

Dunedin Stadium Property Limited

INTERIM REPORT

For the six months ended 31 December 2019

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 2019.

Overview of Results

	unaudited 6 months to 31 Dec 2019 \$'000	unaudited 6 months to 31 Dec 2018 \$'000	audited full year to 30 Jun 2019 \$'000
Total income	1,338	1,163	2,164
Loss before taxation and subvention	(4,012)	(4,558)	(8,677)
Net cash flow from operating activities	338	47	(718)
Total assets	161,226	167,459	164,645

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 2019 of \$4,012k which is \$546k 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

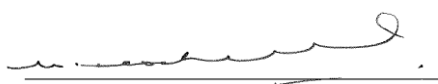
Statement of responsibility

The Directors accept responsibility for the preparation of the interim financial statements and the judgements used in them.

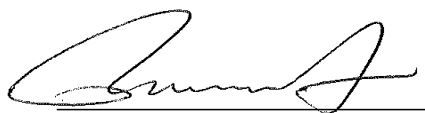
The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and

In the opinion of the Directors, the interim financial statements fairly reflect the financial position as at 31 December 2019 and operations for the six months to 31 December 2019 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 2019 and authorises them for issue on 5 February 2020.



Chair



Director

Dunedin Stadium Property Limited

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
Rentals & costs from Dunedin Venues Management Limited	1,337	1,163	2,163
Interest received	1	-	1
Total income	1,338	1,163	2,164
Less expenses:			
Audit fees	-	-	16
Directors remuneration	10	9	19
Depreciation	3,096	3,477	6,636
Interest to Dunedin City Treasury Limited	1,849	2,032	3,751
Other operating expenses	395	203	419
Total expenses	5,350	5,721	10,841
Loss before tax and subvention	(4,012)	(4,558)	(8,677)
Subvention receipt	506	615	1,675
Net loss before tax	(3,506)	(3,943)	(7,002)
Income tax	-	-	-
Net loss after tax	(3,506)	(3,943)	(7,002)
Other comprehensive income:			
Interest rate swap hedges gains (losses) during the year	449	224	336
Total other comprehensive income	449	224	336
Total comprehensive loss for the period	(3,057)	(3,719)	(6,666)

Dunedin Stadium Property Limited

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

	Share capital \$'000	Hedge reserve \$'000	Retained deficits \$'000	Total equity \$'000
Unaudited				
Equity as at 1 July 2019	120,429	(1,781)	(44,175)	74,473
Comprehensive income for the period	-	449	(3,506)	(3,057)
Equity as at 31 December 2019	120,429	(1,332)	(47,681)	71,416
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
Audited				
Equity as at 1 July 2018	118,179	(2,117)	(37,173)	78,889
Comprehensive income for the period	-	336	(7,002)	(6,666)
Share capital contribution	2,250	-	-	2,250
Equity as at 30 June 2019	120,429	(1,781)	(44,175)	74,473

Dunedin Stadium Property Limited

Statement of financial position As at 31 December 2019

	Note	Unaudited 6 months to 31 Dec 2019 \$'000	Unaudited 6 months to 31 Dec 2018 \$'000	Audited full year to 30 Jun 2019 \$'000
Current assets				
Cash and cash equivalents		235	212	47
Trade and other receivables		-	-	-
Subvention payment receivable		-	-	509
Total current assets		235	212	556
Non-current assets				
Property, plant and equipment	4	160,991	167,247	164,089
Total non-current assets		160,991	167,247	164,089
Total assets		161,226	167,459	164,645
Current liabilities				
Trade and other payables		803	922	566
Total current liabilities		803	922	566
Non-current liabilities				
Term borrowings	5	87,675	89,475	87,825
Derivative financial instruments	6	1,332	1,892	1,781
Total non-current liabilities		89,007	91,367	89,606
Total liabilities		89,810	92,289	90,172
Equity				
Share capital		120,429	118,179	120,429
Cash flow hedge reserve		(1,332)	(1,893)	(1,781)
Retained deficits		(47,681)	(41,116)	(44,175)
Total equity		71,416	75,170	74,473
Total liabilities and equity		161,226	167,459	164,645

Dunedin Stadium Property Limited

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

	Note	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		1,336	1,163	2,163
Subvention receipts		1,015	1,222	1,774
Interest received		1	-	-
Net GST received		-	-	-
		2,352	2,385	3,937
<i>Cash was disbursed to</i>				
Interest paid		1,622	2,085	4,097
Payments to suppliers		418	250	532
Net GST paid		(26)	3	26
		2,014	2,338	4,655
Net cash flow from operating activities	3	338	47	(718)
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		1,550	1,000	-
		1,550	1,000	2,250
<i>Cash was disbursed to</i>				
Repayment of borrowings		1,700	900	1,550
		1,700	900	1,550
		(150)	100	700
Net increase/(decrease) in cash		188	147	(18)
Opening cash and cash equivalents		47	65	65
Closing cash and cash equivalents		235	212	47

Dunedin Stadium Property Limited

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

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 2019 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 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.

Dunedin Stadium Property Limited

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

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

	6 months to 31 Dec 2019 \$'000	6 months to 31 Dec 2018 \$'000	12 months to 30 Jun 2019 \$'000
Net loss after tax	(3,506)	(3,943)	(7,002)
<i>Items not involving cash flows</i>			
Depreciation	3,096	3,477	6,636
Other	-	-	-
<i>Impact of changes in working capital items</i>			
(Increase)/decrease in rent receivable	-	-	-
(Increase)/decrease in subvention payment receivable	509	608	99
Increase/(decrease) in trade and other payables	13	(39)	(105)
Increase/(decrease) in interest accrued	226	(56)	(346)
Net cash inflows from operating activities	338	47	(718)

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

There have been no material changes in fair value for all property, plant and equipment asset classes between 30 June 2019 and 31 December 2019.

Dunedin Stadium Property Limited

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

5 Term borrowings

There has been no material change in the term loan from Dunedin City Treasury Limited between 30 June 2019 and 31 December 2019.

6 Derivative financial instruments

	6 months to 31 Dec 2019 \$'000	6 months to 31 Dec 2018 \$'000	12 months to 30 Jun 2019 \$'000
Fair Value			
Interest rate swaps	1,332	1,892	1,781
Analysed as:			
Current	-	-	-
Non-current	1,332	1,892	1,781
	1,332	1,892	1,781

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 2019

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 2021).	In progress. An internal annual review of the Asset Management Plan will be completed by 30 June 2020.
3 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 2020.
4 A debt repayment program is in place and reviewed annually.	Achieved. A debt repayment program is in place and annually reviewed.
5 Statement of Intent is consistent with the objectives of the shareholder.	Achieved. The Statement of Intent is consistent with the objectives of the shareholder.
6 Matters have been escalated to the shareholder.	Achieved. There were no matters requiring escalation to the shareholder.
7 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 2020. The Company is on track to meet the financial forecasts set.

Dunedin Stadium Property Limited

Directory

Directors

William H Cockerill (Chair)
Keith T Cooper
Kathleen E Grant
Linda M Robertson
Quentin CS Hix
Christopher Hopkins

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