



Westroads

**Annual Report
2025**

An aerial photograph of a scenic landscape. A river with white-water rapids flows through a rocky channel. A suspension bridge crosses the river, and a paved road with yellow dashed lines curves through a dense green forest. The text 'YEAR TO 30TH JUNE' is overlaid in white, and '2025' is overlaid in large yellow letters.

YEAR TO 30TH JUNE

2025

An aerial photograph of a scenic landscape. A paved road with white lane markings curves through a lush green forest. A bridge with a metal truss structure spans across a rocky riverbed. The water is a vibrant turquoise color, and white rapids are visible. The overall scene is a mix of natural beauty and infrastructure.

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Photo: Clint Trahan

Westroads is a trusted central South Island contractor recognised for quality work and strong relationships.



Core Purpose

The Principal objectives of the Company are to:

- Operate as a successful business
- Maximise shareholder value
- Provide positive community outcomes

Our Values



We pursue improvement in all that we do

- Learning from our mistakes
- Looking for better ways
- Being innovative
- Embracing change



We are committed to the team

- Safety comes first
- Respect goes a long way
- Value our people



We are Performance Driven

- Plan and Communicate
- Always do our best
- We Take Pride

Our Strategic Priorities

Invest In People and Culture

OUTCOMES

- Employer of choice
- Invest in leadership and skills training for all our people
- Provide opportunities for young West Coaster

Care For Community and Environment

OUTCOMES

- District wide emergency response
- Five-year sustainability plan
- Give back to our Westland communities

Achieve Outstanding Results

OUTCOMES

- Grow shareholder value (Year on Year)
- Dividend growth
- Equity growth
- Excellent Health and Safety Performance

Build Quality Relationships

OUTCOMES

- Highly engaged relationships with our shareholder, clients and Iwi.
- Promote the business and develop new customer relationships.

DIVERSIFY

OUTCOMES

- Grow customer base, work streams and geographical areas

Highlights

Keeping our People Safe

0 INCIDENTS

Zero incidents notifiable to Worksafe NZ

Investment in Our People

\$258k

Over \$258,000 was invested in training and upskilling our people

Revenue

Re-gaining Greymouth District Council Parks & Reserves Contract

\$4.5M
OVER 5 YEARS

The Year in Review





Chair and General Managers Report

For the Year Ended 30 June 2025

The 2025 financial year was marked by significant change in the operating environment. Westroads began the year with strong momentum, delivering results ahead of budget and capitalising on robust demand across our core business units. As the year progressed, market conditions tightened and competition for contracts intensified, particularly in the final quarter. These shifts placed pressure on margins and impacted bottom-line results. Throughout, prudent cashflow management remained a priority, resulting in a strengthened equity position and a reduction in bank debt, ensuring the company's financial resilience as conditions evolved.

Performance Across the Year

In the first half, Westroads demonstrated disciplined execution and strategic focus. Revenue and gross profit both exceeded budget, underpinned by increased construction activity and efficient operations in Hokitika and Christchurch. Contract performance was strong, and the business was well-positioned for a positive full-year result.

The second half brought a marked change in market dynamics. From March onwards, the civil contracting sector in both Canterbury and Westland experienced heightened competition driven by a contraction in available work.

This environment led to tighter margins and increased pressure on profitability, impacting particularly in May and June. In response, Westroads intensified its focus on operational efficiency, cost control, and strategic positioning. Reviews of plant utilisation, internal charge-out rates, and overhead allocations were undertaken to ensure the business remained agile and resilient.

The company's commitment to financial discipline was reflected in an annual \$300k reduction in the debt with Council funded through the Local Government Funding Authority and an increase in equity of \$540k to \$11.9m at year end.

Operational Highlights

Westland Branch

Our approach continues to centre on delivering high-quality maintenance contracts, supplemented by targeted large contract works. Roothing and landfill contracts performed at or above expectations, while Utilities faced one-off expenses. The mix of contract types and market changes influenced results, but our core maintenance capability remains a foundation for future growth.

Greymouth

Utilities recorded a small loss, while Metals and Parks and Reserves delivered modest profits. This year, we successfully retained the GDC Parks and Reserves contract, providing a broad work base from which to chase contract works. An efficiency review was conducted to align structure and overheads with current and future workload, with a continued focus on growing capability in 3-waters and construction works.

Christchurch Branch

Our strategy in Canterbury is to build sustainable workload and cover overheads through a balanced mix of direct and subcontract delivery. Performance was mixed, with some contracts exceeding targets and others impacted by project-specific challenges. We successfully re-entered the subdivision market as part of our diversification while also maintaining strong relationships with Christchurch City Council. The successful award of the Diamond Harbour Watermain project provides a solid base of work for the coming months, albeit at lower margins, and demonstrates our ability to secure forward work in a competitive market.





Leadership and Management

This year saw changes to key personnel within the Senior Leadership Team, reflecting both internal progression and the appointment of external candidates to new functions. The result is a leaner, more agile management structure, designed to support operational delivery and strategic priorities in a challenging market. These changes have enabled Westroads to maintain continuity of leadership while introducing fresh perspectives and capabilities to the business. Leadership development and delivery will be a continued area of focus over the year ahead.

Strategic and Governance Developments

Throughout the year, the Board engaged actively with the Westland District Council Oversight Committee on company performance and director recruitment. The Board also continued to drive operational efficiency and governance improvements internally. Management structures were streamlined, and branch management roles were implemented to enhance accountability and client delivery. Plant replacement and capital expenditure were prioritised based on risk and financial performance. The company achieved re-certification for ISO 9001:2015 and 45001:2018, with improvement opportunities being actioned.



Stakeholder Engagement

Westroads further developed its stakeholder engagement plans, strengthening relationships with key partners and clients. In addition to regular engagement with the Westland District Council, the company deepened its engagement with Mana Whenua, recognising the importance of partnership and shared outcomes. Business development efforts are ongoing, with success in Greymouth and new opportunities being pursued in Christchurch. We continue to diversify our client base and reduce reliance on any single market or contract.

People and Culture

Staff numbers have stabilised following a period of growth, with a focus on aligning workforce levels to current and forecasted work volumes. Recruitment and growth will resume as market conditions improve. The company continues to invest in staff training, development, and engagement to maintain a skilled and motivated workforce.

Health and Safety

Health and Safety remains a core value at Westroads. The company maintained an excellent Total Recordable Injury Frequency Rate however reported two Lost Time Injuries for the period. There is an ongoing emphasis on critical risk controls, behavioural safety, and continuous improvement in safety culture and reporting. The Board and management engaged directly with both the Business Leaders' Health and Safety Forum and external Health and Safety consultants to ensure we remain current in this area.





We continue to diversify our client base and reduce reliance on any single market or contract.



Looking Ahead to 2025-26

The first half of the year demonstrated that Westroads is well positioned under normal market conditions, with strong operational foundations and disciplined financial management. In response to the recent market tightening, we have streamlined operations and refined our cost structures to minimise the impact of external challenges, while ensuring we are ready to maximise margin as market conditions improve. Our forward work strategies, whether securing new projects in Christchurch or delivering core maintenance contracts supplemented by targeted large works in Westland and Greymouth, reflect our commitment to sustainable growth and operational resilience.

The Board and management remain focused on delivering sustainable results, maintaining strong stakeholder engagement, and driving operational excellence. Our commitment to safety, quality, and continuous improvement will underpin our efforts as we navigate the evolving market landscape.

Acknowledgements

We wish to thank the Board of Directors for their support of company direction, which focuses on continual improvement and well-researched growth development.

Thanks also to the senior management team for their efforts last year in adapting to and embracing change in a challenging market.

We also extend our gratitude to all Westroads staff for their hard work on many challenging projects in all weather conditions.

Finally, thanks to the Westland District Council Mayor, Councillors, Officers and the Chair of the Council Controlled Organisation Oversight Committee for their support and challenge over the last year. We look forward to engaging more in the year ahead.

Mark Rogers
Chair

Graeme Kelly
General Manager

Governance

Board of Directors

The Company was governed by a three-member Board of Directors including:



Mark Rogers
Chairman
Commenced 2019



Rob Caldwell
*Deputy Chair and Chair
Risk and Assurance*
Commenced 2021



Ross Pickworth
Director
Commenced 2017

The director's role includes:

- Strategic governance;
- Financial oversight;
- Management performance review;
- Overseeing tender prices for major tenders; and
- Ensuring statutory and regulatory compliance.

One director retires each year in rotation. Directors can make themselves available for re-appointment.

Board evaluation is conducted at least biannually and is facilitated by the Chair. Directors consider training requirements annually to ensure that professional standards are adhered to.

Senior Leadership Team

The leadership team consists of 7 members including:



Graeme Kelly
General Manager



Gearoid Coholan
*Trenching Dynamix
Branch Manager*



Shane Hutchinson
*Greymouth Branch
Manager*



Kriek Oelofse
System Manager



Marie McKelvey
Head of Estimating



Andrew Anderson
Finance Manager



Brendon Rea
Fleet Manager



Directors' Report

Westroads Limited Directors' Report For The Year Ended 30 June 2025

The directors of Westroads Ltd have pleasure in presenting the Annual Report together with the audited financial statements of the Company operations for the year ending 30 June 2025.

Westroads Ltd was founded in January 1995 and commenced operations 1 January 1996.

Nature and Scope of Activities

The nature of Westroads Limited activities are that of a general contractor and trading organization offering goods and services for sale and plant and equipment hire. It's activities included:

- Three Water Servies – maintenance and construction.
- Roothing – maintenance and construction, including bridge maintenance and construction.
- Greenspace maintenance and construction, including maintenance of council parks and reserves.
- Waste Management services including landfill transfer stations operation.
- General civil construction activities including carparks, driveways and building pad construction.
- Vehicle and equipment maintenance services including automotive maintenance and engineering services.
- The manufacture and supply of aggregates/sand and base course products.
- The supply of goods, materials, services and equipment for sale or hire.
- Any other relevant activity as determined by the Directors from time to time.

NZ\$ (000's)	2025
Results For The Year Ended 30 June 2025	
Net Surplus (Loss) before Taxation	219
/ess Subvention Payment	200
/ess Income Taxation	52
Net Surplus (Loss) After Taxation	(33)
Other Comprehensive Income	991
Deferred Taxation on Comprehensive Income	(155)
Total Other Comprehensive Income	836
Movements in Equity	
Equity (Opening Balance)	11,387
Distributions to Owners	(262)
Surplus after Taxation	(33)
Total Other Comprehensive Income	835
Equity (closing balance)	11,927

Directors' Interests

Directors have had interests in transactions with the company during the year.
Refer note 17 Related Party Transactions.

There were no notices from Directors requesting to use company information received in their capacity as directors which would not otherwise be available to them.

Mark Rogers

Cumberland Property Group Limited	Chair
Cumberland Rural Properties Limited	Chair
Fulton Hogan Limited	Shareholder
Kingsdown-Salisbury Hall	Committee Treasurer
MVHB Professional Services Limited	Shareholder and Director
PrimePort Timaru	Director
Te Runanga o Arowhenua Limited	Chair
The Rogers Family Trust	Trustee
Timaru District Holdings Limited	Chair

Rob Caldwell

Grey District Council - Risk & Assurance Committee	Independent Chair
Network Waitaki Limited	Director

Ross Pickworth

Ashburton Contracting Limited	Director
ElectraServe Limited	Director
Industrial Controls South Canterbury Ltd	Director
Network Tasman Ltd	Director
Pipeline and Civil Limited	Chair
Pipeline Group Limited	Chair
PLC Plant Limited	Chair
Transwaste Canterbury Limited	Director
Waiotahi Contractors Ltd	Chair
West Oak Trading Limited	Director and Shareholder

Remuneration of Directors

Remuneration and other benefits paid or due to directors on behalf of the Company for services as a director during the year, are as follows:

Mark Rogers	\$52,250
Peter Cuff - until July 24	\$3,208
Rob Caldwell - Deputy Chair	\$43,000
Ross Pickworth	\$38,500
	\$136,958

Donations

The total amount of donations made by the Company during the year was \$1,929.95.

Auditors

The Auditor-General is appointed under Section 15 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Ernst & Young has been appointed to provide these services.

Directors' Declaration

In the opinion of the directors of Westroads Ltd, the financial statements and notes on pages 17 to 43:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2025 and the results of their operations and cash flows for the year ended on that date; and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board:



M Rogers

Chair

26 September 2025



R Caldwell

Deputy Chair & Chair of Risk & Assurance

26 September 2025

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

NZ\$ (000's)	Note	2025	2024
Revenue from Contracts with Customers	1	31,772	25,165
Cost of Sales	2	23,401	17,199
Gross Profit		8,371	7,966
Other Income	3	282	844
Less Depreciation	2, 14 & 15	2,185	2,217
Less Administrative Expenses	2	6,037	5,715
Results from Operations		431	877
<i>plus</i> Finance Income		13	4
<i>less</i> Finance Expense	4	224	269
Net Finance Costs		211	264
Profit before Income Tax		220	613
<i>less</i> Subvention Payment		200	200
<i>less</i> Income Tax Expense	5	52	97
Profit for the Period		(33)	316
Attributable to:			
Equity Holders of the Parent		(33)	316
		(33)	316
Other Comprehensive Income			
Gain on Land & Building Revaluation		991	0
Deferred Taxation on Revaluation	5	(155)	0
Total Other Comprehensive Income		836	0
Total Comprehensive Income for the Year		802	316
Attributable to:			
Equity Holders of the parent		802	316
		802	316
Earnings Per Share from Continued Operations (in cents)		0.58	0.23

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

NZ\$ (000's)	Note	Share Capital	Asset Revaluation Reserve	Retained Earnings	Total
Balance 1 July 2024		1,385	1,275	8,727	11,387
Profit/(Loss) for the Period		0	0	(33)	(33)
Other Comprehensive Income		0	991	0	991
Deferred Tax on Revaluation		0	(155)	0	(155)
Dividends to Equity Holders	6	0	0	(262)	(262)
Balance 30 June 2025		1,385	2,111	8,432	11,928
Balance 1 July 2023		1,385	1,275	8,612	11,271
Profit/(Loss) for the Period		0	0	316	316
Other Comprehensive Income		0	0	0	0
Deferred Tax on Revaluation		0	0	0	0
Dividends to Equity Holders	6	0	0	(200)	(200)
Balance 30 June 2024		1,385	1,275	8,727	11,387

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

NZ\$ (000's)	Note	2025	2024
EQUITY			
Share Capital	6	1,385	1,385
Retained Earnings		8,275	8,726
Asset Revaluation Reserve		2,266	1,275
		11,926	11,387
<i>Represented by:</i>			
CURRENT ASSETS			
Cash and Cash Equivalent	7	296	159
Trade and Other Receivables	8	2,329	2,515
Prepayments		84	0
Inventory	9	1,482	1,373
Work in Progress		48	35
Contract Assets	10	1,396	1,596
Tax Refund		0	22
Total Current Assets		5,635	5,700
CURRENT LIABILITIES			
Trade and Other Payables	12	1,957	1,881
Contract Liabilities	10	212	260
Subvention Payment Payable		200	200
Loan and Other Borrowings	11	2,426	1,700
Employee Benefit Liabilities	13	1,381	1,028
Tax Payable		18	0
Intercompany Loan		0	0
Lease Liability	14	101	96
Total Current Liabilities		6,295	5,166
Working Capital		(660)	534
NON-CURRENT ASSETS			
Property Plant and Equipment	15	12,687	11,861
Term Investments		26	99
Right of Use Assets	14	400	482
Total Non-Current Assets		13,113	12,442
NON-CURRENT LIABILITIES			
Loan and Other Borrowings	11	0	1,026
Employee Benefit Liabilities	13	112	144
Deferred Tax Liability	5	56	(26)
Lease Liability	14	357	445
Total Non-Current Liabilities		525	1,590
Net Assets		11,928	11,387

All loans are presently classified as current liabilities. Management expects to refinance these facilities on maturity under terms that will extend their repayment beyond 12 months, resulting in reclassification to non-current liabilities. This refinancing will strengthen the entity's working capital position.

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2025

NZ\$ (000's)	Note	2025	2024
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from Customers and Other Sources		32,244	25,472
Interest Received		13	4
Total Cash Inflows from Operating Activities		32,257	25,477
<i>Cash was disbursed to:</i>			
Payments to Employees and Suppliers		29,272	23,526
Income Taxes Paid		86	393
Subvention Payments Made		200	380
Interest Paid		224	269
Total Cash Outflows from Operating Activities		29,782	24,567
Net Cash Inflow from Operating Activities	16	2,474	910
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Proceeds from Sale of Property, Plant and Equipment		567	1,367
Total Current Liabilities		567	1,367
<i>Cash was applied to:</i>			
Purchase of Property, Plant and Equipment		2,315	1,450
Total Cash Outflows from Investing Activities		2,315	1,450
Net Cash Outflow from Investing Activities		(1,748)	(82)
Cash Flows from Financing Activities			
<i>Cash was provided from:</i>			
Proceeds of Bank Advances		5,710	6,833
Total Cash Inflows from Financing Activities		5,710	6,833
<i>Cash was applied to:</i>			
Repayment of Loans		6,010	8,388
Increase in Investments		(74)	24
Payment of Lease Liabilities	14	100	111
Dividends Paid		262	200
Total Cash Outflows from Financing Activities		6,298	8,723
Net Cash Inflow/(Outflow) from Financing Activities		(588)	(1,890)
Net Increase/(Decrease) in Cash Held		138	(1,063)
<i>plus</i> Opening Bank Balance at 1 July		159	1,222
Bank Balance at 30 June		297	159
<i>Made up of:</i>			
Cash		297	159
		297	159

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2025

NZ\$ (000's)	ACTUAL 2025	BUDGET 2025
Gross Revenue	31,772	31,243
Less Cost of Sales	23,401	21,469
Gross Profit	8,371	9,774
Plus Other Income	282	231
Less Depreciation	2,185	2,094
Less Administrative Expenses	6,037	6,339
Less Net Finance Costs	211	227
Net Profit (Loss) Before Taxation	220	1,345
Taxation Expense	52	260
Subvention Payments	200	200
Net Surplus (Loss) After Taxation	(33)	885
Equity at 1 July	11,387	11,622
Dividends	262	262
Earnings Retained	802	623
Equity At 30 June	11,927	12,028
Return On Average Shareholders Funds Before Tax and Revaluations	1.88%	10.00%
Percentage Of Shareholders Funds to Total Assets	64%	45-100%
Distributions As a Percentage of After Tax Profits	-1406.8%	40-70%
Compliance With Statutory & Regulatory Obligations	No Breaches	No Breaches

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2025

REPORTING ENTITY

Westroads Limited (the Company) is registered under the Companies Act 1993 and is domiciled in New Zealand.

Westroads Limited (the Company) is a council-controlled organisation for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.

From 27 June 2024 the company is owned 100% by Westland District Council (the Council).

The financial statements of the Company for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors on 26 September 2025.

BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards. For the purposes of complying with NZ GAAP the company is a for-profit entity.

The financial statements of the Company have been prepared in accordance with the requirements of the Companies Act 1993 and the Local Government Act 2002.

STANDARDS OR INTERPRETATIONS NOT YET EFFECTIVE

There are no standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are material to the company.

Measurement base

The financial statements have been prepared on a historical cost basis except for land and buildings which were revalued in June 2025.

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 1 Revenue from contracts with customers;
- Note 11 Amortised costs;
- Note 14 Right of use asset and lease liabilities and
- Note 15 Depreciation and estimated useful lives of property, plant and equipment.

CHANGES IN ACCOUNTING POLICIES

New standards in the current year that impact on the annual financial statements for the year ended 30 June 2025 include the following. NZ FRS-44 New Zealand Additional Disclosures. Disclosure of Fees for Audit Firms' Services. Amendment to NZ IAS 1 Non-current Liabilities with Covenants.

MATERIAL 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 fair value 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.

The estimated useful lives are as follows:

	2025
Buildings	4-50 years
Plant and Equipment	1-20 years
Office Furniture & Equipment	2-7.5 years

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.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus/ (deficit) within equity.

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, 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.

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 Company applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on the Company's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on economic factors affecting the Companies customers. There is no impairment deemed necessary as the company are not expecting any credit losses.

Impairment of Contract assets and Contract liabilities

The Company applies NZ IFRS 15 to measure Contract assets and Contract liabilities. These items arise from contracts entered into that can span over the financial year and also reflect retention funds that are held by the client until such time as a certificate of completion has been signed off. It may take a up to 2 years to complete, because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

There has been no Impairment of Contract Assets or Contract Liabilities.

FINANCIAL INSTRUMENTS

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

Financial Assets

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

Financial assets 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.

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.

FAIR VALUE

The Company uses various valuation methods to determine the fair value of certain assets. The inputs to the valuation methods used to measure fair value are categorised into two levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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 netted off against cash and cash equivalents and will only show in current liabilities if overall position is negative.

CONTRACT ASSETS

Contract assets primarily relate to the Company's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights have become unconditional. This usually occurs when the Company issues an invoice in accordance with contractual terms to the customer. Payments from customers are received based on a billing schedule / milestone basis, as established in our contracts.

CONTRACT LIABILITIES

Contract liabilities primarily relate to the Companies obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when work is performed under the contract. If the net amount of the Company's rights to consideration for work performed after deduction of progress payments received is negative, the difference is recognised as a liability and included as part of contract liabilities.

The Company as a lessee

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognises a Right of Use asset (ROU) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets where the Company recognises the lease payments as another operating expense on a straight-line basis over the term of the lease. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate (IBR). Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease liabilities are presented as a separate line in the balance sheet and are subsequently measured by increasing the carrying amount to reflect interest on the lease (using the effective interest method) and reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability if:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Lease payments changing due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ROU assets comprise of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Wherever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37. The costs are included in the related ROU asset, unless those costs are incurred to produce inventories. ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The estimated useful lives of ROU assets are based on the lease term. Depreciation starts at the commencement date of the lease. ROU assets are presented as a separate line in the balance sheet. The Company applies NZ IAS 36 to determine whether a ROU asset is impaired and accounts for any identified loss under the same policy adopted for property, plant and equipment. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in other operating expenses in the income statement.

WESTROADS LIMITED

NOTE TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2025

1. REVENUE FROM CONTRACTS WITH CUSTOMERS

NZ\$ (000's)	2025	2024
Over Time		
Maintenance contracts	16,249	12,394
Construction contracts	11,561	9,311
Other contracts	2,637	1,936
Total Contracts Revenue	30,447	23,642
At a point in time		
Sales of goods and services metal	1,325	1,523
Total Revenue	31,772	25,165

Under NZIFRS 15, revenue is recognised when a customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised if it meets the criteria below.

i) Maintenance Contracts

The Company primarily generates service revenue from the following activities:

- roading and footpaths;
- amenity assets including water and wastewater; and
- parks, trees and cleaning.

Typically, under the performance obligations of service contracts, the customer consumes and receives the benefit of the service as it is provided. As such, service revenue is recognised over time as the services are provided.

(ii) Construction Contracts

The contractual terms and the way in which the Company operates its construction contracts is predominantly derived from projects containing one performance obligation. There are numerous milestones in each project, however the performance obligation is the delivery of completed construction project as this primary outcome of each contract. Under these performance obligations, customers either simultaneously receive and consume the benefits as the company performs them or performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Therefore, contracted revenue is recognised over time based on stage of completion of the contract. Transaction price is based on contract value.

(iii) Sale of Goods Revenue

Is recognised at a point in time when the customer obtains control of goods and services, specifically when physical goods are delivered to the customer. Transaction price is based on the agreed sales price.

iv) Other Contracts

Other contracts included contracts that cannot be classified under Maintenance or Construction - such as smaller Plumbing contracts and operation of Landfill management assets is recognised over time. Under these performance obligations, customers either simultaneously receive and consume the benefits as the Company performs them.

v) Variable Consideration

Westroads has not incurred any claim for liquidated damages during the financial year.

vi) Warranties and Defect Periods

Construction and service contracts can include defect and warranty periods which vary from contract to contract, following completion of the project. These obligations are not deemed to be separate performance obligations and therefore are estimated and included in the total costs of the contracts. Where required, amounts are recognised in provisions.

Key estimates and judgements: Revenue recognition

- **Stage of completion of construction contracts**

Determining the stage of completion requires an estimate of expenses incurred to date as a percentage of total estimated costs. The progress to satisfaction is assessed by reference to measure and value of work performed and agreed by the client before an invoice is submitted for payment, therefore the satisfaction of the performance obligation represents a faithful depiction of the transfer of goods or services.

- **Modifications**

When a contract modification exists and the Company has an approved enforceable right to payment, revenue in relation to claims and variations is only included in the transaction price when the amount claimable becomes highly probable. Management uses judgement in determining whether an approved enforceable right exists and the amount that meets the "highly probable" threshold.

- **Variable consideration**

Where consideration in respect of a contract is variable, the expected value of revenue is only recognised to the amount management considers is recoverable. This is assessed on a periodic basis and is based on all available information, including historic performance. When modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise.

Timing of revenue and payment

Payment is required on the 20th day of the month after the issuing of invoice. The only difference in timing between recognition of income and receipt of payment are Contract Retentions, which are classified as Contract Assets and Contract Liabilities in the Statement of Financial Position. Retentions are released when a certificate of completion is produced and the remaining balance after the defects period documented in the contract is reached.

2. NATURE OF EXPENSES

The following items are included in the expenditure of the Company

NZ\$ (000's)	2025	2024
Audit Fees to Ernst & Young comprising audit of financial statements only - no other services provided	88	88
Depreciation & amortisation leases	98	105
Depreciation & amortisation	2,087	2,111
Loss on sale of property, plant & equipment	9	24
Directors' fees	137	166
Donations	2	7
Rental and operating lease costs	62	44
Bad debts written off	1	9
Personnel Expenses		
Wages & salaries	10,981	9,589
Contributions to defined contribution plans	491	429
Long service leave	(5)	23
Retiring gratuities	5	6
Total Expenses	11,472	10,047

Personnel expenses are split between cost of sale and administration expenses in the Statement of Comprehensive Income

3. OTHER INCOME

NZ\$ (000's)	2025	2024
Gain on sale of property, plant & equipment	184	796
Wage Subsidies	47	11
Supplier rebates	49	20
Government COVID related grant	0	4
Recoveries	3	14
	283	844

4. FINANCE EXPENSES

NZ\$ (000's)	2025	2024
Interest Expense on Lease Liabilities	23	29
Other Finance Costs	200	240
	223	269

5. TAXATION

The taxation expense that would arise at the standard rate of corporation tax in New Zealand is reconciled to the tax expense as follows:

NZ\$ (000's)	2025	2024
Surplus/(deficit) before taxation	219	613
Prima facie taxation @ 28%	61	172
Plus/(Less) taxation effect of permanent differences	2	3
(Less) Tax Effect of Subvention Payment to WDC	(56)	(56)
(Less) Tax Effect Temporary Difference Building Depreciation	44	(21)
Taxation Expense	51	97
<i>The taxation charge is represented by:</i>		
Current taxation	128	140
Reduction in Prior Year taxation	(1)	0
Deferred Taxation Movement	(74)	(43)
	53	97
<i>Deferred taxation (liability)/asset</i>		
Opening Balance	26	(17)
Movement Recognised in Profit or Loss	74	43
Movement Recognised in Other Comprehensive Income	(155)	0
	(55)	26
Deferred tax assets and liabilities are attributable to the following:		
Employee benefit plans (Asset)	11	10
Accruals (Asset)	285	220
Revaluation Carrying Losses	(298)	(69)
Retentions (Liability)	(222)	(230)
Property, Plant & Equipment (Liability)	168	74
	(56)	26

6. SHARE CAPITAL

At 30 June 2025 the Company has issued 1,385,326 (2024: 1,385,326) shares which are fully paid. The Par value of the shares is \$1 per share. All shares carry equal voting rights and the right to share in any surplus on winding up of the company. None of the shares carry fixed dividend rights.

A dividend of \$262,458 was paid during the year (2024: \$200,000). Dividends paid per share equated to \$0.19 (2024: \$0.14).

7. CASH AND CASH EQUIVALENT

NZ\$ (000's)	2025	2024
Cash in Bank	296	158
Cash on Hand	0	1
Total Cash and Cash Equivalent	296	159

8. TRADE AND OTHER RECEIVABLES

NZ\$ (000's)	2025	2024
Trade Debtors - non-related parties	1,439	1,307
Trade Debtors - related parties	893	1,132
Cost Fluctuation Adjustment Accruals	7	85
Total	2,339	2,524
Less allowance for expected credit loss	10	9
Total Receivables	2,329	2,515

NZ\$ (000's)	Gross Receivable 2025	Expected Credit Loss 2025	Gross Receivable 2024	Expected Credit Loss 2024
Not past due	1,883	0	2,265	0
Past due 0-30 days	368	0	84	0
Past due 31-120 days	71	0	82	0
Past due 121-360 days	0	0	0	0
Past due more than 1 year	10	(10)	8	(9)
Total Cash and Cash Equivalent	2,332	(10)	2,438	(9)

9. INVENTORY

NZ\$ (000's)	2025	2024
Manufactured inventories and work in progress		
Metal Stocks	1,398	1,305
Other Supplies	84	68
	1,482	1,373

Cost of inventories recognised as an expense.

During the year ended 30 June 2025 \$1,287,000, (2024: \$892,000) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

10. CONTRACT ASSETS AND LIABILITIES

Contract Assets

Contract assets primarily relate to the Company's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights have become unconditional. This usually occurs when the Company issues an invoice in accordance with contractual terms to the customer. Payments from customers are received based on a billing schedule / milestone basis, as established in our contracts. Contract assets are disaggregated according to contract type:

NZ\$ (000's)	2025	2024
Maintenance contracts	181	105
Construction contracts	1,182	1,426
Other contracts	32	66
Total current contract asset	1,395	1,596

As of 30 June 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations is \$15,853 (2024: \$15,198). The Company will recognise this revenue when the performance obligations are satisfied. 100% of remaining performance obligations are expected to occur within the next two years.

Revenue recognised for the year ended 30 June 2025 from performance obligations satisfied (or partially satisfied) in previous periods amounted to \$9,126. (2024:\$10,132)

The Change in Contract Assets reflects a decrease in retentions compared to last year. Work in Progress was lower in Construction Contracts compared to last year.

Contract liabilities primarily relate to the Companies obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when work is performed under the contract. If the net amount of the Company's rights to consideration for work performed after deduction of progress payments received is negative, the difference is recognised as a liability and included as part of contract liabilities.

NZ\$ (000's)	2025	2024
Maintenance contracts	0	0
Construction contracts	210	249
Other contracts	2	11
Total contract liabilities	212	260

The opening balance of contract liabilities was \$260,331 in 2025, all of which was recognised as revenue in the 2025 financial year.

11. AMORTISED COSTS (LOAN & BORROWINGS)

NZ\$ (000's)	2025	2024
WDC Loans	2,426	2,726
	2,426	2,726
The bank term loan and finance lease are split as follows:-		
Current Lending Debt	2,426	1,700
Non-current Lending Debt	0	1,026
	2,426	2,726

Terms and conditions of loans & borrowings and their balances are as follows:-

NZ\$ (000's)	2025	2024	Interest Repricing due	Maturing
Money Management Loan (\$1,335k) - Interest rate - 6.69%	0	0	Variable	2026
WDC - LGFA - WN0625 (\$1,400k) - Interest rate - 5.85%	0	1,400	Fixed	2025
WDC - LGFA - WN1224 (\$300k) - Interest rate - 5.96%	0	300	Fixed	2024
WDC - LGFA - WN2615 (\$1,026k) - Interest rate - 5.54%	1,026	1,026	Fixed	2026
WDC - LGFA - WN0925 (\$1,400k) - Interest rate - 3.665%	1,400	0	Fixed	2025

(Carrying value is not materially different to Face value)

In managing interest rate risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in interest rates will have an impact on profit. At 30 June 2025, it is estimated that a 1% increase in interest rates would reduce the Company's 2025 profit before tax by \$24,000 (estimated decrease in 2024: \$27,000.) The company has no formal interest rate hedging policy.

12. TRADE AND OTHER PAYABLES

NZ\$ (000's)	2025	2024
Trade Payables	1,659	1,571
Trade Payables - Related Parties	14	30
GST Payable	158	158
Accruals and other Liabilities	126	130
	1,957	1,889

13. EMPLOYEE ENTITLEMENTS

The Company has the following current employee entitlements

NZ\$ (000's)	2025	2024
Current		
Annual Leave	797	707
Time in Lieu/Stat Leave	35	25
Long Service Leave	55	32
Sick Leave	20	20
Accrued Salary and Wages	474	244
Total Current Employee Entitlements	1,381	1,028
Non Current		
Retirement Gratuities	44	39
Long Service Leave	68	105
Total Non Current Employee Entitlements	112	144

14. RIGHT OF USE ASSET AND LEASE LIABILITY

The Company recognises a right-of-use asset (ROU) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets where the Company recognises the lease payments as another operating expense on a straight-line basis over the term of the lease.

Right of Use Asset

NZ\$ (000's)	Commercial property	Gravel extraction consent	Photo copying equipment	Total
As at 1 July 2023	589	0	4	593
Additions	0	27	0	27
Deletions	(34)	0	0	34
Depreciation expense	(99)	(3)	(4)	(106)
Total ROU Assets as at 30 June 2024	456	24	-	480

NZ\$ (000's)	Commercial property	Gravel extraction consent	Photo copying equipment	Total
As at 1 July 2024	456	24	0	480
Additions	0	0	16	16
Deletions	0	0	0	0
Depreciation expense	(91)	(3)	(4)	(98)
Total ROU Assets as at 30 June 2025	365	21	12	398

The lease of the land and buildings in Christchurch contains an option to renew the contract for a further three years at 2026. It is reasonably certain that the lease will be renewed at this date, as such the right of asset for the Christchurch building has been calculated with rights renewed in 2026.

Lease liability – Maturity Analysis

Lease liabilities under NZ IFRS 16: NZ\$ (000's)	Note	2025 Total lease liability	2024 Total lease liability
Less than one year		101	96
Between one and five years		352	436
More than five years		5	9
		458	542
Current		101	96
Non Current Portion		357	445
		458	542
Total cash outflow for leases - principal portion		100	111
Total cash outflow for leases - interest portion	4	23	29
		123	140

Total lease expenditure in 2025 was \$123,024

15. PROPERTY, PLANT, AND EQUIPMENT

NZ\$ (000's)	Land & Buildings	Plant & Equipment	Office Furniture & Equipment	Total
Cost or deemed cost				
Balance at 1 July 2023	3,433	26,042	748	30,224
Additions	0	1,301	22	1,323
Net Gain/(Loss) on Revaluation	0	0	0	0
Re Class Assets & Correction Depreciation	(164)	(1,028)	(111)	(1,303)
Disposals	0	(3,411)	0	(3,411)
Balance at 30 June 2024	3,269	22,904	660	26,833
Balance at 1 July 2024	3,269	22,904	660	26,833
Additions	0	2,258	57	2,315
Re Class Assets & Correction Depreciation	0	0	0	0
Net Gain/(Loss) on Revaluation	991	0	0	991
Disposals	0	(1,506)	0	(1,506)
Balance at 30 June 2025	4,260	23,656	717	28,632
Depreciation and impairment losses				
Balance at 1 July 2023	516	15,780	683	16,980
Depreciation for the year	77	1,966	69	2,111
Impairment	0	0	0	0
Re Class Assets & Correction Depreciation	151	(1,225)	(230)	(1,303)
Disposals/Write-back on Revaluation	0	(2,815)	0	(2,815)
Balance at 30 June 2024	745	13,706	521	14,972
Balance at 1 July 2024	745	13,706	521	14,972
Depreciation for the year	76	1,950	61	2,087
Re Class Assets & Correction Depreciation	0	0	0	0
Disposals/Write-back on Revaluation	0	(1,114)	0	(1,114)
Balance at 30 June 2025	821	14,542	582	15,945
Carrying Amounts				
At 1 July 2023	2,917	10,262	65	13,244
At 30 June 2024	2,524	9,198	138	11,860
At 1 July 2024	2,524	9,198	138	11,860
At 30 June 2025	3,439	9,114	134	12,687

Security

At 30 June 2025 all properties with a carrying value of \$3,439,073 (2024: \$2,514,325) are subject to a registered mortgage to secure bank loans.

At 30 June 2025 no plant and equipment was subject to a registered chattel security (2024: \$0). All plant & equipment is subject to a general registered debenture

Finance Lease

Note 14 Provides further information about finance leases.

Revaluation

On 30th June 2025 the Company's land and buildings were independently valued by registered valuers, CVL (Coast Valuations Ltd). The fair value is determined based on comparable sales values to determine its fair value. The Company's land and buildings are valued every three years.

16. RECONCILIATION OF NET SURPLUS AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

NZ\$ (000's)	2025	2024
Net surplus after taxation	(33)	316
Add/(less) non cash items:		
Depreciation and amortisation	2,185	2,217
Increase/(decrease) in Provision for Doubtful Debts	10	9
Increase/(decrease) in Deferred Tax	(74)	(43)
Increase/(decrease) in Employee Entitlements (non-current)	(32)	10
Total Non-Cash Items	2,089	2,193
Add/(less) items classified as investment & financing activities:		
Net loss (gain) on Sale of fixed assets	(175)	(772)
Capital Account payable	0	127
Total Investing & Financing Activity Items	(175)	(645)
Add/(less) movements in working capital items:		
(Decrease)/increase in Accounts Payable and Accruals	76	(327)
Increase/(decrease) in Employee Entitlements	353	(96)
Increase/(decrease) in Provision for Taxation	40	(253)
Decrease (Increase) in Contract Assets	201	(124)
Increase/(decrease) in Contract Liabilities	(48)	49
Increase/(decrease) in Subvention Payment Payable	0	(180)
Decrease (Increase) in Receivables and Prepayments	93	400
(Increase)/decrease in Inventory	(109)	(400)
(Increase)/decrease in Work in progress	(13)	(24)
Working Capital Movement - Net	(593)	(954)
Net Cash Inflows from Operating Activities	2,474	910

17. TRANSACTIONS WITH RELATED PARTIES

During the year the Company transacted business with businesses in which Directors and Shareholders had an interest. These transactions were entered into in the ordinary course of the company's business and on its usual terms and conditions. Details of these interests are as follows:

Director/ Shareholder	Business in which an Interest is Declared	Type of Transaction	Transaction Amount	Balance at 30 June
1 July 2024 to 30 June 2025			(000's)	(000's)
WDC	Westland District Council	Payment - Rentals & Rates	379	1
WDC	Westland District Council	Westroads Sales	11,094	889
WDC	Westland District Council	Subvention Payment	200	200
WDC	Westland District Council	LGFA Loans, Interest & Fees	0	2,426
WDC	Westland District Council	Bond Receivable	0	74
WDC	Westland District Council	Dividend	262	0
WDC	Destination Westland Ltd	Payment - Rentals	49	8
WDC	Destination Westland Ltd	Sale - Property Repairs	33	0
P M Cuff	Cuffs Ltd	Purchase - Accounting Services	4	0
P M Cuff	The Beachfront Hotel Ltd	Purchase - Accomodation	5	0
P M Cuff	The Beachfront Hotel Ltd	Sales-Construction	0	0
C Rea	Hokitika Automotive Ltd	Payment - Plant Materials & Service	48	4
C Rea	ChatR Communications Ltd	Payment - Plant Materials & Service	25	1
M Rogers	Men At Work Ltd	Payment - Traffic Management	22	9
1 July 2023 to 30 June 2024			(000's)	(000's)
WDC	Westland District Council	Payment - Rentals & Rates	57	8
WDC	Westland District Council	Westroads Sales	8,554	1,114
WDC	Westland District Council	Subvention Payment	200	200
WDC	Westland District Council	LGFA Loans, Interest & Fees	0	2,726
WDC	Westland District Council	Bond Receivable	0	74
WDC	Westland Holdings Ltd	Subvention Payment	180	0
WDC	Westland Holdings Ltd	Dividend	200	0
WDC	Westland Holdings Ltd	LGFA Loans, Interest & Fees	225	0
WDC	Destination Westland Ltd	Payment - Rentals	54	11
WDC	Destination Westland Ltd	Sale - Property Repairs	41	17
P M Cuff	Cuffs Ltd	Purchase - Accounting services	3	0
P M Cuff	The Beachfront Hotel Ltd	Purchase - Entertainment	1	0
R Pickworth	Westpower Ltd	Payment - Rental RT	2	0
R Pickworth	Electronet Services Ltd	Payment - Electrical Repairs	31	0
R Pickworth	Electronet Services Ltd	Westroads Sales	16	0
C Rea	Hokitika Automotive Ltd	Payment - Plant Materials & Service	47	2
C Rea	ChatR Communications Ltd	Payment - Plant Materials & Service	18	6
M Rogers	Men At Work Ltd	Payment - Traffic Management	53	3

All amounts billed are based on normal market rates and payable or receivable under normal payment terms and no related party debts have been written off or forgiven during the year.

Key management personnel disclosure

Reporting of Key management personnel includes the entire Senior Leadership Team, and the directors.

The senior leadership team includes the General Manager, Finance Manager, Greymouth Branch Manager, Trenching Dynamix Branch Manager, Head of Estimating, the Systems Manager and the Fleet Manager.

NZ\$ (000's)	2025	2024
Key management personnel compensation comprised		
Short-term employee benefits	1,657	1,560
	1,657	1,560

There are no loans to or from key management personnel.

Remuneration Of Employees

Thirty-nine senior employees remuneration and benefits totalled more than \$100,000, the combined total of these thirty-nine employees was \$5,268,664 broken into the following bands.

Salary Range		Employees
100,000	110,000	11
110,000	120,000	6
120,000	130,000	9
130,000	140,000	1
140,000	150,000	4
150,000	160,000	1
160,000	170,000	3
170,000	180,000	1
190,000	200,000	1
200,000	210,000	1
320,000	330,000	1
		39

18. EVENTS SUBSEQUENT TO BALANCE DATE

There are no events subsequent to balance date, 30th June 2025.

19 CAPITAL COMMITMENTS

At 30 June 2025, the Company had \$30,000 capital commitments (2024: \$300,586)

20. FINANCIAL INSTRUMENTS

The accounting policy for financial instruments has been applied to the items below:

NZ\$ (000's)	2025	2024
Financial Assets at amortised costs		
Cash and cash equivalents	296	159
Trade accounts receivable	2,329	2,515
Financial Liabilities at amortised cost		
Trade and other payables	1,957	1,881
Borrowings	2,426	2,726

The amounts reported above represent the company's maximum credit exposure for each class of financial instrument. The anticipated contractual cash flows of the financial instruments are not expected to be material and are all anticipated to occur within twelve months of the balance date, except for borrowings, which are analysed in note 12.

The Company is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable and trade creditors.

The Company has a series of policies providing risk management for interest rates and the concentration of credit.

The Company is risk averse and seeks to minimise exposure from its treasury activities. Its policies do not allow any transactions which are speculative in nature to be entered into.

Interest Rate Risk

The company is exposed to fair value and cash flow interest rate risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that a financial instrument will fluctuate due to changes in market interest rate. Borrowings at fixed rates expose the company to fair value interest rate risk. The company have fixed rate borrowings measured at amortised cost, with relatively short maturity periods and interest repricing schedules. The directors do not consider the fair value interest rate risk to be significant at this time.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The company has most borrowings at variable rates. Accordingly, there is an interest rate risk at present (refer note 12.) The directors consider that this risk is balanced by the considerable benefit of the present lower floating rates.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no exposure to currency risk.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the company, causing the company to incur a loss. The maximum exposure to credit risk at 30 June 2025 is equal to the carrying value for cash and cash equivalents, trade and other receivables. Credit risk is managed by restricting the amount of cash and derivative financial instruments which can be placed with any one institution and these institutions are all New Zealand registered banks with at least a Standard & Poor's rating of A.

Accordingly, the company does not require any collateral or security to support financial instruments with organisations it deals with.

The company has a credit policy in place under which customers are individually analysed for credit worthiness and assigned a purchase limit. If no external ratings are available, the Company reviews the customer's financial statements, trade references, bankers' references and/or credit agencies' reports to assess credit worthiness.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Westland District Council and Grey District Council for a high proportion of the Company's revenue. However, both Councils are considered high credit quality entities.

Liquidity Risk

Credit risk is the risk that a third party will default on its obligations to the company, causing the company to incur a loss. The maximum exposure to credit risk at 30 June 2025 is equal to the carrying value for cash and cash equivalents, trade and other receivables. Credit risk is managed by restricting the amount of cash and derivative financial instruments which can be placed with any one institution and these institutions are all New Zealand registered banks with at least a Standard & Poor's rating of A. As at 30 June 2025, the Company's total cash held at BNZ is \$295,834. BNZ has a Standards and Poor's rating of AA-. (2024: \$158,666)

NZ\$ (000's)	Carrying amount	Contractual cashflow	Less than 6 months	6-12 months	More than 1 year
Payables (excl income in advance, taxes payable and subventions)	1,957	1,957	1,957	0	0
Secured Loans	2,426	2,495	1,441	1,054	0
Lease Liabilities	458	506	60	60	386
Debtors	2,339	2,339	2,339	0	0
	2,502	2,619	1,119	1,114	386

Fair Values

The estimated fair values of the financial assets and liabilities is equal to their carrying amounts are as stated in the Statement of Financial Position.

Capital Management

The Company's capital includes share capital and retained earnings.

The Company has a policy of shareholder's funds being in the ratio of 45-100% of total assets.

The Company maintains a level of earnings before interest and tax to cover interest costs two times

NZ\$ (000's)	2025	2024
Earnings Before Interest and Tax	443	882
Less Finance Expense	224	269
Ratio	1.98:1	3.28:1

21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At 30 June 2025, the Company had the following contingent liabilities:

NZ\$ (000's)	2025	2024
Guarantees:		
(a) Performance Bonds in favour of Westland District Council	1,085	1,085
(b) Performance Bonds in favour of Grey District Council	395	395
(c) Mining Bonds	7	7
(d) Performance Bond in favour of Christchurch City Council	555	640
(e) Performance Bonds in favour of Fulton Hogan Ltd	0	0
(f) Performance Bond in favour of Director General of Conservation	165	165
	2,207	2,292

There are no contingent assets.

22. SOCIAL REPORTING

Lost Time Injury

	2024/25	2023/24	Target
Full Days Lost due to workplace accidents/incidents	277	15	0
Lost Time Injury Days as % of all days worked	0.848%	0.049%	0%
Incidents notifiable to WorkSafe NZ	0	0	0

Westroads Ltd continued to Promote Zero Harm by ensuring the following:

- Employees are trained, supervised and monitored.
- Employees are encouraged to report all incidents, accidents and near misses
- Employees are encouraged to complete improvement forms to improve safety.
- Employees must complete a daily personal risk assessment (Take5) to identify hazards and minimise the risk on all worksites.
- Site Audits are regularly completed.
- Safety Briefs are conducted with the team every 2nd month.
- Team Annual Medical checks.
- Continuously monitoring and updating Health and Safety Systems.

Training Expenditure

	2024/25	2023/24	Target
	(000's)	(000's)	
Training Expenditure	258	240	0
Training as % of Revenue	0.813%	0.954%	0.8%

Staff Turnover

Staff turnover was at 17% (2024: 29%). 20 staff left their employment and cited the following reasons:

<i>Of the 20 staff who left:</i>	Number	%
Retirement	2	10%
Performance/Terminated	4	20%
No reason/Job satisfaction/Study/More money	8	40%
Loss of Contract	0	0%
Relocation	3	15%
Personal/Medical	3	15%
	20	100%

Overall, there was an increase of 4.9% in the number of jobs (2024: increase of 3.5%). As at 30 June 2025, Westroads had 125 staff employed, or 122 full time equivalent.

<i>The average age of staff is 47 years of age (2024: 48).</i>	Number	%
55 Years or older	46	37%
60 Years or older	30	24%
65 Years or older	12	10%

23. IMPUTATION CREDITS

NZ\$ (000's)	2025	2024
Imputation Credits available for use in subsequent period	2,417	2,432

Audit Report



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WESTROADS LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 25

The Auditor-General is the auditor of Westroads Limited (the Company). The Auditor-General has appointed me, Brendan Summerfield, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and the performance information of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 20 to 46, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company for the year ended 30 June 2025 on pages 45 and 46

Opinion

In our opinion:

- the financial statements of the Company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards; and
- the Performance Information:
 - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and



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- has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on *26 September 2025* This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audit of the financial statements and the performance information* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information in accordance with the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and the performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company’s ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors’ responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.



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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information

For the budget information reported in the financial statements and in the performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- We evaluate the overall presentation, structure and content of the performance, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the [statement of performance] or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.

A handwritten signature in blue ink, appearing to read 'B Summerfield', is written over a light blue horizontal line.

Brendan Summerfield
Ernst & Young
On behalf of the Auditor-General
Christchurch, New Zealand

Directory

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Bankers: Bank of New Zealand, Cnr Mackay & Tainui Streets, Greymouth

Solicitors: Lane Neave

Company Number: 637577

Country of Incorporation: New Zealand

Insurer: AON





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