



Interim Report

For the six months ended

31 December 2019

DUNEDIN RAILWAYS

WORLD CLASS TRAIN TRIPS

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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 2019.

Result

The company returned a loss after tax of \$862,000 in the half year to 31 December 2019 compared with a loss after tax of \$444,000 in the half year to 31 December 2018.

Review of operations

Dunedin Railways Limited operates a tourist train on the Taieri Gorge and Pacific Coastal railway lines and provides other train services, principally for charters and excursions.

Seasonality

The profitability and cash flow of the company contains a strong seasonal element in accordance with the tourist season for the region which is at its strongest within the months of October until April. The impact of this pattern is that the company will typically report a deficit for the first half of the year and any surplus will be generated in the second half of the year.

Dividends

No dividends were paid by the Company.

Events after balance sheet date

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

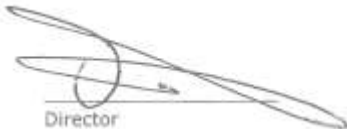
Statement of responsibility

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 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 to 31 December 2019 fairly reflect the financial position and operations of Dunedin Railways Limited.

On behalf of the Directors:



Director

Date

27/1/2020



Director

Statement of comprehensive income For the six months ending 31 December 2019

	unaudited 6 months to 31 Dec 2019 \$'000	unaudited 6 months to 31 Dec 2018 \$'000	audited full year to 30 Jun 2019 \$'000
Train ticket/charter, travel agency and retail sales income	2,831	3,693	9,216
Total income	2,831	3,693	9,216
Less expenses:			
Audit fees	10	-	20
Directors remuneration	55	54	111
Depreciation	264	194	423
Interest to Dunedin City Treasury Limited	49	44	73
Other operating expenses	3,650	4,018	8,763
Total expenses	4,028	4,310	9,390
Net loss before tax	(1,197)	(617)	(174)
Income tax (expense)/credit	(335)	(173)	(52)
Net loss after tax	(862)	(444)	(122)
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income	(862)	(444)	(122)

Statement of changes in equity For the six months ending 31 December 2019

	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
unaudited			
Equity as at 1 July 2019	1,572	241	1,813
Shareholder contributions	1,000	-	1,000
Loss after income tax	-	(862)	(862)
Other comprehensive income for the period	-	-	-
Equity as at 31 December 2019	2,572	(621)	1,951
Equity as at 1 July 2018	1,572	363	1,935
Loss after income tax	-	(444)	(444)
Other comprehensive income for the period	-	-	-
Equity as at 31 December 2018	1,572	(81)	1,491
audited			
Equity as at 1 July 2018	1,572	363	1,935
Loss after income tax	-	(122)	(122)
Other comprehensive income for the period	-	-	-
Equity as at 30 June 2019	1,572	241	1,813

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Statement of financial position As at 31 December 2019

		unaudited 6 months to 31 Dec 2019 \$'000	unaudited 6 months to 31 Dec 2018 \$'000	audited full year to 30 Jun 2019 \$'000
	<i>Note</i>			
Current assets				
Cash and cash equivalents		209	245	26
Trade and other receivables		730	920	37
Contract assets				187
Inventories		506	383	342
Prepayments		51	24	-
Current taxation asset		335	173	22
Total current assets		1,831	1,745	614
Non-current assets				
Property, plant and equipment	3	4,525	4,478	4,465
Intangible assets		60		80
Total non - current assets		4,585	4,478	4,545
Total assets		6,416	6,223	5,159
Current liabilities				
Trade and other payables		880	800	416
Contract liabilities				159
Provision for employee entitlements		383	442	508
Other current liabilities (provisions)		-	30	22
Total current liabilities		1,263	1,272	1,105
Non-current liabilities				
Term borrowings	4	3,130	3,155	1,890
Deferred tax liability		25	(21)	25
OETT shareholder's advance		47	326	326
Total non-current liabilities		3,202	3,460	2,241
Total liabilities		4,465	4,732	3,346
Equity				
Share capital		2,572	1,572	1,572
Retained earnings (deficits)		(621)	(81)	241
Total equity		1,951	1,491	1,813
Total liabilities and equity		6,416	6,223	5,159

The accompanying notes form part of these financial statements

Statement of cash flows For the six months ending 31 December 2019

	<i>Note</i>	unaudited 6 months to 31 Dec 2019 \$'000	unaudited 6 months to 31 Dec 2018 \$'000	audited full year to 30 Jun 2019 \$'000
Cash flow from operating activities				
<i>Cash was provided from</i>				
Receipts from customers		3,359	2,957	8,983
Insurance refund				79
Subvention receipts				99
		3,359	2,957	9,161
<i>Cash was disbursed to</i>				
Interest paid		49	39	77
Payments to suppliers & employees		4,759	3,822	8,849
Income tax paid		-	-	-
		4,808	3,861	8,926
Net cash flow from operating activities		(1,449)	(904)	235
Cash flow from investing activities				
<i>Cash was disbursed to</i>				
Purchase of property, plant and equipment		328	1,025	1,118
Net cash flow from investing activities		(328)	(1,025)	(1,118)
Cash flow from financing activities				
<i>Cash was provided from</i>				
Funds from shareholders		720		
Borrowings from DCTL		2,584	2,620	4,235
		3,304	2,620	4,235
<i>Cash was disbursed to</i>				
Repayment of borrowings to DCTL		1,344	465	3,345
		1,344	465	3,345
Net cash flow from financing activities		1,960	2,155	890
Net increase/(decrease) in cash and cash equivalents		183	226	7
Opening cash and cash equivalents		26	19	19
Closing cash and cash equivalents		209	245	26

Notes to the financial statements (unaudited) For the six months ending 31 December 2019

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 For-profit entity for financial reporting.

Dunedin Railways Limited. Shareholding interests:

- 72% owned by Dunedin City Holdings who are wholly owned by Dunedin City Council.
- 28% owned by Otago Excursion Train Trust.

The financial statements of Dunedin Railways Limited are for the six months ended 31 December 2019 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 2019 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 2019.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2019.

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2019.

3 Property, plant and equipment

	6 months to 31 Dec 2019 \$'000	6 months to 31 Dec 2018 \$'000	12 months to 30 Jun 2019 \$'000
Additions (cost)	301	733	1,679
Disposals (cost)	48	-	705

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

Notes to the financial statements (unaudited) For the six months ending 31 December 2019

4 Term borrowings

	as at 31 Dec 2019 \$'000	as at 31 Dec 2018 \$'000	as at 30 Jun 2019 \$'000
Dunedin City Treasury Limited			
Loan balance	3,130	3,155	1,890

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.

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WORLD CLASS TRAIN TRIPS

Directory

Directors

Kevin Winders (Chair)
Judy Bevin
Richard Roberts
Graeme Smart
David Wood

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