

Managing Westland District Council's Strategic Assets:
Pensioner Housing, Jackson Bay Wharf, Hokitika Swimming Pool, Occupations on Road Reserve...and a range of other properties.

ANNUAL REPORT
WESTLAND DISTRICT PROPERTY LIMITED
Year Ended 30 June 2016

Independent Auditor's Report

To the readers of Westland District Property Limited's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of Westland District Property Limited (the company). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the company on pages 7 to 9 and 11 to 24, that comprise the statement of financial position as at 30 June 2016, 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 on page 10.

In our opinion:

- The financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; 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.
- The performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2016.

Our audit was completed on 30 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the performance information for the company.

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

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

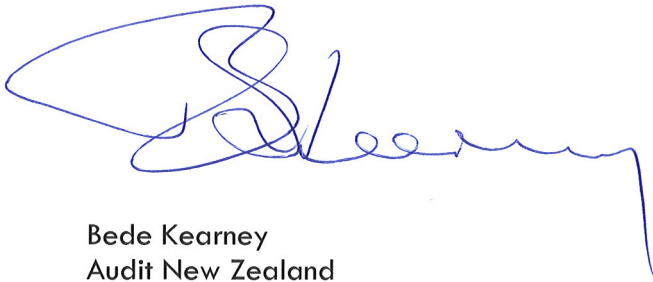
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand



WESTLAND DISTRICT PROPERTY LIMITED

DIRECTORS REPORT & DECLARATION FOR THE YEAR ENDED

30 JUNE 2016

The directors of Westland District Property Limited have pleasure in presenting the Annual Report together with the audited financial statements of the company's operations for the year ended 30 June 2016.

Legal Name

Westland District Property Limited (the Company)

Type of entity and legal basis

The Company is incorporated in New Zealand under the Companies Act 1993. The Company is a wholly owned subsidiary of Westland Holdings Limited which is controlled by the Westland District Council and is a council-controlled trading organisation as defined in section 6 of the Local Government Act 2002. The Company was founded in May 2010 and commenced operation on 1 July 2010. The registered office of the Company is at the offices of Westland District Council, 36 Weld Street, HOKITIKA.

The Company's purpose or mission

The primary objective of the Company is manage the ownership and operation of property activities in a commercial and strategic manner and to be involved in strategic projects which will benefit the Westland District.

Structure of the Company's operations, including governance arrangements

The Company comprises of a Board of three Directors (currently only two appointed) who oversee the governance of the Company and a General Manager who is responsible for its day to day operations.

Principal Activities

The Company's principal activity during the year was the management of Company and Westland District Council owned property including:

- Pensioner Housing;
- Hokitika Swimming Pool
- Baches on Road Reserves

REVIEW OF OPERATIONS

Results for the Year Ended 30 June	2016 \$000	2015 \$000
Net Profit/(Loss) before Taxation	(184)	(317)
Taxation	<u>0</u>	<u>0</u>
Net Profit/(Loss) after Taxation	<u>(184)</u>	<u>(317)</u>
Movements in Equity		
Equity (opening balance)	1,685	2,002
Dividends Paid to Owners	Nil	Nil
Issue of Equity to Owners	Nil	Nil
Profit/(Loss) after Taxation	<u>(184)</u>	<u>(317)</u>
Equity (closing balance)	<u>1,501</u>	<u>1,685</u>

Significant changes in the state of affairs

There has been no significant change in the state of affairs of the company in the year under review.

Directors' Interests

Directors have had no interests in transactions with the company during the year.

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.

Directors

The current directors of the company are G D Purches & L R Singer.

Remuneration of Directors

The directors received the following remuneration during the year:-

G D Purches	\$15,000
L R Singer	\$15,000

Remuneration of Employees

There were no employees or former employees whose remuneration and benefits package was more than \$100,000 during the year.

Indemnity & Insurance

Directors' and Officers' Liability Insurance has been arranged by the company.

Donations

The total amount of donations made by the company during the year is NIL

Auditors

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

Directors' Declaration


In the opinion of the directors of Westland District Property Limited, the financial statements and notes on pages 7 to 24


- 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 2016 and the results of their operations and cash flows for the year ended on that date
- 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 1993.

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


G D Purches
Chairperson
Date 30/9/2016


L R Singer
Director
Date 30-09-16

WESTLAND DISTRICT PROPERTIES LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016



	Note	Actual 2016 \$000	Actual 2015 \$000
Revenue			
Lease receipts		532	526
Services		341	350
Subvention Income		42	117
Interest Received		-	-
Total Revenue		915	993
Less Expenditure			
Administrative expenses		307	351
Service Delivery expenses		355	341
Occupancy expenses		292	281
Interest Paid		47	82
Depreciation	11	43	42
Impairment of Term Inventory		-	-
Loss on Sale of Property Plant & Equipment		-	-
Loss on Sale of Investment Property		-	-
Loss on Sale of Term Inventory		-	118
Change in fair value of investment property		55	95
Total Expenses	4	1,099	1,310
Surplus/(deficit) before Tax		(184)	(317)
Income tax expense	5	-	-
Surplus/(deficit) after Tax		(184)	(317)
Other comprehensive income:		-	-
Total comprehensive income		(184)	(317)

WESTLAND DISTRICT PROPERTIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016



	Share Capital \$000	Retained Earnings \$000	Total \$000
Balance 1 July 2015	2,627	(942)	1,685
Loss for the period and Total comprehensive income	-	(184)	(184)
Dividends to equity holders	-	-	-
Balance 30 June 2016	2,627	(1,126)	1,501
<i>Balance 1 July 2014</i>	<i>2,627</i>	<i>(625)</i>	<i>2,002</i>
<i>Profit/(loss) for the period and Total comprehensive income</i>	<i>-</i>	<i>(317)</i>	<i>(317)</i>
<i>Dividends to equity holders</i>	<i>-</i>	<i>-</i>	<i>-</i>
Balance 30 June 2015	2,627	(942)	1,685

WESTLAND DISTRICT PROPERTIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016



	Note	Actual 2016 \$000	Actual 2015 \$000
EQUITY			
Share capital	6	2,627	2,627
Retained earnings		(1,126)	(942)
		1,501	1,685
represented by:			
CURRENT ASSETS			
Cash and cash equivalents		28	29
Trade and other receivables	7	143	498
Subvention payment receivable		42	89
Total Current Assets		213	616
CURRENT LIABILITIES			
Trade and other payables	14	357	494
Employee entitlements	15	34	31
Income in advance		29	12
Current portion term loan	16	233	174
Total Current Liabilities		653	711
Working Capital		(440)	(95)
NON-CURRENT ASSETS			
Investment property	10	1,223	1,278
Property, Plant & Equipment	11	1,106	1,128
Term inventory	8	122	121
Total Non-Current Assets		2,451	2,527
NON-CURRENT LIABILITIES			
Term Loan	16	510	747
Total Non-Current Liabilities		510	747
		1,501	1,685

WESTLAND DISTRICT PROPERTIES LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2016



	Note	Actual 2016 \$000	Actual 2015 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Receipts from customers and other sources		875	855
Subvention payments received		89	112
Net Sale of development land		375	-
Total Cash inflows from operating activities		1,339	967
<i>Cash was disbursed to:</i>			
Development land costs		-	(34)
Payments to employees and suppliers		(1,027)	(831)
Net GST movement		(61)	(27)
Interest paid		(47)	(82)
Total Cash outflows from operating activities	20	(1,135)	(974)
Net Cash inflow/(outflow) from operating activities		204	(7)
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Sale of investment property		-	-
Sale of property plant & equipment		9	-
Total Cash inflows from investing activities		9	-
<i>Cash was applied to:</i>			
Purchase of property plant & equipment		(36)	(49)
Total Cash outflows from investing activities		(36)	(49)
Net Cash inflow/(outflow) from investing activities		(27)	(49)
Cash flows from financing activities			
Loan Advances/Repayments		(178)	(23)
Net cash inflow/(outflow) from financing activities		(178)	(23)
Net increase/(decrease) in cash for the year		(1)	(79)
Add opening bank accounts and cash		29	108
Closing bank accounts and cash		28	29
<i>Made up of:</i>			
Cash and cash equivalents		28	29
		28	29

WESTLAND DISTRICT PROPERTIES LIMITED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016



	Actual 2016 \$000	Budget 2016 \$000	Actual 2015 \$000
Gross revenue	915	930	993
less cash operating expenditure	1,001	1,052	1,173
less investment property revaluation	55	-	95
less depreciation	43	14	42
Net surplus before taxation	(184)	(136)	(317)
Taxation expense	-	(4)	-
Net surplus after taxation	(184)	(132)	(317)
Opening Equity at 1 July	1,685	2,002	2,002
Net surplus after taxation	(184)	(132)	(317)
Contributions from owners	-	-	-
Dividends	-	-	-
Total Equity at 30 June	1,501	1,870	1,685
Return on average shareholders funds pre tax & revaluations	-8.1%	1% - 6%	-12.0%
Return on average total assets pre tax & revaluations	-4.4%	1%	-6.8%
Shareholder funds to total assets ratio	56%	>60%	54%

NON-FINANCIAL SERVICE PERFORMANCE MEASURES:

Compliance Target: Compliance with statutory and regulatory requirements enabling Westland District Property Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002, Health & Safety & Employment Act 1992, the Companies Act 1993 and the Financial Reporting Act 2013.	Achieved: 2016 & 2015
Aged Care Occupancy Target: annual percentage occupancy to be no less than 95%.	Achieved: 100% (2015 100%)
Swimming pool: Target: annual total admissions to be +/- 5% those of the previous year. Note: 2014/2015 admissions 19,666	Not Achieved: 18,226 admissions 2015/2016 (-7.4%) Facility closed for an additional month due to plant failure therefore opened for 10 months compared to 11 the previous year. (2015: Achieved)
Baches on Road Reserve: Target: annual number of licenses to occupy to be greater than 70.	60 signed agreements to occupy (2015: 56) 18 applications in process (2015: 10) 8 signed agreements – seasonal sites (2015: 5) 7 signed agreements – other occupations (2015: 5)
Jacksons Bay Wharf: Target: annual percentage of commercial fishing vessels who use the wharf with Licenses to occupy = 90%	Achieved: 100% of the major fishing vessels (2015: 100%) This excludes casual users
Leasehold properties: Target: annual percentage of leasehold properties fully leased = 80%	Not Achieved: (2015: Achieved) WDPL manages 18 WDC properties which includes: • 14 properties (78%) of available stock are leased • 2 properties have been approved for sale • 1 property is on hold pending cycle trail development • 1 property is not for sale (Heritage NZ)
Tenant satisfaction: Target: Tenant satisfaction with the provision of the company's aged care rental housing greater than or equal to 90%.	Achieved: 100% satisfactory (July/August 2016 survey) (2015: Achieved 100%)
Time lost through injury Target: Loss Time Injuries will be 0	Achieved: 0 time lost (2015: Achieved)

The company has not met a number of its Financial Targets. There are a number of reasons for this including:-
 Properties held were revalued downwards during the year
 Depreciation wasn't budgeted for at the correct level

WESTLAND DISTRICT PROPERTY LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2016



REPORTING ENTITY

Westland District Property Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Westland District Property Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002, with the company's ultimate parent being the Westland District Council.

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.

ACCOUNTING POLICIES APPLIED

Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand International Financial Reporting Standards Reduced Disclosure Regime ("NZIFRS RDR"). All available concessions have been applied.

The company has applied NZIFRS RDR as it does not have public accountability and it is not large in that its' expenses are less than \$30m.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the company will continue to operate in the foreseeable future.

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 the revaluation of investment property.

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.

The only material judgement or estimate applied in these financial statements is that the company expects to recover the cost of its investment in development land.

Going Concern

Because of its financial position and results, in adopting the going concern assumption, the company has obtained from its shareholder, Westland Holdings Ltd, a letter of support. This states that Westland Holdings Ltd undertakes to make such funds available as necessary to ensure that Westland District Property Ltd remains a going concern over the next 12 months.

Goods and Services Tax (GST)

The Company is registered for GST. All amounts 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.

Significant Accounting Policies

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

Investment Property

Properties leased to third parties under operating leases are classified as investment property.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Property, Plant & Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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 the 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 for the current and comparative periods are as follows:

	2015/16	2014/15
○ buildings	17-50 years	17-50 years
○ plant and equipment	2-12 years	2-12 years
○ motor vehicles	5 years	5 years

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 amount 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).

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.

Inventories

Inventories include development properties that are being developed for sale. These properties are measured at the lower of cost and net realisable value and the cost includes development costs to date.

Financial instruments

The Company categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost (trade and other payables).

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.

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.

Cash & cash equivalents

Cash and cash equivalents comprise cash balances and deposits which have maturities of three months or less.

Trade & other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Leased assets

All leases are operating leases and 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

Leases

Lease income from property is recognised in the profit or loss on a straight-line basis over the term of the lease.

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.

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 includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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).

NZ IAS 1 Amendments: Presentation of Financial Statements – Amends NZIAS 1 to address perceived impediments to preparers exercising their judgment in presenting financial reports (effective for annual periods beginning on or after 1 January 2016)

NZIFRS 15: Revenue from Contracts and Customers – Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers (effective for annual periods beginning on or after 1 January 2018)

NZ IFRS 7: Financial Instruments Disclosures (effective for annual periods beginning on or after 1 January 2016)

WESTLAND DISTRICT PROPERTIES LIMITED
NOTES TO THE ACCOUNTS



	2016	2015
	\$000	\$000
4. Nature of expenses		
<i>The following items are included in the expenditure of the company:</i>		
Audit fees to Audit NZ comprising audit of financial statements	14	14
Directors' fees	30	27
Movement in Provision for Doubtful Debts	1	(3)
Bad Debts Written off	1	3
Personnel Expenses		
Wages & Salaries	440	433
Contributions to defined contribution plans	9	9
	449	442
5. Taxation		
Surplus/(deficit) before taxation	(184)	(317)
Prima facie taxation @ 28%	(51)	(89)
Plus/(less) taxation effect of permanent differences	16	27
Plus Tax Effect of Group Loss Offset to Westroads	30	64
Less Tax Effect of additional prior year subvention and loss offset	-	(27)
Deferred Tax unable to be recognised	5	25
Taxation expense	-	-
<i>The taxation charge is represented by:</i>		
Current taxation	-	-
Subvention Payments	-	-
Deferred taxation	-	-
	-	-
<i>Deferred taxation liability (asset)</i>		
Balance as at 1 July	-	-
Movement recognised in profit and loss	-	-
Balance as at 30 June	-	-

A deferred tax asset has not been recognised in relation to temporary differences of \$333,502 (2015: \$319,865) and tax losses of \$6,805 (2015: \$731.)

WESTLAND DISTRICT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS



6. Share capital

At 30 June 2016 the company has issued 2,626,892 shares which are fully paid and 100 unpaid shares. 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.

	2016	2015
	\$000	\$000

7. Trade and other receivables

Trade debtors	142	501
GST receivable	6	-
Provision for Doubtful Debts	(5)	(3)
	143	498

Impairment of trade receivables	Gross Receivable	Impairment	Gross Receivable	Impairment
	2016 \$000	2016 \$000	2015 \$000	2015 \$000
Not past due	120	-	405	-
Past due 0-30 days	8	-	-	-
Past due 31-120 days	2	-	1	-
Past due 121-365 days	8	3	5	1
Past due more than 1 year	4	2	90	2

8. Inventory

At 30 June 2016 the company had term trading stock relating to land & buildings held for subdivision and sale purposes of \$122,000 (2015 \$121,000.) This is held as tenants in common with Westroads Ltd. This property is being developed and funded by Westroads with Westroads receiving 75% of any profits and the company receiving the other 25%.

At 30 June 2016 inventory with a carrying value of \$Nil (2015 \$Nil) was subject to a registered mortgage to secure Westpac bank loans.

WESTLAND DISTRICT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS



	2016	2015
	\$000	\$000
9. Operating leases		
Operating leases as lessee		
The company has the lease of an office building and an access lease at Kwitchatown. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:-		
Not later than one year	9	9
Later than one year and not later than five years	20	25
Later than five years	20	25
Total non-cancellable operating leases	49	59

Operating leases as lessor

Investment property is leased under operating leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Not later than one year	54	56
Later than one year and not later than five years	198	195
Later than five years	368	403
Total non-cancellable operating leases	620	654

No contingent rents have been recognised during the period.

10. Investment property		
Opening Balance 1 July	1,278	1,373
Additions from acquisitions	-	-
Disposals	-	-
Transfers to Property, Plant & Equipment	-	-
Gain (loss) on disposal	-	-
Fair value gains/(losses) on valuation	(55)	(95)
Balance at 30 June	1,223	1,278

Investment properties are valued annually effective at 30 June to fair value by David Shaw (MNZIV, MP, NZ Registered Valuer) from Quotable Value. Quotable Value is an experienced valuer, with extensive market knowledge in the types and location of property owned by the company.

Security

At 30 June 2016 investment property with a carrying value of \$860,000 (2015 \$460,000) was subject to a registered mortgage to secure Westpac bank loans.

WESTLAND DISTRICT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS



11. Property, plant and equipment

	Land & Buildings	Plant & Equipment	Motor Vehicles	Total
	\$000	\$000	\$000	\$000
Cost or deemed cost				
Balance at 1 July 2014	1,075	70	13	1,158
Additions	35	24	1	60
Disposals	-	-	-	-
Balance at 30 June 2015	1,110	94	14	1,218
Balance at 1 July 2015	1,110	94	14	1,218
Additions	5	25	-	30
Disposals	(9)	-	-	(9)
Balance at 30 June 2016	1,106	119	14	1,239
Depreciation and impairment losses				
Balance at 1 July 2014	22	22	4	48
Depreciation for the year	22	17	3	42
Impairment Loss	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2015	44	39	7	90
Balance at 1 July 2015	44	39	7	90
Depreciation for the year	23	17	3	43
Impairment Loss	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2016	67	56	10	133
Carrying Amounts				
At 1 July 2014	1,053	48	9	1,110
At 30 June 2015	1,066	55	7	1,128
At 1 July 2015	1,066	55	7	1,128
At 30 June 2016	1,039	63	4	1,106

Security

At 30 June 2016 properties with a carrying value of \$826,000 (2015 \$841,000) are subject to a registered mortgage to secure Westpac bank loans.

WESTLAND DISTRICT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS



2016	2015
\$000	\$000

12. Contingent assets and liabilities

The company had no liabilities at 30 June 2016. (2015 \$Nil)

The company has a contingent asset in relation to the Haast Hollyford Agreement, which may see initial costs incurred by the company reimbursed with agreement from other parties. The company has also claimed under its Directors Indemnity Insurance policy which if successful could see \$20k of legal costs recovered.

13. Capital commitments

The company has no capital commitments at 30 June 2016 (2015 \$Nil)

14. Trade and other payables

Trade Payables	341	422
GST	-	55
Accrued Expenses	14	14
Accrued Interest	2	3
	357	494

15. Employee Entitlements

Westland District Property Ltd as the following current employee entitlements

Holiday Pay Accrued	20	21
Wages Accrued	14	10
	34	31

Westland District Property Ltd has no non current employee entitlements

16. Loans & Borrowings

Term Loans	743	921
	743	921

The term loan are split as follows:-

Current	233	174
Non-current	510	747
	743	921

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

	2016	2015	Maturing
	\$000	\$000	
Westpac Term Loan - Interest Rate 5.2% (LY: 6.2%)	200	350	2016
Westpac Term Loan - Interest Rate 5.2% (LY: 6.4%)	272	286	2019
Westpac Term Loan - Interest Rate 5.2% (LY: 6.75%)	271	285	2019
(Carrying value is not materially different to Face value)			

In managing interest rate risks, the Company aims to reduce impacts of short-term fluctuations on the Company's earning. Over the longer term, however, permanent changes in interest rates will have an impact on profit. At 30 June 2016 it is estimated that a 1% increase in interest rates would decrease the Company's 2016 profit before tax by approximately \$7,000 (2015: \$7,000)

The company has no formal interest rate hedging policy.

As well as specific security over Property Plant and Equipment and Investment Property, Westpac holds a general security agreement over the company's assets and undertakings.

WESTLAND DISTRICT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS



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	Related party	Type of transaction	Transaction amount	Balance 30 June
			\$000	\$000
<i>1 July 2015 to 30 June 2016</i>				
WDC	Hokitika Airport Ltd	Sale - Lease	26	2
WDC	Hokitika Airport Ltd	Sale - Management fees	4	-
WDC	Hokitika Airport Ltd	Sale - Oncharged wages and costs	49	7
WDC	Hokitika Airport Ltd	Purchase - lease and other storage costs	7	1
WDC	Westroads Ltd	Purchase - Maintenance contracting services	41	10
WDC	Westroads Ltd	Sale - Leased property	22	2
WDC	Westroads Ltd	Subvention Receipt	42	42
WDC	Westroads Ltd	Group Tax Loss offset	108	-
WDC	Westland District Council	Purchase - Occupancy costs, Other	137	235
WDC	Westland District Council	Sale - Services	221	-
WDC	Westland District Council	Sale - Recoveries	113	74
<i>1 July 2014 to 30 June 2015</i>				
WDC	Hokitika Airport Ltd	Sale - Lease and oncharged costs	69	6
WDC	Hokitika Airport Ltd	Sale - Management fees	4	1
WDC	Hokitika Airport Ltd	Purchase - lease and other storage costs	7	-
WDC	Westroads Ltd	Purchase - Maintenance contracting services	31	1
WDC	Westroads Ltd	Sale - Leased property	43	3
WDC	Westroads Ltd	Subvention Receipt	117	89
WDC	Westroads Ltd	Group Tax Loss offset	230	-
WDC	Westland District Council	Purchase - Occupancy costs, Other	177	354
WDC	Westland District Council	Sale - Services	221	-
WDC	Westland District Council	Sale - Commission	20	-
WDC	Westland District Council	Sale - Recoveries	60	99

No related party debts have been written off or forgiven during the year.

WESTLAND DISTRICT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS



	2016	2015
	\$000	\$000
Key management personnel		
Key management personnel compensation comprised the directors and the general manager.		
Short-term employee benefits	122	118
Termination benefits	-	-
	122	118

18. Post balance date events

The directors are not aware of any events subsequent to balance date that require adjustment or disclosure in these financial statements.

	2016	2015
	\$000	\$000

19. Financial instruments

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

Loans and receivables

Cash and cash equivalents	28	29
Trade and other receivables	142	501

Financial liabilities at amortised cost

Trade and other payables	357	494
Term Loans	743	921

Financial instruments which potentially subject the company to risk consist principally of cash, trade receivables and various off-balance sheet instruments.

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 materially different to the values shown above, and are all anticipated to occur within twelve months of the balance date.

The company has no significant exposure to credit risk. Cash and cash equivalents are held with a reputable organisations.

WESTLAND DISTRICT PROPERTIES LIMITED

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Interest Rate Risk

The company and group 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 and group to fair value interest rate risk. The company has 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 16.) 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 company invests in high credit quality financial institutions and limits the amount of credit exposure to any one financial institution. Accordingly, the company does not require any collateral or security to support financial instruments with organisations it deals with.

Concentrations of credit respect with respect to accounts receivable are high due to the reliance on the Westland District Council for a high proportion of the Company's revenue. However the Council is considered a high credit quality entity.

Liquidity risk

Liquidity risk represents the company's ability to meet its contractual obligation. The company evaluates its liquidity requirements on an ongoing basis. In future the company will generate sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. Currently the company has the ongoing support of its parent entity for the next 12 months.

WESTLAND DISTRICT PROPERTIES LIMITED

NOTES TO THE ACCOUNTS



	2016	2015
	\$000	\$000
20. Reconciliation of net Surplus after taxation with Cash Inflow from Operating Activities		
Cash Inflow from Operating Activities		
Net (loss)/profit after taxation	(184)	(317)
<i>Add/(less) non cash items:</i>		
Depreciation	43	42
Increase/(decrease) in provision for doubtful debts	1	-
Movement in deferred tax asset	-	-
Change in fair value of investment properties	55	95
Total non-cash items	99	137
<i>Add/(less) items classified as investment activity:</i>		
Net loss on sale of investment property	-	-
Net loss on sale of property plant & equipment	-	-
Capital creditors	6	(11)
Total Investing Activity Items	6	(11)
<i>Add/(less) movements in working capital items:</i>		
(Decrease)/Increase in accounts payable and income in advance	(121)	75
(Decrease)/Increase in employee entitlements	3	10
Decrease (Increase) in Subvention payment receivable	47	(5)
Decrease (Increase) in receivables and prepayments	355	(393)
(Decrease) Increase in work in progress	-	-
Working Capital Movement - net	284	(313)
Decrease/(Increase) in term inventory	(1)	497
Net Cash Outflows to Operating Activities	204	(7)

21. Capital management

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

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Company recognises the need to maintain a balance between higher returns that may be possible with greater gearing and advantages and security afforded by a sound capital position.

The company has a policy of shareholders funds being greater than 60% of total assets.