

Dunedin Stadium Property Limited

INTERIM REPORT

For the six months ended 31 December 2018

Dunedin Stadium Property Limited

Contents	Page
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
Statement of Service Performance	11
Directory	12

Dunedin Stadium Property Limited

Directors' report

The Directors of Dunedin Stadium Property Limited are pleased to present their report for the six months ending 31 December 2018.

Overview of Results

	unaudited 6 months to 31 Dec 2018 \$'000	unaudited 6 months to 31 Dec 2017 \$'000	audited full year to 30 Jun 2018 \$'000
Total income	1,163	1,146	2,146
Loss before taxation and subvention	(4,558)	(4,878)	(9,529)
Net cash flow from operating activities	47	(65)	(506)
Total assets	167,459	174,419	171,398

Review of operations

Dunedin Stadium Property Limited (DSPL) owns and manages the asset of Forsyth Barr Stadium.

The Company has outsourced the management of the stadium on its behalf to Dunedin Venues Management Limited.

The Company recorded a loss before taxation and subvention payments for the six months ended 31 December 2018 of \$4,558k which is \$320k better than the same period last year.

The reduction in loss compared to the same period last year is primarily due to a reduction in the Company's cost of funding. Subvention receipts were lower than those received in the same period last year. These receipts are determined by the tax positions of the other subsidiaries of Dunedin City Holdings Limited. The Company is working with the Dunedin City Holdings Group on maintaining the cash funding model that has been in place with a mix of subvention receipts and other sources.

Outlook

The Company has funding lines in place ensuring it is able to maintain its operational, capital and debt financing requirements going forward.

Seasonality

There is no seasonality of earnings within the Company.

Dividends

No dividends were paid by the Company during the period.

Events after balance sheet date

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

Dunedin Stadium Property Limited

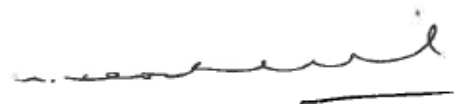
Statement of responsibility

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; and

In the opinion of the Directors, the interim financial statements fairly reflect the financial position as at 31 December 2018 and operations for the six months to 31 December 2018 of Dunedin Stadium Property Limited.

The Directors of Dunedin Stadium Property Limited have pleasure in presenting the interim financial statements, set out on pages 4 to 10, for the six months ended 31 December 2018 and authorises them for issue on 7 February 2019.



Chair



Director

Dunedin Stadium Property Limited

Statement of comprehensive income For the six months ending 31 December 2018

	Unaudited 6 months to 31 Dec 2018 \$'000	Unaudited 6 months to 31 Dec 2017 \$'000	Audited full year to 30 Jun 2018 \$'000
Rentals & costs from Dunedin Venues Management Limited	1,163	1,145	2,145
Interest received	-	1	1
Total income	1,163	1,146	2,146
Less expenses:			
Audit fees	-	-	16
Directors remuneration	9	21	43
Depreciation	3,477	3,545	7,028
Interest to Dunedin City Treasury Limited	2,032	2,270	4,294
Other operating expenses	203	188	294
Total expenses	5,721	6,024	11,675
Loss before tax and subvention	(4,558)	(4,878)	(9,529)
Subvention receipt	615	652	1,910
Net loss before tax	(3,943)	(4,226)	(7,619)
Income tax	-	-	-
Net loss after tax	(3,943)	(4,226)	(7,619)
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	224	(76)	319
Total other comprehensive income	224	(76)	319
Total comprehensive loss for the period	(3,719)	(4,302)	(7,300)

Dunedin Stadium Property Limited

Statement of changes in equity For the six months ending 31 December 2018

	Share capital \$'000	Hedge reserve \$'000	Retained deficits \$'000	Total equity \$'000
Unaudited				
Equity as at 1 July 2018	118,179	(2,117)	(37,173)	78,889
Comprehensive income for the period	-	224	(3,943)	(3,719)
Equity as at 31 December 2018	118,179	(1,893)	(41,116)	75,170
Unaudited				
Equity as at 1 July 2017	115,929	(2,436)	(29,554)	83,939
Comprehensive income for the period	-	(76)	(4,226)	(4,302)
Equity as at 31 December 2017	115,929	(2,512)	(33,780)	79,637
Audited				
Equity as at 1 July 2017	115,929	(2,436)	(29,554)	83,939
Comprehensive income for the period	-	319	(7,619)	(7,300)
Share capital contribution	2,250	-	-	2,250
Equity as at 30 June 2018	118,179	(2,117)	(37,173)	78,889

Dunedin Stadium Property Limited

Statement of financial position As at 31 December 2018

	<i>Note</i>	Unaudited 6 months to 31 Dec 2018 \$'000	Unaudited 6 months to 31 Dec 2017 \$'000	Audited full year to 30 Jun 2018 \$'000
Current assets				
Cash and cash equivalents		212	211	65
Trade and other receivables		-	-	-
Subvention payment receivable		-	-	608
Total current assets		212	211	673
Non-current assets				
Property, plant and equipment	4	167,247	174,208	170,725
Total non-current assets		167,247	174,208	170,725
Total assets		167,459	174,419	171,398
Current liabilities				
Trade and other payables		922	939	1,017
Total current liabilities		922	939	1,017
Non-current liabilities				
Term borrowings	5	89,475	91,330	89,375
Derivative financial instruments	6	1,892	2,513	2,117
Total non-current liabilities		91,367	93,843	91,492
Total liabilities		92,289	94,782	92,509
Equity				
Share capital		118,179	115,929	118,179
Cash flow hedge reserve		(1,893)	(2,512)	(2,117)
Retained deficits		(41,116)	(33,780)	(37,173)
Total equity		75,170	79,637	78,889
Total liabilities and equity		167,459	174,419	171,398

Dunedin Stadium Property Limited

Statement of cash flows For the six months ending 31 December 2018

	Note	Unaudited 6 months to 31 Dec 2018 \$'000	Unaudited 6 months to 31 Dec 2017 \$'000	Audited full year to 30 Jun 2018 \$'000
Cash flow from operating activities				
<i>Cash was provided from</i>				
Receipts from customers		1,163	1,145	2,145
Subvention receipts		1,222	1,368	2,018
Interest received		-	1	1
Net GST received		-	-	-
		2,385	2,514	4,164
<i>Cash was disbursed to</i>				
Interest paid		2,085	2,354	4,387
Payments to suppliers		250	224	280
Net GST paid		3	1	3
		2,338	2,579	4,670
Net cash flow from operating activities	3	47	(65)	(506)
Cash flow from investing activities				
<i>Cash was disbursed to</i>				
Purchase of property, plant and equipment		-	-	-
Net cash flow from investing activities		-	-	-
Cash flow from financing activities				
<i>Cash was provided from</i>				
Shareholder capital		-	-	2,250
Borrowings		1,000	-	-
		1,000	-	2,250
<i>Cash was disbursed to</i>				
Repayment of borrowings		900	1,605	3,560
		900	1,605	3,560
		100	(1,605)	(1,310)
Net increase/(decrease) in cash		147	(1,670)	(1,816)
Opening cash and cash equivalents		65	1,881	1,881
Closing cash and cash equivalents		212	211	65

Dunedin Stadium Property Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2018

1 Reporting entity

The financial statements presented here are for the reporting entity Dunedin Stadium Property Limited.

Dunedin Stadium Property Limited (the Company) is a Council Controlled Organisation as defined in the Local Government Act 2002. The Company, incorporated in New Zealand under the Companies Act 1993, is 100% owned by Dunedin City Holdings Limited which is wholly owned by Dunedin City Council.

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

The primary objective of Dunedin Stadium Property Limited is to own and maintain the Forsyth Barr Stadium and in return receive a rental from the tenant.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Company operates.

Dunedin Stadium Property Limited is a public benefit entity.

2 Basis of preparation

The financial statements for the six month period ended 31 December 2018 are unaudited.

The financial statements have been prepared in accordance with and comply with PBE 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 2018.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2018.

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2018.

Dunedin Stadium Property Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2018

3 Reconciliation of operating surplus to net cash flows from operating activities

	6 months to 31 Dec 2018 \$'000	6 months to 31 Dec 2017 \$'000	12 months to 30 Jun 2018 \$'000
Net loss after tax	(3,943)	(4,226)	(7,619)
<i>Items not involving cash flows</i>			
Depreciation	3,477	3,545	7,028
Other	-	-	-
<i>Impact of changes in working capital items</i>			
(Increase)/decrease in rent receivable	-	-	-
(Increase)/decrease in subvention payment receivable	608	716	108
Increase/(decrease) in trade and other payables	(39)	(15)	70
Increase/(decrease) in interest accrued	(56)	(85)	(93)
Net cash inflows from operating activities	47	(65)	(506)

4 Property, plant and equipment

	6 months to 31 Dec 2018 \$'000	6 months to 31 Dec 2017 \$'000	12 months to 30 Jun 2018 \$'000
Additions	-	-	-
Disposals	-	-	-
Capital commitments	-	-	-

There have been no material changes in fair value for all property, plant and equipment asset classes between 30 June 2018 and 31 December 2018.

Dunedin Stadium Property Limited

Notes to the financial statements (unaudited) For the six months ending 31 December 2018

5 Term borrowings

There has been no material change in the term loan from Dunedin City Treasury Limited between 30 June 2018 and 31 December 2018.

6 Derivative financial instruments

	6 months to 31 Dec 2018 \$'000	6 months to 31 Dec 2017 \$'000	12 months to 30 Jun 2018 \$'000
Fair Value			
Interest rate swaps	1,892	2,513	2,117
Analysed as:			
Current	-	-	-
Non-current	1,892	2,513	2,117
	1,892	2,513	2,117

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

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

Dunedin Stadium Property Limited

Statement of Service Performance For the six months ending 31 December 2018

Performance targets	Performance targets achieved
1 Statement of Intent is consistent with the objectives of the shareholder.	Achieved. The Statement of Intent is consistent with the objectives of the shareholder.
2 Operating activities are compliant with the objectives stated in the Statement of Intent.	Achieved. The operating activities of Dunedin Stadium Property Limited are compliant with the objectives stated in the Statement of Intent.
3 An Asset Management Plan is in place.	In progress. In June 2018 the DSPL board reviewed and approved the Asset Management Plan schedules supplied by WSP Opus. The schedules form the basis of the full Asset Management Plan. The full plan will be in place by 30 June 2019.
4 Asset maintenance is compliant with the asset management timetable.	In progress. Timing differences have occurred and no capital expenditure has been incurred for the year to date. It is expected that the budgeted capital expenditure will still occur prior to 30 June 2019.
The Asset Management Plan is reviewed annually.	In progress. The full Asset Management Plan is in the process of its annual review and will be in place by 30 June 2019.
5 Funding is in place to deliver on the Asset Management Plan.	Achieved. Funding is in place to deliver on the Asset Management Plan.
6 A debt repayment program is in place and reviewed annually.	Achieved. A debt repayment program is in place and in the process of its annual review.
7 Matters have been escalated to the shareholder.	Achieved. There were no matters requiring escalation to the shareholder.
8 To report matters of substance to the Shareholder within 24 hours of the board becoming aware.	Achieved. There are no matters of substance to report to the shareholder.

Financial forecasts

Financial forecasts are set in the Statement of Intent for the year ending 30 June 2019. The company is on track to meet the financial forecasts set.

Dunedin Stadium Property Limited

Directory

Directors

William H Cockerill (Chair)
Graham W Crombie
Kathleen E Grant (appointed 1 July 2018)
Linda M Robertson (appointed 1 July 2018)
Keith T Cooper (appointed 1 July 2018)
Quentin CS Hix (appointed 1 July 2018)

Registered Office

50 The Octagon
Dunedin 9016

Bankers

Westpac Banking Corporation
ANZ Bank New Zealand Limited

Solicitors

Anderson Lloyd

Tax Advisors

Deloitte

Auditor

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