

A G E N D A

Finance, Audit and Risk Committee

**Council Chambers
36 Weld Street
Hokitika**

**Thursday 23 March 2017
commencing at 9.00 am**

Deputy Mayor L.J. Martin – Chairperson
His Worship the Mayor R.B. Smith
Deputy Mayor Cr H.M. Lash
Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill ONZM,
J.A. Neale, G.L. Olson, D.C. Routhan.



FINANCE, AUDIT AND RISK COMMITTEE

AGENDA FOR A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE OF WESTLAND DISTRICT COUNCIL, TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 23 MARCH 2017 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

23 March 2017

COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

1.2 Interest Register

2. CONFIRMATION OF MINUTES:

2.1 Finance, Audit and Risk Committee Meeting – 23 February 2017

Pages 4-6

3. ITEMS FOR DISCUSSION:

3.1 2017-2018 Annual Plan Update

4. ITEMS FOR DECISION:

4.1 Financial Performance: February 2017.

Pages 7-19

4.2 Westland Holdings Limited: Half Year Report to 31 December 2016

Pages 20-45

5. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

5.1 Confidential Minutes – Finance, Audit and Risk Committee

5.2 Risk Register

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Minutes	Confidential Minutes – Finance, Audit and Risk Committee	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
5.2	Risk Register	Confidential Update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

Finance, Audit and Risk Committee Minutes

MINUTES OF A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE OF WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 23 FEBRUARY 2017 COMMENCING AT 8.59 AM

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Members Present

Deputy Mayor Cr L.J. Martin (Chair)

His Worship the Mayor R.B. Smith

Deputy Mayor Cr H.M. Lash

Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill (ONZM), J.A. Neale, G.L. Olson.

Apologies:

Nil.

Absent:

Cr D.C. Routhan.

Staff in Attendance:

T.L. Winter, Chief Executive; G.L.J. Borg, Group Manager: Corporate Services; L.A. Crichton, Finance Manager; D.M. Maitland, Executive Assistant.

The Group Manager: Corporate Services then introduced Brett A. Johanson, Partner with PwC who is facilitating a Treasury Workshop with the Committee at the conclusion of the meeting.

1.2 Interest Register

Deputy Mayor Martin circulated the Interest Register and no amendments were made.

Confirmation of Minutes – Finance, Audit and Risk Committee Meeting – 26 January 2017

The Group Manager: Corporate Services advised that the Minutes of the Finance, Audit and Risk Committee Meeting held on the 26 January 2017 had been omitted from the agenda and these had subsequently been circulated to the Committee for their information via email.

Moved Cr Havill, seconded Cr Olson and **Resolved** that the Minutes of the Finance, Audit and Risk Committee Meeting held on the 26 January 2017 be confirmed as a true and correct record of the meeting.

2. GENERAL ITEMS:

2.1 Financial Performance Report to 31 January 2017

The Finance Manager introduced the Financial Performance Report to 31 January 2017.

The Group Manager: Corporate Services advised that work is currently being undertaken on the Fixed Assets Register and also within the Transportation area; and also provided an update on the 2017-2018 Draft Annual Plan process.

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that the Financial Performance Report to 31 January 2017 be received.

3. ITEMS FOR DISCUSSION:

There were no items for discussion.

4. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 9.15 am.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

4.1 Confidential Minutes – Finance, Audit and Risk Committee

4.2 Risk Register

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
4.1	Minutes	Confidential Minutes – Finance, Audit and Risk Committee	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
4.2	Risk Register	Confidential Update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

This resolution is made in reliance on Section 48(1)(a) and 48(2)(a)(i) and (ii) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
4.1	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
4.2	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and also to maintain legal professional privilege	Section 7(2)(b)(ii) Section 7(2)(g)

Moved Deputy Mayor Lash, seconded Cr Havill and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and accordingly the meeting went back to the open part of the meeting at 9.23 am.

MEETING CLOSED AT 9.23 AM

Confirmed by:

Deputy Mayor Latham Martin
Chair – Finance, Audit and Risk Committee

Date

Report



DATE: 23 March 2017
TO: Mayor and Councillors
FROM: Finance Manager

FINANCIAL PERFORMANCE: FEBRUARY 2017

1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 28 February 2017.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the financial performance report to 28 February 2017, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015/25.

3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.
- 3.2 The Financial Performance Report to 28 February 2017, is attached as **Appendix 1** and contains the following elements:

- 3.2.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual and forecast amounts.
- 3.2.2 Update on Rates Debtors.
- 3.2.3 Whole of Council Cost of Service Statement, including Full Year Forecast.
- 3.2.4 Council approved unbudgeted expenditure (New)
- 3.2.5 Variance analysis
- 3.2.6 Debt report including budget, forecast debt and actual debt.
- 3.2.7 Projects 2016-17
- 3.2.8 Carryover schedule
- 3.2.9 Balance Sheet

4 OPTIONS

- 4.1 Council can decide to receive or not receive the report.

5 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

6 RECOMMENDATION

- A) **THAT** Council receives the Financial Performance Report to 28 February 2017

Lesley Crichton
Finance Manager

Appendix 1: Financial Performance February 2017



Financial Performance February 2017

Operating revenue
Actual year to February



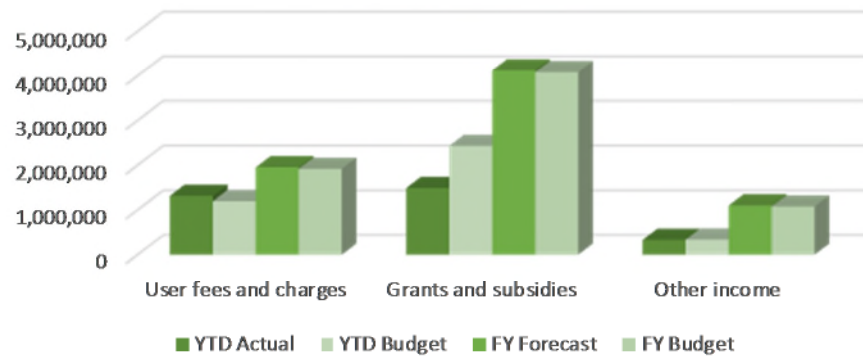
■ User fees and charges ■ Grants and subsidies ■ Other income

Operating expenditure
Actual year to February

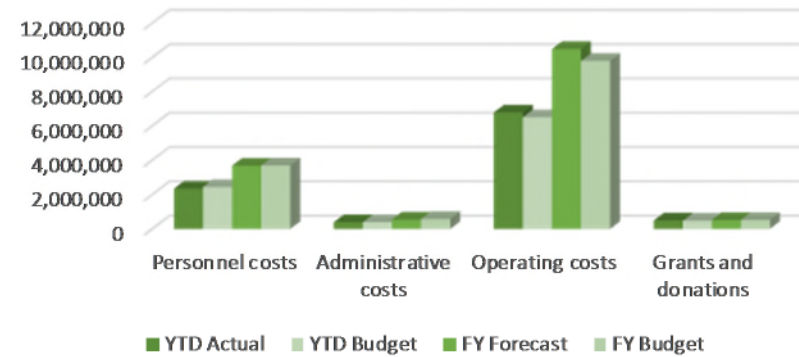


■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

Operating revenue



Operating expenditure



Column	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	1,314,749	1,488,179	329,566
Budget YTD	1,193,001	2,429,929	334,758
Variance	121,749	(941,751)	(5,191)
Forecast FY	1,953,485	4,122,142	1,098,929
Budget FY	1,918,351	4,082,876	1,076,546

Column	Personnel	Administration	Operating	Grants & subsidies
Actual YTD	2,344,866	394,265	6,782,972	491,881
Budget YTD	2,443,762	400,733	6,495,603	475,916
Variance	(98,895)	(6,469)	287,368	15,965
Forecast FY	3,679,932	551,189	10,493,394	526,865
Budget FY	3,692,808	583,305	9,801,863	525,000

Rates Debtors

Rates debtors at 31 January 2017		3,649,165
Rates installment		
Less payments received	-2,335,086	
paid in advance	138,707	
Write off's	-3,671	
Penalties	-12,900	
Court costs awarded	1,043	
		-2,211,907
Total rates debtors 28 February 2017		1,437,258
Arrears included above at February 2017	1,437,258	
Arrears at February 2016	1,701,234	
increase/(decrease) in arrears		-263,976

Since April 2016 awarded court costs are now being accounted for as part of outstanding rates debt.

Rates debtors:

- Final demands 395
- New direct debit arrangements 27

Rates debt - Aged at February 2017

Financial Year	Feb-17	Feb-16	Jan-17
Pre 2013	116,942	214,221	120,322
2013-14	71,608	184,032	74,572
2014-15	102,059	339,718	114,318
2015-16	241,920	963,260	272,909
Current	904,729		3,067,045
	1,437,258	1,701,231	3,649,165

WESTLAND DISTRICT COUNCIL	Year to February			Full year 2016-2017	
	Actual	Budget	Variance	FY Forecast	Budget
Operating revenue					
Rates (includes targeted rates and metered water)	10,434,534	10,215,549	218,985	14,665,557	14,721,081
User fees and charges	1,314,749	1,193,001	121,749	1,953,485	1,918,351
Grants and Subsidies	1,488,179	2,429,929	(941,751)	4,122,142	4,082,876
Other income	329,566	334,758	(5,191)	1,098,929	1,076,546
Overhead recoveries	3,712,040	4,484,480	(772,440)	6,049,305	6,751,733
Total revenue (A)	17,279,069	18,657,716	(1,378,648)	27,889,418	28,550,587
Operating expenditure					
Personnel costs	2,344,866	2,443,762	(98,895)	3,679,932	3,692,808
Administrative costs	394,265	400,733	(6,469)	551,189	583,305
Operating costs	6,782,972	6,495,603	287,368	10,493,394	9,801,863
Grants and donations	491,881	475,916	15,965	526,865	525,000
Overheads	3,681,507	4,530,702	(849,195)	5,910,867	6,796,057
Total operating expenditure (B)	13,695,491	14,346,717	(651,226)	21,162,247	21,399,033
Net operating cost of services - surplus/(deficit) (A - B)	3,583,578	4,310,999	(727,421)	6,727,171	7,151,554
Other expenditure					
Interest and finance costs	445,233	437,493	7,740	687,324	671,272
Depreciation	3,793,132	3,518,484	274,648	5,726,728	5,276,728
(Gain)/loss on investments	3,414	0	3,414	7,248	0
(Gain)Loss on swaps	(262,316)	(91,859)	(170,458)	(137,788)	(137,788)
(Gain)Loss on disposals	1,917	0	1,917	0	0
Total other expenditure (C)	3,981,380	3,864,118	117,262	6,283,512	5,810,211
Total expenditure (D = B + C)	17,676,871	18,210,835	(533,964)	27,445,759	27,209,244
Net cost of services - surplus/(deficit) (A - D)	(397,802)	446,881	(844,683)	443,659	1,341,343

The expenditure in the table below is reflected in the forecast net cost of services – surplus/(deficit).

Council approved unbudgeted Expenditure

Dated approved	Description	Amount Approved \$	Amount Spent \$	Status
Nov-16	5.7 Carnegie Building – Detailed Structural Assessment	10,000		Under review
Nov-16	5.15 Elected Members Remuneration	21,680		Awaiting determination from Remuneration Authority
Dec-16	4.4 Whataroa Cemetery Trustees – Maintenance Reimbursement Request	6,053	6,053	Complete
Dec-16	4.6 Sunset Point Erosion Control	247,459	220,487	Primary works complete
Jan-17	4.3 Marks Road Reserve Reimbursement	4,704	4,704	Complete
Jan-17	4.5 Blue Spur Water Treatment Plant PH Correction	50,000	38,050	Primary works complete
Jan-17	6.3 Tender Approval: Hokitika Stormwater Upgrade Works – Contract 16/17/09	500,000		Contract to be written
Nov-16	6.5 Franz Josef - Extra Toilet cleans	7,000		Extra cleans starting in March
	Management of the Carnegie Building	20,000		To be confirmed at March Council Meeting
Total		866,896	269,294	

Variance Analysis

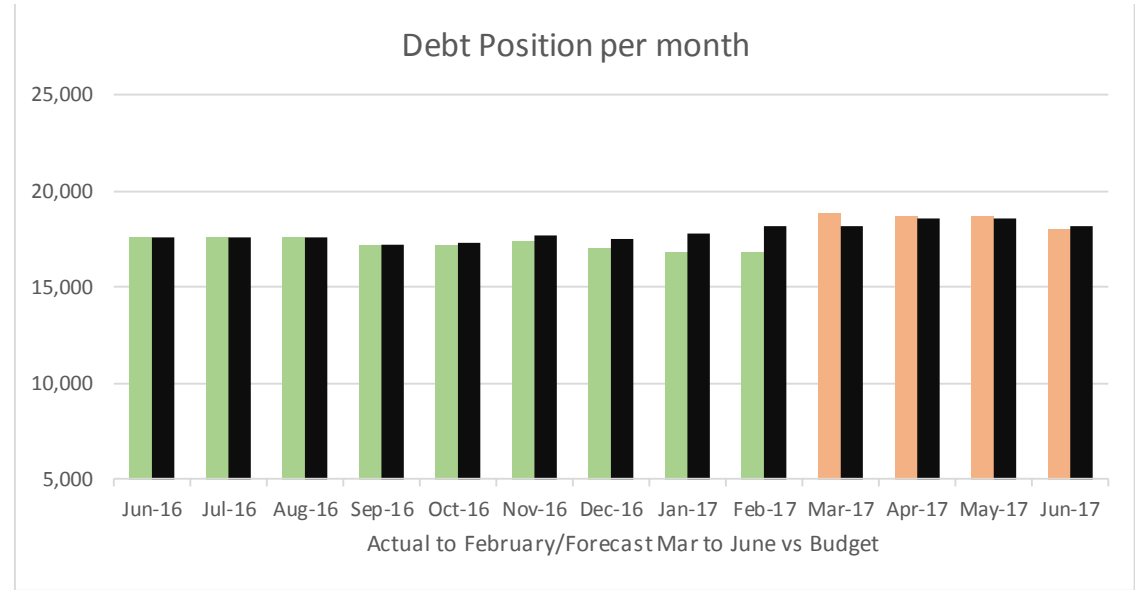
Operating Revenue	
Rates revenue	Metered water charges higher than budgeted due to timing differences.
User fees and charges	<p>\$14k unbudgeted WCWT Partner contributions for 2016-17 which is offset in Operating costs.</p> <p>Liquor licence fees \$26k above YTD budget due to the introduction of annual and application fees.</p> <p>Refuse site fees are \$109k higher than expected. This is expected to be due to tourism therefore will likely reduce towards budget by year end.</p> <p>The below is expected to be timing differences. \$38k higher than anticipated cost recoveries for resource consents.</p> <p>The positive variances are offset by environmental health fees, \$38k changes to the food fees by splitting registration, audit and monitoring fees. Registration fee will be charged in early 2017.</p> <p>\$30k Museum revenue due to closure and some timing differences</p>
Grants and Subsidies	NZTA subsidy lower than expected due to delays with the Sealed Road Resurfacing Programme. The extremely wet weather in Dec 16 and Jan 17 has caused the significant backlog. This work attracts \$662k in NZTA subsidy, the work will be carried out as soon as weather permits.
Other Income	<p>\$10k Donation towards relocation of Pioneer statue from Lions Foundation.</p> <p>\$14k unbudgeted legal fees awarded on rates arrears</p> <p>\$12k recoveries of EMO costs from WCRC</p> <p>Offset by \$16k lower advertising revenue as operators use other mediums, and 20K insurance premium recoveries which are now going through the Balance sheet</p>
Operating expenditure	
Operating costs	<p>Unbudgeted spend included in Operating Costs:</p> <ul style="list-style-type: none"> - Whataroa Cemeteries Trust Maintenance reimbursement \$6,053 - Sunset point Erosion Control \$220,487 - Marks Road Reserve Reimbursement \$4,704 - Blue Spur Water Treatment Plant PH correction \$38,050 - Damaged culvert pipes due to overweight vehicles - \$267,000 - Unforeseen breakdown of pump in Fitzherbert street - \$25,000 - Repairs to Hokitika WWTP sewer outfall - \$37,000 - EQ Assessment Hokitika Swimming Pool - \$11,000 <p>offset by timing differences for budgeted work not yet completed.</p>
Grants and Donations	\$150k Kumara endowment reserve funding for memorial gardens. Offset by council grants for toilet cleaning, Township maintenance funds not yet requested and timing of the Glacier Grant.
Other expenditure	
Depreciation	Assets were revalued at the end of the financial year and asset lives and depreciation rates were updated to reflect this new information
(Gain)/Loss on Swaps	Swap values will change due to market conditions that is difficult to budget.

Forecast Debt Position per LTP 2016-17

Forecast as at

Opening Balance
 Loan funded capex forecast
 Forecast repayments 2016-17
Forecast balance June 2017

Jul-16 Feb-17
 17,600 17,600
 3,196 2,238
 -1,611 -1,811
19,185 18,027



	Debt Position per month												
	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Budget	17,600	17,600	17,600	17,250	17,300	17,699	17,526	17,753	18,181	18,175	18,567	18,596	18,213
Forecast at 1 July 2016	17,600	17,600	17,667	17,394	17,536	17,926	17,921	18,316	18,867	19,019	19,539	19,568	19,185
Actual + Forecast	17,600	17,600	17,600	17,200	17,200	17,382	16,982	16,782	16,782	18,822	18,660	18,689	18,027
Waste Management loan	2,554	2,554	2,554	2,513	2,513	2,524	2,483	2,483	2,483	2,501	2,501	2,501	2,427
Water Supply loan	2,369	2,369	2,369	2,328	2,328	2,328	2,288	2,288	2,288	2,176	2,246	2,246	2,204
Waste water loan	0	0	0	0	0	0	0	0	0	466	466	466	466
Structured Infrastructure loan for Council asse	8,295	8,295	8,295	8,233	8,233	8,233	8,170	7,970	7,970	7,908	7,908	7,908	7,845
Stormwater loan	0	0	0	0	0	52	52	52	52	1,339	912	912	912
Other loan	56	56	56	55	54	174	173	173	173	871	1,066	1,095	1,122
Hokitika Water supply upgrade	4,326	4,326	4,326	4,071	4,071	4,071	3,816	3,816	3,816	3,561	3,561	3,561	3,051

As at 28/02/2017

		Legend - Key		
Forecast on Budget				Project Delayed - Will not be completed by 30th June 2017
Forecast over Budget				Project on-Track - Will be completed by 30th June 2017
				Project Complete - 100% Progress

Project / Activity	YTD exp	2016-17	Forecast	Budget Track	Progress / Track	Progress comments
	\$0	\$0	\$0			
Corporate Services						
Corporate Services - Replacement Councillors tablets	13,268	10,000	13,268			Complete, overspend due to upgraded specification
Council HQ - Roof over skylights	-	20,000	20,000			Consent lodged next week - use funding from cass sq grandstand to top up the project budget. -SE
Information Management - Shelving	-	10,000	10,000			Review continuing - This work was completed
Information Management - DMS	-	200,000	200,000			Scoping and discovery phase to commence January 2017
Council website	6,006	35,000	35,000			Work to commenced January 2017
	19,274	275,000	278,268			

Library						
Kotui Library system	66,691	70,000	66,691			Complete
Library - Audio/Visual Resource	1,166	4,000	4,000			eBooks and Junior audios to be purchased before 30.06.17
Library - Free Adult Books	10,878	13,000	13,000			Spending on track
Library - Adult Non Fiction	11,635	17,500	17,500			Spending on track
Library - Junior Publications	6,638	11,500	11,500			Spending on track
Library - Large Print Books	3,517	6,000	6,000			Spending on track
	100,526	122,000	118,691			

WATER SUPPLY						
Kumara - Water treatment plant	1,405	420,000	420,000			Tenders advertised - Approval report on 26 Jan Council meeting
Kumara - Water treatment plant - seismic valves	-	30,000	30,000			Tenders advertised - Approval report on 26 Jan Council meeting
Hokitika - Pumps Replacement	-	50,000	50,000			Identification of pumps for replacement is currently underway.
Hokitika - River Intake	15,588	0	15,588			This project now on hold - To be included in 2017/18 AP. YTD exp from last financial year. No work carried out on this project this financial year. Work unlikely to be completed this financial year.
Ross - Mains Upgrade	490	0	490			
Whataroa - Water treatment plant	3,105	220,000	220,000			Tenders advertised - Approval report on 26 Jan Council meeting
Whataroa - Seismic valves	-	20,000	20,000			Reassessing the need of the project
	20,588	740,000	756,078			

WASTEWATER						
Hokitika - Mains upgrade	11,146	150,000	150,000			Unlikely to complete mains upgrades this financial year.
Franz Josef - New WWTP	110,057	200,000	200,000			Final invoices yet to be included.
Fox Glacier - WWTP upgrade	-	100,000	100,000			Recommend carry over to next financial year in order to combine budgets.
Haast - Mains upgrade	-	20,000	20,000			Unlikely to complete mains upgrades this financial year.
Haast - De-sludge oxidation ponds	-	150,000	150,000			Not started as yet. Partial De-sludging
	121,203	620,000	620,000			

STORMWATER						
Sevell Street Pump	83,886	-	83,886			Previous year emergency Work.
Hokitika - Tancred, Bealey and Rolleston street upgrades	43,032	769,000	1,149,000			Civil component of upgrade currently underway.
	126,918	769,000	1,232,886			

CEMETERIES						
Cemetery - Hokitika upgrade & expansion	-	10,000	10,000			Works in Feb/March 2017
Cemetery - Hokitika improvements	4,254	25,000	25,000			Works in Feb/March 2017
	4,254	35,000	35,000			

Community Township Development						
Sunset Point remedial work	220,305	-	247,459			Unbudgeted spend - 4.6 Sunset Point Erosion Control - Approved by Council Dec 16
New footpaths - Franz	-	25,000	25,000			To be disussed with Community
Footpath upgrades - Hokitika	-	27,000	27,000			Part of NZTA program
Footpath upgrades - Kumara	-	5,000	5,000			Using carry forward first
New Litter Bins	4,154	-	4,154			
Footpath upgrades - Franz	-	15,000	15,000			To be disussed with Community
	224,460	72,000	323,613			

Elderly Housing						
Elderly Housing - Roof repairs	39,760	40,000	39,760			Completed in January 2017

Information Services						
IT equipment Renewals	6,195	30,000	30,000			Committed
Office Equipment						
Inspection Administration	1,662	-	1,662			Upgrades to workstations and screens
Resource Management	3,433	-	3,433			Upgrades to workstations and screens
Emergency Management	475	-	475			Upgrades to workstations and screens
In House Professional Services	5,975	-	5,975			Upgrades to workstations and screens
Events Coordination	566	-	566			Upgrades to workstations and screens
Corporate Services	2,135	-	2,135			Upgrades to workstations and screens
Chief Executive	2,948	-	2,948			Upgrades to workstations and screens
Operations Administration	1,193	-	1,193			Upgrades to workstations and screens
	18,387	0	18,387			
Motor Vehicles						
Ford Kuga JFF992	3,184	-	3,184			Civil Defence equipment
Wildfoods Festival						
Replacement of promotional assets	-	20,000	20,000			
Land & Buildings						
Carnegie Building	17,446	-	17,446			Unbudgeted works - lighting Completed SE
Ross Memorial Hall	93,136	-	93,136			Last year expenditure - will be complete SE
Land & Buildings - carparking	-	15,000	15,000			spent on St Marys and Hokitika Primary road crossings -SE
	110,582	15,000	125,582			
Parks & Reserves						
Reserves - Cass Square - Repairs to Statues	-	5,000	5,000			Using carry forward first
Reserves - Cass Square - Grandstand	-	30,000	30,000			Funding to be used to top up HQ skylights upgrade -SE .Scoping in progress. - Off-season works after Wild foods event
Reserves - Cass Square - Playground equipment upgrade	-	25,000	25,000			Scoping in progress. - Off-season works after Wild foods event
Reserves - Marks Road Reserve	-	10,000	10,000			Funds are for recreation purpose. Not scoped as yet.
Reserves - Hokitika Waterfront Development	-	100,000	100,000			Plans and Planning underway with community groups. SE .Carry forward will be required-Using carry forward first
Reserves - Hokitika Heritage trail signs	-	3,500	3,500			Staff currently liaising with Heritage Hokitika members. SE
	0	173,500	173,500			
Transportation						
Unsealed Pavement Maintenance	391	-	391			Annual Road Maintenance program. On-Track
Routine Drainage Mtce	16,165	-	16,165			Annual Road Maintenance program. On-Track
Environmental Maintenance	11,260	-	11,260			Annual Road Maintenance program. On-Track
Network and Asset Management	1,460	-	1,460			Laptop for traffic counting downloads
Emergency Works	50,416	-	50,416			Arthurs town road emergency works
4th Street Kumara	23,280	-	23,280			Costs are from the previous year - Complete works
Unsealed Road Metalling	89,461	278,000	278,000			Annual Road Maintenance program. On-Track
Sealed Road Resurfacing	2,828	875,500	875,500			Annual Road Maintenance program. On-Track
Maintenance - Drainage Renewals	306,388	154,500	154,500			Annual Road Maintenance program. On-Track
Structures Component Replace	25,574	206,000	206,000			Annual Road Maintenance program. On-Track
Traffic Services Renewals	9,237	123,500	123,500			Annual Road Maintenance program. On-Track
Routine Drainage Maintenance	10,480	-	10,480			Annual Road Maintenance program. On-Track
Sealed Road Resurfacing	-	154,500	154,500			Annual Road Maintenance program. On-Track
Drainage Renewal	5,950	26,000	26,000			Annual Road Maintenance program. On-Track
Structures Component Replace	88,204	51,500	51,500			Annual Road Maintenance program. On-Track
Traffic services renewals	3,158	10,500	10,500			Annual Road Maintenance program. On-Track
Minor Improvements	-	184,500	184,500			Annual Road Maintenance program. On-Track
Minor Improvements	13,816	28,000	28,000			Annual Road Maintenance program. On-Track
Sealed Road Pavement Rehabilitation	-	300,000	300,000			Annual Road Maintenance program. On-Track
Associated Improvements	-	1,000,000	-			Will not be utilised
Whitcome valley road widening,seal and extention	59,384	500,000	500,000			Annual Road Maintenance program. On-Track
Ross Hall car park seal	-	35,000	35,000			Ross Car Park - Community has undertaken some works. Works to be completed by Feb 2017.
	717,452	3,927,500	3,040,953			
Total	1,512,783	6,839,000	6,815,902			

Activity	Detail	Funded by	Approved	Actual	Forecast	Balance	Approved variance in 201	Status
Museum	Retail Development	Depreciation	17,000	23,249	23,249	- 6,249	Capital	Approved amount in LTP was \$30,000.
Township Development	Upgrade footpaths and driveways over next three years	Depreciation	5,000		5,000	-	Capital	Community projects?
Township Development	Repairs and Maintenance to Hokitika Statues	Depreciation	5,000	-	5,000	-	Capital	Discussion with contractor and Heritage Hokitika has taken place. Low priority at present
Water Supply	Replace Water meters (on-going) - Hokitika	Depreciation	190,000	-	190,000	-	Capital	Initial scoping done. Now in detailed scoping. The budget is for Franz and Hokitika. Currently Fox is in progress on meters replacement.
Water Supply	Replacement of Water Meters - Fox G	Depreciation	5,712	20,954	20,954	- 15,242	Capital	Workis in progress.
		Total depreciation funded carryovers	222,712	44,203	244,203	- 21,491		
Museum	Museum Donations - for Exhibitions	Donations	10,871	-	10,871	-	Operating adverse	Plus \$5,000 donated July 2016.
		Total donations carryovers	10,871	-	10,871	-		
Community Development	SPARC Travel Grant	External Grant	1,117	1,117	1,117	-	Operating adverse	
Community Development	Creative Communities Grant	External Grant	7,573	4,932	7,573	-	Operating adverse	
Community Development	Taxi Chits	External Grant	600	600	600	-	Operating adverse	
		Total external grant funded carryovers	9,290	6,649	9,290	-		
WCWT	Completion of Trail	Subsidy	479,000	46,307	479,000	-		Project on track
			479,000	46,307	479,000			
Solid Waste	Landfills - Butlers Site Shed - Hazardous Washdown Facility	Loan Funding	15,000	-	15,000	-	Capital	Budgets seem to be not fitting the estimates for the works. Rescoping the works now.
Solid Waste	Intermediate Capping for Butlers	Loan Funding	50,000	-	50,000	-	Capital	More than likely that capping will be towards the end of the financial year.
Solid Waste	Landfill- Haast - Digout new Cell	Loan Funding	10,000	6,260	10,000	-	Capital	Works in progress now.
Solid Waste	Haast intermediate cap current cell	Loan Funding	10,000	-	10,000	-	Capital	Works in progress now.
Solid Waste	Franz Josef Landfill	Loan Funding	25,000	-	25,000	-	Capital	On-hold pending future direction on Franz River issues.
Parks & Reserves	Cass Square - Turf Upgrades	Loan Funding	120,000	121,029	121,029	- 1,029	Capital	Works in Progress - cost overrun due to flooding of reseeded area
		Total loan funded carryovers	230,000	127,289	231,029	-		

Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates YE 2014	2,709	-	2,709	-	Capital	\$1,000 committed to Oscar Bottom memorial
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates YE 2015	5,000	-	5,000	-	Capital	Discussion with contractor and Heritage Hokitika has taken place. Low priority at present
Museum	Research Development Centre	Rates YE 2016	22,000	-	22,000	-	Capital	Started, approximately \$8,000 spent
		Total rates funded carryovers	29,709	-	29,709	-		
Township Development	Franz Josef Urban Revitalisation plan	Recreation Contributions	100,000	-	100,000	-	Capital	Awaiting further study / work with community, regional council and central government on a "master plan" for the township before this streetscape / revitalisation work takes place. Possible that some spend could occur this FY, but very likely that further partial or complete carryover required.
Waterfront carryforward	Hokitika Waterfront Development	Recreation Contributions	25,240	12,034	25,240	-	Capital	No large procurement process will now take place - this funding is now being set towards redevelopment work around sunset point. Expecting workign drawings on the project by December end. Posibly looking for procurement to commence in New Year - 2017
Franz Josef Cycle Trail	Franz Josef Cycle Trail	Recreation Contributions	48,000	15,885	48,000	-	Operating adverse	Franz Josef Community Council responsible for this project now.
		Total recreation contribution carryovers	173,240	27,919	173,240	-		
Township Development	Hari Hari Township Development fund	Reserves	8,971	5,000	8,971	-	Operating adverse	To be held until Hari Hari decides what they want to spend it on.
		Total reserves funded carryovers	8,971	5,000	8,971	-		
West Coast Wilderness Trail	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution 2015-16	13,275	-	13,275	-	Operating adverse	This money has been transferred to the WCWT Trust
		Total stakeholder contribution carryovers	13,275	-	13,275	-		
			1,177,068	257,367	1,199,588	-	21,491	

Balance Sheet as at 28 February 2017		Council		
		Actual Feb-17 \$'000	Budget Jun-17 \$'000	Actual Jun-16 \$'000
Assets				
Current assets				
Cash and cash equivalents	3,821	4,113	1,875	
Debtors and other receivables	2,508	2,754	3,764	
Other financial assets	38	0	1,000	
Inventory	0	0	0	
Work in progress	0	0	0	
Total current assets	6,368	6,867	6,639	
Non-current assets				
Property, plant and equipment	430,265	419,290	433,498	
Intangible assets	74	71	74	
Derivative financial instruments	0	0	0	
Council Controlled Organisations	8,695	8,695	8,695	
Other Financial Assets	816	1,133	40	
Investment property	0	0	0	
Term inventory	0	0	0	
Assets under construction	1,567	0	651	
Total non-current assets	441,417	429,189	442,958	
Total assets	447,784	436,056	449,596	
Liabilities				
Current liabilities				
Creditors and other payables	1,149	2,331	2,112	
Derivative financial instruments	2	0	0	
Borrowings	0	3,750	0	
Employee entitlements	240	296	240	
Provisions	0	0	0	
Tax payable	3	3	3	
Other current liabilities	662	193	280	
Total current liabilities	2,057	6,573	2,634	
Non-current liabilities				
Derivative financial instruments	507	160	771	
Borrowings	16,783	18,873	17,600	
Employee entitlements	28	29	28	
Provisions	1,251	1,644	1,251	
Deferred Tax	30	30	30	
Total non-current liabilities	18,598	20,736	19,680	
Total liabilities	20,655	27,309	22,314	
Net assets	427,129	408,747	427,282	
Equity				
Retained earnings	153,029	155,011	153,182	
Restricted reserves	4,492	6,152	4,491	
Revaluation reserves	269,545	247,584	269,545	
Other comprehensive revenue and expense reserve	64	0	64	
Net assets	427,129	408,747	427,282	

Report



DATE: 23 March 2017

TO: Finance, Audit and Risk Committee

FROM: Finance Manager

WESTLAND HOLDINGS LIMITED: HALF YEAR REPORT TO 31 DECEMBER 2016

1 SUMMARY

- 1.1 The purpose of this report is to present the Westland Holdings Ltd (WHL) half year report to 31 December 2016.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.3 The review of this report is specified in the Committee's Terms of Reference, under Power to Recommend, section e(ii).
- 1.4 This report concludes by recommending that the Committee receives the Westland Holdings Ltd (WHL) half year report to 31 December 2016, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 Section 66 of the Local Government Act 2002 requires that:
 - 2.1.1 Within 2 months after the end of the first half of each financial year, the board of a council-controlled organisation must deliver to the shareholders a report on the organisation's operations during that half year.
 - 2.1.2 The report must include the information required to be included by its statement of intent.
- 2.2 These requirements are also reflected in section 13.3 of the company's constitution.

3 CURRENT SITUATION

- 3.1 The half year report to 31 December 2016 was received within the statutory timeframe.
- 3.2 WHLs statement of intent (SI) for the three years commencing 1 July 2016 contains the following objectives and targets with regards to reporting:
- 3.2.1 'To ensure that there is regular and informative reporting of the financial and non-financial performance and risk exposures of WHL and the subsidiary companies.'
- 3.2.2 'Reports will include financial and non-financial performance.'
- 3.3 The half year report to 31 December 2016 essentially contains financial statements only.
- 3.4 The SI prescribes that the ratio of shareholders' funds to total assets shall not be less than 50%. As at 31 December 2016 the ratio approximates 70%.

4 RECOMMENDATION

- A) **THAT** the Committee receives the Westland Holdings Ltd half year report to 31 December 2016, attached as **Appendix 1**.
- B) **THAT** the Committee makes recommendations to the Chair of WHL as to the content of future reports.

Lesley Crichton
Finance Manager

Appendix 1: Westland Holdings Ltd (Group) half year report to 31 December 2016. Pages 22-27
Also attached are the Half Yearly Reports to the 31 December 2016 for information as follows:

- | | |
|--------------------------------------|-------------|
| - Westroads Limited | Pages 28-33 |
| - Westland District Property Limited | Pages 34-39 |
| - Hokitika Airport Limited | Pages 40-45 |



**WESTLAND HOLDINGS LTD
(GROUP)**

HALF YEARLY REPORT

For The 6 Months Ended 31 December 2016

Westland Holdings Ltd (Group)

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2016.

REPORTING ENTITY

Westland Holdings Limited is registered under the Companies Act 1993. Westland Holdings Limited is wholly owned by the Westland District Council.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westland Holdings Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, and the Local Government Act 2002.

The Group consists of Westland Holdings Limited, Hokitika Airport Limited, Westland District Property Limited and Westroads Limited. All group companies are incorporated in New Zealand.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Group, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements except the treatment of the provision of employee entitlements which are not split between current and non-current and is reported as current liability only and that investment properties have not been revalued during this period. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24

CHANGES IN ACCOUNTING POLICIES

Other than mentioned above, there have been no changes in accounting policies. All policies have been applied consistently during the period

Westland Holdings Ltd (Group)

DIRECTORS REPORT

The Directors of Westland Holdings Ltd (Group) hereby present the unaudited Half Yearly Report for the six months ended 31 December 2016.

Principal Activities

The Company is a holding company for the various commercial interests of the Westland District Council. It currently has 3 operating subsidiaries which it owns 100% of, namely

- Westroads Ltd
- Hokitika Airport Ltd &
- Westland District Property Ltd

Review of Operations

	Group Dec 16 \$000	Group Dec 15 \$000
Result for the period ended 31 December 2016		
Net Profit/(Loss before Taxation)	286	581
Income Taxation	<u>102</u>	<u>163</u>
Net Profit (Loss) after Taxation and total comprehensive income	<u>184</u>	<u>418</u>

Parent Expenditure

Westland Holdings Expenditure was \$54,000 compared with \$18,000 for the same period last year. Included in costs was \$6,500 to review Director remuneration for all subsidiaries and \$10,600 recruitment fees for replacement directors, which was suspended.

Dividend

No dividend has been declared for the period ended 31 December 2016 at this stage.

For and on behalf of the Board



G P King
Chairman

28 February 2017

WESTLAND HOLDINGS LTD (GROUP) STATEMENT OF COMPREHENSIVE INCOME For the period 1 July 2016 to 31 December 2016

	Group 2016 \$000	Group 2015 \$000
Revenue	9,701	12,904
Cost of Sales	6,921	9,020
Gross Profit	2,780	3,884
Other Income	432	364
Administrative Expenses	2,714	3,479
Results from operations	498	769
Interest Received	-	5
Interest Paid	212	193
Net finance costs	212	188
Profit before Income Tax	286	581
Income tax expense	102	163
Profit for the period	184	418
Other Comprehensive Income	-	-
Total Comprehensive Income	184	418

WESTLAND HOLDINGS LTD (GROUP) STATEMENT OF FINANCIAL POSITION as at 31 December 2016

	Note	Group 31 Dec'16 \$000	Group 31 Dec'15 \$000
EQUITY			
Share capital		8,695	8,695
Asset Revaluation Reserve		831	831
Retained Earnings Brought Forward		2,865	2,824
Current Period Net Profit/(Loss) after Tax		184	418
		12,575	12,768
represented by:			
CURRENT ASSETS			
Bank current account		560	346
Receivables		2,773	2,919
Prepayments		89	98
Tax Refundable		100	4
Inventory		621	392
Work in Progress		149	483
		4,292	4,242
CURRENT LIABILITIES			
Bank Overdraft		1	71
Bank Flexible Facility		-	1,150
Accounts payable and accruals		1,251	1,435
Current Portion Term Loans		818	86
Income in Advance		174	125
Subvention Payment Payable		320	136
Tax Payable		99	42
Employee entitlements		859	1,054
		3,522	4,099
WORKING CAPITAL		770	143
NON-CURRENT ASSETS			
Property, Plant & Equipment	1	16,246	16,190
Investment Property		953	798
Term Inventory		348	390
Intangible Assets		575	572
Deferred tax benefit		118	12
		18,240	17,962
NON-CURRENT LIABILITIES			
Deferred Tax Liability		316	300
Employee Entitlements		169	-
Term Loan		5,950	5,037
		6,435	5,337
		12,575	12,768

Westland Holdings Ltd (Group)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

1. PROPERTY, PLANT & EQUIPMENT

	Group Dec 16 \$000	Group Dec 15 \$000
Land & Buildings	5,245	5,160
Less accumulated depreciation	<u>623</u> 4,622	<u>512</u> 4,649
Plant, Equipment & Motor Vehicles	19,179	17,886
Less accumulated depreciation	<u>9,652</u> 9,527	<u>8,449</u> 9,437
Office Furniture and Equipment	450	410
Less accumulated depreciation	<u>362</u> 88	<u>350</u> 60
Airport Runway Infrastructure	2,433	2,422
Less accumulated depreciation	<u>449</u> 1984	<u>403</u> 2,019
Asset under Construction	25	25
Total Fixed Assets	<u>16,246</u>	<u>16,190</u>



HALF YEARLY REPORT

WESTROADS LIMITED

For The 6 Months Ended 31 December 2016

Westroads Limited

DIRECTORS REPORT

The Directors of Westroads Ltd (Group) hereby present the unaudited Half Yearly Report for the six months ended 31 December 2016.

Principal Activities

The Company & Group's principal activities during the year were Roading Maintenance, Urban Works, Bridge and Building Maintenance and the supply of Crushed Metal and Aggregate.

Financial Results

The main points of the half yearly report to 31 December 2016 are: -

- Total Revenue is down on budget by 23% and this has impacted on Gross Profit which is down by the same Percentage
- Revenue is down for two reasons: -
 1. The wet weather has prevented sealing and completion of a several projects these are being finalised now.
 2. The first 6 months of last year included several large special type contracts. We have a couple of these in the pipeline, however they will be undertaken and completed in the second half of the financial year.
- The forward work in the Hokitika Branch is high and staff are currently being recruited to cope with the increase in workload.
- Greymouth Branch workload is steady and we have trimmed costs. Improvements here will be evident in the second half.
- Christchurch Branch underwent a restructure last year and staff were reduced by about 25%. We currently have plenty of forward work and a \$1.1M City Council contract is working well as the crews can work on this project between other contracts. The full year result for this branch should show a substantial improvement.
- Although it looks like interest has increased compared to the budget, the budgeted figure is incorrect and should have been reported at \$194K not \$97K. This was a software mapping issue that meant interest was understated and administrative expenses were overstated in the budget. The bottom line is correct.

All divisions contributed positively to the overall six monthly profit of \$355K before tax. We expect to meet or exceed our full year profit target.

Dividend

The directors will approve an interim dividend at the meeting in March 2017

For and on behalf of the Board



P M Cuff
Chairman
27 February 2017

Westroads Limited

WESTROADS LTD

Statement of Comprehensive Income For the Period 1 July 2016 to 31 December 2016

	2016 \$000	Budget \$000	2015 \$000
Revenue	9,221	12,079	12,559
Cost of Sales	6,921	9,004	9,020
Gross Profit	2,299	3,075	3,539
Other Income	157	71	45
Administrative Expenses	1,915	2,586	2,724
Results from operations	541	560	860
Interest Received	-	-	3
Interest Paid	186	97	162
Net finance costs	186	97	159
Profit before Income Tax	355	463	701
Income tax expense	99	130	196
Profit for the period	255	333	505
Other Comprehensive Income	-	-	-
Total Comprehensive Income	255	333	505

Westroads Limited

WESTROADS LTD Statement of Position As at 31 December 2016

	Note	31 Dec'16 \$000	31 Dec'15 \$000
EQUITY			
Share capital		1,385	1,385
Asset Revaluation Reserve		831	831
Retained Earnings Brought Forward		5,072	5,051
Current Period Net Profit/(Loss) after Tax		255	505
		<u>7,544</u>	<u>7,772</u>
represented by:			
CURRENT ASSETS			
Bank current account		299	8
Receivables		2,598	2,798
Prepayments		89	95
Tax Refundable		93	-
Inventory		621	392
Work in Progress		149	483
		<u>3,848</u>	<u>3776</u>
CURRENT LIABILITIES			
Bank Overdraft		-	71
Bank Flexible Facility		-	1,150
Accounts payable and accruals		875	1,072
Current Portion Term Loans		507	-
Subvention Payment Payable		362	225
Tax Payable		99	90
Employee entitlements		859	1,054
		<u>2,702</u>	<u>3,662</u>
WORKING CAPITAL		1,146	114
NON-CURRENT ASSETS			
Fixed assets	1	11,530	11,370
Term Inventory		226	268
Deferred tax benefit		-	3
		<u>11,756</u>	<u>11,641</u>
INTANGIBLE ASSETS			
Goodwill		151	148
		<u>151</u>	<u>148</u>
NON-CURRENT LIABILITIES			
Employee Provisions		169	-
Deferred Tax Liability		14	-
Bank Term Loans		5,327	4,131
		<u>5,510</u>	<u>4,131</u>
		<u>7,543</u>	<u>7,772</u>

Westroads Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2016.

REPORTING ENTITY

Westroads Limited is registered under the Companies Act 1993. Westroads Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westroads Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the Local Government Act 2002.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Company, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements except the treatment of the provision of employee entitlements which not split and is reported treated as current liability only. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24.

CHANGES IN ACCOUNTING POLICIES

There has been one other change in accounting treatments. Loans have been split between current and non-current, whereas in the comparative period they were all shown as non-current. There have been no other changes in accounting policies. All other policies have been applied consistently during the period

Westroads Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

1. FIXED ASSETS

	Dec-16 \$0	Dec-15 \$0
Building Improvements	2,156	2,334
Less accumulated depreciation	<u>(114)</u>	<u>(344)</u>
	2,042	1,990
Plant, Equipment & Motor Vehicles	18,845	17,469
Less accumulated depreciation	<u>(9,445)</u>	<u>(8,266)</u>
	9,400	9,203
Office Furniture and Equipment	450	385
Less accumulated depreciation	<u>(362)</u>	<u>(330)</u>
	88	55
Asset under Construction	-	122
Total Fixed Assets	<u>11,530</u>	<u>11,370</u>



HALF YEARLY REPORT

Westland District Property Ltd

For The 6 Months Ended 31 December 2016

Westland District Property Ltd

DIRECTORS REPORT

The Directors of Westland District Property Ltd hereby present the unaudited Half Yearly Report for the six months ended 31 December 2016.

Principal Activities

The Company's principal activity during the period was property management.

Financial Results

The main points of the half yearly report to 31 December 2016 are: -

- While Revenue is down \$20,000 on budget it is up by \$82,000 on the same period last year. The increase in revenue stems mainly from the receipt of management fees for the management of Council owned properties, which previously weren't received.
- Operating Expenditure is in line with the budgeted figure.
- Loss of \$26,000 for the period compared with \$157,000 for the same period last year.
- Income invoiced in Advance of \$140,000 to be reported as income over the next half of the year.

Dividend

No dividend has been declared for the period ended 31 December 2016.

For and on behalf of the Board



Ian Hustwick
Chairman

24 February 2017

**WESTLAND DISTRICT PROPERTIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016**



	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
Revenue			
Gross Revenue	494	514	412
Less Expenditure			
Operating Expenditure	498	491	547
Depreciation	22	21	22
	520	512	569
Profit before Income Tax	(26)	2	(157)
Income tax expense	-	-	-
Profit for the period	(26)	2	(157)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	(26)	2	(157)

WESTLAND DISTRICT PROPERTIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016



	Note	31 Dec'16 \$000	31 Dec'15 \$000
EQUITY			
Share capital		2,627	2,627
Retained Earnings Brought Forward		(1,126)	(942)
Current Period Net Profit/(Loss) after Tax		(26)	(157)
		1,475	1,528
represented by:			
CURRENT ASSETS			
Cash & Cash Equivalents		68	31
Trade and other Receivables		98	76
Subvention Receivable		42	89
Total Current Assets		208	196
CURRENT LIABILITIES			
Bank Credit Card		1	-
Trade and other Payables		323	325
Income in Advance		140	98
Current Portion Term Loan		233	27
Total Current Liabilities		697	450
WORKING CAPITAL		(489)	(254)
NON-CURRENT ASSETS			
Investment Property		1,223	1,278
Property, Plant & Equipment	1	1,112	1,113
Term Inventory		122	122
Total Non-Current Assets		2,457	2,513
NON-CURRENT LIABILITIES			
Term Loan		493	731
Total Non-Current Liabilities		493	731
		1,475	1,528

Westland District Property Ltd

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

REPORTING ENTITY

Westland District Property Limited is registered under the Companies Act 1993. Westland District Property Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westland District Property Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, and the Local Government Act 2002.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Company, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24 except that investment properties have not been revalued during this period.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied consistently during the period.

Westland District Property Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

1. Fixed Assets



HALF YEARLY REPORT

Hokitika Airport Ltd

For The 6 Months Ended 31 December 2016

Hokitika Airport Limited

DIRECTORS REPORT

The Directors of Hokitika Airport Ltd hereby present the unaudited Half Yearly Report for the six months ended 31 December 2016.

Principal Activities

The Company's principal activities during the period were:

- Operation of Aerodrome at Hokitika Airport;
- Management of Land & Buildings surrounding the Airport as Landlord;
- Operation of Helipads at Franz Josef

Financial Results

The main points of the half yearly report to 31 December 2016 are: -

- Revenue is consistent with budget
- Expenditure is higher than budget due to Repairs and Maintenance expenditure being almost double the budgeted amount. This is mainly timing related and should even out over the remainder of the year.
- The company has invested in the following during the year
 - Baggage Claim Area \$45,500
 - 2 New Helipads & River protection in Franz \$43,500

Dividend

No dividend has been declared for the period ended 31 December 2016

For and on behalf of the Board



Ian Hustwick
Chairman

22 February 2017

HOKITIKA AIRPORT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016



	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
Revenue			
Lease Receipts	101	122	108
Services	206	182	190
	307	304	298
Less Expenditure			
Administrative Expenses	173	176	145
Depreciation	58	55	55
Repairs & Maintenance	59	31	38
	290	262	238
Other Income	-	-	-
Results from Operations	17	42	60
Interest Received	-	-	1
Interest Paid	7	8	7
Net finance cost/(income)	7	8	6
Profit before Income Tax	10	34	54
Income tax expense	3	10	15
Profit for the period	7	25	39
Other Comprehensive Income	-	-	-
Total Comprehensive Income	7	25	39

HOKITKA AIRPORT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016



	Note	Actual 2016 \$000	Actual 2015 \$000
EQUITY			
Share capital		2,718	2,718
Retained Earnings Brought Forward		137	55
Current Period Net Profit/(Loss) after Tax		7	39
		2,862	2,812
represented by:			
CURRENT ASSETS			
Cash & Cash Equivalents		38	102
Prepayments		-	3
Trade and other Receivables		87	80
Tax Refundable		7	4
Total Current Assets		132	189
CURRENT LIABILITIES			
Trade and other Payables		50	53
Current Portion of Term Loan		78	59
Income in Advance		34	27
Total Current Liabilities		162	139
Working Capital		(30)	50
NON-CURRENT ASSETS			
Fixed assets	1	3,324	3,237
Total Non-Current Assets		3,324	3,237
NON-CURRENT LIABILITIES			
Deferred Tax Liability		302	300
Term Loan		130	175
Total Non-Current Liabilities		432	475
Net Assets		2,862	2,812

Hokitika Airport Limited

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

REPORTING ENTITY

Hokitika Airport Limited is registered under the Companies Act 1993. Hokitika Airport Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Hokitika Airport Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, and the Local Government Act 2002.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Company, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements. Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied consistently during the period.

Hokitika Airport Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2016

1. FIXED ASSETS

	Dec-16 \$000	Dec-15 \$000
Land & Buildings	1,693	1,521
Less accumulated Depreciation	<u>432</u> 1,261	<u>382</u> 1,139
Runways	2,433	2,423
Less accumulated Depreciation	<u>450</u> 1,983	<u>404</u> 2,019
Plant & Equipment	140	119
Less accumulated Depreciation	<u>88</u> 52	<u>71</u> 48
Office Equipment	25	24
Less accumulated Depreciation	<u>22</u> 3	<u>19</u> 5
Under Construction	25	26
	<u>3,324</u>	<u>3,237</u>