



# Interim Report

For the six months ended  
31 December 2022



<b>Contents</b>	<b>Page</b>
Directors' report	2
Statement of responsibility	3
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8
Directory	10
Statement of service performance	11



## Directors' report

The Directors of Dunedin Railways Limited are pleased to present their report for the six months ended 31 December 2022.

## Result

The company returned a loss after tax of \$513,000 in the half year to 31 December 2022 compared with a loss after tax of \$719,000 in the half year to 31 December 2021.

## Review of operations

Until March 2020 Dunedin Railways Ltd (DRL) operated a tourist and excursion train on the Taieri Gorge railway line and on the Seaside line north of Dunedin. Covid-19 had a severe impact on the company and it transitioned to hibernation from 1 July 2020. The company's current focus is on maintaining key assets pending further decisions from Dunedin City Council.

Over the six months to 31 December 2022, a hibernation team has focussed on keeping key rolling stock and the Taieri Gorge line maintained. Dunedin Venues Management Ltd have supported the hibernation team and have performed the company's administrative functions.

DRL has been pleased to be able to operate a limited schedule of passenger services over the 2022/2023 summer season. During the period under review, DRL hosted 6,149 passengers on 35 services to Hindon, Waitati and Oamaru. This included several charter services for cruise ship passengers, and DRL has been proud to share its rail experiences and the Taieri Gorge with international travellers once again.

## Dividends

No dividends were paid by the Company.

## Events after balance sheet date

There were no significant events after the reporting period that require adjustment or disclosure.



## 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 controls 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 to 31 December 2022 fairly reflect the financial position and operations of Dunedin Railways Limited.

On behalf of the Directors:

Director

Director

Date: 2 February 2023

**Statement of comprehensive income**  
**For the six months ending 31 December 2022**

	unaudited 6 months to 31 Dec 2022 \$'000	unaudited 6 months to 31 Dec 2021 \$'000	unaudited full year to 30 Jun 2022 \$'000
Operating Revenue	620	149	241
Government Grants	-	12	13
Interest	11	1	4
<b>Total income</b>	<b>631</b>	<b>162</b>	<b>258</b>
Less expenses:			
Audit fees	14	12	29
Directors remuneration	-	-	-
Depreciation	10	7	16
Interest to Dunedin City Treasury Limited	-	-	-
Impairment	-	-	-
Other operating expenses	1,120	862	1,821
<b>Total expenses</b>	<b>1,144</b>	<b>881</b>	<b>1,866</b>
<b>Net loss before tax</b>	<b>(513)</b>	<b>(719)</b>	<b>(1,608)</b>
Income tax (expense)/credit	-	-	-
<b>Net loss after tax</b>	<b>(513)</b>	<b>(719)</b>	<b>(1,608)</b>
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>(513)</b>	<b>(719)</b>	<b>(1,608)</b>

## Statement of changes in equity For the six months ending 31 December 2022

	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
<b>unaudited</b>			
<b>Equity as at 1 July 2022</b>	8,547	(8,209)	338
Shareholder contributions	1,200	-	1,200
Loss after income tax	-	(513)	(513)
Other comprehensive income for the period	-	-	-
<b>Equity as at 31 December 2022</b>	<b>9,747</b>	<b>(8,722)</b>	<b>1,025</b>
<b>Equity as at 1 July 2021</b>	6,822	(6,601)	221
Shareholder contributions	1,150	-	1,150
Loss after income tax	-	(719)	(719)
Other comprehensive income for the period	-	-	-
<b>Equity as at 31 December 2021</b>	<b>7,972</b>	<b>(7,320)</b>	<b>652</b>
<b>unaudited</b>			
<b>Equity as at 1 July 2021</b>	6,822	(6,601)	221
Shareholder contributions	1,725	-	1,725
Loss after income tax	-	(1,608)	(1,608)
Other comprehensive income for the period	-	-	-
<b>Equity as at 30 June 2022</b>	<b>8,547</b>	<b>(8,209)</b>	<b>338</b>

**Statement of financial position**  
**As at 31 December 2022**

		unaudited 6 months to 31 Dec 2022 \$'000	unaudited 6 months to 31 Dec 2021 \$'000	unaudited full year to 30 Jun 2022 \$'000
	<i>Note</i>			
<b>Current assets</b>				
Cash and cash equivalents		909	509	159
Trade and other receivables		87	17	21
Inventories		26	51	37
Prepayments		50	27	-
Current taxation asset		(9)	12	13
Total current assets		1,063	616	230
<b>Non-current assets</b>				
Property, plant and equipment	3	271	243	271
Intangible assets		-	-	-
Total non - current assets		271	243	271
<b>Total assets</b>		1,334	859	501
<b>Current liabilities</b>				
Trade and other payables		249	163	60
Contract liabilities		13	13	14
Provision for employee entitlements		47	31	35
Other current liabilities (provisions)		-	-	54
Total current liabilities		309	207	163
<b>Non-current liabilities</b>				
Provisions		-	-	-
Term borrowings	4	-	-	-
Deferred tax liability		-	-	-
OETT shareholder's advance		-	-	-
Total non-current liabilities		-	-	-
<b>Total liabilities</b>		309	207	163
<b>Equity</b>				
Share capital		9,747	7,972	8,547
Retained earnings (deficits)		(8,722)	(7,320)	(8,209)
<b>Total equity</b>		1,025	652	338
<b>Total liabilities and equity</b>		1,334	859	501

**Statement of cash flows**  
**For the six months ending 31 December 2022**

	<b>unaudited</b> <b>6 months to</b> <b>31 Dec 2022</b> <b>\$'000</b>	<b>unaudited</b> <b>6 months to</b> <b>31 Dec 2021</b> <b>\$'000</b>	<b>unaudited</b> <b>full year to</b> <b>30 Jun 2022</b> <b>\$'000</b>
<i>Note</i>			
<b>Cash flow from operating activities</b>			
<i>Cash was provided from</i>			
Receipts from customers	630	162	244
Net GST received	30	56	(109)
Interest received	6	1	3
	666	219	138
<i>Cash was disbursed to</i>			
Interest paid	-	-	-
Payments to suppliers & employees	1,106	957	1,769
Income tax paid	1	-	-
	1,107	957	1,769
Net cash flow from operating activities	(441)	(738)	(1,631)
<b>Cash flow from investing activities</b>			
<i>Cash was disbursed to</i>			
Purchase of property, plant and equipment	9	34	66
Net cash flow from investing activities	(9)	(34)	(66)
<b>Cash flow from financing activities</b>			
<i>Cash was provided from</i>			
Funds from shareholders	1,200	1,150	1,725
Borrowings from DCTL	-	-	-
	1,200	1,150	1,725
<i>Cash was disbursed to</i>			
Repayment of borrowings to DCTL	-	-	-
	-	-	-
Net cash flow from financing activities	1,200	1,150	1,725
<b>Net increase/(decrease) in cash and cash equivalents</b>	750	378	28
Opening cash and cash equivalents	159	131	131
<b>Closing cash and cash equivalents</b>	909	509	159





## **Notes to the financial statements (unaudited)**

### **For the six months ending 31 December 2022**

#### **1 Reporting entity**

The financial statements presented are for the reporting entity Dunedin Railways Limited.

Company Details:

Incorporated in NZ under the Companies Act 1993.

A Council Controlled Trading Organisation as defined in the Local Government Act 2002.

Registered address of the company is 50 The Octagon, Dunedin.

Classed as a public benefit entity for financial reporting.

Dunedin Railways Limited. Shareholding interests:

100% owned by Dunedin City Holdings who are wholly owned by Dunedin City Council.

The financial statements of Dunedin Railways Limited are for the six months ended 31 December 2022.

The financial statements are presented in New Zealand dollars (the functional currency of the company) and have been rounded to the nearest thousand.

#### **2 Basis of preparation**

The financial statements for the period ended 31 December 2022 are unaudited.

The financial statements have been prepared in accordance with and comply with NZ IAS 34, Interim Financial Reporting as it applies to Tier 2 entities, and should be read in conjunction with the audited financial statements for the year ended 30 June 2022.

The financial statements are prepared on a non-going concern basis of accounting. The Company was put into hibernation from 1 July 2020. The Company is operating limited services during the summer season. There is a high degree of uncertainty associated with the future of the Company and a decision on the future of the Company will not be known until next year.

The accounting policies applied are consistent with those in the annual report for the year ended 30 June 2022.

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2022.

**Notes to the financial statements (unaudited)**  
**For the six months ending 31 December 2022**

**3 Property, plant and equipment**

	<b>6 months to 31 Dec 2022</b>	<b>6 months to 31 Dec 2021</b>	<b>12 months to 30 Jun 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Additions (cost)	9	34	66
Disposals (cost)	-	-	-
Impairment (cost)	-	-	-

There have been no material changes in fair value for all property, plant and equipment asset classes for the current year.

**4 Term borrowings**

	<b>6 months to 31 Dec 2022</b>	<b>6 months to 31 Dec 2021</b>	<b>12 months to 30 Jun 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Dunedin City Treasury Limited			
Loan balance	-	-	-

**5 Financial instruments**

All financial assets are recognised at cost/face value while financial liabilities are recognised at amortised cost.

**6 Contingent liabilities**

The company has no contingent liabilities at the end of each reporting period.

**7 Industry segment reporting**

The company operates a single business stream being a tourism based passenger train service, in a single geographic segment, the South Island of New Zealand.



## Directory

### Directors

Keith Cooper (Chair)  
Richard Thomson  
Susan Johnstone  
Timothy Loan

### Registered Office

50 The Octagon  
Dunedin 9016

### Bankers

Westpac  
Dunedin

### Solicitors

Anderson Lloyd  
Dunedin

### Tax Advisors

Deloitte  
Dunedin

### Auditor

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

**Statement of service performance  
 For the six months ending 31 December 2022**

<b>Performance targets</b>	<b>Results as at 31 December 2022</b>
Hibernation Plan is prepared and reported on to the Board on a quarterly basis.	Reporting against the hibernation plan is presented at each Board meeting.
Target zero lost time injuries.	Zero lost time injuries during the 6 month reporting period.
A draft 2023/2024 Statement of Intent will be submitted to the shareholder by 1 March 2023.	A draft 2023/2024 Statement of Intent has been developed and will be submitted to the shareholder by 1 March 2023.
Implement DRL's carbon emissions strategy developed in the 2022 financial year and achieve our FY2023 targets.	In progress. To be complete by 30 June 2023.
Implement DRL's waste reduction strategy developed in the 2022 financial year and achieve our FY2023 targets.	In progress. To be complete by 30 June 2023.
Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.	In progress. To be complete by 30 June 2023.
Ensure that all direct employees are paid at living wage or above.	All DRL's direct employees are paid at living wage or above.
Consult with the shareholder in a timely manner on DRL strategic or operational matters which could compromise Council's community outcomes.	Monthly reporting has kept the shareholder informed of strategic and operational developments.
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 matters, which may have had the potential to negatively impact on the shareholder or the company, were reported to Dunedin City Holdings Limited.