



DUNEDIN STADIUM PROPERTY LTD

STATEMENT OF INTENT

For the Year Ending 30 June 2025

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1. INTRODUCTION

Dunedin Stadium Property Limited (DSPL) is a Council-Controlled Organisation (CCO) established to hold the ownership of Forsyth Barr Stadium.

DSPL is a wholly owned subsidiary of Dunedin City Holdings Limited, which is wholly owned by Dunedin City Council.

This Statement of Intent (SoI) sets out DSPL's planned activities, objectives and financial forecasts for the next three years. It includes performance measures and targets which will be reported against in DSPL's 2025 Annual Report.

2. OBJECTIVES

DSPL was established with the primary purpose of ownership of Forsyth Barr Stadium. DSPL's overarching objective is to ensure this asset remains a fit for purpose venue for public and private events.

As a Dunedin City Council Group company, DSPL aims to contribute to the Dunedin City Council's strategic framework and achievement of city objectives.

DSPL has adopted a target to be net zero carbon by 2030, as a contribution to the Council's goal of achieving net carbon neutrality city-wide by 2030. Over the 2025 financial year we will be implementing and building on the roadmap to 2030, developed in 2023. We will engage with our shareholders DCHL and Dunedin City Council regarding non-controllable emissions and the potential cost of offsetting residual emissions. We will also work with the Dunedin City Council to identify alternative or complementary opportunities to contribute to the Dunedin City Council's city-wide net zero carbon goal.

The Local Government Act 2002 also defines the principal objectives of CCOs as to:

- a) achieve the objective of its shareholders, both commercial and non-commercial, as specified in the Statement of Intent; and
- b) be a good employer as per clause 36 of Schedule 7 LGA); and
- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

DSPL conducts its affairs in accordance with sound business practice.

In 2024/2025, DSPL intends to focus on:

- a) ensuring Forsyth Barr Stadium is maintained in accordance with the Asset Management Plan; and
- b) managing DSPL's debt prudently.

DSPL's objectives and targets for the year, as set out on the following page, support this focus.

3. NATURE AND SCOPE OF ACTIVITIES

In support of its objectives, DSPL approves and regularly reviews the stadium's Asset Management Plan, monitors execution of the Asset Management Plan and the asset's performance, ensures an appropriate debt repayment programme is in place, and gives consideration to the long-term strategy for the asset.

The undertaking by DSPL of any activity of a nature or scope outside of this would be subject to the prior approval of the shareholder.

4. APPROACH TO GOVERNANCE

DSPL is governed by a board of independent directors appointed by the Council. Directors meet regularly to direct and control DSPL's proceedings. The role of a Director of a CCO is defined in the Local Government Act 2002 as "to assist the organisation to meet its objectives and any other requirements in its Statement of Intent." The DSPL board operates in accordance with accepted best practice.

5. PERFORMANCE TARGETS

Goal	Objective	Performance Targets
Forsyth Barr Stadium remains a fit for purpose venue for public and private events	Ensure an Asset Management Plan which enables general use of the stadium, and meets asset warranty and guarantee requirements, is in place.	An Asset Management Plan is in place.
	Ensure the Asset Management Plan remains current and relevant.	The Asset Management Plan is internally reviewed annually, and externally reviewed every three years.
	Ensure assets are appropriately maintained.	A current Building Warrant of Fitness is always maintained for the stadium.
		The Board monitors progress against the Asset Management Plan and material changes to approved budgets.
Manage debt prudently	Ensure an appropriate debt management programme is in place.	A debt management programme is in place and reviewed by the Board annually.
DSPL maintains a strategic direction that is consistent with the policies and objectives of the shareholder	Ensure Statement of Intent is consistent with objectives of the shareholder.	A draft 2025/2026 Statement of Intent will be submitted to the shareholder by 1 March 2025.
Contribute to Council's Strategic Framework and Climate Change and Carbon Neutrality initiatives	Contribute to Council's Carbon Neutrality initiatives.	Refine and continue to implement DSPL's carbon emissions strategy and achieve and publicly report progress against our targets. Refine and continue to implement DSPL's waste reduction strategy and achieve and publicly report progress against our targets. Measure and publicly report our Greenhouse Gas (GHG) emissions, and progress towards our emissions and waste reduction strategies and targets, in our Annual Report.
Communicate with the shareholder on a 'no surprises' basis	Consult with the shareholder in a timely manner on DSPL strategic or operational matters which could compromise the Council's community outcomes.	No such matters that were not escalated to the shareholder in a timely manner.
	Report to the shareholder within 24 hours of the Board becoming aware of any substantive matter, including any matter likely to generate media coverage.	No such matters that were not reported to the shareholder within 24 hours.

6. FINANCIAL FORECASTS

Financial Forecasts

This section sets out DSPL's financial forecasts for the next three financial years.

Ratio of Shareholder's Funds to Total Assets, and the definition of those terms

	Year ending 30/06/2025	Year ending 30/06/2026	Year ending 30/06/2027
Shareholder's Funds to Total Assets	33%	29%	25%

"Shareholder's Funds" are represented by the paid-up capital, reserves created by the revaluation of specific assets, and retained earnings.

"Total Assets" means the aggregate amount of all current and non-current assets.

Estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders.

	Year ending 30/06/2025	Year ending 30/06/2026	Year ending 30/06/2027
Dividend distributions	Nil	Nil	Nil

Other Financial Forecasts

	Year ending 30/06/2025 \$'000	Year ending 30/06/2026 \$'000	Year ending 30/06/2027 \$'000
EBITDA	(658)	(406)	(587)
Net / (loss) profit after tax	(9,059)	(8,507)	(9,072)
Cash flow from operations	(3,287)	(2,428)	(2,651)
Capital expenditure	1,205	4,664	894
Term loans	88,220	93,062	94,357
Shareholder's funds	44,702	38,445	31,623

Financial statements have been included in this SOI as required under PBE FRS 42 to present prospective financial statements. Prospective financial statements are revised annually to reflect updated assumptions and costs.

The operating budget lines below follow the format of the annual reporting templates. The aim is to have consistency in the presentation to make it easier for users to interpret and compare to other information.

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

The budget and forecasts assume adjustments to rent and other outgoings charged to DSPL's tenant, Dunedin Venues Management Limited (DVML) in order to make this tenancy more commercially viable for DVML. These adjustments, together with continued higher interest rates, are expected to require an increase in term borrowings across the forecast period. The board of DSPL notes and supports the upcoming review of DVML and the stadium operating/funding model. The adjustments that have been made to the budget and forecasts are an interim step to support DSPL's tenant, but have been made on the basis that the upcoming review will give rise to future changes to the company's financial forecasts to provide a more sustainable long term model for both DVML and DSPL.

A prospective statement of comprehensive revenue and expense

	FY25 Budget	FY26 Forecast	FY27 Forecast
Rent received	1,000	1,000	1,000
Outgoing recoveries	-	-	-
Total revenue	1,000	1,000	1,000
Less expenses:			
Operating expenses	1,658	1,406	1,587
Interest expense	4,138	4,224	4,367
Depreciation	5,783	6,081	6,359
Total expenditure	11,579	11,711	12,313
Share of surplus/(deficit) in associates and jointly controlled entities	-	-	-
Net Profit before Tax	(10,579)	(10,711)	(11,313)
Add: Subvention Receipt	1,521	2,204	2,241
Less: Tax Expense	-	-	-
Net Profit/(Loss) after Tax	(9,059)	(8,507)	(9,072)
Other comprehensive revenue and expense:			
Interest rate swap hedges gains (losses) during the year	-	-	-
Total comprehensive revenue and expense for the year	(9,059)	(8,507)	(9,072)

A prospective statement of changes in equity

	FY25 Budget	FY26 Forecast	FY27 Forecast
Opening Equity	51,511	44,702	38,445
Share Capital Contributions	2,250	2,250	2,250
Total comprehensive revenue and expense for the year	(9,059)	(8,507)	(9,072)
Closing Equity	44,702	38,445	31,623

A prospective statement of financial position**Equity**

Share Capital

Accumulated Losses

Non-controlling interest

Total Equity**Current Assets**

Bank balance

Trade and other receivables

Total current assets

Non-current Assets

Property, plant and equipment

Total non-current assets

Total Assets**Current Liabilities**

Trade and other payables

Current portion of term borrowings

Total current liabilities

Non-current Liabilities

Term borrowings

Total non-current liabilities

Total Liabilities**Net Assets**

	FY25 Budget	FY26 Forecast	FY27 Forecast
Share Capital	133,929	136,179	138,429
Accumulated Losses	(89,227)	(97,734)	(106,806)
	44,702	38,445	31,623
Non-controlling interest	-	-	-
Total Equity	44,702	38,445	31,623
<u>Current Assets</u>			
Bank balance	20	21	21
Trade and other receivables	55	63	19
Total current assets	75	84	39
<u>Non-current Assets</u>			
Property, plant and equipment	133,942	132,525	127,060
Total non-current assets	133,942	132,525	127,060
Total Assets	134,017	132,609	127,099
<u>Current Liabilities</u>			
Trade and other payables	131	135	152
Current portion of term borrowings	964	967	967
Total current liabilities	1,095	1,102	1,119
<u>Non-current Liabilities</u>			
Term borrowings	88,220	93,062	94,357
Total non-current liabilities	88,220	93,062	94,357
Total Liabilities	89,315	94,164	95,476
Net Assets	44,702	38,445	31,623

A prospective cash flow statement**Cash flows from Operating***Cash was provided from:*

Receipts from customers	1,000	1,000	1,000
Income Tax/ Subvention	1,521	2,204	2,241
Net GST received	-	-	47
	<u>2,521</u>	<u>3,204</u>	<u>3,288</u>

Cash was disbursed to:

Payments to suppliers	1,687	1,403	1,572
Net GST paid	24	8	-
Interest paid	4,097	4,221	4,367
	<u>5,808</u>	<u>5,632</u>	<u>5,939</u>

Net cash inflows/(outflows) from operating**(3,287) (2,428) (2,651)****Cash flows from Investing***Cash was provided from:*

Proceeds from Asset Disposals	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Cash was disbursed to:

Capital Expenditure	1,205	4,664	894
	<u>1,205</u>	<u>4,664</u>	<u>894</u>

Net cash inflows/(outflows) from investing**(1,205) (4,664) (894)****Cash flows from financing***Cash was provided from:*

Call on Capital	2,250	2,250	2,250
Loan Draw downs	5,181	4,842	1,295
	<u>7,431</u>	<u>7,092</u>	<u>3,545</u>

Cash was disbursed to:

Loan Repayments	2,940	-	-
	<u>2,940</u>	<u>-</u>	<u>-</u>

Net cash inflows/(outflows) from financing**4,492 7,092 3,545**

Opening Cash	20	20	21
Net Change in Cash	<u>(0)</u>	<u>1</u>	<u>(0)</u>
Closing Cash	20	21	21

In preparing the financial forecasts it was necessary for the company to make key assumptions about the future. The following assumptions are significant in that if actual future events differ from the assumptions, it will result in material variances.

1. Equity injection from DCHL of \$2.25m in June each year. Assumed to continue after approved period ceases (in line with DCC's 2021-31 LTP)
2. Subvention receipts are forecasted to be received on the assumption that the DCHL tax group will continue to make taxable profits.

7. ACCOUNTING POLICIES

General Accounting Policies

The accounting policies recognised by the External Reporting Board (XRB) for the measurement and reporting of financial performance and financial position have been applied on a basis consistent with those used in previous years.

Particular Accounting Policies

The particular accounting policies, which materially affect the measurement and reporting of financial performance and financial position, are consistent across the DCHL group and are fully listed in DSPL's Annual Report.

8. DIVIDEND POLICY

DSPL's current policy is not to pay dividends.

9. COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT

The commercial value of the Shareholder's investment in DSPL is considered by the Directors to be not less than the Shareholder's funds as disclosed in the Statement of Financial Position published in the last Annual Report.

10. TRANSACTIONS WITH RELATED PARTIES

Dunedin City Council is the sole Shareholder of Dunedin City Holdings Limited.

Dunedin City Holdings Limited is the sole Shareholder in Aurora Energy Limited, City Forests Limited, Delta Utility Services Limited, Dunedin City Treasury Limited, Dunedin Railways Ltd, Dunedin Venues Management Limited and Dunedin Stadium Property Limited.

Dunedin City Holdings Limited owns 50% of Dunedin International Airport Limited.

Transactions between the Companies, Dunedin City Council and other Dunedin City Council controlled enterprises will be on a wholly commercial basis.

Charges from Dunedin City Council and its other entities and charges to Dunedin City Council and its other entities will be made for goods and services provided as part of the normal trading activities of each Company.

Related Party Transactions

Dunedin City Council	Council rates for properties owned by DSPL
	Lease of Council owned land
Dunedin City Holdings Limited	Provision of administrative services to DSPL
Dunedin City Treasury Limited	Provision of debt funding to DSPL generating interest payments to DCTL
Dunedin Venues Management Limited	Maintenance of asset and grounds
	Lease of asset

DCHL and its subsidiaries, including DSPL, undertake to obtain all debt funding from DCTL, with exceptions as agreed with the Board of DCHL.

11. OTHER MATTERS AS AGREED BY THE SHAREHOLDER AND THE BOARD

Information to be provided to the Shareholder

Information	Quarterly	Half Yearly	Annual
Key financial and service performance indicators	✓	✓	✓
Statement of Financial Performance		✓	✓
Statement of Financial Position		✓	✓
Statement of Cash Flows		✓	✓
Statement of Movement in Equity		✓	✓
Notes to the Financial Statements		✓	✓
Statement of Service Performance against SoI targets		✓	✓
Directors' Report		✓	✓
Auditors' Report			✓
Draft Statement of Intent			Prior to 1 Mar
Final Statement of Intent			Prior to 30 Jun

Working with the shareholder

DSPL will undertake to keep the Shareholder informed of all substantive matters, as set out in the performance targets above. DSPL will work to build a culture of accountability and constructive working practices between DSPL, Shareholder, and Ultimate Shareholder as required. It is expected that any conflicts that may arise will be resolved directly between the Shareholder and DSPL, in accordance with appropriate governance practices.

Acquisition / divestment of assets or shares in any company or organisation

DSPL will only invest in the shares of another company or invest in an entity if the investment is considered to be likely to produce added value to DSPL. In order to maximise benefit to the Shareholder, shares or assets may also be sold in response to, or in anticipation of, on-going changes in the marketplace.

If the Directors intend that DSPL should acquire assets, they will obtain prior approval of the Shareholder where an investment into the new assets exceeds \$500,000. For the purpose of this section, "asset(s)" includes a group of assets similar in type, cost and useful life that are purchased together and can be identified and maintained as one asset or group of assets following purchase.

If the Directors intend that DSPL should subscribe for or otherwise acquire issued capital or an interest in any company or organisation (other than minimum holdings in listed companies in related industries) they will obtain prior approval of the Shareholder.

The approval of the Shareholder is required before disposal by DSPL of any segment of its business, or disposal of any shares in a subsidiary or associated company where the value of the asset to be disposed of exceeds \$500,000.

Compensation sought

At the request of the Shareholder, DSPL may undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of undertaking such activities. At present, DSPL does not have any activities in respect of which its Board wishes to seek compensation from any local authority.

Group Facility Use

DSPL will undertake "Group" purchasing of goods and services, unless it is demonstrated conclusively to the Shareholder that the total combined cost of such Group purchasing to the Group and Dunedin City Council (including the costs of ceasing any such Group purchasing), is greater than any alternative identified.

Other agreements

DSPL will not accept sponsorship or give naming rights to companies involved in activities deemed to be inconsistent with Dunedin City Council's ethical position. DSPL will also work with DCHL to ensure that its sponsorship policy aligns with DCC's strategic framework.