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# ANNUAL REPORT

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For the year ended 30 June 2025

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# DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Directors of Destination Westland 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 2025.

## 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 organisation as defined in section 6 of the Local Government Act 2002. The Company was founded in December 2001 and commenced operation on 1 July 2002. The registered office of the Company is at the offices of Cuffs Ltd, 51 Tancred Street, HOKITIKA.

## The Company's purpose or mission

The primary objectives of the Company are to maximise opportunities for the development of commercial and tourism-based aviation in Westland, 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 and provide a commercial return to its shareholders and the promotion of Westland as a destination.

## Structure of the Company's operations, including governance arrangements

The Company comprises of a Board of three Directors who oversee the objectives of the Company, and a Chief Executive who is responsible for its day to day operations.

## Principal Activities

The Company's principal activities during the year were:

- Operation of Aerodrome at Hokitika Airport;
- Management of Land & Buildings surrounding the Airport as Landlord;
- Operation of Helipads at Franz Josef;
- Operation of Te Wheke Digital Hubs;
- Management of Company & Westland District Council owned property including
  - Pensioner Housing
  - Baches on Road Reserves

## REVIEW OF OPERATIONS

Results for the year ended 30 June 2025	\$000
Net Surplus before Taxation	230
Taxation	2
<b>Net Surplus after Taxation</b>	<b>232</b>
Net Other Comprehensive Income	-
<b>Total Other Comprehensive Income</b>	<b>232</b>
Movements in Equity	
Equity (opening balance)	15,257
Net Surplus after Taxation	232
<b>Equity (closing balance)</b>	<b>15,489</b>

## Directors' interest

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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.

## CHANGES OF DIRECTORS

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There were no retirements or appointments of directors during the year.

## ENTRIES IN THE INTERESTS REGISTER

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As at 30 June 2025, the Directors have declared general disclosure of interest in the following entities:

<b>C G Gourley</b>	Experience Mid Canterbury	Board Member
	GCF1 Limited	Director
	MoneyGoRound Limited	Director
	SFT Group Holdings Ltd	Board Chair
	Fern Energy Limited	Chief Operations Manager
	Southwark Equities Ltd	Director
	Stockman Group Limited	Director
	The Start Ltd	Director/Shareholder
<b>M L Tacon</b>	Proprietors of Mawhera Incorporaton	Committee of Management Member
<b>P J DeGoldi</b>	Cumberland Property Group Limited	Director
	Cumberland Rural Property Limited	Director
	Fulton Hogan Limited	Shareholder

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## DIRECTORS' REMUNERATION

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The Directors received the following remuneration during the year:-

C G Gourley (Chair)	\$30,000
M L Tacon	\$20,000
PJ DeGoldi	\$20,000

## Indemnity & Insurance

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

## Donations

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The total amount of donations made by the company during the year is \$NIL (2024: \$NIL)

## Auditors

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The Auditor-General is appointed under Section 14 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Ernst & Young (EY) has been appointed to provide these services.

## DIRECTORS' DECLARATION

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In the opinion of the directors of Destination Westland Ltd, the financial statements and notes on pages 4 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 2025 and the results of its 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 preparation of the financial statements with Tier 2 Public Benefit Entity Accounting Standards.

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.

These financial statements were authorised for issue by the Board on 30 September 2025.



M L Tacon  
Interim Chair



P J DeGoldi  
Director

**STATEMENT OF**
**COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	2025 \$000	2024 \$000
<b>Revenue from Exchange Transactions</b>			
Lease Income		1,385	1,262
Services		694	881
Management Fees		218	791
Landing Fees		417	354
Interest Revenue		41	39
Bad Debt Recovered		8	4
<b>Total Revenue from Exchange Transactions</b>		<b>2,763</b>	<b>3,331</b>
<b>Revenue from Non-Exchange Transactions</b>			
Grants		242	18
<b>Total Revenue from Non-Exchange Transactions</b>		<b>242</b>	<b>18</b>
<b>Total Revenue</b>		<b>3,005</b>	<b>3,349</b>
<b>Other gain/(losses)</b>			
Fair Value movement on Investment Property	12	89	40
Gain on Disposal of Assets		1	4
Loss on Disposal of Assets		( 2)	( 1)
<b>Net other gain/(losses)</b>		<b>88</b>	<b>40</b>
<b>Total Revenue and Gains</b>		<b>3,093</b>	<b>3,389</b>
<b>Less Expenditure</b>			
Operating Expenses		942	958
Depreciation & Impairment Losses	9	345	333
Interest Expense		172	173
Service Delivery Costs		861	1,330
Occupancy Costs		543	438
<b>Total Expenses</b>	<b>1</b>	<b>2,863</b>	<b>3,233</b>
<b>Surplus/(Deficit) before Income Tax</b>		<b>230</b>	<b>160</b>
Income Tax Expense/(Credit)	2	( 2)	34
<b>Surplus/(Deficit) for the Period</b>		<b>232</b>	<b>126</b>
<b>Other Comprehensive Income</b>			
Gain on Land, Building & Runway Revaluation		-	-
Deferred Taxation on Revaluation		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>232</b>	<b>126</b>

The above statements should be read in conjunction with the notes to and forming part of the financial statements  
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STATEMENT OF

# CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

Notes	Share Capital \$000	Asset Revaluation Reserve \$000	Retained Earnings \$000	Total \$000
Balance 1 July 2024	9,130	5,583	544	15,257
Profit/(loss) for the period	-	-	232	232
Other Comprehensive Income	-	-	-	-
Deferred Tax on Revaluations	-	-	-	-
<b>Balance 30 June 2025</b>	<b>9,130</b>	<b>5,583</b>	<b>776</b>	<b>15,489</b>
Balance 1 July 2023	9,130	5,583	418	15,131
Profit/(loss) for the period	-	-	126	126
Other Comprehensive Income	-	-	-	-
Deferred Tax on Revaluations	-	-	-	-
<b>Balance 30 June 2024</b>	<b>9,130</b>	<b>5,583</b>	<b>544</b>	<b>15,257</b>



## STATEMENT OF

## FINANCIAL POSITION



AS AT 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>EQUITY</b>			
Share capital	3	9,130	9,130
Retained Earnings		776	544
Asset Revaluation Reserve		5,583	5,583
<b>Total Equity</b>		<b>15,489</b>	<b>15,257</b>
represented by:			
<b>CURRENT ASSETS</b>			
Bank accounts and Cash		268	550
Inventory		17	39
Prepayments		45	47
Debtors and other receivables - exchange transactions	4	177	418
<b>Total current assets</b>		<b>507</b>	<b>1,054</b>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft		3	1
Creditors and other payables - exchange transactions		211	431
Employee Entitlements	8	76	109
Loans	10	2,500	3,000
Bond		60	50
Tax Payable		68	34
Income in advance		35	128
<b>Total Current Liabilities</b>		<b>2,953</b>	<b>3,753</b>
<b>Working Capital (Deficit)</b>		<b>( 2,446)</b>	<b>( 2,699)</b>
<b>NON-CURRENT ASSETS</b>			
Property Plant & Equipment	9	18,952	19,123
Investment Property	12	1,505	1,395
<b>Total Non-Current Assets</b>		<b>20,457</b>	<b>20,518</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans	10	-	-
Deferred Tax Liability	2	2,522	2,562
<b>Total Non-Current Liabilities</b>		<b>2,522</b>	<b>2,562</b>
		-	-
<b>Net Assets</b>		<b>15,489</b>	<b>15,257</b>

The above statements should be read in conjunction with the notes to and forming part of the financial statements  
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# STATEMENT OF CASH FLOWS



FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$000	2024 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from exchange transactions		2,867	3,063
Receipts from non-exchange transactions		242	18
Interest received		41	39
Income taxes refund		7	-
Payments to suppliers & employees		( 2,515)	( 2,622)
Interest Paid		( 153)	( 173)
Income taxes paid		( 10)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>13</b>	<b>479</b>	<b>325</b>
<b>CASH FLOWS FROM/ (TO) INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		3	11
Payments to acquire property, plant and equipment		( 245)	( 169)
Payments to acquire and develop investment properties		( 21)	-
<b>NET CASH FLOW FROM/(TO) INVESTING ACTIVITIES</b>		<b>( 263)</b>	<b>( 158)</b>
<b>CASH FLOW FROM FINANCING/ (TO) ACTIVITIES</b>			
Loan Repayments/Advances		( 500)	60
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>( 500)</b>	<b>60</b>
<b>Net increase/(decrease) in cash for the year</b>		<b>( 284)</b>	<b>227</b>
Add opening bank accounts and cash		549	322
<b>Closing bank accounts and cash</b>		<b>265</b>	<b>549</b>
<i>Made up of:</i>			
Current Accounts		268	550
Bank Overdraft		( 3)	( 1)
		<b>265</b>	<b>549</b>

The above statements should be read in conjunction with the notes to and forming part of the financial statements  
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**STATEMENT OF**
**SERVICE PERFORMANCE**
**FOR THE YEAR ENDED 30 JUNE 2025**

	<b>ACTUAL</b>	<b>BUDGET</b>
	<b>2025</b>	<b>2025</b>
	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>		
Revenue from Exchange Transactions	2,763	2,430
Revenue from Non Exchange Transactions	242	-
Other Gains/(Losses)	88	-
<b>Total Revenue &amp; Gains</b>	<b>3,093</b>	<b>2,430</b>
<b>Less Expenditure</b>		
Operating Expenses	942	675
Depreciation & Impairment Losses	345	320
Interest Costs	172	175
Service Delivery Costs	861	700
Occupancy Costs	543	365
<b>Total Expenses</b>	<b>2,863</b>	<b>2,235</b>
Surplus/(loss) before taxation	230	195
Taxation expense/(credit)	( 2)	55
<b>Net surplus/(loss) after taxation</b>	<b>232</b>	<b>140</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the year</b>	<b>232</b>	<b>140</b>
Shareholder Funds	15,257	15,257
Retained earnings	232	140
<b>Closing shareholder funds</b>	<b>15,489</b>	<b>15,397</b>
PRETAX RETURN ON SHAREHOLDER FUNDS	1.5%	1.3%
PERCENTAGE OF SHAREHOLDERS FUNDS TO TOTAL ASSETS	71.3%	73.45%

# STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2025

Area	Performance Measure	Performance Target	Outcome
Aged Housing	Occupancy is Maximised	No less than 90%	✓
Aged Housing	Tenant Satisfaction	Satisfaction is greater then or equal to 95%	N/A <sup>1</sup>
Leasehold Properties	Annual % of properties available	Leasehold Properties available for lease to be equal or more than 80%	✓
Communication		Maintain high level of communication with Shareholders and WDC	✓
Health & Safety	Time Loss through Injury	Time loss through injury to be Zero	✓
Environmental	Environmental Incidents	No notifiable environmental incidents on company property	✓
Aviation	Annual CAA Findings	Nil Major findings	✓

1: Tenant Satisfaction Surveys were completed after the the financial year ended.





## STATEMENT OF

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2025

## REPORTING ENTITY

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

The company is a Council Controlled Organisation as defined in Section 6(1) of the Local Government Act 2002, with the company's parent being the Westland District Council. Destination Westland Limited is an Airport Authority under the Airport Authorities Act 1966. The Civil Aviation Act 2023 took effect on 5 April 2025 and provides for airport operators to register under the new Act by 5 April 2030. Until then, Destination Westland continues to operate under the Airport Authorities Act.

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.

From its inception, the Company was designated as a 'for-profit' entity for purposes of the New Zealand equivalents to International Financial Reporting Standards. In 2019 Destination Westland Limited reviewed its operations and objectives and with significant judgments made determined that the Company shall continue to be designated as a For-Profit entity. That designation was based on our judgments at that time that our primary objective is to generate a commercial rate of return, rather than to provide goods or services for community or social benefit. Generating a commercial rate of return is a key consideration when determining what goods or services we provide, and how those goods or services are provided.

In 2020, Destination Westland Limited reviewed its operations again and elected to report as Public Benefit Entity. This was based on the proportion of services for the community and social benefit and that we have not generated a commercial rate of return over the last couple of financial years.

This has been reviewed each year following and confirmed again for the year ending 30 June 2025.

## 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 Public Benefit Entity Accounting Standards (PBE Standards) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board. Destination Westland Limited complies with Parts 3 and 4 of the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

The company has elected to report in accordance with Tier 2 PBE Accounting Standards and has applied disclosure concessions. The company is eligible to report in accordance with Tier 2 PBE Accounting Standards as it is not publicly accountable and has expenses of less than \$30 million.

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 2025.

#### **Measurement Base**

The financial statements have been prepared on a historical cost basis.

#### **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.

There are no material judgements or estimates applied in these Financial Statements.

#### **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 Debtors & other receivables and Creditors & other 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.

### **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in Destination Westland Limited's accounting policies since the date of the last audited financial statements.

### **SIGNIFICANT ACCOUNTING POLICIES**

The 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:

#### **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**

All items of property (except for Land Improvements and buildings and runway and lighting which are accounted for at fair value and are revalued at least every 3 years, or earlier if the carrying value materially differs to fair value), plant and equipment is recorded 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:

	2025	2024
Buildings	3-50years	3-50years
Land improvements	3-50years	3-50years
Plant & equipment	1.5-25years	1.5-25years
Runway	10-50years	10-50years

### 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.

Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

### Impairment of Debtors & other receivables

The recoverable amount of the Company's investments in Debtors & other 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). Debtors & other receivables with a short duration are not discounted.

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

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

## **Non-financial assets**

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

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

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

## **FINANCIAL INSTRUMENTS**

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

### **Financial Assets and Liabilities**

Financial assets and liabilities are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's financial assets and liabilities comprise: Bank accounts and cash and Debtors & other receivables, Trade and other payables and Loans.

Financial assets and liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

### **Creditors and other payables**

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

### **Bank accounts and cash**

Bank accounts and cash comprise cash on hand, cheque or savings accounts and call deposits held with banks. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of Bank accounts and cash for the purpose of the statement of cash flows.

### **Debtors & other receivables**

Debtors & other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Debtors & other receivables are classified as either relating to exchange transactions or non-exchange transactions.

### **Loans**

Loans are classified as other non-derivative financial instruments and are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment

## **LEASED ASSETS**

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

Other leases are operating leases and, except for investment property, the leased assets are not recognised on the Company's balance sheet. Investment property held under an operating lease is recognised on the Company's balance sheet at its fair value.

## **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**

Revenue transactions are classified either as "exchange" transactions or "non-exchange" transactions:

### **Revenue from Exchange Transactions**

Exchange transactions are transactions in which the Company received assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue from exchange transactions are accounted for when it is probable that the economic benefits or service potential associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

The exchange revenue transactions for the Company are Lease Income, Services rendered (management fees, landing fees and marketing revenue) and Interest Income.

### **Lease income**

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 is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customer. If the company satisfies a performance obligation before it received the consideration, the company recognises a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

### **Management Fees**

Revenue is recognised over the time of the contract and is paid monthly.

### **Landing Fees**

Revenue arises at the point of time when the associated aircraft takes off or lands. Payment is due monthly (see note 4 for the payment terms)

### **Interest**

Interest income is recorded as it is earned during the year.

### **Revenue from Non-Exchange Transactions**

In a non-exchange transaction, the Company either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange. This revenue has conditions attached which specify that the future economic benefits or service potential is required to be consumed as specified or must be returned to the transferor.

### **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**

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.

### **STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED**

Standards and amendments issued but not yet effective and not early adopted are:

#### **PBE IFRS 17 Insurance Contracts**

This new standard sets out accounting requirements for insurers and other entities that issue insurance contracts and applies to financial reports covering periods beginning on or after 1 January 2026.

These amendments and the new standard are not expected to have a significant impact.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2025

### 1. From Operations - Nature of Expenses

	2025	2024
	\$000	\$000
<i>The following items are included in the expenditure of the company:</i>		
Audit fees to EY comprising audit of financial statements	77	76
Directors' Fees	70	70
Donations	-	-
Movement in Provision for Doubtful Debts	( 1)	( 8)
Bad Debts Written off	6	3
<b>Personnel Expenses</b>		
Wages & Salaries	599	967
Contributions to defined contribution plans	17	27
	616	994

### 2. Income Tax

	2025	2024
	\$000	\$000
Surplus/(deficit) before taxation	230	160
Prima facie taxation @ 28%	64	45
Plus/(less) taxation effect of permanent differences	( 25)	( 11)
Prior Period Adjustment due to group loss offset	( 41)	-
Income Tax Expense /(Credit)	( 2)	34

#### Income Tax expense is represented by

Current tax	79	41
Prior Period Adjustment	( 41)	
Deferred taxation	( 40)	( 7)
	( 2)	34

#### Deferred Taxation Liability/(Asset)

Balance as at 1 July	2,562	2,569
Movement Recognised in surplus or deficit	( 40)	( 7)
Movement Recognised in Other Comprehensive Income	-	-
Balance as at 30 June	2,522	2,562

#### Deferred tax assets and liabilities are attributable to the following:

Property, Plant & Equipment (Liability)	2,540	2,578
Accruals (Asset)	( 15)	( 13)
Receivables Impairment	( 3)	( 3)
Tax Losses carried forward	-	-
	2,522	2,562

### 3. Share Capital

At 30 June 2025 the company authorised and issued 4,000,100 shares which are fully paid up and have no par value. (2024: 4,000,100).

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.

No dividends were declared during the year ended 30 June 2025 (2024: NIL)

### 4. Debtors and Other Receivables

All trade debtors, contract receivables and related party debtors relate to exchange transactions

	2025	2024
	\$000	\$000
Trade Debtors	91	166
Contract Receivables	59	146
Related Party Debtors	33	58
Contra Accounts	5	60
Provision for Doubtful Debts	( 11)	( 12)
	177	418

All receivables relate to New Zealand and their status at the reporting date is as follows:

	Gross Receivable	Provision for	Gross Receivable	Provision for
	2025	Doubtful Debts	2024	Doubtful Debts
	\$000	\$000	\$000	\$000
Not past due	143	-	322	-
Past due 0-30 days	20	1	10	1
Past due 31-120 days	4	1	19	1
Past due 121-360 days	7	1	9	2
Past due more than 1 year	9	8	10	8

Trade receivables have a general payment terms of the 20th of the month following invoice.

### 5. Contingent Liabilities & Contingent Assets

At 30 June, Destination Westland Ltd had the following contingent liabilities.

	2025	2024
	\$000	\$000
Guarantees: Ministry of Economic Development	10	10

The Contingent Liability is a bond for the mining licence held for the extraction of gravel.

The company has no contingent assets at balance date (2024 NIL)

### 6. Commitments

Capital Commitments: The company has no capital commitments at 30 June 2025 (2024: NIL ).

Other Commitments: NIL (2024: NIL)

### 7. Post Balance Date Events

Post balance date, Westland District Council took back management of WCWT Maintenance. There are no other events post-balance date that affect the readers of these accounts. (2024: Westland District Council took back management of Hokitika isite Visitor Informaiton Centre, Hokitika Swimming Pool and Jacksons Bay Wharf.)

## 8. Employee Disclosure

Destination Westland has the following current employee entitlements

	2025	2024
	\$000	\$000
Holiday Pay Accrued	68	84
Wages Accrued	8	23
	76	107

Destination Westland has no non current employee entitlements (2023: Nil)

## 9. Property, plant and equipment

	Land Improvement & Buildings valuation	Plant & Equipment	Runways, Roading, Drainage & Lighting Valuation	Under Construction	Total
	\$000	\$000	\$000	\$000	\$000
<b>Cost or Valuation</b>					
Balance at 1 July 2023	12,668	847	6,314	1,794	21,623
Additions	33	128	-	37	198
Transfer to L, I& B	1,764	-	-	( 1,764)	-
Revaluation	-	-	-	-	-
Disposals	-	( 28)	-	-	( 28)
Balance at 30 June 2024	14,465	947	6,314	67	21,793
Balance at 1 July 2024	14,465	947	6,314	67	21,793
Additions	24	116	-	86	226
Transfer to L, I& B	-	-	-	-	-
Revaluation	-	-	-	-	-
Disposals	( 24)	( 48)	-	-	( 72)
Balance at 30 June 2025	14,465	1,015	6,314	153	21,947
<b>Depreciation and impairment losses</b>					
Balance at 1 July 2023	1,177	467	713	-	2,357
Depreciation for the year	211	88	34	-	333
Disposals	-	( 20)	-	-	( 20)
Balance at 30 June 2024	1,388	535	747	-	2,670
Balance at 1 July 2024	1,388	535	747	-	2,670
Depreciation for the year	211	99	35	-	345
Disposals	( 2)	( 18)	-	-	( 20)
Balance at 30 June 2025	1,597	616	782	-	2,995
<b>Carrying Amounts</b>					
At 1 July 2023	11,491	380	5,601	1,794	19,266
At 30 June 2024	13,077	412	5,567	67	19,123
At 1 July 2024	13,077	412	5,567	67	19,123
At 30 June 2025	12,868	399	5,532	153	18,952

### Security

At 30 June 2025 properties, this includes investment properties, with a valuation of \$8,320,000 are subject to a registered mortgage to secure Westpac bank loans plus all assets are subject to a general registered security (2024: \$8,210,000, all assets).

## 10. Loans

	2025	2024
	\$000	\$000
Term Loan	2,500	3,000
	2,500	3,000
The term loan is split as follows:-		
Current WDC Loan (LGFA)	2,500	3,000
Non-current WDC Loan (LGFA)	-	-
	2,500	3,000
Not later than 1 year	2,500	3,000
Later than 1 year and not later than 2 years	-	-
Later than 2 years and not later than 5 years	-	-
Later than 5 years	-	-

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

	2025	2024
	\$000	\$000
	<b>Maturing</b>	
WDC LGFA Loan - Interest 6.10% (LY: 6.1%)	Jun-25	2,000
WDC LGFA Loan - Interest 6.21% (LY: 6.21%)	Dec-24	1,000
WDC LGFA Loan - Interest 4.41% (LY: N/A)	Dec-25	-
WDC LGFA Loan - Interest 3.98% (LY: N/A)	Jun-26	-

(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 2025 it is estimated that a 1% increase in interest rates would decrease the Company's profit before tax by \$25,000 (2024: \$30,000)

Interest on the loans is accrued daily and is recognised as a current liability. At 30 June 2025 the company recognised \$26,231 of accrued interest (2024, \$7,612 )

The company has no formal interest rate hedging policy.

Loan Covenants: Destination Westland Ltd did not submit the required covenant compliance certificate to Westland District Council with 60 days of test date; the certificate has since been provided and all other covenants were otherwise met.



## 11 Operating Leases

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2025	2024
	\$000	\$000
Not Later than one year	-	13
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	13

The company has no non-cancellable operating leases as at 30 June 2025. (2024: 2, an access lease at Kwiatchatown and a vehicle lease.)

Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2025	2024
	\$000	\$000
Not later than one year	92	103
Later than one year and not later than five years	254	312
Later than five years	157	184
Total non-cancellable operating leases	503	599

The company leases land, buildings, terminal area, car parks & storage units with varying terms that are negotiated with individual tenants at market rates. Significant leases include a 10 year lease of land & Buildings to Westroads Ltd for \$17,000 annually, plus land and buildings for a period of 2 years with 1 3 year right of renewal with annual lease amount of \$18,000, and land for a period of 30 years (no right of renewal) with annual lease amount of \$3,000

No contingent rents have been recognised during the period.

## 12. Investment property

Opening Balance 1 July	1,395	1,355
Disposals	-	-
Additions/Improvements	21	-
Gain (loss) on disposal	-	-
Fair value gains/(losses) on valuation	89	40
Balance at 30 June	1,505	1,395

Investment properties are valued annually effective at 30 June to fair value by Coast Valuations Limited (2024: Coast Valuations Limited ) Coast Valuations Limited is an experienced valuer, with extensive market knowledge in the types and location of property owned by the company.



### 13. Reconciliation of Net Surplus after Taxation to Net Cashflows from Operating Activities

	2025	2024
	\$000	\$000
<b>Cash Inflow from Operating Activities</b>		
Net profit after taxation	232	126
<i>Add/(less) non cash items:</i>		
Depreciation and impairment losses	345	333
Bad Debts Written off	6	3
Increase/(Decrease) in provision for doubtful debts	( 1)	( 8)
Change in fair value of investment properties	-	( 40)
Increase/(Decrease) in deferred tax liability	( 40)	( 7)
<b>Total Non-Cash Items</b>	310	281
<i>Add/(less) items classified as investment activity:</i>		
Net loss (gain) on sale of property, plant & equipment	( 1)	( 3)
Capital creditors	( 29)	29
<b>Total Investing Activity Items</b>	( 30)	26
<i>Add/(less) movements in working capital items:</i>		
Increase/(decrease) in accounts payable and accruals	( 206)	78
Increase/(decrease) in employee entitlements	( 33)	( 3)
Increase/(decrease) in income received in advance	( 93)	( 58)
Increase/(decrease) in taxation payable	34	34
Decrease/(increase) in inventory	22	9
Decrease/(increase) in receivables and prepayments	243	( 168)
<b>Working Capital Movement - Net</b>	( 33)	( 108)
<b>Net Cash Inflows from Operating Activities</b>	<b>479</b>	<b>325</b>



#### 14. Transactions with Related Parties

During the year the Company transacted with businesses in which Directors and Shareholders had an interest.

Details of these interests are as follows:

Director/ Shareholder	Related Party	Type of Transaction	Transaction Amount \$000	Balance 30 June \$000
<i>1 July 2024 to 30 June 2025</i>				
	WDC Westroads Ltd	Purchase - Maintenance Contracting Services	32	-
	WDC Westroads Ltd	Sale - Royalties received	13	-
	WDC Westroads Ltd	Sale - Lease Receipts & Reimbursements	35	8
	WDC Westland District Council	Purchase - Occupancy costs & Oncharges	397	51
	WDC Westland District Council	Interest - LGFA	173	26
	WDC Westland District Council	Sales & Lease receipts	374	25
	WDC Westland District Council	Loan - LGFA	500	2,500
	C Gourley Fern Energy	Purchases - Fuel	12	1
	PJ DeGoldi Fulton Hogan	Purchases - Maintenance - Runway	7	1

Director/ Shareholder	Related Party	Type of Transaction	Transaction Amount \$000	Balance 30 June \$000
<i>1 July 2023 to 30 June 2024</i>				
	WDC Westroads Ltd	Purchase - Maintenance Contracting Services	42	17
	WDC Westroads Ltd	Sale - Royalties received	32	10
	WDC Westroads Ltd	Sale - Lease Receipts & Reimbursements	23	2
	WDC Westland District Council	Purchase - Occupancy costs & Oncharges	369	91
	WDC Westland District Council	Interest - LGFA	7	7
	WDC Westland District Council	Sales & Lease & Grants receipts	943	47
	WDC Westland District Council	Loan - LGFA	3,000	3,000
	WHL Westland Holdings Ltd	Sales - Administrative Services & Reimbursements	16	-
	WHL Westland Holdings Ltd	Loan - LGFA Repayment	2,940	-
	WHL Westland Holding Ltd	Interest - LGFA	166	-
	WHL Westland Holding Ltd	Reimbursement - LGFA Expenses	2	2
	PJ DeGoldi Fulton Hogan	Purchases - Maintenance - Runway	38	33
	CJ Rea (WHL) Hokitka Automotive	Purchase - Maintenance Vehicle Services	5	1
	CJ Rea (WHL) Chatr Communications	Purchase - Plant & Equipment	5	-

#### Key Management Personnel

Key management personnel of the company comprises of the Directors, the Chief Executive and the Operations Manager

	2025 \$000	2024 \$000
Key management personnel compensation comprised		
Short-term employee benefits	264	249
Directors Remuneration	70	70
Termination benefits	-	-
	334	319

There are no loans to or from key management personnel.

## 15. Financial Instruments

	2025	2024
	\$000	\$000

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

### *Financial assets at amortised cost*

Bank accounts and Cash	265	549
Debtors and other receivables - exchange transactions	177	418

### *Financial liabilities at amortised cost*

Creditors and other payables - exchange transactions	211	431
Creditors and other payables - non exchange transactions	-	-
Loans	2,500	3,000

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 except loans:

	2025	2024
	\$000	\$000
Loan Balance	2,500	3,000

	2025	2024
	\$000	\$000
1 Year	2,604	3,153
1 - 2 years	-	-
3 - 5 years	-	-
Greater than 5 years	-	-
Total Cashflow	2,604	3,153

The company has no significant exposure to credit risk, where other receivables are due from government organisations and bank accounts and cash are held with a registered bank.

The approximate weighted average effective interest rate of the financial instruments is as follows:

	2025	2024
	%	%
Bank accounts and cash	3.29	5.50
Bank overdrafts*	8.80	11.15
Trade and other receivables	0.0	0.00
Trade and other payables	0.0	0.00
Loans	4.15	6.14

\*No interest expense was incurred on the overdraft facility during the year, as the facility was not utilised

The Directors do not consider there is any significant exposure to interest rate risk.

There are no interest rate options or interest rate swap agreements in place as at 30 June 2025. (2024: NIL.)

### **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.

Financial instruments which potentially subject the company to risk consist principally of bank accounts & cash, debtors & other receivables and various off-balance sheet instruments. 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.

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. There is no significant concentration of receivables with any one customer.

### **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 in the ratio of 50-100% of total assets.





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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE READERS OF DESTINATION WESTLAND LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 25**

The Auditor-General is the auditor of Destination Westland 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 4 to 7 and 10 to 24, 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 page 8 and 9

#### **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
  - 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 30 September 2025. This is the date at which our opinion is expressed.



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### **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.

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



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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.
- 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.



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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