



**WESTLAND HOLDINGS LTD
(GROUP)**

HALF YEARLY REPORT

For The 6 Months Ended 31 December 2019

Westland Holdings Ltd (Group)

DIRECTORS REPORT

The Directors of Westland Holdings Ltd (Group) hereby present the unaudited Half Yearly Report for the six months ended 31 December 2019

Principal Activities

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

- Westroads Ltd
- Destination Westland Limited

Review of Operations

	Group Dec 19 \$000	Group Dec 18 \$000
Result for the period ended 31 December 2019		
Net Profit/(Loss before Taxation)	948	(303)
Income Taxation/Subvention Provision	<u>(265)</u>	<u>-</u>
Net Profit (Loss) after Taxation and total comprehensive income	<u>683</u>	<u>(303)</u>

Results for the year to date are significantly better compared to the same period last year due to Westroads Ltd posting a before tax profit for the period of \$1,174,000 compared with \$335,000 for the same period last year and their budget of \$502,000.

Destination Westland income for the period was \$1,311,000 against a budget of \$1,837,000. Although not ideal it is an improvement from the same period last year when income was \$1,303,000.

Comment from the individual companies are as follows:-

Westroads Ltd:

- Total Revenue is up on budget by 18% and up 40% on last year. The growth in revenue has occurred across all three branches with the Canterbury branch, Trenching Dynamix, being particularly strong. The forward work in both Hokitika and Canterbury branches is large but manageable. Additional staff have been recruited at Trenching Dynamix.
- Gross Profit is only marginally up on budget and up 14% on last year. There has been some internal cost adjustments made to our reporting that allocates more of the wage cost to the jobs and less to wage overheads. This has had the effect of lowering the Gross Profit by approximately \$300,000 whilst also lowering Administration Expenses by the same figure.
- Administration costs are down on budget by \$456,000. \$300,000 of this is as noted above.

The overall result was a profit before tax of \$1,174,000 for the 6 months compared with a budget of \$502,000 and last year of \$355,000. The large increase was due to a significant improvement in Trenching Dynamix's contribution from near nothing for the same period last year to \$679,000 this

Westland Holdings Ltd (Group)

year. Hokitika branch also performed well due to the increased amount of work completed over the period. The Greymouth branch operated at break even and is a focus of management at present.

The company has once again made significant investments in plant & equipment of \$1.4M replacing older machinery and purchasing new for the extra contracts that have been won. There is a significant amount of further plant purchases required to meet our expanding workload.

Looking forward we expect the second half of the year to be softer with tighter margins becoming evident in Canterbury.

Westland Holdings Limited

- Revenue is in below budget by 28.6% and similar to this period last year.
- Income invoiced in Advance of \$286,000 to be reported as income over the next half of the year.
- The year to date is showing a loss of \$107,000 against a budget profit of \$27,000. There was a loss of \$196,000 at the same time last year.
- It is anticipated that Wildfoods will break even this year depending on ticket sales and weather.

Dividend

No dividend has been declared for the period ended 31 December 2019 at this stage.

For and on behalf of the Board



J M Conroy
Chairperson
28 February 2020

Westland Holdings Ltd (Group)

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2019

REPORTING ENTITY

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

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

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

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

MEASUREMENT BASE

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

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in annual Financial Statements except for the following:

- Employee entitlements are not split between current and term and are reported as a current liability only.
- Provision is made for taxes, but no allowance has been made for the reduction achieved by the use of subvention payments, due to the uncertainty around this amount in the interim period.
- Interim Financial Statements are prepared in accordance with Financial Reporting Standard no. 24

CHANGES IN ACCOUNTING POLICIES

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

Westland Holdings Ltd (Group)

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2019

1. PROPERTY, PLANT & EQUIPMENT

	Group Dec 19 \$000	Group Dec 18 \$000
Land & Buildings	5,248	4,642
Less accumulated depreciation	<u>1,038</u> 4,210	<u>877</u> 3,765
Plant, Equipment & Motor Vehicles	24,737	23,702
Less accumulated depreciation	<u>12,081</u> 12,656	<u>11,882</u> 11,820
Office Furniture and Equipment	674	647
Less accumulated depreciation	<u>552</u> 122	<u>510</u> 137
Airport Runway Infrastructure	2,437	2,437
Less accumulated depreciation	<u>580</u> 1,857	<u>537</u> 1,900
Asset under Construction	68	114
Total Fixed Assets	<u>18,913</u>	<u>17,736</u>