WESTROADS LIMITED

STATEMENT OF INTENT
2023/24

INDEX

1. INTRODUCTION

This Statement of Intent is prepared in accordance with section 64 and schedule 8 of the Local Government Act 2002.

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

The Company is a wholly owned subsidiary of Westland Holdings Limited.

This Statement of Intent covers the 3-year period commencing 1 July 2023.

2. COMPANY MANTRA AND VALUES

At Westroads "Excellence" is a way of life

To achieve this, we use the following Values to guide our activities and actions:

2.1 We pursue improvement in all that we do

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

2.2 We are committed to the team

Safety comes first

- Keep ourselves, our team and the public safe
- We all lead by example
- Have courage to correct unsafe behaviour
- Follow established procedures
- Ask if unsure

Respect goes a long way

- Respect ourselves, our teammates, clients and the public
- Respect the Company's assets and image
- Trust our people to do the right thing
- Listen openly
- Respect and protect the environment

Value our people

- Together we achieve more
- "Please" and "Thanks" goes a long way
- Care enough to provide constructive feedback

- Develop our people through training, mentoring and support
- Provide opportunities for career advancement
- Reward competitively

2.3 We are Performance Driven

Plan and Communicate

- Understand the requirements in detail
- Plan using team knowledge
- Communicate effectively

Always do our best

- Come to work to work
- Deliver the plan efficiently
- Do it right first time

We Take Pride

- Lead by example
- Take pride in ourselves, our work and our Company
- Enjoy work and celebrate success

3. THE OBJECTIVES OF THE COMPANY

The principal objective of the Company is to operate as a successful business. This will be achieved by:

a. Following the Company Mantra and Values.

Other priority objectives of the Company are:

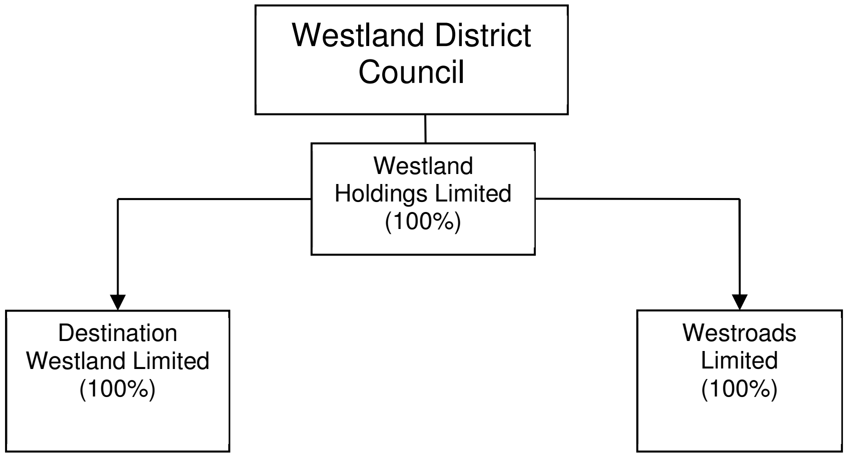
a. Returning a distribution to shareholders that makes a significant contribution to the Westland District Council's (the Council) budgeted distributions from its Council-Controlled Organisations (CCOs).

b. Maintaining a significant presence in Westland including employing locals and having equipment available throughout the district.

c. Being successful in bidding for contestable contracts tendered by Council and other significant organisations and businesses.

4. NATURE AND SCOPE OF ACTIVITIES

The Group structure is as follows:



The nature of Westroads Limited activities will be that of a general contractor and a trading organisation offering goods and services for sale and plant and equipment for hire. Its activities will include:

a. Three Water Services – operation, installation, maintenance and repairs.

b. Roads and footpaths, bridges, cycleways, driveways and car parks – their construction, maintenance, marking, signing, repair and cleaning.

c. Property maintenance, repairs and construction including carpentry, joinery, painting and drain laying.

d. Environmental services including refuse collection, litter collection, landfill operation, recycling, vegetation control and street cleaning.

e. Vehicle and equipment management services including maintenance workshops and assorted engineering services.

f. The supply of goods, materials, services and equipment for sale or hire.

g. Landscaping services including maintaining reserves, general horticultural, silviculture services and household rubbish maintenance and services.

h. The manufacture and supply of crushed metal and aggregate.

i. Any other relevant activity as determined by the Directors from time to time.

5. GOVERNANCE

The Company is governed by a four-member board of directors including:

Peter Cuff (Chair)
Ross Pickworth
Mark Rogers
Rob Caldwell

The director's role includes:

a. Strategic governance
b. Financial oversight
c. Management performance review
d. Overseeing tender prices for major tenders
e. Ensuring statutory and regulatory compliance

The board has a director rotation policy in place whereby one director retires each year in rotation. Directors can make themselves available for re-appointment.

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

6. PERFORMANCE TARGETS

6.1 Financial Performance Targets

- The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 10% for the three years commencing 1 July 2023;
- A return of an annual dividend to the shareholder within a range of 40-70% of the Company's net profit after tax, after adjusting for returns to shareholders via a subvention payment;
- Compliance with statutory and regulatory requirements that will allow the Company, Westland Holdings Limited and the Council to comply with the Local Government Act.

6.2 Social Performance Targets

Westroads Limited is committed to:

- Attracting and retaining the best people for our organisation.
- Maintaining a high level of transparent and effective communication with our shareholder.
- Being an asset to the community through returns to the shareholder and ultimately to the Council.
- Being an asset to the community by supporting local community initiatives.
- Providing employment in the district and ensuring the community receives competitive prices for work done.

To achieve this for the Company's people and communities:

- We utilise a wide range of training schemes via the industry training organisations to continuously extend the skills of our staff and ensure that they are up to date with professional and technical current practice. Performance reviews are undertaken for all management and staff on an annual basis.
- We are committed to work together to ensure safe and sustainable working conditions for our employees. The Company provides inoculations for employees and monitors hearing, eyesight, and lung functions to ensure we have a healthy workforce.
- Protective equipment is issued and required to be worn by all staff.

6.3 Performance Measuring

The Company has the following performance measures regarding employees and safety:

- Number of incidents notifiable to WorkSafe – Target Zero
- Continue to promote Safety First
- Achieving a TRIFR below 2 per 100,000 manhours
- Training expenditure as a percentage of Revenue Target – Target 0.8%
- Staff turnover rates – 15-20% excluding fixed term and temporary workers

6.4 Strategy

- The company will update its Strategy document every year and provide a copy of this to its shareholder.

7. RATIO OF CONSOLIDATED SHAREHOLDERS' FUNDS TO TOTAL ASSETS

The ratio of consolidated shareholder funds to total assets shall be greater than 45%.

Shareholders' funds are defined as the paid-up capital, plus any tax paid profits earned less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".

Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the Company.

8. DISTRIBUTION POLICY

Distributions will be paid, either by way of dividends to Westland Holdings Limited or subvention payments to the Council or Westland Holdings Limited in accordance with the annual Statement of Intent, as agreed with Westland Holdings Limited.

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited, subject to the following criteria:

- The Company will utilise Group losses to the maximum extent available and pay for the use of the losses at the current tax rate by way of Subvention Payments.

- The amount of any distribution shall consider the Company's ability to fund future capital expenditure requirements, to maintain and expand its operations, to meet its obligations under the Companies Act 1993 and to address matters related to the debt structure of the Company.

9. CAPITAL EXPENDITURE

The board's policy is to replace plant and equipment on a "wear and tear" basis, with major items being submitted to the board for approval. Additional capital expenditure may be approved by the board following a submission by management.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments more than $500,000 for any one project, including the funding mechanism for the purchase or development. For general plant replacement items, amounts in excess of $750,000 need to be referred to Westland Holdings Limited as above.

10. PROCEDURES FOR 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 its shareholders.

11. COMMERCIAL VALUE OF SHAREHOLDERS' INVESTMENT

The director's estimate that the commercial value of the shareholders' investment in the Company will be represented by the opening balance of shareholders' funds. The directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount.

The value of the investment will be reassessed every three years by evaluating movement in asset values, in particular, changes in land and improvements as recorded on the tri-annual government valuations.

12. RISK MITIGATION

The Company shall regularly review key risks together with strategies for mitigation of these risks.

The Company has a formal Fraud Policy in place. All Directors and staff are aware of this policy.

13. REPORTING TO SHAREHOLDERS

The following information will be available to shareholders based on an annual balance date of 30 June:

13.1 Draft Statement of Intent

On or before the 14th of February each year, the directors shall deliver to the shareholders a draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002.

13.2 Completed Statement of Intent

On or before the 15th of June each year, the directors shall deliver to the shareholders a final Statement of Intent.

13.3 Half Yearly Report

On or before the 14th of February each year, the directors shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

a. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent half yearly reports;

b. A statement of financial position at the end of the half year;

c. A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to influence the company's performance, including an estimate of the financial result for the year based on that outlook;

d. A report on non-financial performance measures; and

e. A copy of the auditor’s management report for the previous year.

13.4 Annual Report

By the 30th of September each year, or such later date set by government and approved by the shareholder, the directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceding 30 June, containing the following information as a minimum:

a. A directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to a dividend.

b. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.

c. A statement of financial position at the end of the year.

d. A statement of cash flows.

e. A report on non-financial performance measures.

f. An auditor's report on the above statements and the measurement of performance in relation to objectives.

13.5 Annual Budget

An annual budget shall be provided for the coming financial year and the following two years, at such a time to enable it to be included within the draft Annual Plan for the Council.

13.6 Quarterly Report

A report containing financial and operational information as agreed between the Company and Westland Holdings Limited shall be supplied each quarter. These quarterly reports shall include commentary on the quarterly operations performance and outlook of the Company and any special events likely to affect the Company's performance.

14. ACCOUNTING POLICIES

Reporting Entity

The Company is registered under the Companies Act 1993 and is domiciled in New Zealand. The Company is a wholly owned subsidiary of Westland Holdings Limited. The ultimate controlling party is Westland District Council. The Company is a Council-controlled Trading Organisation as defined in section 6(1) of the Local Government Act 2002.

The Company will report and comply with all New Zealand International Financial Reporting Standards applicable to Tier 1 entities.

Basis of Preparation

Statement of Compliance

The annual financial statements are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and Tier 1 POE Accounting Standards. They comply with New Zealand International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

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

Measurement Base

The financial statements have been prepared on a historical cost basis except for land and buildings which are revalued every three years. The next revaluation is due in June 2024.

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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Revenue from contracts with customers
- Other income
- Finance leases
- Right of use asset and lease liabilities
- Depreciation and estimated useful lives of property, plant and equipment

Changes in Accounting Policies

There are no new standards, interpretations, and amendments in the current year that impact on the annual financial statements for the year ended 30 June 2023 and therefore there are no changes in the Company's accounting policies.

Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. The following accounting policies which materially affect the measurement of financial results and financial position have been applied.

Property, Plant and Equipment

Recognition and Measurement

Except for land and buildings, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land and buildings are measured at the revalued amount less subsequent depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment, is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives are as follows:

	2021
Buildings	4-50 years
Plant and equipment	1-20 years
Office furniture and equipment	2-7.5years

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three to four years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Disposals

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

Definite Useful Lives

Mining licences that are acquired by the Company which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. There are no remaining useful lives for the mining licences.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost. In the case of development land inventory, cost includes any development costs to date. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amounts of assets and are recognised in the profit or loss.

Impairment of Receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on economic factors affecting the Company's customers.

There is no impairment deemed necessary as the company are not expecting any credit losses.

Impairment of Contract Assets and Contract Liabilities

Contract assets and contract liabilities were previously included within "trade and other receivables" and "trade and other payables" and disclosed separately as work in progress. Under IFRS 15 these items are now combined and renamed as contract assets. They arise from contracts entered that can span over the financial year and also reflect retention funds that are held by the client until such time as a certificate of completion has been signed off. It may take a up to two years to complete, because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

Financial Instruments

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

Financial Assets

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

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

Financial Liabilities

Financial liabilities comprise trade and other payables, borrowings, and advances. Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Interest-bearing Borrowings

Interest-bearing borrowings are classified as other non-derivative financial instruments.

Trade and Other Payables

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

Goods and Services Tax (GST)
Employee Benefits

Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

Other Long-term Employee Benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

Termination Benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy; it is probable that the offer will be accepted; and the number of acceptances can be estimated reliably.

Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Fair Value

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

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

Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of goodwill;
- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- Differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term-highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown in current liabilities in the statement of financial position.

Contract Assets

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

Contract Liabilities

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

The Company as a Lessee

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

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

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

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- Lease payments changing due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or

- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

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

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

15. FINANCIAL FORECASTS ($000S)

Consolidated

	SOI Budget 2022/23	Budget 2023/24	Forecast 2024/25	Forecast 2025/26
Gross Revenue	30,693,892	28,726,074	30,736,900	32,888,483
Cost of Sales	21,615,531	21,598,315	23,002,205	24,566,355
Gross Profit	***9,078,362***	***7,127,759***	***7,734,694***	***8,322,127***
Other Income	390,750	168,000	179,760	192,343
Administrative Expenses	5,432,170	4,002,685	4,282,873	4,582,674
Depreciation	2,356,327	1,946,340	2,082,584	2,228,365
Finance Costs	207,156	217,683	232,921	249,225
Net Profit Before Tax	**1,473,459**	**1,129,051**	**1,316,077**	**1,454,206**
Tax Expense	384,569	260,134	312,501	351,178
Subvention Payments	100,000	200,000	200,000	200,000
Net Profit for the Year	988,890	668,917	803,575	903,029
Other Comprehensive Income	Nil	Nil	Nil	Nil
Total Comprehensive Income for the Year	**988,890**	**668,917**	**803,575**	**903,029**
Other Performance Targets				
Dividends	458,445	262,458	329,788	379,514
Earnings Retained	530,445	406,458	473,788	523,514
Closing Shareholder's Funds	11,558,142	12,028,106	12,501,894	13,025,408
Pre Tax & Subvention Return on Average Shareholder's Funds	**12.75%**	**9.39%**	**10.53%**	**11.16%**

Subventions payments to be paid instead of dividends where possible