



**Westroads**

**WESTROADS LIMITED**

**STATEMENT OF INTENT  
2017/18**

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## 1. **INTRODUCTION**

This Statement of Intent is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

Westroads Ltd is a council controlled organisation for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.

Westroads Ltd is a wholly owned subsidiary of Westland Holdings Ltd.

This Statement of Intent covers the 3 year period commencing 1 July 2017.

## 2. **COMPANY MISSION STATEMENT**

To deliver a competitively priced and superior service to our clients, while returning an above average rate of return to our shareholders by promoting a culture whereby quality and client requirements are paramount and input from staff is actively encouraged.

Westroads Limited supports the Westland District Council's "Vision of Westland" that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

- Involving the community and stakeholders
- Having inspirational leadership
- Having expanded development opportunities
- Having top class infrastructure for all communities
- Living the '100% Pure New Zealand' brand

Westroads Limited contributes to the Council's vision by assisting with having top class infrastructure for all communities.

## 3. **THE OBJECTIVES OF THE COMPANY**

The principal objective of Westroads Ltd is to operate as a successful business. This will be achieved by:

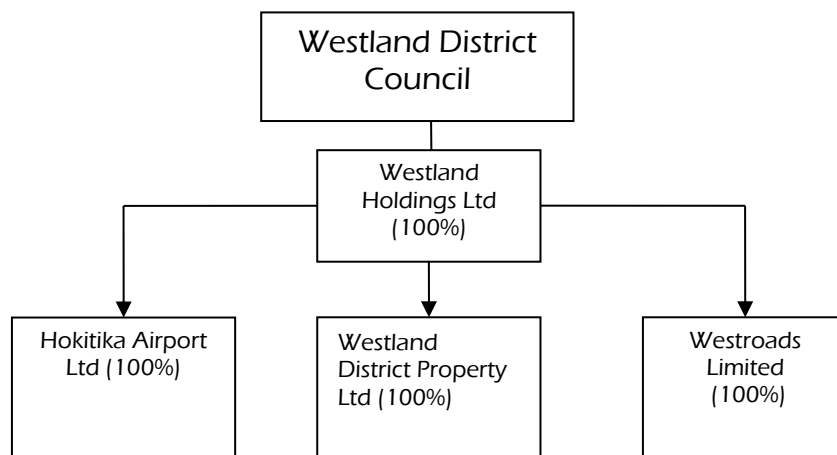
- a. Carrying out its business in an efficient, effective and profitable manner.
- b. Managing all assets and liabilities on a prudent basis.
- c. Meeting the market requirements in terms of quality, excellence in service and pricing on a commercially competitive basis.
- d. Ensuring the Health & Safety of its staff at all times.
- e. Acting as an environmentally conscious Company.
- f. Acting in the best interests of the shareholder

Other primary objectives of Westroads Ltd are:

- a. Returning a distribution to shareholders that makes a significant contribution to Westland District Council's budgeted distributions from its CCTO's.
- b. Maintaining a significant presence in Westland including employing locals and having equipment available throughout the district.
- c. To be successful in bidding for contestable contracts tendered by Westland District Council and other significant organisations and businesses.

#### 4. NATURE AND SCOPE OF ACTIVITIES

The group structure is as follows:



The nature of Westroads Ltd activities will be that of a general contractor and a trading organisation offering goods and services for sale and plant and equipment for hire. Its activities will include:

- a. Drainage, sewerage and water services - operation, installation, maintenance and repairs.
- b. Roads and footpaths, bridges, driveways and car parks - their construction, maintenance, marking, signing, repair and cleaning.
- c. Property maintenance and repairs and construction including plumbing, carpentry, joinery, painting and drainlaying.
- d. Environmental services including refuse collection, litter collection, landfill operation, recycling, vegetation control, rural fire suppression, street cleaning and safety.

- e. Vehicle and equipment management services including maintenance workshops and assorted engineering services.
- f. The supply of goods, materials, services and equipment for sale or hire.
- g. Landscaping services including maintaining reserves, general horticultural, silviculture services and household rubbish maintenance and services.
- h. The manufacture and supply of crushed metal and aggregate.
- j. Any other relevant activity as determined by the Directors from time to time.

## 5. **GOVERNANCE**

The company is governed by a four member board of directors' chaired by Peter Cuff. Additional directors are:

Durham Havill  
Maurice Fahey  
Bryce Thomson

The director's role includes

- a. Strategic Governance
- b. Financial Management
- c. Management Performance Review
- d. Overseeing Tender Prices for Major Tenders

The board has a director rotation policy in place whereby 1 director retires each year in rotation. Directors are able to make themselves available for re-appointment.

Board evaluation will be conducted annually and facilitated by the Chair. Directors will consider training requirements annually to ensure that professional standards are adhered to.

## 6.1 **PERFORMANCE TARGETS**

- The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 10% for the 3 years commencing 1 July 2017.
- A return of an annual dividend to the shareholder within a range of 40-70% of the company's net profit after tax, after adjusting for returns to shareholders via subvention payment.
- Compliance with statutory and regulatory requirements enabling Westroads Ltd, Westland Holdings Ltd and Westland District Council to comply with the Local Government Act.

## **6.2 SOCIAL PERFORMANCE**

### **We are committed to:**

- Attracting and retaining the best people for our organisation.
- Maintaining a high level of transparent and effective communication with our shareholder.
- Being an asset to the community through returns to the Shareholder, Westland District Council.
- Being an asset to the community by supporting local community initiatives.
- Providing employment in the district and ensuring the community receives competitive prices for work done.

### **Our people and communities:**

- We utilise a wide range of training schemes via the industry training organisation's to continuously extend the skills of our staff, and ensure that they are up to date with professional and technical current practice. Performance reviews are undertaken for all management and staff on an annual basis.
- We are committed to work together to ensure safe and sustainable working conditions for our employees. The company provides inoculations for employees and monitors hearing, eyesight, and lung functions to ensure we have a healthy staff.
- Protective equipment is issued and required to be worn by all staff.

## **MEASURING OUR PERFORMANCE**

1. Use Employee Safety statistics to monitor work place safety such as:-
  - Number of full day time off workplace accidents and incidents - Target Zero
  - Number of incidents notifiable to Department of Labour - Target Zero
  - Continue to Promote Zero harm – Safety first
2. Training Expenditure as a % of Revenue Target 8%
3. Staff Turnover Rates

## **7. RATIO OF CONSOLIDATED SHAREHOLDERS' FUNDS TO TOTAL ASSETS**

The ratio of consolidated shareholder funds to total assets shall be greater than 45 per cent.

Shareholders' funds are defined as the paid up capital, plus any tax paid profits earned and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".

Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the company.

## **8. DISTRIBUTION POLICY**

Distributions will be paid, either by way of Dividends to Westland Holdings Limited or subvention payment to Westland District Council in accordance with the annual Statement of Intent, as agreed with Westland Holdings Limited

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited and, subject to the following criteria:

- Westroads Ltd. will utilise Group losses to the maximum extent available and pay for the use of the losses at the current tax rate by way of a subvention payment.
- The amount of any distribution shall take into account Westroad Ltd's ability to fund future capital expenditure requirements, to maintain and expand its operations, to meet its obligations under the Companies Act 1993 and to address matters related to the debt structure of the company.

## **9. CAPITAL EXPENDITURE**

The boards policy is to replace plant & equipment on a wear and tear basis, with major items being submitted to the board for approval. Additional capital expenditure is approved by the board following a submission by management.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments in excess of \$750,000 for any one project, including the funding mechanism for the purchase or development.

## **10. PROCEDURES FOR ACQUISITION OF OTHER INTERESTS**

The company will not subscribe for, purchase, or otherwise acquire shares in any Company or other organisation without first being authorised to do so by special resolution of shareholders and Council.

## **11. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT**

The Directors estimate that the commercial value of the shareholders' investment in Westroads Ltd will be represented by the opening balance of shareholders' funds. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount.

The value of the investment will be reassessed every three years by evaluating movement in asset values, in particular changes in land and improvements as recorded on the tri-annual government valuations.

## **12. RISK MITIGATION**

The company shall develop a risk assessment methodology and document a risk management analysis together with strategies for mitigation of these risks.

A formal Fraud Policy will be documented and all Directors and staff are to be aware of this policy.

### **13. REPORTING TO SHAREHOLDERS**

The following information will be available to shareholders based on an annual balance date of 30 June.

#### **13.1 Draft Statement of Intent**

On or before 14<sup>th</sup> February each year, the Directors shall deliver to the shareholders a Draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002.

#### **13.2 Completed Statement of Intent**

On or before 15<sup>th</sup> June each year, the Directors shall deliver to the shareholders a Final Statement of Intent.

#### **13.3 Half Yearly Report**

On or before 28<sup>th</sup> February each year, the Directors shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

- a) A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent half yearly reports.
- b) A statement of financial position at the end of the half year.
- c) A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the company's performance, including an estimate of the financial result for the year based on that outlook.
- d) A report on non financial performance measures.
- e) A copy of the Audit New Zealand management report for the previous year.

#### **13.4 Annual Report**

By 30 September each year, the Directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceeding 30 June, containing the following information as a minimum:



- a. A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- b. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c. A statement of financial position at the end of the year.
- d. A statement of cash flows
- e. A report on non financial performance measures
- f. An auditor's report on the above statements and the measurement of performance in relation to objectives.

### 13.5 Annual Budget

An annual budget shall be provided for the coming financial year the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council.

### 13.6 Quarterly Report

A quarterly report containing financial information as agreed between Westroads Ltd and Westland Holdings Ltd shall be supplied between the half year report and the annual report.

## 14. ACCOUNTING POLICIES

### REPORTING ENTITY

Westroads Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Westroads Limited is ultimately owned by 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 the Company have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Local Government Act 2002.

### BASIS OF PREPARATION

#### Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and Tier 2 POE Accounting Standards. They comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZIFRS RDR") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

The financial statements were approved by the board of directors on 30 September 2016

#### Measurement Base

The financial statements have been prepared on a historical cost basis except for land and buildings which are revalued every three years. The next revaluation is due in June 2017

### **Functional and presentation currency**

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand.

### **Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 – Depreciation and estimated useful lives of property, plant and equipment

Note 14 – Employee entitlements

### **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies during the year ended 30 June 2016.

### **SIGNIFICANT ACCOUNTING POLICIES**

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied:

#### **PROPERTY, PLANT & EQUIPMENT**

##### **Recognition and measurement**

With the exception of land and buildings, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land and buildings are measured at revalued amount less subsequent depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

##### **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

##### **Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

## Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income

## INTANGIBLE ASSETS

### Indefinite useful lives

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable assets of the acquiree and is included in intangible assets. If the value of goodwill is lower than the net fair value, the difference will be recognised in the surplus or deficit.

### Definite useful lives

Mining licences that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. There is no remaining useful lives for the mining licences.

## INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost. In the case of development land inventory, cost includes any development costs to date. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## CONSTRUCTION WORK IN PROGRESS

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of

fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

## **IMPAIRMENT**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amounts of assets and are recognised in the profit or loss.

### **Impairment of receivables**

The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

### **Non-financial assets**

The carrying amounts of the Company's non-financial assets, being property, plant and equipment and mining licences, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## **FINANCIAL INSTRUMENTS**

The Company categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

### **Financial liabilities**

Financial liabilities comprise: trade and other payables, borrowings, and advances. Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

### **Interest-bearing borrowings**

Interest-bearing borrowings are classified as other non-derivative financial instruments.

### **Trade and other payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### **GOODS AND SERVICES TAX (GST)**

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

### **EMPLOYEE BENEFITS**

#### **Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

#### **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

#### **Termination benefits**

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

#### **Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **LEASED ASSETS**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases. The leased assets are not recognised on the Company's balance sheet.

## **PROVISIONS**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

## **REVENUE**

### **Goods sold**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of materials, transfer usually occurs when the product is dispatched to the customer.

### **Services**

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

### **Construction contracts**

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

## **LEASE PAYMENTS**

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

## **INCOME TAX EXPENSE**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of

goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **CASH & CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term-highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown in current liabilities in the statement of financial position.

### **NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED**

The amendments to the following standards and interpretations are not expected to have a significant impact on the company's operations:

NZ IFRS 9: Financial Instruments – Classification and Measurement (effective for the financial year ending 30 June 2018).

NZIFRS 15: Revenue from Contracts and Customers (effective for the financial year ending 1 January 2018)

### **15. SALES OF GOODS/SERVICES TO LOCAL AUTHORITIES**

The company will provide goods and services to the Westland District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis

## 16. FINANCIAL FORECASTS (\$000s)

### CONSOLIDATED

	Budget 2017/18	Forecast 2018/19	Forecast 2019/20
Gross Revenue	21,816	21,925	22,145
Cost of Sales	15,252	15,329	15,482
Gross Profit	6,564	6,597	6,663
Other Income	255	255	255
Administrative expenses	5,443	5,443	5,497
Finance costs	373	373	377
Net Profit Before Tax	1,003	1,036	1,044
Tax Expense	191	208	217
Subvention Payments	320	295	270
Net Profit for the Year	492	534	557
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income for the year	492	534	557
<b>Other Performance Targets</b>			
Dividends	131	161	181
Earnings Retained	361	373	376
Closing Shareholder's Funds	8,236	8,609	8,985
Pre Tax & Subvention Return on Ave Shareholder's Funds	12.18%	12.04%	11.62%

Subventions payments to be paid instead of dividends