



DUNEDIN CITY HOLDINGS LIMITED

Dunedin City Holdings Limited

Interim Report

For the six months ended

31 December 2016

Dunedin City Holdings Limited

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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 2016.

Overview of results

	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Total revenue	125,147	139,081	270,625
Net profit before tax	8,490	13,471	30,160
Income tax	3,630	4,738	9,851
Net profit after tax	4,860	8,733	20,309
Other comprehensive income	9,797	2,902	1,074
Total comprehensive income for the period	14,657	11,635	21,383
Net cash flow from operating activities	30,203	23,414	31,634
Total assets	1,124,714	1,146,716	1,143,093

Dividends

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

Reserves and retained earnings

The hedging reserve has moved by \$10.409 million reflecting a change in the market value of interest and foreign exchange hedge valuations.

The carbon credit reserve has decreased in value by \$642k reflecting movements in the valuation of carbon credits held.

The change in retained earnings comprises the after tax profit.

Review of operations

During the reporting period, Deloitte Business Advisors were engaged to carry out a review in response to issues raised by a former Delta Utility Services employee regarding safety concerns in relation to the Aurora Energy network.

The follow-up report titled "Review of Aurora Energy Limited/Delta Utility Services Limited – Network Safety Concerns" was issued in December and included a number of key findings and recommendations.

Both the boards of DCHL and Aurora Energy have accepted the findings in full, and are moving toward addressing the matters raised. It was noted that some of the changes will occur short term while others will take longer to further evaluate and implement.

Dunedin City Holdings Limited

Directors' report

Dunedin City Holdings Limited

The parent company returned a net profit after income tax for the half year of \$1.423 million compared to a surplus of \$0.888 million for the same period in 2015. The major influence on the result compared to the prior year was the reduction in interest costs.

Dunedin City Treasury Limited

In the six months to 31 December 2016, Dunedin City Treasury Limited achieved a reduction on the cost of funds which it was able to pass on to the group. The AA/A-1+ ratings for both DCTL and the Dunedin City Council were reaffirmed by Standard and Poor's in December 2016.

Aurora Energy Limited

The operating profit before tax and subvention was \$9.559 million (2015: \$12.962 million). Operating revenue was \$2.53 million lower than the same period last year and operating expenses (includes network maintenance) was \$3.15 million higher. The company paid a dividend of \$1.500 million in December 2016.

Delta Utility Services Limited

The company has reported a before tax profit of \$2.532 million (2015: \$2.354 million). The improvement from the same period last year was driven by increases in the value of metering services provided to electricity retailers and distribution services. The company continued to operate in asset management, energy and environmental divisions. A dividend of \$1.250 million was paid in December 2016.

City Forests Limited

The company produced an operating profit before tax of \$4.893 million (2015: \$7.012 million). Forest production was lower than the previous year as a result of agreed changes to the clear fell plan and contractor work schedules within the forest estate. A revised work plan for the remainder of the financial year will increase production and is expected to deliver strong cash flow. The company paid a dividend of \$1.500 million in December 2016.

Dunedin Venues Management Limited

An operating profit before tax of \$0.111 million was generated (2015: \$0.461 million). The contributing factor in the change from the first half of last year was a decrease in activity from major events.

Dunedin Stadium Property Limited

Dunedin Stadium Property Limited registered a change of name from Dunedin Venues Limited on 15 December 2016.

An operating loss before tax and subventions of \$5.342 million (2015: \$5.683 million) occurred in the 6 months to 31 December 2016. The main factor influencing the result for the period was a reduction in interest costs.

Dunedin City Holdings Limited

Directors' report

Taieri Gorge Railway Limited

The company reported a before tax loss of \$0.653 million (2015: loss of \$0.444 million). The company passed the annual safety audit in November 2016 and closed off all outstanding conditions and recommendations imposed by the auditors.

Dunedin International Airport

The company has reported an operating surplus before tax of \$2.448 million (2015: \$2.115 million). A reduction in interest expense along with an unrealised gain in investments contributed to the favourable increase.

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.

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 (SoI). The board is responsible for the preparation of the SoI. In addition to the obligations of the Local Government Act, Dunedin City Holdings Limited 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 annual Statement of Intent. Six monthly and annual reports of financial and operational performance are provided to the shareholder. In addition quarterly updates are provided to Councillors of the Dunedin City Council.

Outlook

The outlook for the group remains stable.

Dunedin City Holdings Limited

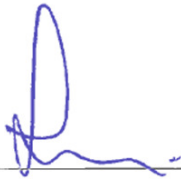
Statement of responsibility

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

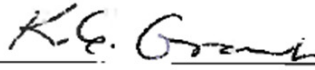
The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;

In the opinion of the Directors, the interim financial statements fairly reflect the financial position as at 31 December 2016 and operations for the six months to 31 December 2016 of Dunedin City Holdings Limited Group.

The Board of Directors of Dunedin City Holdings Limited have pleasure in presenting the interim group financial statements, set out on pages 8 to 19, for the six months ended 31 December 2016 and authorises them for issue on 2 February 2017.



Director



Director

Dunedin City Holdings Limited

Principal activities of the group

Dunedin City Holdings Limited, as the parent company of the group, has the primary role of monitoring the operating performance of its subsidiary companies on behalf of its shareholder, the Dunedin City Council.

Dunedin City Holdings Limited's role is to create an environment, and provide leadership, to optimise the performance of its Subsidiary and Associated Companies, so as to ensure each Company provides the maximum advantages in all respects to the shareholder, Dunedin City Council.

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

The principal activities of the subsidiary and associate companies are as follows.

- **Aurora Energy Limited** is New Zealand's sixth-largest electricity distributor, annually receiving 1,400GWh of electricity for distribution to more than 86,600 homes and businesses in Dunedin and Central Otago.
- **City Forests Limited** owns approximately 16,469 hectares of land from which forest products are grown, harvested and marketed.
- **Dunedin City Treasury Limited** provides the group with funding and financial services and manages the financial risks of the group.
- **Delta Utility Services Limited** is a multi-utility service provider specialising in delivering essential services to community, corporate and private customers. As asset manager to Aurora Energy Ltd it is responsible for the efficient distribution of electricity in Dunedin city and an increasingly large proportion of Central Otago.
- **Dunedin Venues Management Limited** is an event management company currently operating the Forsyth Barr Stadium and the Dunedin Centre/Town Hall Complex for use for public and private events.
- **Dunedin Stadium Property Limited** owns and is the landlord for Forsyth Barr Stadium.
- **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 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 2016 \$'000	* Six Months to Dec 2015 \$'000	Year to June 2016 \$'000	Year to June 2015 \$'000	Year to June 2014 \$'000
Revenue	125,147	139,081	270,625	251,067	233,978
Profit before subvention and tax	8,490	13,471	37,452	26,429	28,616
Income tax	3,630	4,738	9,851	6,382	7,524
Net profit after tax	4,860	8,733	20,309	12,952	12,483
Net interest paid to the Council on advance	2,498	2,951	5,902	5,902	6,731
Profit after tax before shareholder interest	7,358	11,684	26,211	18,854	19,214
Cashflows from operating activities	30,203	23,414	31,634	32,565	30,084
Shareholder's funds	300,272	299,762	285,615	175,173	169,549
Shareholder's advance	112,000	112,000	112,000	112,000	112,000
Total shareholder's interest	412,272	411,762	397,615	287,173	281,549
Rate of return (on shareholder funds)	1.6%	2.9%	7.1%	7.4%	7.4%
Dividend paid	-	-	-	4,548	3,719
Total assets	1,124,714	1,146,716	1,143,093	1,029,435	1,034,432
Shareholder's funds to total assets	26.7%	26.1%	25.0%	17.0%	16.4%

* Includes consolidated results of Dunedin Venues Management Limited and Dunedin Stadium Property Limited (previously Dunedin Venues Limited)

Dunedin City Holdings Limited

Statement of comprehensive income For the six months ending 31 December 2016

	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Income continuing operations			
Sales revenue	117,034	127,105	234,264
Gain on sale of assets	-	-	380
Interest on advances to related parties	7,234	8,613	21,977
Interest - other	687	3,363	4,473
Subvention income	-	-	7
Net gain on foreign currency transactions	192	-	-
Forest revaluation reserve	-	-	9,524
Total operating revenue	125,147	139,081	270,625
Expenses continuing operations			
Bad debts written off	551	-	13,529
Increase/(decrease) in impairment provision for receivables	123	2,108	(9,353)
Donations	31	31	46
Lease expense	1,505	1,512	3,334
Research expenditure	74	86	192
Employee expenses	26,396	24,218	48,538
Directors remuneration	469	401	858
Audit fees	-	-	260
Interest - related parties	2,497	2,969	5,928
Interest - other	16,085	19,614	35,784
Net loss on foreign currency transactions	-	-	350
Depreciation and amortisation	13,600	13,009	18,639
Other expenses	56,187	62,544	116,047
Total operating expenditure	117,518	126,492	234,152
Profit from continuing operations	7,629	12,589	36,473
Profit/(loss) for the period from discontinued operations	-	90	-
Share of associate profit	861	792	979
Profit before subvention and tax	8,490	13,471	37,452
Less subvention payment DVL & DVML	-	-	7,292
Net profit before tax	8,490	13,471	30,160
Income tax	3,630	4,738	9,851
Net profit after tax	4,860	8,733	20,309
Attributable to:			
Equity holders of the parent	4,992	8,823	20,271
Minority interest	(132)	(90)	38

The accompanying notes form part of these financial statements

Dunedin City Holdings Limited

Statement of comprehensive income For the six months ending 31 December 2016

	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Net profit after tax brought forward	4,860	8,733	20,309
Other comprehensive income:			
Gain (loss) on forestry land revaluations	(13)	-	-
Gain (loss) on interest rate swap hedges	10,177	235	(9,932)
Gain (loss) on foreign exchange hedges	323	860	1,971
Gain (loss) on carbon credit revaluation	(821)	2,623	10,832
Other comprehensive income associates	42	17	(7)
Income tax on other comprehensive income	89	(833)	(1,790)
Total other comprehensive income	9,797	2,902	1,074
Total comprehensive income for the period	14,657	11,635	21,383
Attributable to:			
Equity holders of the parent	14,789	11,725	21,345
Minority interest	(132)	(90)	38
	14,657	11,635	21,383

Dunedin City Holdings Limited

Statement of changes in equity For the six months ending 31 December 2016

	Share capital \$'000	Minority interest \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
unaudited					
Equity as at 1 July 2016	115,939	561	49,639	119,476	285,615
Comprehensive income for the period	-	(132)	9,789	5,000	14,657
Equity as at 31 December 2016	115,939	429	59,428	124,476	300,272
unaudited					
Equity as at 1 July 2015	100	530	41,702	132,506	174,838
Comprehensive income for the period	-	(73)	2,902	8,806	11,635
Share capital contribution	113,289	-	-	-	113,289
Equity as at 31 December 2015	113,389	457	44,604	141,312	299,762
audited					
Equity as at 1 July 2015	100	530	41,702	132,506	174,838
Comprehensive income for the period	-	31	1,081	20,271	21,383
Transfer to reserves	-	-	6,856	(6,856)	-
Adjustment on acquisition of subsidiaries	-	-	-	(26,445)	(26,445)
Share capital contribution	115,839	-	-	-	115,839
Equity as at 30 June 2016	115,939	561	49,639	119,476	285,615

Dunedin City Holdings Limited

Statement of financial position As at 31 December 2016

	<i>Note</i>	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Current assets				
Cash and cash equivalents		18,766	18,429	17,350
Other current financial assets		20,019	7,322	19,017
Derivative financial instruments	6	694	676	272
Trade and other receivables		17,818	35,104	42,388
Taxation refund receivable		2,571	2,696	880
Inventories		6,827	6,853	5,078
Other current assets		726	78	16
Prepayments		1,732	1,070	1,125
Total current assets		69,153	72,228	86,126
Non-current assets				
Other non-current financial assets		206,645	225,408	197,870
Investments in associate companies		23,402	23,040	23,203
Investments in subsidiary companies		-	-	-
Intangible assets		17,971	12,644	18,819
Forestry assets		123,551	113,776	123,802
Property, plant and equipment	4	673,877	681,022	668,756
Derivative financial instruments	6	10,115	18,598	24,517
Total non-current assets		1,055,561	1,074,488	1,056,967
Total assets		1,124,714	1,146,716	1,143,093

Dunedin City Holdings Limited

Statement of financial position As at 31 December 2016

	<i>Note</i>	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Current liabilities				
Short term borrowings		277	811	857
Trade and other payables		23,239	26,477	31,905
Employee entitlements		5,038	5,173	4,914
Accrued expenditure		4,976	251	139
Derivative financial instruments	6	641	21,159	203
Provision for tax		6,020	5,698	2,067
Current portion of term borrowing	5	1,756	1,770	1,770
Total current liabilities		41,947	61,339	41,855
Non-current liabilities				
Term borrowing	5	558,876	586,434	578,273
Shareholders advance - DCC		112,000	112,000	112,000
Employee entitlements		867	394	867
Other non-current liabilities		1,148	792	682
Derivative financial instruments	6	15,377	1,790	32,058
Deferred taxation		94,227	84,205	91,743
Total non-current liabilities		782,495	785,615	815,623
Total liabilities		824,442	846,954	857,478
Equity				
Share Capital		115,939	113,389	115,939
Accumulated funds		124,476	141,329	119,476
Minority interest in subsidiaries		429	440	568
Revaluation reserves		10,597	10,579	10,555
Cash flow hedge reserves		(303)	(2,489)	(10,712)
Forest revaluation reserves		38,486	31,642	38,499
Carbon credit reserve		10,648	4,872	11,290
Total equity		300,272	299,762	285,615
Total liabilities and equity		1,124,714	1,146,716	1,143,093

The accompanying notes form part of these financial statements

Dunedin City Holdings Limited

Statement of cash flows For the six months ending 31 December 2016

	Note	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Cashflow from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		111,863	117,428	206,298
Interest received		9,633	6,469	27,431
Income tax refund		1,361	1,361	157
Dividend received		704	704	704
		123,561	125,962	234,590
<i>Cash was applied to:</i>				
Suppliers and employees		74,545	79,053	143,925
Finance costs paid		18,468	19,573	46,940
Taxation paid		1,211	4,288	3,971
Subvention payment to DVL/DVML		-	-	8,259
Net GST paid		(866)	(366)	(139)
		93,358	102,548	202,956
Net cashflow from operating activities	3	30,203	23,414	31,634
Cashflow from investing activities				
<i>Cash was provided from:</i>				
Sale of property, plant and equipment		284	315	584
Reduction in loans and advances		-	591	-
Decrease in investments		3,672	5,135	29,884
		3,956	6,041	30,468
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment		22,100	21,542	41,626
Increase in loans and advances		-	642	-
Purchase of investments		710	-	1,753
Net cash on acquisition of subsidiaries		-	(4,083)	(1,983)
		22,810	18,101	41,396
Net cashflow from investing activities		(18,854)	(12,060)	(10,928)
Cashflow from financing activities				
<i>Cash was applied to:</i>				
Loans repaid		9,933	8,814	19,245
Dividends		-	-	-
		9,933	8,814	19,245
Net cashflow from financing activities		(9,933)	(8,814)	(19,245)
Net increase/(decrease) in cash		1,416	2,540	1,461
Opening cash and cash equivalents		17,350	15,889	15,889
Closing cash and cash equivalents		18,766	18,429	17,350

The accompanying notes form part of these financial statements

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2016

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 2016.

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 2016 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 2016.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2016.

The judgement, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2016.

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2016

3 Reconciliation of operating profit to net cash flows from operating

	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Net profit after tax	4,860	8,733	20,309
Share of net profit/(loss) in associated companies	(861)	(792)	(979)
<i>Items Not Involving Cash Flows</i>			
Depreciation	13,600	13,009	18,639
Depletion of forest	1,160	959	1,535
Deferred tax	1,646	992	5,658
Forest revaluation	-	-	(9,524)
(Increase)/Decrease in cash flow hedge valuation	-	-	3,369
Other non-cash items	(13,144)	1,673	(6,490)
<i>Impact of Changes in Working Capital Items</i>			
(Increase)/Decrease in trade and other receivables	24,570	5,900	(1,384)
(Increase)/Decrease in other current assets	(710)	(4,084)	-
(Increase)/Decrease in inventories	(1,749)	(1,716)	59
(Increase)/Decrease in prepayments	(607)	109	54
(Increase) /Decrease in tax refund due	(1,691)	(1,980)	(164)
Increase /(Decrease) in trade and other payables	(8,666)	602	6,030
Increase /(Decrease) in provision for tax	3,953	480	(3,151)
Increase /(Decrease) in other current liabilities	4,961	252	(173)
<i>Items Classified as Investing or Financing Activities</i>			
Gain on sale of property, plant and equipment	(169)	(111)	(380)
Loss on sale of property, plant and equipment	2	-	62
Movement in capital creditors	3,048	(612)	(1,836)
Net cash inflows from operating activities	30,203	23,414	31,634

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2016

4 Property, plant and equipment

	unaudited 6 months to 31 Dec 2016 \$'000	unaudited 6 months to 31 Dec 2015 \$'000	audited full year to 30 Jun 2016 \$'000
Increase through acquisition	-	249,555	227,663
Additions	18,781	20,567	42,828
Disposals	(121)	(593)	(8,175)
Capital commitments	25,787	14,811	11,609

There have been no material changes in fair value for all property, plant and equipment asset classes between 30 June 2016 and 31 December 2016.

5 Term borrowings

	unaudited as at 31 Dec 2016 \$'000	unaudited as at 31 Dec 2015 \$'000	audited as at 30 Jun 2016 \$'000
Current			
Forestry loans	1,686	1,686	1,686
Other loans	70	84	84
	1,756	1,770	1,770
Non Current			
Multi-option note facility	554,687	580,864	573,413
Forestry loans	4,189	5,532	4,832
Other loans	-	38	28
Due to subsidiaries	-	-	-
	558,876	586,434	578,273

The group has an \$850 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 90 day terms.

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2016

	unaudited as at 31 Dec 2016 \$'000	unaudited as at 31 Dec 2015 \$'000	audited as at 30 Jun 2016 \$'000
Term borrowings			
Promissory notes	54,712	81,902	64,619
Floating rate notes 15/4/16	-	90,000	-
Bonds 15/11/16	-	50,000	50,000
Floating rate notes 15/2/17	20,000	20,000	20,000
Bonds 15/10/17	60,000	60,000	60,000
Floating rate notes 7/10/17	20,000	20,000	20,000
Floating rate notes 15/5/18	20,000	20,000	20,000
Bonds 17/7/18	50,000	50,000	50,000
Bonds 17/12/18	15,000	15,000	15,000
Floating rate notes 15/11/19	50,000	-	-
Bonds 16/11/20	50,000	50,000	50,000
Bonds 15/4/21	30,000	-	30,000
Bonds 25/11/21	70,000	70,000	70,000
Floating rate notes 15/10/22	50,000	50,000	50,000
Bonds 15/4/26	65,000	-	65,000
Fair value impact on bonds	(25)	3,962	8,794
	554,687	580,864	573,413
Forestry loans	5,875	7,218	6,518
Other loans	70	122	112
Total term borrowings	560,632	588,204	580,043
The repayment period on the term borrowings is as follows:			
Repayable less than one year	101,756	141,770	71,770
Repayable between one to five years	339,712	266,902	379,619
Repayable later than five years	119,164	179,532	128,654
	560,632	588,204	580,043

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 of other quoted debt instruments of the counterparties.

Directors estimate the fair value of the group's borrowings as at 31 December 2016 as being \$565,433,435 (December 2015 \$595,139,197).

Dunedin City Holdings Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2016

6 Derivative financial instruments

	unaudited as at 31 Dec 2016 \$'000	unaudited as at 31 Dec 2015 \$'000	audited as at 30 Jun 2016 \$'000
Assets:			
Interest rate swaps	10,809	19,274	24,789
	10,809	19,274	24,789
Liabilities:			
Interest rate swaps	16,018	22,949	32,261
	16,018	22,949	32,261

Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves.

7 Financial instruments

All financial assets are recognised at cost/face value while financial liabilities are recognised at amortised cost except derivative financial instruments which are recognised at fair value.

8 Contingent liabilities

	unaudited as at 31 Dec 2016 \$'000	unaudited as at 31 Dec 2015 \$'000	audited as at 30 Jun 2016 \$'000
Performance bonds	1,208	886	950

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.

Dunedin City Holdings Limited

Directory

Directors

Graham W Crombie (Chair)
Keith T Cooper
Kathleen E Grant
Linda M Robertson
Brian J Wood

Registered Office

50 The Octagon
Dunedin 9016

Bankers

ANZ
Dunedin

Solicitors

Anderson Lloyd
Dunedin

Taxation Advisors

Deloitte
Dunedin

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
Taieri Gorge Railway Limited (72% ownership)

Associate Companies

Dunedin International Airport Limited (50% ownership)
Otago Chipmill Limited (49.9% ownership by City Forests Limited)