Dunedin Stadium Property Limited

Interim Report

For the six months ended

31 December 2017

Contents

Directors' report

The Directors of Dunedin Stadium Property Limited are pleased to present their report for the six months ending 31 December 2017.

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

Overview of Results	unaudited 6 months to 31 Dec 2017 $'000	unaudited 6 months to 31 Dec 2016 $'000	audited full year to 30 Jun 2017 $'000
Total income	1,146	1,177	2,141
Loss before taxation and subvention	(4,878)	(5,342)	(10,394)
Net cash flow from operating activities	(65)	(455)	(764)
Total assets	174,419	184,529	180,349

Review of operations

Dunedin Stadium Property Limited 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 2017 of $4.878 million or $464k better than the same period last year.

While the loss before tax and subvention is better than the same period last year, subvention receipts are below for the six months compared to 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 is operational, capital and debt financing requirements going forward.

Seasonality

There is limited 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.

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 2017 and operations for the six months to 31 December 2017 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 2017 and authorises them for issue on 14 February 2018.

Chair

Director

Dunedin Stadium Property Limited

Statement of comprehensive income
For the six months ending 31 December 2017

	unaudited 6 months to 31 Dec 2017 $'000	unaudited 6 months to 31 Dec 2016 $'000	audited full year to 30 Jun 2017 $'000
Rentals & costs from Dunedin Venues Management Limited	1,145	1,173	2,137
Interest received	1	4	4
Total income	1,146	1,177	2,141
Less expenses:			
Audit fees	-	-	15
Directors remuneration	21	24	42
Depreciation	3,545	3,666	7,291
Interest to Dunedin City Treasury Limited	2,270	2,614	4,968
Other operating expenses	188	215	219
Total expenses	6,024	6,519	12,535
Loss before tax and subvention	(4,878)	(5,342)	(10,394)
Subvention receipt	652	2,096	2,161
Net loss before tax	(4,226)	(3,246)	(8,233)
Income tax	-	-	-
Net loss after tax	(4,226)	(3,246)	(8,233)
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	(76)	1,101	1,011
Total other comprehensive income	(76)	1,101	1,011
Total comprehensive loss for the period	(4,302)	(2,145)	(7,222)

Statement of changes in equity
For the six months ending 31 December 2017

	Share capital $'000	Hedge reserve $'000	Retained deficits $'000	Total equity $'000
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
unaudited				
Equity as at 1 July 2016	113,679	(3,447)	(21,321)	88,911
Comprehensive income for the period	-	1,101	(3,246)	(2,145)
Equity as at 31 December 2016	113,679	(2,346)	(24,567)	86,766
audited				
Equity as at 1 July 2016	113,679	(3,447)	(21,321)	88,911
Comprehensive income for the period	-	1,011	(8,233)	(7,222)
Share capital contribution	2,250	-	-	2,250
Equity as at 30 June 2017	115,929	(2,436)	(29,554)	83,939

Statement of financial position
As at 31 December 2017

	Note	unaudited 6 months to 31 Dec 2017 $'000	unaudited 6 months to 31 Dec 2016 $'000	audited full year to 30 Jun 2017 $'000
Current assets				
Cash and cash equivalents		211	1,408	1,881
Trade and other receivables		-	-	-
Subvention payment receivable		-	1,743	716
Total current assets		211	3,151	2,597
Non-current assets				
Property, plant and equipment	5	174,208	181,378	177,752
Total non-current assets		174,208	181,378	177,752
Total assets		174,419	184,529	180,349
Current liabilities				
Trade and other payables		939	1,051	1,039
Inter group advances	4	-	366	-
Total current liabilities		939	1,417	1,039
Non-current liabilities				
Term borrowings	6	91,330	94,000	92,935
Derivative financial instruments	7	2,513	2,346	2,436
Total non-current liabilities		93,843	96,346	95,371
Total liabilities		94,782	97,763	96,410
Equity				
Share capital		115,929	113,679	115,929
Cash flow hedge reserve		(2,512)	(2,346)	(2,436)
Retained deficits		(33,780)	(24,567)	(29,554)
Total equity		79,637	86,766	83,939
Total liabilities and equity		174,419	184,529	180,349

The accompanying notes form part of these financial statements

Statement of cash flows
For the six months ending 31 December 2017

	Note	unaudited 6 months to 31 Dec 2017 $'000	unaudited 6 months to 31 Dec 2016 $'000	audited full year to 30 Jun 2017 $'000
Cash flow from operating activities				
Cash was provided from				
Receipts from customers		1,145	1,173	2,137
Subvention receipts		1,368	1,361	2,472
Interest received		1	3	4
Net GST received		-	10	11
		2,514	2,547	4,624
Cash was disbursed to				
Interest paid		2,354	2,731	5,112
Payments to suppliers		224	271	276
Net GST paid		1	-	-
		2,579	3,002	5,388
Net cash flow from operating activities	3	(65)	(455)	(764)
Cash flow from investing activities				
Cash was disbursed to				
Purchase of property, plant and equipment		-	-	19
Net cash flow from investing activities		-	-	(19)
Cash flow from financing activities				
Cash was provided from				
Shareholder capital		-	-	2,250
Inter group advances		-	104	-
		-	104	2,250
Cash was disbursed to				
Repayment of inter group advances		-	-	280
Repayment of borrowings		1,605	-	1,065
		1,605	-	1,345
Net cash flow from financing activities		(1,605)	104	905
Net increase/(decrease) in cash		(1,670)	(351)	122
Opening cash and cash equivalents		1,881	1,759	1,759
Closing cash and cash equivalents		211	1,408	1,881

The accompanying notes form part of these financial statements

Notes to the financial statements (unaudited)
For the six months ending 31 December 2017

1 Reporting entity

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

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

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 financial statements of Dunedin Stadium Property Limited are for the six months ended 31 December 2017 and comply with the Financial Reporting Act 1993.

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 period ended 31 December 2017 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 2017.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2017.

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2017.

Notes to the financial statements (unaudited)
For the six months ending 31 December 2017

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

	6 months to 31 Dec 2017 $'000	6 months to 31 Dec 2016 $'000	12 months to 30 Jun 2017 $'000
Net loss after tax	(4,226)	(3,246)	(8,233)
Items not involving cash flows			
Depreciation	3,545	3,666	7,291
Other	-	(19)	-
Impact of changes in working capital items			
(Increase)/decrease in rent receivable	-	-	-
(Increase)/decrease in subvention payment receivable	716	(734)	293
Increase/(decrease) in trade and other payables	(15)	(6)	29
Increase/(decrease) in interest accrued	(85)	(116)	(144)
Net cash inflows from operating activities	(65)	(455)	(764)

4 Inter group advances

	6 months to 31 Dec 2017 $'000	6 months to 31 Dec 2016 $'000	12 months to 30 Jun 2017 $'000
Advances received from:			
Aurora Energy Limited	-	85	-
Dunedin Venues Management Limited	-	281	-
	-	366	-

5 Property, plant and equipment

	6 months to 31 Dec 2017 $'000	6 months to 31 Dec 2016 $'000	12 months to 30 Jun 2017 $'000
Additions	-	19	19
Disposals	-	-	-
Capital commitments	-	-	-

There have been no material changes in fair value for all property, plant and equipment asset classes between 30 June 2017 and 31 December 2017.

Notes to the financial statements (unaudited)
For the six months ending 31 December 2017

6 Term borrowings

There has been no material change in the term loan from Dunedin City Treasury Limited between 30 June 2017 and 31 December 2017.

7 Derivative financial instruments

	6 months to 31 Dec 2017 $'000	6 months to 31 Dec 2016 $'000	12 months to 30 Jun 2017 $'000
Fair Value			
Interest rate swaps	2,513	2,346	2,436
Analysed as:			
Current	-	-	-
Non-current	2,513	2,346	2,436
	2,513	2,346	2,436

8 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.

9 Contingent liabilities

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

Directory

Directors
William H Cockerill (Chair)
Joanne M Conroy
Graham W Crombie

Registered Office
50 The Octagon
Dunedin 9016

Bankers
ANZ
Dunedin

Solicitors
Anderson Lloyd
Dunedin

Tax Advisors
Deloitte
Dunedin

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