset Management Plan is in place.

A Building Warrant of Fitness was issued in October 2024.

Dunedin City Holdings Limited

Statement of Service Performance - Dunedin Railways For the six months ending 31 December 2024

OBJECTIVES

Infrastructure maintenance is carried out without affecting train operations.

Ensure the future of the company is protected

Reduce harm to employees and contractors.

PERFORMANCE TARGET

No delays to regular scheduled passenger operations.

Continuation of and further development of the Asset Management Plan

Lost time incidents are less than two.

OUTCOME

No delays due to the Company's operations.

In progress

There has been 1 lost time injury during the 6 month reporting period.

Statement of Service Performance - Dunedin City Treasury For the six months ending 31 December 2024

OBJECTIVES

Manage the liquidity risk of the DCC Group and use a variety of funding sources to achieve appropriate levels of funds as required by the DCC Group.

Utilise a portfolio approach to minimise funding costs and manage interest rate risk in accordance with the DCC Treasury Risk Management Policy.

Securely invest surplus cash available from within the DCC Group, ensuring funds deposited outside the DCC Group are compliant with the DCC Treasury Risk Management Policy.

PERFORMANCE TARGET

Zero breaches of DCC Treasury Risk Management Policy's borrowing maturity profile.

Zero breaches of DCC Treasury Risk Management Policy's interest rate risk policy.

Zero breaches of DCC Treasury Risk Management Policy's investment management policy.

OUTCOME

There were no breaches of DCC Treasury Risk Management Policy's borrowing maturity profile.

There were no breaches of DCC Treasury Risk Management Policy's interest rate risk policy.

There were no breaches of DCC Treasury Risk Management Policy's investment management policy.

Statement of Service Performance - Dunedin International Airport For the six months ending 31 December 2024

OBJECTIVES	PERFORMANCE TARGET	OUTCOME
Maintain our assets to ensure no delays caused by DIAL to scheduled passenger operations	Zero on-time performance (OTP) delays to regular passenger transport (RPT) operations due to airport infrastructure.	On track
Optimise and sustainably grow passenger volumes.	Year on year improvement in passenger volumes, with aggregated seat load factors (SLF) in excess of 80%	At risk- due to Passenger numbers are currently (for the year to 31 January) 4.9% behind the prior year. With Air New Zealand's well documented capacity issues, there is a very real possibility that we will not see "year on year improvement in passenger numbers".
Strive for 'zero harm' to anyone as a result of our operations.	Nil serious harm to our staff, airport users or contractors.	On track

Dunedin City Holdings Limited

Directory

Directors

Timothy DR Loan (Chair)
Susie J Johnstone
Greg Anderson
Christopher Milne

Registered Office

50 The Octagon
Dunedin 9016

Bankers

Westpac Banking Corporation

Solicitors

Anderson Lloyd

Taxation Advisors

Deloitte

Auditor

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

Companies comprising the Dunedin City Holdings group

Subsidiary Companies

Aurora Energy Limited
City Forests Limited
Delta Utility Services Limited
Dunedin City Treasury Limited
Dunedin Stadium Property Limited
Dunedin Venues Management Limited
Dunedin Railways Limited

Associate Company

Dunedin International Airport Limited (50% ownership)