A G E N D A

Finance, Audit and Risk Committee

Council Chambers
36 Weld Street
Hokitika

Thursday 26 July 2018
commencing at 9.30 am

Deputy Mayor L.J. Martin – Chairperson
His Worship the Mayor R.B. Smith
Deputy Mayor Cr H.M. Lash
Crs D.L. Carruthers, R.W. Eatwell, D.M.J. Havill ONZM,
J.A. Neale, G.L. Olson, D.C. Routhan.

FINANCE, AUDIT AND RISK COMMITTEE

AGENDA FOR A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE, TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 26 JULY 2018 COMMENCING AT 9.30 AM

COUNCIL VISION

We work with the people of Westland to grow and protect our Communities, our Economy and our unique natural environment.

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

(a) To enable democratic local decision-making and action, by and on behalf of, communities; and

(b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

Cr D.L Carruthers

1.2 Interest Register

2. CONFIRMATION OF MINUTES:

2.1 Finance, Audit and Risk Committee Meeting Minutes – 28 June 2018

(Pages 5 - 7)

3. ITEMS FOR DECISION:

3.1 Rates Write Offs and Remissions 2017-18 (Pages 8 - 11)

4. REPORTS FOR INFORMATION:

4.1 Westland Holdings Limited Statement of Intent (Pages 12 - 55)

5. ITEMS FOR DISCUSSION:

5.1 Finance, Audit and Risk Committee Rolling Workplan (Page 56)

6. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

6.1 Confidential Minutes – 28 June 2018

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

6.2 Risk Register - Update

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
6.1	Confidential Minutes – 28 June 2018	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
6.2	Risk Register Update	Potential Risks update	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

Finance, Audit and Risk Committee Minutes

MINUTES OF A MEETING OF THE FINANCE, AUDIT AND RISK COMMITTEE, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 28 JUNE 2018 COMMENCING AT 9.30AM

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Members Present

Deputy Mayor Cr L.J. Martin (Chair)
His Worship the Mayor R.B. Smith, Deputy, D.M.J. Havill (ONZM), J.A. Neale,, D.L Carruthers,

Apologies & Leave of Absence

Apologies were received from Deputy Mayor Cr Lash, and Cr Eatwell.

Cr Olson arrived at the meeting at 8.13am

Cr Routhan was absent for the Finance Audit and Risk Meeting.

Moved Cr J.A Neale, seconded Cr D.M.J Havill and **Resolved** that the apology from Deputy Mayor H.M Lash and R.W Eatwell for the 28 June 2018, for the Finance Audit and Risk Committee Meeting be received and accepted.

Staff in Attendance:

S.R. Bastion, Chief Executive; L.A. Crichton, Group Manager: Corporate Service, L. Hamilton: Finance Manager, D. Inwood, Group Manager: District Assets, V.M Watson Business Support/Committee Secretary.

1.2 Interest Register

The Chair Deputy Mayor Martin circulated the Interest Register and no amendments were noted.

2. CONFIRMATION OF MINUTES:

2.1 Confirmation of Minutes – Finance, Audit and Risk Committee Meeting - 24 May 2018

Moved Cr D.M.J Havill, seconded Cr J.A Neale and **Resolved** that the Minutes of the Finance, Audit and Risk Committee Meeting held on the 24 May 2018 be confirmed as a true and correct record of the meeting.

3. REPORTS FOR INFORMATION

3.1 Financial Report May 2018

Moved Cr Havill and seconded Cr Neale **Resolved** that the Financial Report for May 2018 attached as appendix 1 to the Agenda be received.

4. FINANCE AUDIT AND RISK COMMITTEE ROLLING WORKPLAN

Group Manager: Corporate Services spoke to the June Workplan.

Audit New Zealand is currently carrying out the scheduled interim audit with operational systems and procedures as per the approved agreement schedule. This is due in August.

CCO Statement Of Intent Report from Westland Holdings received within timeframe these will be available in July.

Health and Safety Update, recruitment is underway for a Regional shared Health and Safety Advisor with WCRC. The Westland Health and Safety Committee meets monthly ensuring hazard and incident register management, and consider issues arising.

Moved Cr Neale, seconded His Worship the Mayor R.B Smith and **Resolved** that the Finance Audit and Risk Rolling Workplan be received.

5. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Moved Cr Neale, seconded Cr Havill and **Resolved** that Council confirm that the public were excluded from the meeting in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 08:49am.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

5.1 Confidential Minutes – 24 May 2018

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Confidential Minutes – 24 May 2018	Confidential Minutes – Finance, Audit and Risk Committee	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

This resolution is made in reliance on Section 48(1)(a) and (d) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
5.1	Protect the privacy of natural persons, including that of deceased natural persons. Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(a) Section 7(2)(i)

Moved Cr Neale, seconded Cr Olson and **Resolved** that the business conducted in the "Public Excluded Section" be confirmed and accordingly the meeting went back to the open part of the meeting at 08.49am

MEETING CLOSED AT 08:49 AM

Confirmed by:

______________________________ ______________________________

Deputy Mayor Latham Martin **Date**
Chair – Finance, Audit and Risk Committee

Report

WESTLAND DISTRICT COUNCIL

DATE: 26 July 2018

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

RATES WRITE OFFS AND REMISSIONS 2017-18

1 SUMMARY

1.1 The purpose of this report is to request Council approval to write off rates debts deemed uncollectable, and to apply remissions, for the financial year ended 30 June 2018.

1.2 This issue arises because Council has not delegated the authority to staff to write off rates receivables.

1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which will be set out in the next Long Term Plan 2018-28. These are stated on Page 2 of this agenda.

1.4 This report concludes by recommending that Council approve the write off, adjustment and remission of rates receivables and penalties totalling $605,620 including GST [$533,284 ex GST] for the financial year ending 30 June 2018.

2 BACKGROUND

2.1 Remissions are applied in accordance with Council's Rates Remissions Policy.

2.2 Write offs are a last resort after Council exhausts all reasonable avenues to collect outstanding rates receivables. There are two circumstances which compromise Council's ability to recover overdue amounts:

2.2.1 Section 65 of the Local Government (Rating) Act 2002 precludes the commencement of any court action to recover unpaid rates that are more than six years past due.

2.2.2 Part 4 of the Act provides that Rates are not collectable on unoccupied Maori Land, unless it can be proven that income is derived from that land. To that extent, Maori Land that is vested in trustees is liable for rates only to the extent of any money derived from the land, and that Rates on multi ownership unoccupied Maori Land are the liability of each owner only to the extent of their own interest in the land. These provisions render the rates on unoccupied Maori Land uncollectable.

3 CURRENT SITUATION

3.1 Analyses of these adjustments are shown in the tables below:

3.1.1 Adjustments by reason:

Reason	**17/18**	**16/17**
Agreement	85,702	25,939
Correction	264,051	49,161
Half Rateable	29,481	14,576
Uniform charges	35,471	23,945
Non Rateable	-	7,075
Paid Full Year	527	1,441
Payment Plan	48,313	112,529
Pre 7 Years	11,901	23,228
Subdivision	63,285	33,777
Unoccupied Maori Land	66,887	27,229
Grand Total	**605,620**	**318,899**

3.1.2 Adjustment by type:

Action	**Type**	**Reason**	**Inc GST**	**Ex GST**
Remission	Penalties	Correction	13,081	13,081
		Payment Plan	46,719	40,625
	Rates	Half Rateable	29,481	25,636
		Uniform charges	35,471	30,845
		Non Rateable	-	-
		Subdivision	63,285	55,031
Remission Total			**188,038**	**165,218**
Write Off	Arrears	Agreement	31,268	27,189
		Paid Full Year	-	-
		Pre 7 Years	11,901	10,349
		Unoccupied Maori Land	66,887	58,163
	Penalties	Correction	35,845	35,845
		Paid Full Year	527	527
		Payment Plan	1,594	1,594
	Rates	Agreement	54,435	47,334
		Correction	215,125	187,065
Write Off Total			**417,582**	**368,067**
Grand Total			**605,620**	**533,284**

3.2 The total has increased compared to 2016/17, mainly due to a system error that allowed rates to be struck ($264,051) at the start of the financial year, on amalgamated properties.

3.3 The relevant section of the remissions policy applied are in respect of properties that are:

3.3.1 wholly or partially non-rateable pursuant to Schedule 1 of the Local Government (Rating) Act 2002, or

3.3.2 subdivisions eligible for temporary relief from multiple fixed charges.

3.4 The budget for rates write offs for 2017/18 is $63,099 excluding GST. The write offs in table 3.1.2 amount to $368,067. This is mainly due to the correction of the system error on amalgamated properties (229,910). Exceptional items ($75,523). Therefore, the underlying amount is $465 under budget. All ex GST.

3.5 The rating units that qualify for remissions at the start of the year are identified during the preceding year and the amount to be remitted is allowed for when the rates are struck via a redistribution in the rating information database.

4 OPTIONS

4.1 The following options are available:

4.1.1 **Option 1**: Approve the write offs and remissions amounting to $605,620 including GST**.**

4.1.2 **Option 2**: Do not approve the write offs and remissions

4.1.3 **Option 3**: Approve one or either, or a proportion of those proposed.

5 SIGNIFICANCE AND ENGAGEMENT

5.1 The decision is administrative and in accordance with Council's Policy on Significance and Engagement is assessed as low significance.

5.2 Consultation is not required on this matter.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 Option 1 would generate a variance of $75,988 against the budget for 2017/18. This option is consistent with Council's rates remissions policy and is prudent in respect of the write offs, since under IFRS, assets must be stated at their net realisable value.

6.2 Option 2 would breach Council's rates remissions policy. Were the write offs not applied it is certain that they would require provision, which would have the same financial impact as Option 1.

6.3 Option 3 could breach Council's rates remissions policy and would still require partial provision, which is illogical. As stated in 3.1 and 3.2, the amounts are proposed after exploring all options.

7 PREFERRED OPTION AND REASONS

7.1 Option 1 is the preferred option. It is consistent with Council policy and IFRS.

8 RECOMMENDATIONS

A) **THAT** Council approves the total proposed rates write offs and remission of $605,620 including GST for the financial year ending 30 June 2018.

Lesley Crichton
Group Manager: Corporate Services

Report

DATE: 26 July 2018

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

WESTLAND HOLDINGS LIMITED: STATEMENT OF INTENT 1 JULY 2018

1 SUMMARY

1.1 The purpose of this report is to present the Westland Holdings Ltd (WHL) Statement of Intent (SI) for the 3 years commencing 1 July 2018.

1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which is set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.

1.3 This report concludes by recommending that Council approve Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2018, attached as **Appendix 1**.

1 BACKGROUND

2.1 The statutory provisions concerning a SI are contained in Schedule 8 of the Local Government Act 2002.

2.2 Sch. 8(1) outlines the purpose of the SI, being to:

2.2.1 state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and

2.2.2 provide an opportunity for shareholders to influence the direction of the organisation; and

2.2.3 provide a basis for the accountability of the directors to their shareholders for the performance of the organisation

2.3 Sch. 8.3(b) requires that the board of a council-controlled organisation must deliver to its shareholders the completed statement of intent to the shareholders on or before 30 June each year.

3 CURRENT SITUATION

3.1 The WHL SI for the 3 years commencing 1 July 2018 was received on 28 June 2018.

3.2 The content of the SI meets the requirements of the Act.

3.3 The Statement of Intent was completed in June 2018, and was amended for the change in the directors of WHL before bringing to Council for approval.

3.4 The SIs will inform the CCOs' Annual Reports for the year ended 30 June 2019.

3.5 Although Council is only required to approve WHL SI, the SIs of Destination Westland Ltd and Westroads Ltd, have been attached **for information purposes only.**

4 OPTIONS

4.1 **Option 1** - Council approves the Westland Holdings Statement of Intent for 3 years commencing 1 July 2018.

4.2 **Option 2** – Council does not approve the Westland Holdings Statement of Intent and request that changes be made.

5 SIGNIFICANCE AND ENGAGMENT

5.1 The decision to approve the SI is administrative and does not require consultation.

6 ASSESSMENT OF OPTIONS

6.1 **Option 1**: Council received a draft statement of intent on 3 April, which did not meet the statutory deadline. This was reviewed by Council staff and recommendations for improvements made to include quarterly reporting to Council.
A letter of expectation agreed by Council has also been produced which gives the WHL board of Directors clear expectations from Council, including enhanced 'no surprises' reporting. The requirements of this letter of expectation was included in the final SI.

6.2 **Option 2**: The final SI was based on the letter of expectation that was provided to Council for comment. Council could have used this opportunity to enhance further the WHL SI. By not approving the SI and asking for further changes will mean that the final SI has not been approved for public release by the statutory deadline.

7 RECOMMENDATION

A) **THAT** Council approve the Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2018, attached as **Appendix 1**.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2018.
Appendix 2: Destination Westland Ltd Statement of Intent for the 3 years commencing 1 July 2018.
Appendix 3: Westroads Ltd Statement of Intent for the 3 years commencing 1 July 2018.

WESTLAND HOLDINGS LIMITED

Destination Westland Limited
Westroads Limited

STATEMENT OF INTENT FOR THE THREE YEARS COMMENCING 1 JULY 2018

Contents

1. INTRODUCTION

This Statement of Intent ("SI") is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

The SI specifies for Westland Holdings Limited ("WHL") and its subsidiaries the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the group may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SI is a public and legally required expression of the accountability relationship between the company and its sole shareholder, the Westland District Council ("WDC"). The SI is reviewed annually with the WDC and covers a three-year period commencing 1 July 2018.

WHL supports the vision of the Westland District Council: "We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment."

2. COMPANY MISSION

Westland Holdings Limited supports Westland District Council's Vision of Westland, that "*they work with our communities, our economy and our unique natural environment.*"

3 THE OBJECTIVES OF THE COMPANY **LGA Schedule 8, 9 (1) (a)**

In addition to the requirements of section 59 of the Local Government Act 2002, the principal objectives of WHL are:

1. To monitor the performance of each subsidiary company.

2. To ensure that each subsidiary company has in place active and effective health and safety policies and procedures which provide a safe operating environment for all employees, contractors and affected parties.

3. To ensure that each subsidiary company operates economically and efficiently, and in accordance with an agreed SI, and to optimize the returns from, and the value of, the subsidiary companies within the parameters set by WDC.

4. To ensure, insofar as it is lawfully able and commercially practicable, that the SI of each of the subsidiary companies reflect the policies and objectives of WDC.

5. To keep WDC informed of matters of substance affecting WHL and the subsidiary companies and, insofar as it is practical and reasonable in the opinion of the directors, provide the opportunity for comment on such matters prior to taking any action.

6. To ensure that there is regular and informative reporting of the financial and non-financial performance and risk exposures of WHL and the subsidiary companies.

7. To report to WDC on CCO establishment opportunities, and other investment opportunities that have the potential to enhance the economic well-being of the region and provide an adequate return.

8. To maintain and improve good governance by regularly and constructively appraising the performance of the subsidiary company directorates, maintaining an appropriate monitoring framework and informing WDC prior to the appointment of new directors.

9. To support Westland District Council to review or create policies relevant to the Company.

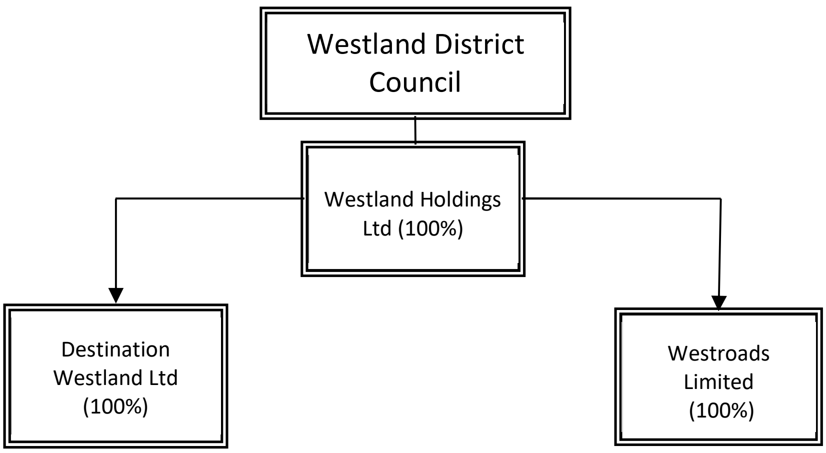
4. GOVERNANCE APPROACH **LGA Schedule 8, 9 (1) (b)**

WHL seeks to govern the group in a way that will ensure it:

- achieves the objectives of its shareholders, both commercial and non-commercial, and as detailed specifically in (3) above; and
- is a good employer in accordance with S:36(2) of schedule 7 of the Local Government Act 2002 and
- exhibits a sense of social responsibility by having regard to the interests of the community in which it operates.
- exhibits a sense of environmental responsibility by having regard to the interests of the community in which it operates.

5. NATURE AND SCOPE OF ACTIVITIES **LGA Schedule 8, 9 (1) (c)**

WHL is a wholly-owned council-controlled organization ("CCO") of WDC, which was formed on 24 July 2002. WHL is the controlling entity that provides objective governance of the operating subsidiaries on behalf of WDC. The group structure is as follows:



The current Directors of WDHL are:

- Albert Brantley (Chair)
- Joanne Conroy
- Chris Rea

6. SHAREHOLDING LGA Schedule 8, 9 (1) (d)

- A shareholding investment in Destination Westland (DWL) of $4,629,000 representing 100% of DWL share capital.

- A shareholding investment in Westroads Limited ("WL") of $9,289,000 representing 100% of WL's share capital.

a) Ratio of Shareholders' funds to total assets.

Shareholders' funds are defined as the sum of the amount of share capital on issue, retained earnings/accumulated losses, revenue and capital reserves. Total assets are defined as the sum of the net book value of current assets, investments, fixed assets, and intangible assets as disclosed in the company's Statement of Financial Position, prepared in accordance with the accounting policies adopted by the Directors.

The target ratio of shareholders' funds to total assets shall not be less than 50% for the period covered by this SI. The appropriateness of this target ratio will be reviewed annually by the Directors.

7. ACCOUNTING POLICIES LGA Schedule 8, 9 (1) (e)

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities

The Reporting Entity for Accounting and Reporting purposes is Westland Holdings Ltd. The company has a balance date of 30th June.

8. PERFORMANCE TARGETS LGA Schedule 8, 9 (1) (f)

The following performance targets have been set for the 2018/2019 financial year, and the two years following:

RELATIONSHIP WITH WDC, AND OTHER GOVERNANCE ISSUES:

	Objective	Performance Target
1	To ensure that the financial targets and strategic direction of WHL are in line with the requirements of WDC.	A draft SI for WHL will be submitted for approval to WDC by 1 March each year. A completed SI will be submitted to WDC by 30 June each year.

		Full and half year reporting to WDC. Regular reporting of performance to the Finance and Risk Committee on at least a quarterly basis. More regular reporting may be required to ensure no surprises to WDC. Reporting should consist of unique activities identified separately rather than being bundled into general activity groups.
2	To ensure that WDC is kept informed of all significant matters relating to its subsidiaries on a “no surprises” basis.	At least two progress reports be made between to WDC in the financial year (in addition to reporting on specific issues), with at least one presentation made to Councilors. Reports will include financial and non-financial performance. Major matters of urgency are reported to the appropriate Council Committee or the CE of WDC within three days.
3	To ensure that WHL directors add value to the company and that their conduct is according to generally accepted standards.	The Chair will initiate an independent formal evaluation of the WHL directorate biennially, the first was undertaken in the 2013/14 year. The Company will review the training needs of individual WHL directors, and ensure training is provided where required.
4	WHL’s process for the selection and appointment of directors to the boards of subsidiaries is rigorous and impartial.	The process followed for each appointment to a subsidiary board is transparent, fully documented and reported to WDC.

FINANCIAL

	Objective	Performance Target
5	To ensure that WHL returns a dividend to WDC in accordance with	WHL negotiates with WDC to pay an achievable distribution for the

	WDC's budgets and meets other financial targets.	2018/19 financial year prior to finalising WDC's budget.
6	To ensure that the subsidiary companies return a minimum acceptable dividend as per the SI of the subsidiary companies.	WHL meets its budgeted level of distribution income of $600,000 for the 2018/19 financial year.

SPECIFIC SUBSIDIARY MANAGEMENT AND SUPERVISORY FUNCTIONS:

	Objective	Performance Target
7	To ensure that WHL's procedure for appointment to subsidiary directorates are open and in accordance with written policy.	That the adopted Directors Policy be followed for any director appointments made.
8	To ensure that the draft subsidiary company SI's are received on a timely basis for review and comment.	Draft SI's are to be received by 14 February from the subsidiary companies.
9	To ensure that the final subsidiary company SI's are appropriate, measurable, attainable and timely.	Comment on the draft SI's within the statutory timeframe of 30 April each year.
10	To ensure that the final subsidiary company SI's are commercially focused documents, while also being compatible with the strategic aims of WDC to prudently manage these long-term community investments.	WHL will direct the subsidiary companies to produce commercially focused draft SI's that are cognizant of their responsibilities to the social and environmental needs of the communities of Westland. WHL will assess the alignment of the SI's with any specifically notified WDC strategic directive.
11	To ensure that the subsidiary company reporting is relevant and timely.	Subsidiary company SI's to incorporate specific reporting requirements in accordance with legislation and accepted practice. All activity reports and formal reporting will be done through the Chairman of WHL and the CE of WDC.

RISK MANAGEMENT PROCESSES:

	Objective	Performance Target
12	To ensure that there are adequate processes for the identification, assessment and management of the risk exposures of the subsidiary companies.	Subsidiary company SI's to incorporate specific statements regarding the processes for the management of risk exposures, including reputational risk.
	To ensure that subsidiary companies do not make decisions that could have significant implications for future Council funding.	Long term investment assessment is carried out for any new projects. These must be assessed and approved by Council prior to initiating significant projects.

Activities that are to be undertaken by WHL are:

- Negotiation of the individual annual SIs for the CCOs that it owns (the subsidiary companies).
- Negotiation of the annual SI between WDC as shareholder and WHL.
- Monitoring the performance of the subsidiary companies that WHL owns.
- Advice to WDC regarding potential CCO establishment opportunities.
- Maintaining a Register of Potential Directors including public advertising.
- Appointment and monitoring of the directors of the subsidiary companies.
- Hosting an annual shareholders' meeting.

The undertaking of any activity not provided for under this SI requires the prior approval of WDC, specifically:

- No subsidiary companies are to be formed by WHL without the prior approval of WDC.
- No shares are to be acquired by WHL or the subsidiaries without the prior approval of WDC.
- No shares held by WHL or the subsidiaries are to be sold or otherwise disposed of without the prior approval of WDC.

Over time, WDC may form other CCOs within the WHL structure. WHL is an obvious vehicle for holding the shares in these enterprises; however, it remains WDC's intention that the directors' approach to the holding of other shares will be determined on a case-by-case basis. With the position that the directorate holds, within the overall WDC group, it is anticipated that WHL will assist WDC in the identification and assessment of future opportunities.

9. DISTRIBUTION POLICY **LGA Schedule 8, 9 (1) (g)**

Profit retention and dividend policy will be determined from year to year by the Directors in accordance with operational results, financial prospects, and the circumstances prevailing, with the objectives of ensuring that:

- The amount of the distribution does not limit WHL's ability to fund future capital expenditure requirements to both maintain and expand current operations and address issues relating to the company's debt structure; and with the provisos that:

   i. The Directors are satisfied that the requirements of section 4 of the Companies Act (the "solvency test") have been satisfied,

   ii. The amount of the distribution does not exceed the amount of the net profit after tax, plus cash held in reserves, in the year to which the distribution relates, and

   iii. Total liabilities do not exceed 50% of the total assets.

WHL will endeavor to make distributions of $600,000 in the 2018/19 year.

10. REPORTING TO SHAREHOLDERS **LGA Schedule 8, 9 (1) (h)**

WHL will provide the following information in order to enable the shareholders to make an informed assessment of the Company's performance.

a) An annual SI in accordance with Schedule 8 of the Local Government Act 2002 Draft delivered by 1st March, Shareholders comments returned by 1st May, completed Statement of Intent after consideration of Shareholders comments delivered by 30 June and made available to public one month following delivery to shareholders.

b) A half-yearly financial and progress report in accordance with Section 66, 67 and 71 of the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Companies Act 1993, the Institute of Chartered Accountants of New Zealand, and any other information that the Directors deem appropriate. Delivered to shareholders no later than 28th February.

c) An annual report in accordance with Section 67 and 71 of the Local Government Act 2002 and the GAAP reporting requirements prescribed from time to time by the Institute of Chartered Accountant of New Zealand, and any other information that the Directors deem appropriate. To be delivered to shareholders by 30th September and no later than 20 days prior to the company's AGM

d) An annual Shareholders meeting to be held by 31st December each year with not less than 10 days' notice to shareholders.

11 ACQUISITION PROCEDURES **LGA Schedule 8, 9 (1) (i)**

If the Directors believe they should invest in or otherwise acquire any interest in any other organisation they shall obtain the prior approval of the shareholders by special resolution unless the total cost is less than $500,000. In this case prior approval is not required but shareholders will be advised within 10 working days.

12 COMPENSATION **LGA Schedule 8, 9 (1) (j)**

Currently there are no activities for which compensation will be sought from WDC

13 ESTIMATE COMMERCIAL VALUE OF WHL **LGA Schedule 8, 9 (1) (k)**

The value of WHL has been defined as the estimated value of shareholders' funds as at 30 June 2018.

This value is estimated to be $13,868,000.

The value ascribed to shareholders' funds will be that stated in the annual Statement of Financial Position of the company as at the end of the financial year preceding each SI.

14 OTHER MATTERS **LGA Schedule 8, 9 (1) (l)**

WHL's directors are appointed by the shareholders to govern and direct WHL's activities. The shareholders expect this responsibility to include such areas of stewardship as:

- Commercial performance
- Non-commercial performance
- Business plans and budgets
- Corporate policies
- Financial and distribution policies
- Management oversight and development
- Delegations or authority
- Identification and management of business risks
- Identification and management of business opportunities
- Internal control systems
- Integrity of management information systems
- Relationships with stakeholders and external parties
- Compliance with relevant law
- Reports to shareholders

DESTINATION WESTLAND LIMITED
STATEMENT OF INTENT

FOR THREE YEARS COMMENCING 1 JULY 2018

Contents

Introduction

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 the three years from 2018.

1. Company Mission Statement

To manage and grow council's aviation, property assets and services; and develop other commercial opportunities for the maximum benefit of Westland Ratepayers.

2. The Objectives of the Company

Commercial

a. Research and develop new opportunities
b. Provide quality, efficient and cost-effective services on a commercially competitive basis.
c. Conduct business in a professional manner in accordance with the mandate and constraints given by council in this SOI.

Development

d. Grow and diversify revenue streams from existing activities.
e. Seek out opportunities for new revenue streams.
f. Be enabling for partnership in new activities.
g. Enhance the value of the shareholders' investment.

Safety

a. To make safety an essential component of all we do.
b. To further develop and maintain safe working practices
c. To promote safety training and awareness as a key principle.

Community

a. Be a good employer
b. Consider social and environmental impacts in decision making.
c. Promote social well-being and community support.
d. To respect, protect and enhance our historical and cultural heritage for the community of Westland.

3. 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 management performance monitoring and review.

5. Manage relationships with shareholders, stakeholders and external parties at a governance level.

The company is governed by a Board of four directors appointed by Council:

- Ian Hustwick (Chair)
- Pauline Cox
- Richard Benton
- Latham Martin

The Board was initially appointed on 1 January 2017 for the period until the AGM in October 2017, at which they were reappointed.

4. Structure and Activities

The company structure is outlined in appendix B

1. Aviation
   a. Compliance with the appropriate CAA rules and regulations.
   b. Health and Safety plans for designated aviation areas are adhered to.
   c. Management of the Hokitika Airport and associated infrastructure.
   d. Management of the Glacier Country Heliport and associated infrastructure.
   e. Consider the role of Hokitika Airport in civil defence.

2. Facilities
   a. Manage, maintain and grow WDC Strategic Assets as per the Management Agreement.
   b. Manage, maintain and grow the company's assets

3. Property
   a. Manage and monitor all company leases and licenses
   b. Seek opportunities for Portfolio development
   c. Establish and implement a scheduled maintenance programme for Council and Company properties.
   d. Manage the non-aviation activities at Hokitika Airport

4. Events
   a. Manage and enhance existing events.

Development Activities

1. Aviation
   a. Seek and enable expansion of commercial and tourism aviation activities at Hokitika Airport.
   b. Consider improvements to airport facilities to enhance the customer experience.
   c. Seek and enable expansion of activities at Glacier Country Heliport
   d. Investigate and consult on the formation of a heliport at Fox Glacier

e. Investigate additional aviation related activities both in content and location in Westland.
f. Develop a new Hokitika Airport Master Plan which clearly defines the future growth and expansion of the airport asset

2. Facilities

a. Investigate elderly housing opportunities.
b. Consider and accept further appropriate council assets for management
c. Look for new or partnership opportunities to enhance the facilities available to Westland ratepayers.

3. Property

a. Investigate opportunities for expansion of revenue generation from property.
b. Seek opportunities to increase occupations on unformed legal road.
c. Investigate gravel extraction from Westland rivers for revenue and river control.
d. Implement asset management plans for all property assets.
e. Consider further appropriate council service activities for management.
f. Expand the non-aviation commercial activities at Hokitika Airport.

4. Events

a. Identify and evaluate other event opportunities.

5. Performance Targets

The Company will report annually to shareholders on the following performance indicators:

Financial performance measures:

a. The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 1% and 6% for the year commencing 2018/2019
b. The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) of 1% for the year commencing 2018/2019
c. Compliance with statutory and regulatory requirements enabling Destination Westland, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002, Health & Safety & Employment Act 1992 (with amendments), the Companies Act 1993 (with amendments) and the Financial Reporting Act 1993 (with amendments).

Non-Financial Service performance measures:

a. Aged Care occupancy:
Target: annual percentage occupancy to be no less than 95%.
b. Swimming pool:
Target: annual total admissions to be within 5% those of the previous year. Note: 2017/2018 admissions = 16,849 (as at 15 June 2018)
c. Baches on Road Reserve:
Target: annual number of licenses to occupy to be greater than 70.
d. Jacksons Bay Wharf:

Target: annual percentage of commercial fishing vessels who use the wharf with Licenses to occupy = 90%

e. Leasehold properties:
   Target: annual percentage of leasehold properties available for lease = 80%
f. Tenant satisfaction:
   Target: Tenant satisfaction with the provision of the company's aged care rental housing greater than or equal to 90%.
g. Time loss through injury
   Target: Loss Time Injuries will be 0
h. Annual CAA audit and findings
   Target: Nil findings
i. Aircraft Movement statistics
   Target: within 5% of previous year (2016/2017) 3,929
j. Passenger numbers through terminal.
   Target: within 5% of previous year (2016/2017) 39,806 Pax

6. Shareholders' Funds to Total Assets

- The ratio of shareholder funds to total assets shall be greater than 60 percent.
- Shareholder funds are defined as the paid-up capital, plus any tax paid profits earned, and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as Revenue or Capital Reserves.
- Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the Company.

7. Distribution Policy

Distributions will be paid, either by way of dividends to Westland Holdings Limited or subvention payment to Westland District Council, as agreed with Westland Holdings Limited.

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

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

- 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 Holdings Ltd.

8. Capital Expenditure

Capital expenditure will generally be related to the development of existing land and property but will also be considered from time to time in relation to strategic asset developments or acquisitions for the benefit of Westland District and the Company.

The approval of Westland Holdings Limited must be obtained for any significant purchases or asset developments, including the funding mechanism for the purchase or development, in excess of $500,000. This figure is to be calculated based on the complete cost of a project, even if the expenditure is spread over more than one year and comprises multiple transactions.

9. Acquisition of Other Interests

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

10. Sale and Disposal of Assets

The Company will not sell or dispose of any company assets exceeding $20,000 in value without first being authorized to do so by a special resolution of shareholders.

11. Commercial Value of Shareholders 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 value to differ materially from this amount

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

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

12. Risk Management

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

The Company shall adopt and regularly review a communications policy. (Adopted 12 June 2013 and reviewed in February 2018.)

The Company shall work with WDC to agree on formal communication protocols to improve communication with Council's elected representatives, relevant staff and stakeholders.

A formal Fraud Policy will be documented, and all Directors and staff are to be aware of this policy. (Adopted 10 September 2013 and reviewed in December 2016 and February 2018.)

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 February of each year, the Directors shall deliver to the shareholders a Draft Statement of Intent, with tracked changes, in accordance with the requirements of Clause 9 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 in accordance with Clause 9 Schedule 8 of the Local Government Act 2002.

13.3 Half Yearly Financial Report

Within two months after the end of the first half of each financial year, i.e. 28 February, the Directors shall deliver to the shareholders an unaudited report containing the following information:

a) A Revenue Statement disclosing actual and budgeted revenue and expenditure and comparative figures for the same period in the previous year.
b) A Statement of Financial Position at the end of the half year i.e. 31 December.
c) A commentary on the results for the six months together with a report on the outlook for the second six months with reference to any significant factors that is likely to have an effect on the Company's performance. This commentary is to also include an estimate of the financial result for the year under review.
d) A copy of the Audit New Zealand management report for the previous year.
e) A non-financial performance report.

13.4 Quarterly Report

Between the annual report and half yearly report Destination Westland will:

a) Deliver to WHL a quarterly copy of the management accounts.

13.5 Annual Report

By 30 September each year, 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 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) An auditor's report on the above statements and the measurement of performance in relation to objectives.
f) A non-financial performance report.

13.6 Annual Budget

An annual budget shall be provided in particular terms for the coming financial year and in general terms for the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council. This budget shall accompany the half yearly financial report.

14. Accounting Policies

The financial statements of Destination Westland Limited will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting policies to the extent that is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to competitors. (See Appendix A for Accounting Policy details.)

15. Commercial Value of Shareholders Investment

The commercial value of the shareholders, being Westland Holdings Limited, investment in Destination Westland Limited is estimated at $4,400,000 and this value will be verified by way of external valuation.

16. 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 Westland District Council, Westland Holdings Limited 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 Holdings Limited as well as 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, Westland Holdings Limited or its subsidiaries will be at market rates.

17. Financial Forecasts

Budget under discussion.

	Forecast	Forecast	Forecast
	2018/2019	2019/2020	2020/2021
Gross Revenue	3,280,490	3,674,149	4,115,047
Cash Operating Expenditure	3,117,940	3,445,324	3,807,083
Depreciation	154,000	154,000	154,000
Trading Profit/(Loss) before Taxation	8,550	74,825	153,964
Subvention Payment			
Net Profit/Loss before Taxation	8,550	74,825	153,964
Taxation	2,394	20,951	43,110
Dividend			
Shareholder Funds	4,417,000	4,423,156	4,477,030
Retained Earnings	6,156	53,874	110,854
Closing Shareholder Funds	4,423,156	4,477,030	4,587,884
Pretax Return on Shareholder Funds	.194%	1.692%	3.439%

Appendix A

Accounting Policy Details

Basis of Preparation

a. Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

b. Measurement base

The financial statements have been prepared on a historical cost basis except for the revaluation of investment property.

c. 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.

d. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

Significant Accounting Policies

Accounting policies set out below are to be applied consistently to all periods presented in the financial statements. The following particular accounting policies which materially affect the measurement of financial results and financial position are to be applied:

a. 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.

b. Property, Plant & Equipment

i) Recognition and measurement

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

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

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

ii) 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.

iii) 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.

c. Impairment

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

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

i) Impairment of receivables

The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). 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 trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

ii) 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.

d. 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. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

e. Financial instruments

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

i) Loans and receivables

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

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

ii) **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.

iii) **Cash & cash equivalents**
Cash and cash equivalents comprise cash balances and call deposits.

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

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

f. Goods and services tax (GST)
All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

g. 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 are not recognised on the Company's balance sheet.

h. 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.

i. Revenue

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

ii) Services
Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date.

j. 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.

k. 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.

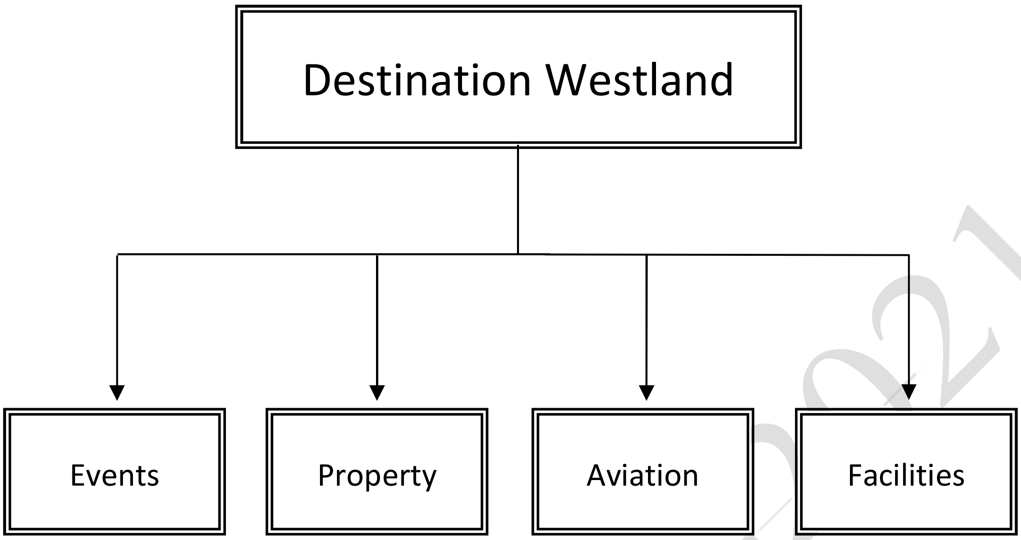
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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.

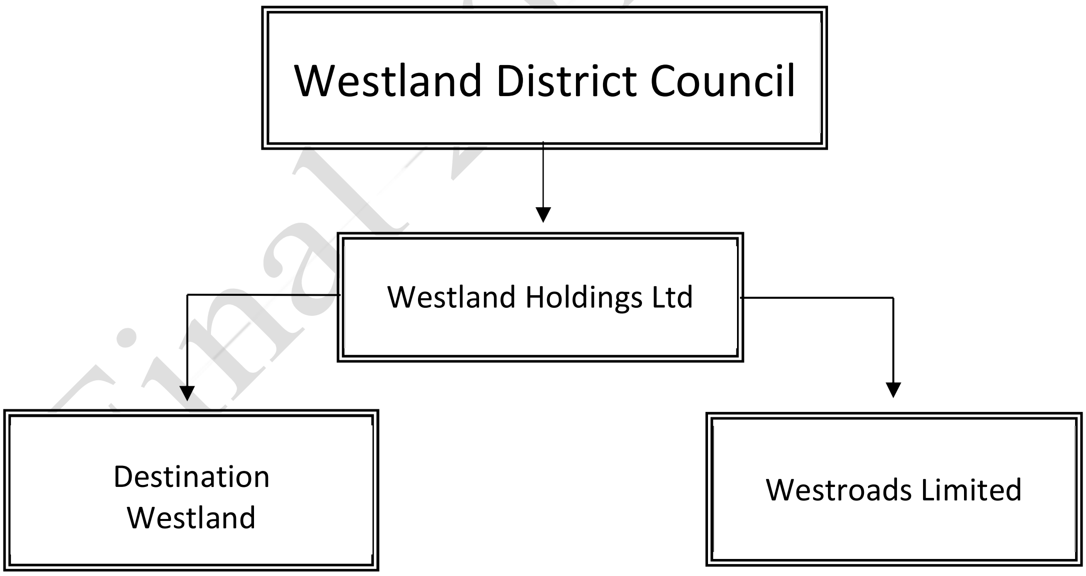
Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Appendix B

Company Structure



Group Structure



WESTROADS LIMITED

STATEMENT OF INTENT
2018/19

INDEX

1. INTRODUCTION

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

Westroads Ltd is a council controlled organisation for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.

Westroads Ltd is a wholly owned subsidiary of Westland Holdings Ltd.

This Statement of Intent covers the 3 year period commencing 1 July 2018.

2. COMPANY MISSION STATEMENT

To deliver a competitively priced and superior service to our clients, while returning an above average rate of return to our shareholders by promoting a culture whereby quality and client requirements are paramount and input from staff is actively encouraged.

Westroads Limited supports the Westland District Council's "Vision of Westland" that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

- Involving the community and stakeholders
- Having inspirational leadership
- Having expanded development opportunities
- Having top class infrastructure for all communities
- Living the '100% Pure New Zealand' brand

Westroads Limited contributes to the Council's vision by assisting with having top class infrastructure for all communities.

3. THE OBJECTIVES OF THE COMPANY

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

a. Carrying out its business in an efficient, effective and profitable manner.

b. Managing all assets and liabilities on a prudent basis.

c. Meeting the market requirements in terms of quality, excellence in service and pricing on a commercially competitive basis.

d. Ensuring the Health & Safety of its staff at all times.

e. Acting as an environmentally conscious Company.

f. Acting in the best interests of the shareholder

Other primary objectives of Westroads Ltd are:

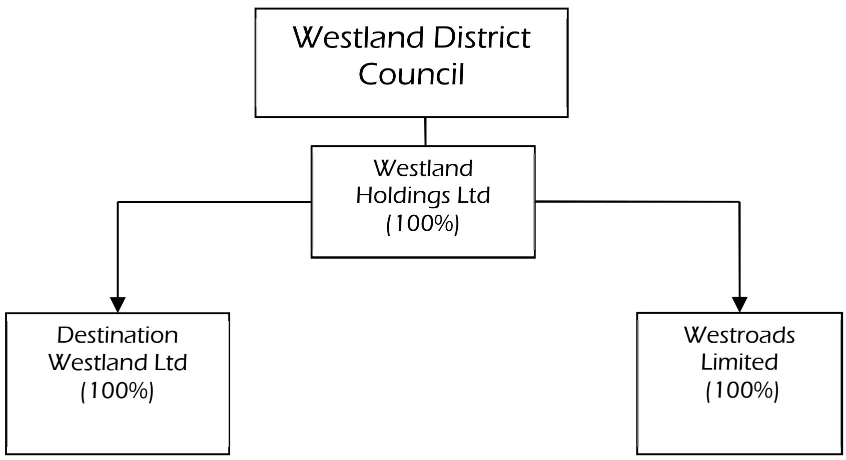
a. Returning a distribution to shareholders that makes a significant contribution to Westland District Council's budgeted distributions from it's CCTO's.

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

c. To be successful in bidding for contestable contracts tendered by Westland District Council and other significant organisations and businesses.

4. NATURE AND SCOPE OF ACTIVITIES

The group structure is as follows:



The nature of Westroads Ltd 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. Drainage, sewerage and water services - operation, installation, maintenance and repairs.

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

c. Property maintenance and repairs and construction including plumbing, carpentry, joinery, painting and drainlaying.

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

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.

j. 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' chaired by Peter Cuff. Additional directors are:

Durham Havill
Ross Pickworth
Bryce Thomson

The director's role includes

a. Strategic Governance
b. Financial Management
c. Management Performance Review
d. Overseeing Tender Prices for Major Tenders

The board has a director rotation policy in place whereby 1 director retires each year in rotation. Directors are able to make themselves available for re-appointment.

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.

6. 1 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 3 years commencing 1 July 2018.
- 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 subvention payment.
- Compliance with statutory and regulatory requirements enabling Westroads Ltd, Westland Holdings Ltd and Westland District Council to comply with the Local Government Act.

6.2 SOCIAL PERFORMANCE

We are 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, Westland District 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.

Our people and communities:

- We utilise a wide range of training schemes via the industry training organisation's 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 staff.
- Protective equipment is issued and required to be worn by all staff.

MEASURING OUR PERFORMANCE

1. Use Employee Safety statistics to monitor work place safety such as:-
    - Number of full day time off workplace accidents and incidents - Target Zero
    - Number of incidents notifiable to Department of Labour - Target Zero
    - Continue to Promote Zero harm – Safety first

2. Training Expenditure as a % of Revenue Target 2%
3. Staff Turnover Rates

7. RATIO OF CONSOLIDATED SHAREHOLDERS' FUNDS TO TOTAL ASSETS

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

Shareholders' funds are defined as the paid up capital, plus any tax paid profits earned and 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 payment to Westland District Council 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 and, subject to the following criteria:

- Westroads Ltd.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 a subvention payment.
- The amount of any distribution shall take into account Westroad Ltd'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 boards policy is to replace plant & equipment on a wear and tear basis, with major items being submitted to the board for approval. Additional capital expenditure is approved by the board following a submission by management.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments in excess of $750,000 for any one project, including the funding mechanism for the purchase or development.

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 special resolution of shareholders and Council.

11. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT

The Directors estimate that the commercial value of the shareholders' investment in Westroads Ltd 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 develop a risk assessment methodology and document a risk management analysis together with strategies for mitigation of these risks.

A formal Fraud Policy will be documented and all Directors and staff are to be 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 14th 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 15th June each year, the Directors shall deliver to the shareholders a Final Statement of Intent.

13.3 Half Yearly Report

On or before 28th 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 have an effect on 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.

e) A copy of the Audit New Zealand management report for the previous year.

13.4 Annual Report

By 30 September each year, the Directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceeding 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 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 the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council.

13.6 Quarterly Report

A quarterly report containing financial information as agreed between Westroads Ltd and Westland Holdings Ltd shall be supplied between the half year report and the annual report.

14. ACCOUNTING POLICIES

REPORTING ENTITY

Westroads Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Westroads Limited is ultimately owned by 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 the Company have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Local Government Act 2002.

BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and Tier 2 POE Accounting Standards. They comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZIFRS RDR") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.
The financial statements were approved by the board of directors on 27 October 2017

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 2018

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.
In particular, 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:
Note 9 – Depreciation and estimated useful lives of property, plant and equipment
Note 14 – Employee entitlements

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year ended 30 June 2017.

SIGNIFICANT ACCOUNTING POLICIES

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:

PROPERTY, PLANT & EQUIPMENT

Recognition and measurement
With the exception of 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 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 for the current and comparative periods are as follows:

	2016/2017	**2015/2016**
buildings	25-50 years	25-50 years
plant and equipment	2-15 years	2-15 years
office furniture & equipment	2-15 years	2-15years

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

INTANGIBLE ASSETS
Indefinite useful lives
Goodwill represents the excess of the purchase consideration over the fair value of the identifiable assets of the acquiree and is included in intangible assets. If the value of goodwill is lower than the net fair value, the difference will be recognised in the surplus or deficit.

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 is 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.

CONSTRUCTION WORK IN PROGRESS

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

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 recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). 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 trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

Non-financial assets

The carrying amounts of the Company's non-financial assets, being property, plant and equipment and mining licences, 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 receivables, and its financial liabilities as being at amortised cost.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.
Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

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)
All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

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 as a result of past service provided by the employee and the obligation can be estimated reliably.

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. The leased assets are not recognised on the Company's balance sheet.

PROVISIONS

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

REVENUE

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of materials, transfer usually occurs when the product is dispatched to the customer.

Services

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

LEASE PAYMENTS

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

INCOME TAX EXPENSE

Income tax expense 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 & 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.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The amendments to the following standards and interpretations are not expected to have a significant impact on the company's operations:

NZ IFRS 9: Financial Instruments – Classification and Measurement (effective for the financial year ending 30 June 2018).

NZIFRS 15: Revenue from Contracts and Customers (effective for the financial year ending 1 January 2018)

15. SALES OF GOODS/SERVICES TO LOCAL AUTHORITIES

The company will provide goods and services to the Westland District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis

16. FINANCIAL FORECASTS ($000s)

CONSOLIDATED

	Budget 2018/19	Forecast 2019/20	Forecast 2020/21
Gross Revenue	25,287	25,666	27,206
Cost of Sales	18,764	19,045	20,188
Gross Profit	6,523	6,621	7,018
Other Income	96	96	96
Administrative expenses	3,296	3,227	3,494
Depreciation	1,807	1,876	1,916
Finance costs	315	312	318
Net Profit Before Tax	**1,201**	**1,302**	**1,386**
Tax Expense	254	282	306
Subvention Payments	295	295	295
Net Profit for the Year	652	725	786
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income for the year	652	725	786
Other Performance Targets			
Dividends	220	256	287
Earnings Retained	432	469	499
Closing Shareholder's Funds	9,289	9,758	10,257
Pre Tax & Subvention Return on Ave Shareholder's Funds	12.93%	13.34%	13.51%

FINANCE, AUDIT AND RISK COMMITTEE ROLLING WORK PLAN

Item	July-18	Aug-18	Sept-18	Oct-18	Nov-18	Dec-18	Jan-18	Feb-19	Mar-19	April-19	May-19	June-19
External Audit			Interim Audit Management Report 2017/18 Final Audit Annual Report 2017/18	Final Audit Annual Report 2017/18				Audit Management Report 2017/18 Meet Audit Director if necessary				Interim Audit 2018/19
Financial Reporting				Review Annual Report 2017/18 Quarterly Report to September 2018			Quarterly Report to December 2018			Quarterly Report to March 2019		
CCO's	Final WHL Statement of Intent 2018/19		Full Year Reports 2018/19			WHL AGM 2017/18 As per constitution			WHL Half Year Report 2018/19 WHL Draft Statement of Intent 2019/20			Codes of Conduct Constitutions
Insurance	Insurance Update					Valuation Information	Renewal					
Risk Management Framework	Review Risk Register			Review Risk Register			Review Risk Register			Review Risk Register		Update on Health & Safety Legislation
Internal Control Framework		Review Current Policies and set Action Plan		Update – Internal Audit		Update			Update			Update