



Interim Report

For the six months ended
31 December 2021



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Directors' report

The Directors of Dunedin Railways Limited are pleased to present their report for the six months ended 31 December 2021.

Result

The company returned a loss after tax of \$719,000 in the half year to 31 December 2021 compared with a loss after tax of \$83,000 in the half year to 31 December 2020.

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 2021, a hibernation team of seven 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 operates a limited schedule of passenger services over the summer season, when Covid-19 restrictions permit (that is, at Orange and Green traffic light settings). During the period under review, DRL operated 13 services.

Dividends

No dividends were paid by the Company.

Events after balance sheet date

From 23 January 2022 the country moved into the red traffic light setting under the Covid-19 Protection Framework which meant the Company was unable to provide train services. At the date of signing this Interim Report the area in which the Company operates remains subject to red level of the Covid-19 Protection Framework.

There were no further significant events after the reporting period that would 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 2021 fairly reflect the financial position and operations of Dunedin Railways Limited.

On behalf of the Directors:

A handwritten signature in blue ink, appearing to be 'G. Smith', written over a horizontal line.

Director

A handwritten signature in blue ink, appearing to be 'Chris Hopkins', written over a horizontal line.

Director

Date: 3 February 2022

Statement of comprehensive income
For the six months ending 31 December 2021

	unaudited 6 months to 31 Dec 2021 \$'000	unaudited 6 months to 31 Dec 2020 \$'000	unaudited full year to 30 Jun 2021 \$'000
Operating Revenue	149	47	301
Government Grants	12	578	1,046
Interest	1	-	-
Total income	162	625	1,347
Less expenses:			
Audit fees	12	12	24
Directors remuneration	-	-	-
Depreciation	7	7	14
Interest to Dunedin City Treasury Limited	-	-	-
Impairment	-	-	-
Other operating expenses	862	721	1,545
Total expenses	881	740	1,583
Net loss before tax	(719)	(115)	(236)
Income tax (expense)/credit	-	(32)	-
Net loss after tax	(719)	(83)	(236)
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income	(719)	(83)	(236)

Statement of changes in equity
For the six months ending 31 December 2021

	Share capital	Retained earnings	Total equity
	\$'000	\$'000	\$'000
unaudited			
Equity as at 1 July 2021	6,822	(6,601)	221
Shareholder contributions	1,150	-	1,150
Loss after income tax	-	(719)	(719)
Other comprehensive income for the period	-	-	-
Equity as at 31 December 2021	7,972	(7,320)	652
Equity as at 1 July 2020	6,822	(6,365)	457
Shareholder contributions	-	-	-
Loss after income tax	-	(83)	(83)
Other comprehensive income for the period	-	-	-
Equity as at 31 December 2020	6,822	(6,448)	374
unaudited			
Equity as at 1 July 2020	6,822	(6,365)	457
Shareholder contributions	-	-	-
Loss after income tax	-	(236)	(236)
Other comprehensive income for the period	-	-	-
Equity as at 30 June 2021	6,822	(6,601)	221

**Statement of financial position
As at 31 December 2021**

	<i>Note</i>	unaudited 6 months to 31 Dec 2021 \$'000	unaudited 6 months to 31 Dec 2020 \$'000	unaudited full year to 30 Jun 2021 \$'000
Current assets				
Cash and cash equivalents		509	75	131
Trade and other receivables		17	109	9
Inventories		51	56	55
Prepayments		27	23	-
Current taxation asset		12	44	(4)
Total current assets		616	307	191
Non-current assets				
Property, plant and equipment	3	243	228	221
Intangible assets		-	-	-
Total non - current assets		243	228	221
Total assets		859	535	412
Current liabilities				
Trade and other payables		163	44	47
Contract liabilities		13	14	12
Provision for employee entitlements		31	36	-
Other current liabilities (provisions)		-	67	132
Total current liabilities		207	161	191
Non-current liabilities				
Provisions		-	-	-
Term borrowings	4	-	-	-
Deferred tax liability		-	-	-
OETT shareholder's advance		-	-	-
Total non-current liabilities		-	-	-
Total liabilities		207	161	191
Equity				
Share capital		7,972	6,822	6,822
Retained earnings (deficits)		(7,320)	(6,448)	(6,601)
Total equity		652	374	221
Total liabilities and equity		859	535	412

Statement of cash flows
For the six months ending 31 December 2021

	unaudited 6 months to 31 Dec 2021 \$'000	unaudited 6 months to 31 Dec 2020 \$'000	unaudited full year to 30 Jun 2021 \$'000
<i>Note</i>			
Cash flow from operating activities			
<i>Cash was provided from</i>			
Receipts from customers	162	651	1,401
Net GST received	56	13	(26)
Interest received	1	-	-
	219	664	1,375
<i>Cash was disbursed to</i>			
Interest paid	-	-	-
Payments to suppliers & employees	957	818	1,473
Income tax paid	-	-	-
	957	818	1,473
Net cash flow from operating activities	(738)	(154)	(98)
Cash flow from investing activities			
<i>Cash was disbursed to</i>			
Purchase of property, plant and equipment	34	-	-
Net cash flow from investing activities	(34)	-	-
Cash flow from financing activities			
<i>Cash was provided from</i>			
Funds from shareholders	1,150	-	-
Borrowings from DCTL	-	-	-
	1,150	-	-
<i>Cash was disbursed to</i>			
Repayment of borrowings to DCTL	-	-	-
	-	-	-
Net cash flow from financing activities	1,150	-	-
Net increase/(decrease) in cash and cash equivalents	378	(154)	(98)
Opening cash and cash equivalents	131	229	229
Closing cash and cash equivalents	509	75	131



Notes to the financial statements (unaudited) For the six months ending 31 December 2021

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 2021 and comply with the Financial Reporting Act 1993.

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 2021 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 unaudited financial statements for the year ended 30 June 2021 and audited financial statements for the year ended 30 June 2020.

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 from 5 December 2021 to 27 March 2022 relating to the Trains Not Planes promotion (as the Covid-19 Protection Framework allows). 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 2021 and 30 June 2020.

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2021 and 30 June 2020.

The annual report for the year ended 30 June 2021 has not been audited and is therefore not yet publically available. The legislative requirement is for the audit to be completed by 30 November 2021. The delay is due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns. It is expected that the audit will be commenced in March 2022 and finished in April 2022.

**Notes to the financial statements (unaudited)
 For the six months ending 31 December 2021**

3 Property, plant and equipment

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	12 months to 30 Jun 2021 \$'000
Additions (cost)	34	-	-
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

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	12 months to 30 Jun 2021 \$'000
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 except derivative financial instruments which are recognised at fair value.

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)
Christopher Hopkins
Susan Johnstone
Linda Robertson
Richard Thomson

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 2021**

Performance targets	Results as at 31 December 2021
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.	There was one lost time injury during the reporting period.
A draft 2022/2023 Statement of Intent will be submitted to the shareholder by 1 March 2022.	A draft 2022/2023 Statement of Intent has been developed and will be submitted to the shareholder by 1 March 2022.
Systems for measuring and publicly reporting carbon emissions are established. DRL will develop an emissions reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent.	In progress. To be complete by 30 June 2022.
DRL will develop a waste reduction strategy and associated targets for inclusion in its 2022/2023 Statement of Intent.	In progress. To be complete by 30 June 2022.
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.	There were no matters, which may have the potential to negatively impact on the shareholder and the company, that required to be reported to Dunedin City Holdings Limited.