DESTINATION WESTLAND

Statement of Intent

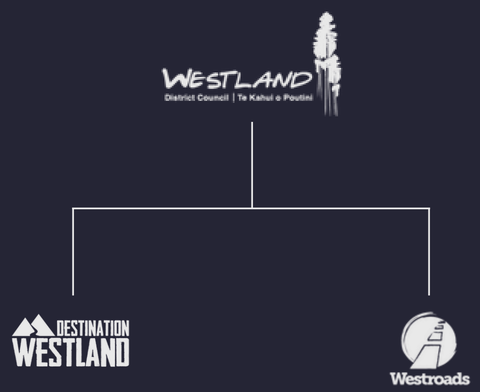
For three years commencing
1 July 2025

Contents

INTRODUCTION

Destination Westland Limited is a Westland District Council-Controlled Organisation for the purposes to the Local Government Act 2002 and is registered under the Companies Act 1993.

This Statement of Intent (SOI) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002 and outlines the overall objectives and forecasts for Destination Westland for three years commencing from 1 July 2025



COMPANY MISSION STATEMENT

Striking a balance between investing in capital to maintain and improve our assets and producing long-term profitable operational results

OUR VALUES

S **AFETY:**
Health and Safety is everyone's business, and everyone is expected to share in our commitment to avoid all accidents and incidents.

T **RUST:**
Acting with credibility, professionalism and integrity every day.

A **CCOUNTABILITY:**
Being responsible for our actions and behaving openly and straightforwardly

R **ESPECT:**
Recognising each other's differences. Being considerate to each other and our environment.

T **EAMWORK:**
Our unifying Value: We are One Team working together in a positive spirit towards the same goal.

OUR GOALS AND OBJECTIVES

HEALTH, SAFETY & RISK MANAGEMENT

We will foster a proactive health, safety, and risk management culture that prioritises continuous improvement and learning.

We will:

- Embed a Civil Aviation Authority (CAA) compliant Safety Management System across both of our aerodromes, ensuring that these safety practices are integrated into all our operational activities.
- Promote health, safety, and wellness through regular discussions with our whole team and ensure it is central to all that we do.
- Identify critical risks and develop plans to mitigate them.

COMMERCIAL

- Develop new opportunities across the core strategic focus areas - Manage and Leverage Assets to Attract Investment.
- Provide quality, efficient and cost-effective management services on a commercially competitive basis.
- Conduct business in a professional manner in accordance with the mandate and Company statement of Intent.
- Consistent with achieving the objectives stated, deliver both financial & nonfinancial returns to the Shareholder.

GROWTH FOCUS

- Grow and diversify revenue streams from existing activities.
- Seek out opportunities for new revenue streams.
- Be enabling for partnership in new activities.
- Enhance the value of the Shareholders’ investment.

STRATEGIC DIRECTION

Destination Westland Ltd exists to manage and develop key community, infrastructure, and commercial assets on behalf of the Westland District Council (WDC), contributing to the social and economic wellbeing of the district. Our strategic intent is to operate as a commercially-focused Council-Controlled Organisation that delivers value through efficient asset management, responsible growth, and support for regional connectivity.

We align with the priorities of WDC's Long-Term Plan, particularly around infrastructure resilience, sustainable development, and effective stewardship of public resources.

Key Strategic Focus Areas (5–10 Years)

Airport and Heliport Development
Destination Westland owns the aeronautical infrastructure at Hokitika Airport and Glacier Country Heliport. Over the next decade, we will prioritise maintenance and upgrades to ensure regulatory compliance (CAA Part 139) and support long-term regional air connectivity and resilience.

Commercial Growth and Land Development
We will seek to maximise value from leased and underutilised land through commercial development initiatives, ensuring compatibility with aviation use and local planning. Growth opportunities will be pursued where they align with our mandate and offer clear community or commercial return.

Property Portfolio Management
The residential and commercial property portfolios will be managed to improve performance, enable potential divestments, and ensure maintenance standards are met, subject to shareholder direction and financial sustainability.

Operational and Digital Efficiency
We will continue investing in systems and practices that enhance performance visibility, compliance, automation, and decision-making across the company.

Environmental Sustainability
Sustainability considerations will be embedded in asset management and development decisions, including the exploration of renewable energy (e.g. solar feasibility) and low-impact infrastructure design.

GOVERNANCE

The Directors of Destination Westland are appointed to govern and direct the company's activities, and have the following roles:

1. Strategic vision and governance.
2. Develop strategy implementation plans with management, to ensure consistency with vision and governance objectives.
3. Financial planning and management to achieve strategic and governance objectives.
4. Company performance monitoring and review.
5. Manage relationships with Shareholders, iwi, stakeholders and external parties at a governance level.
6. Ensure "no surprises" communication with Council on all matters of significance or substance, maintaining transparency and trust
7. Manage Company Risk and Compliance requirements
8. Ensure the Governance Culture aligns with the delivery of the stated Vision, Values and Objectives of the Company.

The board will continue to work closely with Council to ensure alignment on expectations and accountabilty, and actively foster a culture that supports long term performance and value.

Directors are appointed by the shareholder, Westland District Council. The Directors are appointed on rotation policy. The current Board of Directors and rotation dates are:

Director	First Appointed	Current Term End Date	Eligible for Reappointment
Chris Gourley (Chair)	June 2020	AGM 2027	Yes
Marie-Louise Tacon	November2021	AGM 2025	Yes
Peter De Goldi	December 2022	AGM 2026	Yes

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

ACTIVITIES OF THE COMPANY

Managing core infrastructure

Developing and executing a long-term strategy to oversee and enhance the critical infrastructure of Westland, including the ***Airport, Heliport, and Property.***

Leveraging our assets

Generate operating profits that align with our primary focus areas:
Airport - Heliport
Property
Achieve this by boosting aviation movements, enhancing land utilisation, and fostering business expansion linked to our assets.

Attracting investment

Collaborate with local and central government entities to establish robust investment streams that promote appropriate levels of capital and infrastructure expenditure.
Engage with private investors aligned with our core focus areas:
Airport -Heliport - Property

PERFORMANCE MEASURES & TARGETS

Financial Results

Measure		Target
	Manage financial performance to show year on year growth while maintaining a strong balance sheet	Interest Cover >2 Pre-Tax ROE 1-6% Net Debt/EBITDA <5x FIFO/Net Debt 12-20%

Communication

Measure		Target
	Maintain high level of communication with Shareholder	Meet communication requirements with CCO committee
	Annual Independent Tenant Satisfaction Survey to be undertaken	Complete the tenant Survey by 30 June 2025

Health, Safety and Risk

Measure		Target
	Meet our obligations amd standards under Civil Aviation Act Rules	“Major[1]” findings - Zero Independent Review of SMS completed
	Meet our obligations under the Health & Safety at Work Act and drive safety improvements.	Notifiable incidents to Worksafe - Zero TRIFR < 2
	Monitor performance and acitivities to ensure risks/hazards are managed	Quarterly review of Helath & Safety systems and performance.

Environmental

Measure		Target
	Pursue sustainability initiatives that reduce our carbon footprint.	Annual reduction of Green House Gas emmisions.
	Support transition to net zero carbon emission by 2050	Prepare 5 year plan that shows clear evidence of progress
	Minimise waste as part of shift to a circular economy.	Annual reduction of waste

Aeronautical

Measure		Target
	Annual passenger movements (arrivals and departures at Hokitika Aiprort	Increase Passenger numbers by 20%

1. An occurrence or deficiency involving a major system that caused, or had the potential to cause, significant problems to the function or efectivenes of that system.

CAPITAL EXPENDITURE & ASSET MANGEMENT

Destination Westland's capital and asset management framework focuses on the efficient and compliant stewardship of the company's assets. Over the next 10 years, we intend to:

- Maintain and renew aeronautical assets to ensure safety, regulatory compliance, and operational continuity.
- Invest in infrastructure enhancements that support future air service development, heliport growth, and compatible commercial activities.
- Strengthen asset management capability through improved data, systems, and forecasting tools.
- Align capital expenditure with strategic priorities, lease terms, and shareholder expectations, ensuring clear justification and benefits for each investment.

Destination Westland will annually review it's 10-year capital plan, in consultation with WDC, to ensure transparency and alignment with our Shareholder direction and LTP.

The approval of Westland District Council must be obtained for any significant purchases or asset developments, including the funding mechanism for any purchase or development in excess of $500,000.

ACQUISITION OF OTHER INTERESTS

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

SALE AND DISPOSAL OF ASSETS

The Company will not sell or dispose of any Company assets exceeding $100,000 in value without first being authorised to do so by a special resolution of its Shareholder.

COMMERCIAL VALUE OF SHAREHOLDER INVESTMENT

The Directors estimate that the commercial value of the Shareholders' investment in Destination Westland Limited will be represented by the opening balance of Shareholders' Funds. The Directors will advise the Shareholders on an annual basis if they believe the Shareholder Investment Value will differ materially from this amount.

The Directors may elect to revalue land improvements and investments on an annual basis in line with current Audit New Zealand policy.

RISK MANAGEMENT

The Company shall complete and document a risk management analysis together with strategies for mitigation of these risks.

The Company shall work with Westland District Council to agree on formal communication protocols to improve communication with Council's elected representatives, relevant staff and stakeholders as it relates to the activities of the Company.

The company has formal Fraud and Communication Policies in place and all Directors and staff are to be aware of this policy.

HOKITIKA AIRPORT - PROJECT HARP COLLABORATION

Destination Westland Ltd acknowledges the significant capital works programme at Hokitika Airport, led by Westland District Council. While Council retains overall responsibility, Destination Westland will work closely with the project team to support safe, compliant, and coordinated delivery.
We will:

- Work alongside the Council-appointed team to help maintain the project management plan.
- Ensure airport operations continue safely in line with CAA Rule Part 139.
- Coordinate staging, airside access, and operational continuity with contractors.
- Participate in risk reviews and assist with documenting mitigation measures.
- Support governance through clear communication and joint planning.

This collaborative approach helps enable critical upgrades while ensuring safe and compliant airport operations.

REPORTING TO SHAREHOLDERS

DWL operates on a 'no surprises' basis in respect of significant shareholder-related matters, especially on matters likely to cause community or political concerns, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

Statement of Intent

- Draft to be delivered to the shareholder on or before 1 March in the year preceding the financial year to which the draft Statement of Intent relates.
- Comments from the shareholder on draft Statement of Intent, if any, to be provided to NAL by 1 May.
- Final Statement of Intent to be delivered to the shareholder following consideration of any shareholder comments by 31 May, or later if allowed by the shareholder. In any case not later than 30 June.
- Final Statement of Intent to be made available to the public following adoption by the shareholder.

Half Yearly Financial Report

To be delivered to shareholders by 28 February. The half-yearly report will include:

- A Directors' Report which includes commentary on DWL's operations and performance against non-financial performance measures
- A condensed Statement of Comprehensive Income
- A condensed Statement of Changes in Equity
- A condensed Statement of Financial Position
- A condensed Statement of Cash Flows
- Appropriate Notes to the condensed Financial Statements

Quarterly Report

Between the annual report and half yearly report, DWL will:

- Deliver to WDC a quarterly report
- Provide commentary on the quarterly operations performance and future outlook and any special events likely to affect the performance of areas of operation

Annual Report

- To be delivered to the shareholder by 30 September unless shareholder advises othewise.
- A Directors' Report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives.
- A Statement of Comprehensive Income disclosing actual and budgeted revenue and expenditure and comparative actual figures from the previous year.
- A Statement of Changes in Equity with actuals and comparative figures from the previous year.
- A Statement of Financial Position with actuals and comparative figures from the previous year.
- A Statement of Cash Flows with actuals and comparative figures from the previous year.
- An Auditor's Report on the above statements and the measure of performance in relation to objectives.

Annual Shareholder Meeting

To be held by 31 December each year.

ACCOUNTING POLICIES

The reporting entity for accounting and financial reporting purposes is Destination Westland Limited. Destination Westland Limited has a balance date of 30 June.

Destination Westland's accounting policies comply with legal requirements of the Companies Act 1993, the Financial Reporting Act 2013, the Local Government Act 2002 and with New Zealand Generally Accepted Account Practice (NZ GAAP).

The Company reports financially under the Accounting Standards Framework implemented by the Financial Accounting External Reporting Board. For financial reporting purposes Destination Westland Limited is a public benefit entity (PBE). By Virtue of the size of the business the Company reports under the Reduced Disclosure Regime to Tier 2 requirements.

Accounting Polices are set out in detail in Destination Westland Limited's Annual Report which is available on the Company's website at www.destinationwestland.co.nz

DISTRIBUTION POLICY

Distributions will be paid, either by way of Dividends to Westland District Council or Subvention Payment to Westland District Council, as agreed with Westland District Council.

A subvention payment is defined as a payment based on a dollar for a dollar of tax loss.

The degree of profit retention/distribution will be agreed annually with Westland District Council, and included in the annual Statement of Intent, subject to the following criteria:

- The amount of any distribution considers Destination Westland Limited's ability to fund future capital expenditure requirements, to maintain and expand its operations, or to address matters related to the debt structure of the Company.
- Total liabilities not to exceed 30% of the total assets without the approval of Westland District Council.

SALE OF GOODS/SERVICES TO LOCAL AUTHORITY

It is considered likely that Destination Westland Limited will carry out some activities for which the Board will seek compensation from the Westland District Council, or its subsidiaries. These charges could be related to the sale, rental or leasing of property owned or managed by the Company or by Council or any other services as required.

Any compensation received and details of the undertaking will be reported in the annual report of Westland District Council.

Any commercial activities carried out for and or by Destination Westland Limited in relation to Westland District Council, or its subsidiaries will be at market rates.

PROJECT HARP

Hokitika Airport Capital Works Collaboration
Destination Westland Ltd acknowledges the significant capital works programme at Hokitika Airport, led by Westland District Council. While Council retains overall responsibility, Destination Westland will work closely with the project team to support safe, compliant, and coordinated delivery.
We will:

- Work alongside the Council-appointed team to help maintain the project management plan.
- Ensure airport operations continue safely in line with CAA Rule Part 139.
- Coordinate staging, airside access, and operational continuity with contractors.
- Participate in risk reviews and assist with documenting mitigation measures.
- Support governance through clear communication and joint planning.

This collaborative approach helps enable critical upgrades while ensuring safe and compliant

PROSPECTIVE STATEMENT OF

COMPREHENSIVE INCOME

FOR THE YEARS ENDING 30 JUNE

	2026 $000	2027 $000	2028 $000
Revenue from Exchange Transactions			
Lease Income	1,563	1,768	1,837
Services	68	74	80
Landing Fees	647	729	824
Total Revenue from Exchange Transactions	2,278	2,571	2,741
Revenue from Non-Exchange Transactions			
Total Revenue from Non-Exchange Transactions	-	-	-
Total Revenue	2,278	2,571	2,741
Less Expenditure			
Operating Expenses	949	972	981
Depreciation & Impairment Losses	325	350	375
Change in Fair Value of Investment Property	40	20	20
Interest Expense	105	100	90
Service Delivery Costs	91	105	122
Occupancy Costs	592	658	730
Total Expenses	2,102	2,205	2,318
Surplus/(Deficit) before Income Tax	176	366	423
Income Tax Expense/(Credit)	49	102	118
Surplus/(Deficit) for the Period	**127**	**263**	**303**
Other Comprehensive Income			
Gain on Land, Building & Runway Revaluation	450	-	-
Deferred Taxation on Revaluation	(126)	-	-
Total Other Comprehensive Income	**324**	**-**	**-**
1.			
Total Comprehensive Income	**451**	**263**	**303**
Financial Targets			
EBITDA	**281**	**465**	**511**
Interest Coverage	**2.68**	**4.66**	**5.70**

Note: Forecasts prepared without the inclusion of Project Harp assets as grant/equity treatment not confirmed at time of collation.
Forecasts do not include provisons for the management of Council contracts, updated statements to be prepared if required.

PROSPECTIVE STATEMENT OF

FINANCIAL POSITION

AS AT 30 JUNE

	2026 $000	2027 $000	2028 $000
EQUITY			
Share capital	9,130	9,130	9,130
Retained Earnings	771	1,033	1,336
Asset Revaluation Reserve	5,907	5,907	5,907
Total Equity	15,808	16,070	16,373
represented by:			
CURRENT ASSETS			
Total current assets	898	1,045	780
CURRENT LIABILITIES			
Working Capital (Deficit)	**412**	**456**	**189**
NON-CURRENT ASSETS			
Total Non-Current Assets	20,577	20,795	20,865
NON-CURRENT LIABILITIES			
Total Non-Current Liabilities	5,181	5,181	4,681
Net Assets	*15,808*	*16,070*	*16,373*

AERONAUTICAL ASSETS

FOR THE YEARS ENDED 30 JUNE

	2026 $000	2027 $000	2028 $000
Revenue from Aeronautical Assets	647	*729*	*824*
Aeronautical Assets Value	6,015		

PROSPECTIVE STATEMENT OF

CASH FLOWS

FOR THE YEARS ENDED 30 JUNE

	2026 $000	2027 $000	2028 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
NET CASH FLOWS FROM OPERATING ACTIVITES	**742**	***617***	***550***
CASH FLOWS FROM/(TO)INVESTING ACTIVITIES			
NET CASH FLOW FROM/(TO) INVESTING ACTIVITIES	**(500)**	***(500)***	***(295)***
CASH FLOW FROM/(TO) FINANCING ACTIVITIES			
NET CASH FLOW FROM/(TO) FINANCING ACTIVITIES	**-**	**-**	**(500)**
Net increase/(decrease) in cash for the year	242	117	(245)
Add opening bank accounts and cash	286	*528*	*645*
Closing bank accounts and cash	**528**	**645**	**400**
Made up of:			
Current Accounts	528	*645*	400
	528	**645**	**400**

Note: Forecasts prepared with out the inclusion of Project Harp assets as grant/equity treatment not confirmed at time of collation.

DESTINATION WESTLAND

Hokitika Airport
13 Airport Drive
Hokitika 7810

www.destinationwestland.co.nz