

Dunedin Stadium Property Limited

INTERIM REPORT

For the six months ended 31 December 2021

Dunedin Stadium Property Limited

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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 2021.

Overview of Results

	unaudited 6 months to 31 Dec 2021 \$'000	unaudited 6 months to 31 Dec 2020 \$'000	audited full year to 30 Jun 2021 \$'000
Total income	1,367	1,336	2,413
Loss before taxation and subvention	(3,268)	(3,816)	(7,472)
Net cash flow from operating activities	(47)	(1,670)	(2,604)
Total assets	148,980	155,038	151,824

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 2021 of \$3,268k which is \$548k 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 not received this 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 income 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

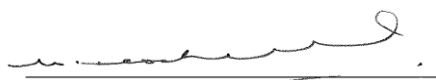
Statement of responsibility

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 2021 and operations for the six months to 31 December 2021 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 2021 and authorises them for issue on 3 February 2022.



Chair



Director

Dunedin Stadium Property Limited

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	Audited full year to 30 Jun 2021 \$'000
Rentals & costs from Dunedin Venues Management Limited	1,367	1,336	2,413
Interest received	-	-	-
Total income	1,367	1,336	2,413
Less expenses:			
Audit fees	-	-	17
Directors remuneration	11	10	21
Depreciation	3,037	3,096	6,146
Interest to Dunedin City Treasury Limited	1,094	1,638	2,974
Other operating expenses	493	408	727
Total expenses	4,635	5,152	9,885
Loss before tax and subvention	(3,268)	(3,816)	(7,472)
Subvention receipt	-	-	3
Net loss before tax	(3,268)	(3,816)	(7,469)
Income tax expense / (benefit)	-	-	(1)
Net loss after tax	(3,268)	(3,816)	(7,468)
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	-	643	1,010
Total other comprehensive income	-	643	1,010
Total comprehensive loss for the period	(3,268)	(3,173)	(6,458)

Dunedin Stadium Property Limited

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

	Share capital \$'000	Hedge reserve \$'000	Retained deficits \$'000	Total equity \$'000
Unaudited				
Equity as at 1 July 2021	124,929	-	(59,840)	65,089
Comprehensive income for the period	-	-	(3,268)	(3,268)
Equity as at 31 December 2021	124,929	-	(63,108)	61,821
Unaudited				
Equity as at 1 July 2020	122,679	(1,010)	(52,372)	69,297
Comprehensive income for the period	-	643	(3,816)	(3,173)
Equity as at 31 December 2020	122,679	(367)	(56,188)	66,124
Audited				
Equity as at 1 July 2020	122,679	(1,010)	(52,372)	69,297
Comprehensive income for the period	-	1,010	(7,468)	(6,458)
Share capital contribution	2,250	-	-	2,250
Equity as at 30 June 2021	124,929	-	(59,840)	65,089

Dunedin Stadium Property Limited

Statement of financial position As at 31 December 2021

	Note	Unaudited 6 months to 31 Dec 2021 \$'000	Unaudited 6 months to 31 Dec 2020 \$'000	Audited full year to 30 Jun 2021 \$'000
Current assets				
Cash and cash equivalents		212	238	19
Trade and other receivables		-	-	-
Subvention payment receivable		-	-	-
Total current assets		212	238	19
Non-current assets				
Property, plant and equipment	4	148,768	154,800	151,805
Total non-current assets		148,768	154,800	151,805
Total assets		148,980	155,038	151,824
Current liabilities				
Trade and other payables		579	727	395
Total current liabilities		579	727	395
Non-current liabilities				
Term borrowings	5	86,580	87,820	86,340
Derivative financial instruments	6	-	367	-
Total non-current liabilities		86,580	88,187	86,340
Total liabilities		87,159	88,914	86,735
Equity				
Share capital		124,929	122,679	124,929
Cash flow hedge reserve		-	(367)	-
Retained deficits		(63,108)	(56,188)	(59,840)
Total equity		61,821	66,124	65,089
Total liabilities and equity		148,980	155,038	151,824

Dunedin Stadium Property Limited

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

	Note	Unaudited 6 months to 31 Dec 2021 \$'000	Unaudited 6 months to 31 Dec 2020 \$'000	Audited full year to 30 Jun 2021 \$'000
Cash flow from operating activities				
<i>Cash was provided from</i>				
Receipts from customers		1,367	1,336	2,413
Subvention receipts		-	-	3
Interest received		-	-	-
Net GST received		-	-	-
		1,367	1,336	2,416
<i>Cash was disbursed to</i>				
Interest paid		946	1,585	3,235
Payments to suppliers		558	1,453	761
Subvention receipts repaid		-	-	1,021
Net GST paid		(90)	(32)	3
		1,414	3,006	5,020
Net cash flow from operating activities	3	(47)	(1,670)	(2,604)
Cash flow from investing activities				
<i>Cash was disbursed to</i>				
Purchase of property, plant and equipment		-	-	55
Net cash flow from investing activities		-	-	(55)
Cash flow from financing activities				
<i>Cash was provided from</i>				
Shareholder capital		-	-	2,250
Borrowings		1,050	2,135	-
		1,050	2,135	2,250
<i>Cash was disbursed to</i>				
Net repayment of borrowings		810	250	(405)
		810	250	(405)
		240	1,885	2,655
Net increase/(decrease) in cash		193	215	(4)
Opening cash and cash equivalents		19	23	23
Closing cash and cash equivalents		212	238	19

Dunedin Stadium Property Limited

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

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 principal objective of Dunedin Stadium Property Limited is the ownership of Forsyth Barr Stadium. In particular, the company oversees that the Stadium is maintained to a standard that enables it to operate effectively.

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 2021 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 2021.

The accounting policies applied are consistent with those published in the annual report for the year ended 30 June 2021.

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

Dunedin Stadium Property Limited

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

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

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	12 months to 30 Jun 2021 \$'000
Net loss after tax	(3,268)	(3,816)	(7,468)
<i>Items not involving cash flows</i>			
Depreciation	3,037	3,096	6,146
Other	-	-	-
<i>Impact of changes in working capital items</i>			
(Increase)/decrease in rent receivable	-	-	-
(Increase)/decrease in subvention payment receivable	-	-	-
Increase/(decrease) in trade and other payables	36	(868)	(1,021)
Increase/(decrease) in interest accrued	148	(82)	(261)
Net cash inflows from operating activities	(47)	(1,670)	(2,604)

4 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	-	-	55
Disposals	-	-	-
Capital commitments	-	-	-

There have been no material changes in fair value for all property, plant and equipment asset classes between 30 June 2021 and 31 December 2021.

Dunedin Stadium Property Limited

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

5 Term borrowings

There has been no material change in the term loan from Dunedin City Treasury Limited between 30 June 2021 and 31 December 2021.

6 Derivative financial instruments

	6 months to 31 Dec 2021 \$'000	6 months to 31 Dec 2020 \$'000	12 months to 30 Jun 2021 \$'000
Fair Value			
Interest rate swaps	-	367	-
Analysed as:			
Current	-	-	-
Non-current	-	367	-
	-	367	-

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 2021

Performance targets	Performance targets achieved
1 An Asset Management Plan is in place.	Achieved. An Asset Management Plan is in place.
2 The Asset Management Plan is internally reviewed annually, and externally reviewed every three years (next due FY2024).	In progress. An internal review of the Asset Management Plan is underway and will be approved by the Board in June 2022.
3 Asset maintenance is compliant with the asset management schedules and principles, including condition based assessments.	In progress. Timing differences have occurred and no capital expenditure has been incurred for the year to date. It is uncertain whether the budgeted capital expenditure will still occur prior to 30 June 2022.
4 Incorporate potential impacts of climate change on Forsyth Barr Stadium into Asset Management Plan and/or risk management.	In progress. Potential impacts of climate change on Forsyth Barr Stadium are being incorporated in the Asset Management Plan, to be approved by the Board in June 2022.
5 A debt repayment program is in place and reviewed annually.	Achieved. A debt repayment program is in place and annually reviewed.
6 A draft 2023 Statement of Intent will be submitted to the shareholder by 1 March 2022.	In progress. A draft 2023 Statement of Intent is under development.
7 Develop an emissions reduction strategy and associated targets for inclusion in the 2023 Statement of Intent.	In progress. An emissions reduction strategy and associated targets are being developed for inclusion in the 2023 Statement of Intent.
8 Develop a waste reduction strategy and associated targets for inclusion in the 2023 Statement of Intent.	In progress. A waste reduction strategy and associated targets are being developed for inclusion in the 2023 Statement of Intent.
9 Matters have been escalated to the shareholder.	Achieved. There were no matters requiring escalation to the shareholder.
10 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 2022. The Company is on track to meet the financial forecasts set.

Dunedin Stadium Property Limited

Directory

Directors

William H Cockerill (Chair)
Keith T Cooper
Linda M Robertson
Christopher C Hopkins
Richard J Thomson
Susie J Johnstone

Registered Office

50 The Octagon
Dunedin 9016

Bankers

Westpac Banking Corporation

Solicitors

Anderson Lloyd

Tax Advisors

Deloitte

Auditor

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