



**Work Programme
Half Year Performance Report**

2006/07

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INVESTMENT AND EXPORT GROWTH

Action	Indicators of Success	Progress to 31 December 2006
<p>Investment Attraction and Facilitation</p> <p>Establish a key client relationship with 50 of Waitakere's largest businesses, providing services and connections on a case by case basis</p> <p>Provide an investment facilitation service for new enquiries</p> <p>Establish and implement a proactive investment attraction programme for creative industries into Henderson with a specific focus on the screen production industry</p> <p>Establish and implement a proactive investment attraction programme for the marine industry to Hobsonville Marine Precinct in partnership with Waitakere Properties Limited</p>	<ul style="list-style-type: none"> • Register of top 50 established • Client contact integrated with relevant EW and Council activity • Client management relationship established • Starter / welcome pack for new businesses • 30 referred investment clients facilitated with >85% satisfaction • Investment attraction plan established • 10 targeted clients actively engaged • Hobsonville Marine Precinct fully tenanted within 12 months of being available 	<ul style="list-style-type: none"> • Top 40 identified and client management relationship established with 31 • Integration to TrainSmart, Powerful Ideas for Business Series, Council's town centre information programme and Key Account Management Service • Starter pack scheduled for after organisational rebranding • 25 current enquiries being facilitated • No update • Hobsonville will not come on stream in 2006/7

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Action	Indicators of Success	Progress to 31 December 2006
<p>In partnership with Council, establish a Blue Chip regulatory service for fast tracking resource consents for high value clients</p> <p>Participate in development planning for town centres and take a proactive role in investment facilitation</p> <p>Establish a "Littleton Project"</p>	<p>Blue chip service established</p> <p>Participation demonstrated >85% satisfaction from Council's Town Centre Development team</p> <p>Project team established and active within an agreed Terms of Reference</p>	<ul style="list-style-type: none"> • Key Account Management service established with a full time coordinator at Council and a draft Service Level Agreement prepared. • Participation when required, including New Lynn and Corban Estate future development planning • Project team established and a summer student working on collating information databases. Next stage of project will take place after completion of this work.
<p>Export</p> <p>Run a trade mission to Ningbo, leveraging this relationship and mission to include Shanghai and Seoul. Focus sectors – screen production, marine, export education and wine</p> <p>Connect Waitakere businesses to trade missions to Australia for establishing exporters being run by NZTE</p> <p>With Council host 2 trade visits with priority on sister cities and key decision makers.</p>	<ul style="list-style-type: none"> • 10 organisations from 4 sectors participate • 5 businesses participate • 10 business participate 	<ul style="list-style-type: none"> • Not due until June • No information on Australian trade opportunities to date, NZTE ran a pilot project but yet to see if it will develop into a regular opportunity. • Three delegations have been hosted to date – ASEAN Trade Commissioners, Ningbo Education delegation and general delegation from Ningbo involving 14 businesses or schools

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INDUSTRY AND SKILL GROWTH

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Action	Indicators of Success	Progress to 31 December 2006
<p>Screen production</p> <p>Support and house Film Auckland, assisting with the implementation of the screen production MRI as appropriate</p> <p>Participation in governance of joint TV sector research project</p> <p>Provide 'one-stop-shop' film facilitation service</p>	<ul style="list-style-type: none"> • Office space and admin support provided • Film Auckland MRI milestones achieved • Relationship as promotional partner • Research report produced • Actions identified and undertaken • 140 applications processed in full and on time per annum 	<p>Office space, accounting services and promotional partner sponsorship provided</p> <p>Continuing participation in governance group.</p> <p>70 applications processed in full and on time.</p>
<p>Marine</p> <p>Participate on marine MRI project team</p>	<ul style="list-style-type: none"> • Marine MRI business case submitted and successful 	<p>MRI Business case submitted to NZT&E</p>

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Action	Indicators of Success	Progress to 31 December 2006
<p>Tourism</p> <p>Support West of Auckland Tourism Inc action plan</p> <p>Maintain and promote Destination Waitakere website</p> <p>Distribute final copies of Destination Waitakere brochure</p> <p>Advertise with and assist local operators to advertise with Tourism Auckland</p> <p>Participate in tourism workstream of Rugby World Cup 2011 planning</p>	<ul style="list-style-type: none"> • Action plan milestones achieved • 24 000 web visits per annum • 130 business showcased • All copies of brochures distributed • 4 pages of Waitakere tourism businesses in new Tourism Auckland Guide publication • Opportunities for Waitakere connected 	<p>Agreed actions supported and achieved.</p> <p>Web site optimised on search engines but visits decreasing with only 8304 unique visits in the first half year. New site development initiatives required to win back audience. 136 companies featured. All brochures distributed.</p> <p>15 advertisers featured in a 10 page feature on West Auckland in the Tourism Auckland Guide publication.</p> <p>Participation in work stream ongoing.</p>
<p>Sustainable Business</p> <p>Support Sustainable Business Network in their work with Waitakere companies including a local organics network</p>	<ul style="list-style-type: none"> • Agreed milestones achieved • Participation on SBN Board 	<p>\$15 000 funding support given.</p> <p>Board participation</p>

Action	Indicators of Success	Progress to 31 December 2006
<p>Export Education Maintain website: education-waitakere</p> <p>Join Study Auckland as City member</p>	<ul style="list-style-type: none"> • Website remains live and up to date • Membership held 	<p>Website live and maintained as per instructions from school participating in the cluster development.</p> <p>Membership achieved and secured place on Advisory Board.</p>
<p>Entrepreneurial Culture Run West Auckland region of the Young Enterprise Scheme</p> <p>Establish concept, implementation and funding plan for the Young Entrepreneur Programme</p> <p>Run Waitakere Enterprising Schools Plus Programme</p> <p>Establish concept, implementation and funding plan for a Maori enterprise initiative</p>	<ul style="list-style-type: none"> • 200 students involved • 6 schools involved incl 3 new schools • Venture capital fund established • 15 companies complete year with profit • Plan established • 3 schools participate and demonstrate progress towards objectives <p>Project established pending funding</p>	<p>152 students involved. 6 schools involved in 2006 – 2 new schools confirmed for 2007 start. Venture Capital Funds secured from Waitakere City Rotary Club. Guidelines and criteria being established for first investments in May 2007. 12 companies completed 2006 with a profit, up from 5 in 2005.</p> <p>Concept being developed with test company from Avondale College.</p> <p>Project running to timelines, schools now operating independently with support from Project Manager. Evidence of culture change in all 3 participating schools.</p> <p>Project plan developed and funding sought but declined. Project and application will be revised and resubmitted</p>

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pending funder feedback and further stakeholder consultation process.

Action	Indicators of Success	Progress to 31 December 2006
Skills CONNECT Waitakere career programme established in local schools and commercialisation options examined	<ul style="list-style-type: none"> • 10 schools use CONNECT DVD, teachers pack and website as part of the school curriculum • Community outreach programme established 	Teaching resource pack completed and ready for distribution, website upgraded. Distribution planned for Term 1 2007 with teacher professional development session. Banners and collateral material developed. Programme for roadshow being established with interested sites.
Establish concept, implementation and funding plan for a migrant information pack for employers	<ul style="list-style-type: none"> • Pack produced pending funding 	Expression of Interest developed and being submitted to Enterprising Communities (W&I) in 2007.
Participate in Skills Workstream of the Auckland Metro project	<ul style="list-style-type: none"> • Opportunities for EW and Waitakere secured 	Participation ongoing. Waitakere examples used as benchmark.
Participate in Accelerating Auckland ICT skills project team	<ul style="list-style-type: none"> • Waitakere component of project implemented 	Expressions of Interest sought from community groups. Business case for regional pilot being developed and submitted early 2007.
Support school participation in Smales Farm technology careers project	<ul style="list-style-type: none"> • 1 Waitakere school participates 	Rutherford College involved in 2006 and 2007. Industry placements sought and used in Waitakere companies.
Participate on Youth Transitions Service Key stakeholder Group	<ul style="list-style-type: none"> • 80% of meetings attended 	Participation ongoing.

All

BUSINESS GROWTH

Action	Indicators of Success	Progress to 31 December 2006
Provide a business information service, including as an agent for BIZ	<ul style="list-style-type: none"> • >90% satisfaction rate from BIZ • 300 clients 	142 BIZ Info enquiries
Act as an agent for the Business Mentors New Zealand	<ul style="list-style-type: none"> • 175 matches • >75% satisfaction by clients of the overall mentoring experience 	82 mentor matches
Act as a sub-contractor for the Enterprise Training Programme to deliver capability assessments, start-up training, Maori Trustee Training and host seminars	<ul style="list-style-type: none"> • 100 capability assessments and 18 workshops run locally by Dec 07 	53 Capability Assessments complete EW delivered start-up and Maori Trustee Training workshops
Review EW's Business Growth programme and implement recommendations for provision from 1 January 2007	<ul style="list-style-type: none"> • Review complete • Recommendations delivered in full 	Review complete and adopted ETP subcontracting relationship continuing, Powerful Ideas for Business Series established, naming rights for Waitakere Business Club and Waitakere Rotary State of the Nation secured, business development model advocated regionally
Secure naming rights sponsorship and scale up the Waitakere City Rotary State of the Nation event and Waitakere Business Club luncheon series	<ul style="list-style-type: none"> • Naming rights secured • 200 to State of the Nation, 100 to each of 3 Waitakere Business Club events p/a 	Achieved 2 Business Club breakfasts held with attendance of 130 and 110 respectively

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BUSINESS AWARDS

All

Action	Indicators of Success	Progress to 31 December 2006
Revise entry	<ul style="list-style-type: none"> • Two stage process implemented • Attraction of high-profile judges • Adherence of application to Baldrige criteria 	Achieved 5 of 10 judges appointed Entry process reviewed and consistent with Baldrige criteria
Sign on sponsors	<ul style="list-style-type: none"> • Retain all existing sponsors • Sign on two new sponsors • Prizes for each category 	All categories sponsored \$92500 prize pool confirmed and climbing
Marketing and Publicity	<ul style="list-style-type: none"> • \$90K publicity generated • Media sponsor • 1,000 businesses contacted via direct mail, e-mail • 500 businesses called • 200 preliminary business visits • 120 stage 1 entries 	Marketing activity scheduled to commence in first quarter of 2007
Tutorials	<ul style="list-style-type: none"> • Solid attendance • Tie in with seminar series (at finalist level) • Support of previous winners in delivery 	Tutorial scheduled for second quarter of 2007

COMMUNITY ECONOMIC DEVELOPMENT

Action	Indicators of Success	Progress to 31 December 2006
Support the growth of community enterprise within selected organisations.	<ul style="list-style-type: none"> • 3 community organisations committed and demonstrating progress 	<ul style="list-style-type: none"> • Delivered Information Workshop on Business Awards to nine organisations (intention – capacity building in Community Orgs) • Continue work with Ranui Action Project on Social Enterprise initiatives
Implement the Project Twin Streams economic development action plan	<ul style="list-style-type: none"> • Action plan milestones achieved 	<ul style="list-style-type: none"> • Green Technology Strategic Development Group established • Action Plan developed for Bamboo Specialists • Educational Pathways being explored • Oratia Farmers Market – coordinator funding being addressed • Ideas generated during the community consultation phased being developed
Deliver 5 Be Your Own Boss programmes.	<ul style="list-style-type: none"> • 60 participants complete programme 	<ul style="list-style-type: none"> • Delivered 2 BYOB courses with 26 clients resulting in 23 new businesses
Identify and attract funding for projects and facilitator role	<ul style="list-style-type: none"> • Funding secured of 06/07 projects and 07/08 programme 	<ul style="list-style-type: none"> • Investigating options for funding applications to support role. • Funding applications templates for projects being created with MSD
Investigate possible business training for migrants establishing in Waitakere	<ul style="list-style-type: none"> • Feasibility established and appropriate action taken. 	<ul style="list-style-type: none"> • Discussions with Work & Income initiated

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TRAINSMART

Action	Indicators of Success	Progress to 31 December 2006
Deliver Alternative Education, Youth Training and ESOL training as per TEC funding allocation	<ul style="list-style-type: none"> • 80% occupancy and 70% achievement of positive outcomes for youth students • 80% occupancy and 70% achievement of positive outcomes for ESOL students 	<ul style="list-style-type: none"> • 58 % occupancy and 50% positive outcomes for youth students • 90% occupancy and 70% achievement of positive outcomes for ESOL students
Increase productivity by increasing class rooms at Bruce McLaren Rd from 4 to 7 and maximum targeted class sizes from 12 to 15	<ul style="list-style-type: none"> • Bruce McLaren Rd facility upgraded • Tutor : student ratios achieved 	<ul style="list-style-type: none"> • ESOL tutor/ student ratio 1:15 achieved
Diversify by establishing trade based Youth Training and Training Opportunities courses	<ul style="list-style-type: none"> • Trade based courses established and full 	<ul style="list-style-type: none"> • Trade-based course not achieved but feasibility still being investigated
Investigate and, if business case is established, provide after school English language tuition	<ul style="list-style-type: none"> • Profitable programme established 	<ul style="list-style-type: none"> • Course due to begin in Feb 2007
Diversify programmes through the establishment of additional foundation programmes through the Foundation Learning Pool	<ul style="list-style-type: none"> • \$300 000 additional programme funding attracted 	<ul style="list-style-type: none"> • Course to begin in Feb 2007. Funding granted at \$87000
Investigate feasibility of programmes being run under the Workplace Literacy Funding Pool	<ul style="list-style-type: none"> • Feasibility established and appropriate action taken 	<ul style="list-style-type: none"> • No progress

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COMMUNICATIONS

Action	Indicators of Success	Progress to 31 December 2006
Brand evolution	<ul style="list-style-type: none"> • Increased brand awareness • Buy-in from staff • Positive feedback on brand experience 	Brand Strategy and guidelines established with full staff support
Website development	<ul style="list-style-type: none"> • inbound enquiries • growing site traffic 	New website will be launched in Feb 2007
Marketing toolkit/ signage	<ul style="list-style-type: none"> • wide use by EW staff • inbound enquiries • increased awareness of service offering 	New marketing material will be launched in Feb 2007
PR programme	<ul style="list-style-type: none"> • Increased awareness • Use for comment by media • Inbound enquiries 	PR programme will be established when re-brand is complete
Database	<ul style="list-style-type: none"> • Well used by staff • Increased 'client sharing' between staff • Ability to extract useful and robust business data • Reduced contact errors and GNAs over time • Increased brand awareness via use of templates 	Outreach database established and actively used

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Action	Indicators of Success	Progress to 31 December 2006
Strategic partner branding	<ul style="list-style-type: none"> • Increased brand awareness • Increased perceived credibility of brand • Firmer ties with SPs 	Business Awards sponsors have agreed to carry Awards and WE material for the first time, indicating confidence in being associated with the WE brand
Marketing support of Business Series	<ul style="list-style-type: none"> • Sustainable attendance of seminars • Continued presenter support/ partnerships 	Powerful Ideas for Business Series will be begin in March 2007
'Launch'	<ul style="list-style-type: none"> • attendance by key business, council and strategic partners • media interest in EW story • positive feedback from attendees • support for new initiatives 	Launch scheduled for Feb 2007

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ROBUST AND EFFECTIVE ORGANISATION

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Action	Indicators of Success	Progress to 31 December 2006
<p>Financial Implement XAPTA accounting software to ensure accurate, timely management information</p> <p>Diversify income streams, including non-funding related, throughout EW activity</p>	<ul style="list-style-type: none"> • Software installed • New income streams established 	<p>Software installed for 1 July 2006</p> <p>Powerful Ideas for Business, Foundation Learning Pool programme, ICDL and ESOL for primary students business cases approved and will be established in first half of 2007</p>
<p>Human Resources</p> <p>Establish new office for EW Central</p> <p>Maintain health insurance, tutor special leave provisions, annual remuneration benchmarking, flexible employment practice, bi-annual staff satisfaction surveys and performance management systems</p> <p>Investigate performance related pay provisions</p>	<ul style="list-style-type: none"> • Office established • Current HR practice maintained • Performance related pay system established for TrainSmart 	<p>Planning complete. Move date 16 February 2007</p> <p>Achieved</p> <p>Discussion initiated with staff</p>

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STATEMENT OF INTENT
Half Year Progress Report

2006 / 07

Performance Targets 2006/7 to 2008/9

Objective	Activity	Performance sought by 30 June 2007	Performance to 31 December 2006
1. Grow local economic opportunity	In partnership with Council, advocate the needs of the Waitakere City economy and forge the necessary strategic alliances to realise them	<p>>85% satisfaction of Enterprise Waitakere's advocacy performance by Council partners through a contribution to:</p> <ul style="list-style-type: none"> • Long Term Council and Community Plan • Economic Development Coordination Team • Regional Business Location Strategy work • Participation in the Auckland Regional Economic Development Agency network and the Economic Development Agency of New Zealand 	Satisfaction measured in June

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Objective	Activity	Performance sought by 30 June 2007	Performance to 31 December 2006
2. Grow the number, size, productivity and profitability of enterprises	Support the establishment and growth of local businesses through the provision of quality information, advice and training	Support to 850 businesses with >90% satisfaction by respondent clients 4 skills initiatives implemented	541 service interactions made up of; 142 BIZ Info enquiries 82 mentor matches 53 capability assessments 20 attending start-up training 8 attending Maori Trustee Training 26 Be Your Own Boss 210 attending Business Club events CONNECT Waitakere, Enterprising Schools and Young Enterprise fully established and implemented. Full participation in Metro Project.
	Run an annual Business Awards	Implement 2006 review recommendations	All recommendations implemented being; In-house event management role established Move Gala Dinner to Oct 2007 \$92500 prizes pool established 2 stage entry process 4 new categories (youth, young entrepreneur, peoples choice, community excellence)

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			All categories sponsored
3. Grow strategic sectors and places	Foster the development of high growth potential sectors in which Waitakere has a current or potential competitive advantage	Development programmes for 4 industry sectors established and implemented	Screen production, tourism and export education programmes established and on track
	Support Council's town centre development programme	>90% overall satisfaction of support to Council's town centre development programme by Council's town centre staff	Funding to Sustainable Business Network Survey conducted June 2006

Deleted: Marine MR1 approved

Objective	Activity	Performance sought by 30 June 2007	Performance to 31 December 2006
4. Grow the value of trade and investment	Leverage Waitakere's sister city relationships to drive business growth	5 businesses or sector organisations participate in a trade relationship with Ningbo, including at least 2 new from 2005	9 organisations from 3 sectors committed, 3 new from 2006
	Attract new investment to Waitakere and grow the value of current investors	40 investment clients facilitated with >85% satisfaction with the service from respondent clients Establish key client relationships with 50 of Waitakere's large businesses	25 new investment enquiries progressed. Met and established a relationship with 31 A List clients

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Objective	Activity	Performance sought by 30 June 2007	Performance to 31 December 2006
5. Grow the economic participation of youth, Maori, Pacific, migrant and local communities	Provide foundation skills youth training	80% occupancy and 70% achievement of positive outcomes for students	58% occupancy and 50% positive outcomes
	Provide foundation level ESOL training	80% occupancy and 70% achievement of positive outcomes for students	90% occupancy and 70% positive outcomes
		3 year NZQA Quality Audit cycle maintained	3 year NZQA Quality Audit cycle current
	Undertake specific initiatives within the Maori, Pacific and local communities	Maori economic development activity initiated Community economic development activity initiated Maori and Pacific Youth participating in TrainSmart's youth and alternative education programmes exceeds Tertiary Education Commission targets	No progress Community enterprise and Project Twin Streams implementation initiated Maori participation 46% Pacific participation 15%

Objective	Activity	Performance sought by 30 June 2007	Performance to 31 December 2006
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6. Grow awareness, understanding & organisational effectiveness of Enterprise Waitakere	Implement the organisation's Communication Strategy	Increase awareness of Enterprise Waitakere and its services by 10% above 2005 levels	Measured in July 2007
	Establish Enterprise Waitakere as an employer of choice	Employee retention rate exceeds 85% for Enterprise Waitakere and 75% for Trainsmart	EW Central retention 100% TrainSmart retention 82%
	Invest in technology that enables employees to exceed performance targets	Staff satisfaction with technology provided exceeds 90%	Measured June 2007
	Establish professional office accommodation	Staff satisfaction with office accommodation meeting business needs exceeds 90%	Measured June 2007
	Implement Quality Management Systems	Quality Management Systems continuously improved and updated	TrainSmart's QMS implementation a specific part time role

WAITAKERE ENTERPRISE TRUST BOARD

2nd QUARTER REPORT

FOR THE SIX MONTHS ENDED

31 DECEMBER 2006

WAITAKERE ENTERPRISE TRUST BOARD

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WAITAKERE ENTERPRISE TRUST BOARD

STATEMENT OF RESPONSIBILITY

FOR THE SIX MONTHS ENDED 30 DECEMBER 2006

The Board of Trustees and management of Waitakere Enterprise Trust Board accept responsibility for the preparation of the annual Financial Statements and the judgements used them.

The Board of Trustees and management of Waitakere Enterprise Trust Board accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.

In the opinion of the Board of Trustees and management of Waitakere Enterprise Trust Board the annual Financial Statements for the six months ended 31 December 2006, fairly reflect the financial position and operations of Waitakere Enterprise Trust Board.

CHAIRPERSON

CHIEF EXECUTIVE

WAITAKERE ENTERPRISE TRUST BOARD

TRUST DIRECTORY

NATURE OF UNDERTAKING

A Charitable Trust established to undertake initiatives that accelerate the sustainable economic growth of Waitakere.

LOCATION

3rd Floor John Henry Centre,
Cnr of Catherine and Pioneer Streets,
Henderson
WAITAKERE CITY

TRUSTEES -(To 14 December 2006)

Mr B.Mogridge O.N.Z.M (Chairman)

Dr M. Buchanan-Oliver
Mr T. Coddington
Mr T. Fasi
Mr T.Taua M.N.Z.M
Mr M.Williams

TRUSTEES -(From 14 December 2006)

Mr B.Mogridge O.N.Z.M (Chairman)

Mr B.Corban
Ms Y. Hawke
Mr P.Spoonley
Mr M.Williams

BANKERS

Bank of New Zealand
373 Great North Road
HENDERSON

SOLICITORS

Duthie Whyte
120 Mayoral Drive
AUCKLAND

AUDITORS

Audit New Zealand on behalf of the Auditor-General

CHAIRMAN - WAITAKERE ENTERPRISE TRUST BOARD

Mr B.Mogridge O.N.Z.M

CHIEF EXECUTIVE OFFICER - WAITAKERE ENTERPRISE TRUST BOARD

Mr J.Wadsworth

WAITAKERE ENTERPRISE TRUST BOARD

TRUST DIRECTORY

ENTRIES MADE IN THE INTERESTS REGISTER

Interests In Transactions

During the year there have been no transactions entered into by the Trustees of the Trust which would require disclosure.

Use Of Trust Information By Trustees

The Board of Trustees received no notices during the year from Trustees requesting to use Trust information in their capacity as Trustees which would not otherwise be available to them.

Remuneration

There have been no:-

- Payments for services other than those stated in note 7 page 21,
- Compensation for loss of office,
- Loans by the Trust to a Trustee,
- Guarantees given by the Trust for debts incurred by a Trustee,
- Entering of contracts to do any of the above.

Indemnity and Insurance : Trustees and Employees

The Trust has taken insurance for any Trustee and Employee in respect of any liability for any act or omission in his or her capacity as a Trustee or Employee.

Trustee Remuneration (Board Member Fees)

Annual

Mr B.Mogridge O.N.Z.M (Chairman)	30,000
Dr M. Buchanan-Oliver	10,000
Mr T. Coddington	10,000
Mr T. Fasi	10,000
Mr T.Taua M.N.Z.M	10,000
Mr M.Williams	10,000
Total Fees Paid	<u>80,000</u>

Trustee Remuneration for the period 31 December 2006

Paid

Mr B.Mogridge O.N.Z.M (Chairman)	14,000
Dr M. Buchanan-Oliver	2,900
Mr T. Coddington	3,600
Mr T. Fasi	4,300
Mr T.Taua M.N.Z.M	1,500
Mr M.Williams	4,300
Total Fees Paid	<u>30,600</u>

WAITAKERE ENTERPRISE TRUST BOARD

2nd QUARTER IN REVIEW

SIX MONTHS ENDED 31 DECEMBER 2006

Trust Activities

The business of the Trust is to undertake initiatives that accelerate the sustainable economic growth of Waitakere. Activities include investment and expert facilitation, industry and skills development, business information, mentoring and training, annual business awards, community economic development and foundation employment skills training.

RESULTS AT A GLANCE

Revenue for the period	2006 1,224,137
Expenses for the period	1,040,559

Surplus at 31 December 2006

183,578

The state of the Trust's affairs as at 31 December 2006

Assets Totalled

724,762

These were represented by:-

Trust Equity at 31 July 2006

437,233

Plus current surplus

183,578

Trust Equity at 31 December 2006

620,811

Liabilities of

103,951

724,762

RESULTS AT A GLANCE

Revenue for the period	2005 1,432,551
Expenses for the period	1,259,069

Surplus at 31 December 2005

173,482

The state of the Trust's affairs as at 31 December 2005

Assets Totalled

586,278

These were represented by:-

Trust Equity at 31 July 2005

324,419

Plus current surplus

173,482

Trust Equity at 31 December 2005

497,901

Liabilities of

88,377

586,278

Donations

The Trust has made no donations during the year.

WAITAKERE ENTERPRISE TRUST BOARD

2nd QUARTER IN REVIEW

SIX MONTHS ENDED 31 DECEMBER 2006

Likely Developments

The Trust will continue to provide investment and export facilitation, industry and skills development, business information, mentoring and training, annual business awards, community economic development and foundation employment skills training.

All under contract to Waitakere City Council, Tertiary Education Commission, Business Mentors N.Z, Work and Income N.Z, Auckland Regional Chamber of Commerce and other public and private sector agreements.

AUDIT GOVERNANCE AND INDEPENDENCE

Approach to audit governance

The Board is committed to to three core principles:-

- That the Board's financial reports present a true and fair view,
- That the Board's accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies and,
- That the external auditor is independent and serves stakeholder interests.

Engagement of the external auditor

The Auditor - General is the auditor of the Trust.

The Auditor - General has appointed Audit New Zealand to be the Trust's auditor.

Restrictions on non - audit services by the external auditor

To avoid possible independence or conflict of issues, the external auditor is not permitted to carry out certain types of non - audit services for the Trust, including:

Preparation of accounting records and financial statements;
Financial information systems design and implementation; and
Internal audit services.

Attendance at General Board Meetings

Any Trustee can request that the external auditor be available to answer questions on:

- The conduct of the audit;
- The preparation and content of the audit report;
- The accounting policies adopted by the Board in relation to the preparation of the financial statements; and
- The independence of the auditor in relation to the conduct of the audit.

Auditors' Remuneration

Audit Fees (2006)	\$7,874 Annual Report
Audit Fees (2006)	\$3,799 Financial Viability Report for Tertiary Education Commission.
Audit Fees (2005)	\$7,571 Annual Report
Audit Fees (2005)	\$3,700 Financial Viability Report for Tertiary Education Commission.

WAITAKERE ENTERPRISE TRUST BOARD

2nd QUARTER IN REVIEW

SIX MONTHS ENDED 31 DECEMBER 2006

CONTROLLING AND MANAGING RISK

The Board approaches risk management by identifying, assessing and managing the risks that effect its operations in accordance with a set core risk management values. This approach enables the risks to be balanced against appropriate rewards and reflects the Trust's vision and values, objectives and strategies, and procedures and training.

The Trust identifies four main types of risk:

- **Credit risk** .The risk of financial loss where a customer fails to meet their financial obligations;
- **Market risk** .the risk to earnings from changes in market factors, such as Government or Council policy initiatives;
- **Operational risk** .The risk that arises from inadequate or failed internal processes, people and systems or from external events; and
- **Compliance risk** .The risk of failing to comply with the Trust's obligations under the law, based on the letter and spirit of a range of regulatory standards expected of the Trust.

Risk management responsibilities

The Board of Trustees is responsible for reviewing and approving the Trust's risk management strategy, frameworks and key parameters, including determining the Trust's appetite for risk.

REMUNERATION

The Trust's reward strategy provides a framework aimed at attracting and retaining talented employees and emdedding a culture of achievement.

This anchored by a philosophy of paying for performance, enterprise wide and by specific programs to achieve market competitiveness.

Changes in Accounting Policy

There are no changes in Accounting Policies. The Policies are consistent with those adopted in the previous period.

WAITAKERE ENTERPRISE TRUST BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

<u>2005</u>	<u>INCOME</u>	<u>NOTES</u>	<u>2006</u>
748,921	GOVERNMENT CONTRACTS		524,140
436,000	COUNCIL GRANTS		560,500
4,880	INTEREST		7,128
242,750	OTHER INCOME		127,322
-	SPONSORSHIP		5,047
<u>\$ 1,432,551</u>	<u>TOTAL INCOME</u>	1	<u>\$ 1,224,137</u>

EXPENDITURE

40,000	BOARD EXPENSES		31,310
575,775	PERSONNEL COSTS		610,813
148,983	OCCUPANCY COSTS		102,676
468,176	OPERATIONAL COSTS		266,017
26,135	DEPRECIATION		29,743
<u>\$ 1,259,069</u>	<u>TOTAL EXPENDITURE</u>	1	<u>\$ 1,040,559</u>

<u>\$ 173,482</u>	<u>NET SURPLUS</u>		<u>\$ 183,578</u>
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This Statement should be read in conjunction with the Statement of Accounting
Policies and the notes to the Financial Statements

WAITAKERE ENTERPRISE TRUST BOARD
BALANCE SHEET
AS AT 31 DECEMBER 2006

<u>2005</u>	<u>CURRENT ASSETS</u>	<u>NOTES</u>	<u>2006</u>
356,919	BANK	4	523,618
178,882	SUNDRY DEBTORS		<u>75,708</u>
<u>535,801</u>	TOTAL CURRENT ASSETS		599,326
	<u>NON CURRENT ASSETS</u>		
50,477	FIXED ASSETS	5	<u>125,436</u>
<u>\$ 586,278</u>	<u>TOTAL ASSETS</u>		<u>\$ 724,762</u>
	<u>CURRENT LIABILITIES</u>		
88,377	SUNDRY CREDITORS	3	<u>103,951</u>
<u>88,377</u>	<u>TOTAL CURRENT LIABILITIES</u>		103,951
<u>88,377</u>	<u>TOTAL LIABILITIES</u>		<u>103,951</u>
	<u>TRUST EQUITY</u>		
324,419	OPENING BALANCE		437,233
173,482	SURPLUS		<u>183,578</u>
497,901	<u>TOTAL EQUITY</u>		620,811
<u>\$ 586,278</u>	<u>TOTAL LIABILITIES AND EQUITY</u>		<u>\$ 724,762</u>

This Statement should be read in conjunction with the Statement of Accounting Policies and the notes to the Financial Statements

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WAITAKERE ENTERPRISE TRUST BOARD
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

<u>2005</u>		<u>2006</u>
324,419	Equity at the start of the period -July	437,233
<u>173,482</u>	Net Surplus	<u>183,578</u>
<u>173,482</u>	Total Recognised Revenue & Expenditure for the period.	<u>183,578</u>
<u>\$ 497,901</u>	<u>Equity at the end of the period</u>	<u>\$ 620,811</u>

This Statement should be read in conjunction with the Statement of Accounting
Policies and the notes to the Financial Statements

**WAITAKERE ENTERPRISE TRUST BOARD
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006**

NOTES

2005 CASH FLOWS FROM OPERATING ACTIVITIES	2006
Cash was provided from:	
1,608,732 Receipts From Customers	1,349,144
4,880 Interest	7,128
- GST Received (net)	54,794
1,613,612	1,411,066
Cash was applied to:	
1,398,351 Payments to suppliers & employees	1,162,384
975 Interest and Bank charges	-
72,301 GST Paid (net)	-
1,471,627	1,162,384
141,985 NET OPERATING CASH FLOWS	248,682
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CASH FLOWS FROM INVESTING ACTIVITIES	
Cash was applied to:	
8,067 Purchase of Fixed Assets	25,078
8,067 NET INVESTING CASH FLOWS	25,078
133,918 NET INCREASE/(DECREASE) IN CASH	223,604
223,001 CASH AT BEGINNING OF THE YEAR	300,014
356,919 CASH AT END OF THE YEAR	523,618
MADE UP AS PER FINANCIAL POSITION	
146,778 BNZ Cheque Account	137,875
208,641 BNZ Call Account	384,243
1,500 Petty Cash	1,500
356,919	523,618

Reconciliation of Cash Flows from operating activities with reported operating surplus

2005	2006
173,482 Reported Surplus as per Statement of Financial Performance	183,578
Add non cash items:	
26,135 Depreciation	29,743
199,617	213,321
87,862 Accounts Receivable (increase)/decrease	144,306
(145,494) Accounts Payable increase/(decrease)	(108,945)
141,985 NET OPERATING CASH FLOWS	248,682

This Statement should be read in conjunction with the Statement of Accounting Policies and the notes to the Financial Statements

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WAITAKERE ENTERPRISE TRUST BOARD

Notes to the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The Trust was established on 27 May 1994 by a Deed of Trust under the Charitable Trusts Act 1957, and is a Council Controlled Organisation in terms of the Local Government Act 2002. The Trust is wholly owned by Waitakere City Council.

The Trust is domiciled in New Zealand and is based in Auckland.

The Trust's financial year runs from 1 July to 30 June.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ, GAAP), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting standards (NZ IFRS), and its interpretations as appropriate to non profit entities that qualify for and apply differential reporting concessions.

These are the Trust's first NZ IFRS financial statements and NZ IFRS has been applied.

The Trust is a non profit entity.

The Trust is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

DIFFERENTIAL REPORTING CONCESSIONS

The Trust qualifies for Differential Reporting exemptions as it has no public accountability as defined in the Financial Reporting Act 1993.

The size of the organisation qualifies the Trust under the New Zealand Institute of Chartered Accountants reporting framework. The criteria for qualification is any two of the following:-

Total revenue not exceeding \$20.0 million,

Total assets not exceeding \$10 million

Exceeding more than 50 full time employees.

The Trust presently meets all the criteria.

The concessions taken advantage of are in:-

NZ IAS 1 Presentation of Financial Statements

Reference; 1.38(b), Reclassification of comparative amounts, disclosure of amount of each item or class of items that are reclassified.

Reference; 1.52, disclosure of the amount expected to be recovered or settled after more than 12 months if assets and liability line items combine amounts to be settled no more than 12 months after balance sheet date and amounts to be settled more than 12 months after balance sheet date.

Reference 1.94.2; Disclosure of donations made.

Reference 1.113; Disclosure of judgements management has made in the process of applying the entitie's accounting policies.

Reference 1.116; Disclosure of key assumptions concerning the future and other key sources of estimation uncertainty at balance sheet date.

NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Reference 8.30; Disclosure of the impact of a new Standard or Interpretation that has been issued but is not yet effective.

SIGNIFICANT ACCOUNTING POLICIES

DIFFERENTIAL REPORTING CONCESSIONS (Continued)

NZ IAS 16 Property, Plant and Equipment

Reference 16.73 (e); Disclosure of a reconciliation between the carrying amount at the beginning and end of a period.

Reference 16.74 (b); Disclosure of the amount of compensation from third parties for items of property, plant and equipment that were impaired.

Reference 16.77 (e); Disclosure of, for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the asset been carried under the cost model.

NZ IAS 17 Leases

Reference 17.31 (c); Disclosure by lessees in respect of finance leases, of contingent rents recognised as an expense in the period.

Reference 17.31 (e); Disclosure of general description of the lessee's material financing leasing arrangements.

Reference 17.35 (d); Disclosure of general description of the lessee's significant operating leasing arrangements.

Reference 17.47 (a); Disclosure by lessors of a reconciliation between the gross investment in the finance lease at balance sheet date, and the present value of the minimum lease payments receivable at balance sheet date and classified into three time periods.

Reference 17.47 (e); Disclosure by lessors of the accumulated allowance for uncollectible minimum lease payments receivable in respect of finance leases.

Reference 17.47 (f); Disclosure by lessors of a general description of the lessor's material financing leasing arrangements.

Reference 17.56; Disclosure by lessor of a range of items in respect of operating leases.

NZ IAS 24 Related Party Disclosures

Reference 24.16; Disclosure of key management personnel compensation.

NZ IAS 32 Financial Instruments : Disclosure and Presentation

Reference 32.55; Disclosure of sufficient information to permit a reconciliation to relevant line items on the balance sheet.

Reference 32.60 (a); Disclosure of information about the extent and nature of the financial assets, liabilities and equity instruments, including significant terms and conditions that may affect the amount, timing and certainty of cash flows.

Reference 32.67; Disclosure of information about the Trusts exposure to interest rate risk.

Reference 32.76; Disclosure of information about the Trusts exposure to credit risk.

Reference 32.92; Disclosure of the methods and assumptions applied in determining the fair values of financial assets and financial liabilities.

NZ IAS 36 Impairment of Assets

Reference 36.130; Disclosure of information in relation to each material impairment loss recognised or reversed during the period.

Reference 36.134 (d); Disclosure of the assumptions and methodology used to determine value in use.

Reference 36.134 (e); Disclosure of the methodology used to determine fair value less costs to sell.

Reference 36.134 (f); Disclosure of information regarding the sensitivity of values to changes in key assumptions.

SIGNIFICANT ACCOUNTING POLICIES

DIFFERENTIAL REPORTING CONCESSIONS (Continued)

NZ IAS 37 Provisions,Contingent Liabilities and Contingent Assets

Reference 37.84 (b) ; Disclosure of additional provisions made in the period,including increases to existing provisions.

Reference 37.84 (c) ; Disclosure of amounts charges or incurred during the period.

Reference 37.84 (e) ; Disclosure of the increase during the period in the discounted amount arising from the passage of time and the effect of any changes in the discounted rate.

ACCOUNTING POLICIES

The financial statements are presented in New Zealand Dollars (NZD).The financial statements are prepared on the historical cost basis

Particular accounting policies which materially affect the measurement of the Trust's surplus or deficit from operations and financial position are:-

GOING CONCERN

Reliance is placed on the Trust being a going concern.

The Waitakere City Council through its annual plan and budgeting process sets and approves the Board's annual grant.Continuity of the grant has been established through a "3 Year Funding and Service Agreement" which makes available funding for the next three years to cover core services.

PROPERTY PLANT & EQUIPMENT

All fixed assets are stated at historical cost, less accumulated depreciation and impairment losses. Depreciation and impairment losses are recognised in the Statement of Financial Performance. Where material parts of an item of property,plant and equipment have different useful lives,they are accounted for as separate items of property plant and equipment.

Leased Assets

Leases where the Trust assumes substantially all the risks and rewards of ownership are classified as finance leases.the assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease,less accumulated depreciation and impairment losses.

Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property,plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with item will flow to the Trust and the cost can be measured reliably.All other costs are recognised in the Income Statement as an expense as incurred.

The Trust has a policy to expenses all items of plant property and equipment individually costing \$1,000 exclusive of Goods and Services Tax (GST) at time of purchase.

SIGNIFICANT ACCOUNTING POLICIES

PROPERTY PLANT & EQUIPMENT (Continued)

Depreciation

Depreciation is calculated in accordance with NZ IAS 16 and is charged to the Income Statement.

The following rates have been used:-

Computer Hardware	33% - 50%
Computer Software	20%
Office Equipment	20%
Office Fittings	20%

TRADE AND OTHER RECEIVABLES

These are stated at their cost less impairment losses.

INCOME TAX

The Trust is exempt from Income Tax.

GOODS AND SERVICES TAX

The financial statements have been prepared on a basis exclusive of Goods and Services Tax.

All items in the statement of financial position are stated net of Goods and Services Tax with the exception of receivables and payables which include Goods and Services Tax.

FRINGE BENEFIT TAX

The Trust is exempt from Fringe Benefit Tax.

EMPLOYEE BENEFITS

Annual Leave

Provision is made in respect of the Trust's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Long Service Leave

The Trust has no obligation in respect of long service leave.

TRADE AND OTHER PAYABLES

These are stated at cost.

SIGNIFICANT ACCOUNTING POLICIES

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

A provision is recognised when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit which can be reliably measured to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Contingent Liabilities

A contingent liability is a possible obligation yet to be confirmed that could lead to an outflow of economic benefit which cannot be measured reliably.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Trust from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

REVENUE

Contracts

Revenue from contracts is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer.

EXPENSES

Operating Lease Payments

Payments made under operating leases are recognised in the Income Statement on a straight line basis over the term of the lease.

Finance Lease Payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

Changes In Accounting Policy

There are no changes in Accounting Policies. The Policies are consistent with those adopted in the previous period.

**WAITAKERE ENTERPRISE TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006**

NOTE 1

2006	MANAGEMENT SERVICES	BUSINESS SUPPORT	EMPLOYMENT TRAINING	TOTALS
INCOME				
GOVERNMENT CONTRACTS	-	91,525	432,615	524,140
COUNCIL GRANT	-	560,500	-	560,500
INTEREST	7,128	-	-	7,128
OTHER TRADING INCOME	40,950	85,634	738	127,322
SPONSORSHIP	47	5,000	-	5,047
TOTAL INCOME	48,125	742,659	433,353	1,224,137
EXPENDITURE				
BOARD EXPENSES	31,310	-	-	31,310
PERSONNEL COSTS	169,057	190,980	250,776	610,813
OCCUPANCY COSTS	63,628	-	39,049	102,677
OPERATIONAL COSTS	62,651	141,194	62,171	266,016
DEPRECIATION	29,743	-	-	29,743
TOTAL EXPENDITURE	356,389	332,174	351,996	1,040,559
SURPLUS/(DEFICIT)	(308,264)	410,485	81,357	183,578

2005	MANAGEMENT SERVICES	BUSINESS SUPPORT	EMPLOYMENT TRAINING	TOTALS
INCOME				
GOVERNMENT CONTRACTS	-	199,776	549,145	748,921
COUNCIL GRANT	131,250	304,750	-	436,000
INTEREST	4,880	-	-	4,880
OTHER TRADING INCOME	64,481	177,969	300	242,750
SPONSORSHIP	-	-	-	-
TOTAL INCOME	200,611	682,495	549,445	1,432,551
EXPENDITURE				
BOARD EXPENSES	40,000	-	-	40,000
PERSONNEL COSTS	164,048	169,421	242,306	575,775
OCCUPANCY COSTS	32,485	56,402	60,096	148,983
OPERATIONAL COSTS	137,505	234,559	96,112	468,176
DEPRECIATION	8,835	5,565	11,735	26,135
TOTAL EXPENDITURE	382,873	465,947	410,249	1,259,069
SURPLUS/(DEFICIT)	(182,262)	216,548	139,196	173,482

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

Management Services

This division provides the administrative support for the Board.

Business Support

This division provides support to industry and business within the Waitakere City. Activities include investment and expert facilitation, industry and skills development, business information, mentoring and training, annual business awards and community economic development.

Employment Training

This division provides work force training skills, and work force placement programs designed to reduce unemployment.

Explanation of Revenue and Expense Categories

REVENUE CATERGORIES

Government Contracts

Includes all revenue sourced from Central Government.

Council Grant

The approved annual funding from the Waitakere City Council.

Interest

Income earned from funds held at the B.N.Z call account.

Other Income

All other revenue receipts, expense recoveries that are not classified in the above categories.

Sponsorship

Revenue associated with the Annual West Auckland Business awards.

EXPENSE CATERGORIES

Director Expenses

Remuneration and expenses incurred by the Board of Trustees

Personnel Costs

Salaries and wages, staff training and associated travel and accomodation costs.

Occupancy Costs

Costs that are directly attributable to rent and building operational expenses.

Operating Costs

These are all other costs of running the Trust's activities. Examples include consultancy fees, marketing and advertising and consumables such as printing and stationery and other general expenses.

Depreciation

This is the allocation of the capital cost of Trust assets over their useful lives.

WAITAKERE ENTERPRISE TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

<u>2005</u>		<u>2006</u>
	<u>NOTE 2</u>	
	<u>BANK ACCOUNTS (HELD BNZ)</u>	
1,500	PETTY CASH FLOAT	1,500
146,778	CHEQUE ACCOUNT	137,875
208,641	CALL ACCOUNT	384,243
<u>356,919</u>	TOTAL	<u>523,618</u>

NOTE 3

	<u>FIXED ASSETS</u>	<u>2006</u>	
<u>DESCRIPTION</u>	<u>COST</u>	<u>ACCUM DEPN</u>	<u>NET</u>
COMPUTER HARDWARE	247,335	170,300	77,035
COMPUTER SOFTWARE	37,909	22,876	15,033
OFFICE EQUIPMENT/ FITTINGS	94,241	60,873	33,368
TOTAL	<u>379,485</u>	<u>254,049</u>	<u>125,436</u>

	<u>FIXED ASSETS</u>	<u>2005</u>	
<u>DESCRIPTION</u>	<u>COST</u>	<u>ACCUM DEPN</u>	<u>NET</u>
COMPUTER HARDWARE	154,814	131,471	23,343
COMPUTER SOFTWARE	24,534	16,941	7,593
OFFICE EQUIPMENT/ FITTINGS	63,867	44,326	19,541
TOTAL	<u>243,215</u>	<u>192,738</u>	<u>50,477</u>

NOTE 4

Provisions,Contingent Liabilities and Contingent Assets

The Trust is defending an action brought by a previous staff member.While liability isnot admitted, if defence against the action is unsuccessful there will be legal costs and compensation. At present the value of this law suite cannot be measured with accuracy and no contingent liability has been recorded.

NOTE 5

Significant Events After Balance Date

No significant events occurred after balance date.

WAITAKERE ENTERPRISE TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

NOTE 6

RELATED PARTY DISCLOSURES

Waitakere City Council

The Trust was established by Council to undertake initiatives that accelerate the sustainable economic growth of Waitakere. Activities include investment and expert facilitation, industry and skills development, business information, mentoring and training, annual business awards, community economic development and foundation employment skills training.

<u>2005</u>	Value of Transactions between Council and the Trust are:-	<u>2006</u>
	<u>Revenue</u>	
436,000	Annual Funding	560,500
43,500	Trust Accounts	-
1,500	Other	2,285
<u>481,000</u>		<u>562,785</u>
	<u>Expenditure</u>	
<u>26,181</u>	Various	<u>14,088</u>

Waitakere Properties Limited

The Company is wholly owned by the Waitakere City Holdings Ltd, a subsidiary of Waitakere City Council.

The business of the Company is property development and project consultancy.

Value of Transactions between the Company and the Trust are:-

	<u>Revenue</u>	
<u>32,821</u>	Rent and staff/management services	<u>34,155</u>

NOTE 7

Key Management and Trustees

During the 2006 year the Trust purchased consultancy services from Mr Taha Fasi operating under the company name of Taha Fasi Company LTD.

Mr Taha Fasi is a Board member of the Trust.

	<u>2006</u>	<u>2005</u>
Taha Fasi Company Limited	310	17,000
TOTAL	<u>310</u>	<u>17,000</u>

These services were supplied on normal commercial terms.

WAITAKERE ENTERPRISE TRUST BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

NOTE 8

Premises ,Equipment & Vehicle leases

<u>Location</u>	<u>Description</u>	<u>MonthlyAmount</u>	<u>Start</u>	<u>Finish</u>
	<u>Premises</u>			
Henderson	John Henry Centre	7,874.55		28-Feb-07
Henderson	Boral Building	3,333.33		31-Dec-07
Mt Roskill	Fickling Centre	303.00		Monthly
	<u>Equipment</u>			
Mt Roskill	Photocopier	141.19	28-May-05	31-Jan-09
Henderson	Photocopiers (2)	1,884.10	1-Jan-05	1-Dec-07
Henderson	Phone System	687.72	1-Dec-04	1-Jan-09
	<u>Vehicles</u>			
Henderson	Vehicle 1	552.00	6-Apr-05	6-May-08
Henderson	Vehicle 2	747.00	28-Sep-05	28-Oct-08
Henderson	Vehicle 3	747.00	28-Sep-05	28-Oct-08

MATTERS FOR THE ATTENTION OF TRUSTEES

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

INTRODUCTION

The purpose of this report

This report is to update the Board of Waitakere City Holdings limited as to Enterprise Waitakere's performance for the recently concluded quarter.

1 Approved Budget – Quarterly Forecast

	Sep-06					Cumulative			
	1st Quart	2nd Quart	3rd Quart	4th Quart	Annual	Sep-06	Dec-06	Mar-07	Jun-07
Revenue						1st Quart	2nd Quart	3rd Quart	4th Quart
Government Contracts	316,034	213,414	180,273	260,034	969,755	316,034	529,448	709,721	969,755
Council Grant	303,000	258,000	258,000	258,000	1,077,000	303,000	561,000	819,000	1,077,000
Interest	2,250	2,250	2,250	2,250	9,000	2,250	4,500	6,750	9,000
Other income	53,352	75,101	48,601	66,301	243,355	53,352	128,453	177,054	243,355
Sponsorship	-	-	50,000	-	50,000	-	-	50,000	50,000
Totals	674,636	548,765	539,124	586,585	2,349,110	674,636	1,223,401	1,762,525	2,349,110
Expenditure						1st Quart	2nd Quart	3rd Quart	4th Quart
Board Expenses	21,000	16,000	16,000	16,000	69,000	21,000	37,000	53,000	69,000
Personnel Costs	280,652	320,022	308,251	358,061	1,266,986	280,652	600,674	908,925	1,266,986
Occupancy Costs	48,855	50,604	55,838	66,306	221,603	48,855	99,459	155,297	221,603
Operational Costs	149,214	176,513	170,987	189,183	685,897	149,214	325,727	496,714	685,897
Asset Purchases	-	23,500	15,000	-	38,500	-	23,500	38,500	38,500
Totals	499,721	586,639	566,076	629,550	2,281,986	499,721	1,086,360	1,652,436	2,281,986
Surplus/(Deficit)	174,915	(37,874)	(26,952)	(42,965)	67,124	174,915	137,041	110,089	67,124

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MATTERS FOR THE ATTENTION OF TRUSTEES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

2 Reporting & Statutory Compliance

Filings with Companies Office

Status

N/A

Filings with Inland Revenue Office

Completed

(PAYE,GST,FBT)

Statement of Corporate Intent.

Completed

(SCI -July 2006)

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REPORT ON TRUST ACTIVITIES
for the period of
1 JULY 2006 TO 31 DECEMBER 2006

Waitakere Properties Limited is a Council Controlled Trading Organisation wholly owned by the Waitakere City Council through Waitakere City Holdings Limited. The Company is solely focused on the acquisition, development and sale of properties that the council has vested with the company under Declaration of Trust and additional property management activities associated with those land holdings.

This Report on Trust projects details the company's activities for the financial half year ending 31 December 2006.

FINANCIAL AND OPERATIONAL

The primary activity of the company is as trustee for council in the management of the trust accounts. Waitakere Properties continues to focus on commercial developments that are either focussed on town centre redevelopment or promote strategic industries in Waitakere City.

Fee income from trust administration, development management, property management and construction management was \$256,002 for the half year. Total revenue, including interest income and rental income, was \$536,066. Operating expenses totalled \$467,992 yielding a surplus of \$68,074 for the half year.

PROPERTIES ADMINISTERED UNDER TRUST DECLARATIONS

As at 31 December 2006, the company administers 8 trust accounts totalling \$21.665m as shown below.

Trust Account	Original Declaration	Loans/ (Distributions)	Interest Paid	Total Invested
Waitakere Central	\$3,800,000	\$4,500,000		\$8,300,000
Henderson Valley Studios	\$3,700,000	-\$2,000,000		\$1,700,000
Keeling Road	\$7,600,000		\$266,000	\$7,600,000
Totara Avenue	\$1,940,000		\$67,900	\$1,940,000
Harbourview	\$0			\$0
Greenbay	\$625,000			\$625,000
New Lynn Carpark	\$880,000			\$880,000
Ambrico Place	\$620,000			\$620,000
Total	\$19,165,000	\$2,500,000		\$21,665,000

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During this 6 month period, the company made distributions \$2,333,900 as shown below:

Trust Account	Distribution	Reason
Keeling Road	\$266,000	Interest Payment
Totara Ave	\$67,900	Interest Payment
Henderson Valley	\$2,000,000	Distribution

Over that period the company received loan advances of \$4,500,000 for the construction of Central one at Waitakere Central.

In addition to these trust accounts, the company assisted with development advice on Wilsher Village and has been working extensively on the marine precinct at Hobsonville, at no cost to Council.

Waitakere Central

The major activity at Waitakere Central for this 6 month period was the construction of Central one, the first office building in this mixed use development. This building totals 2,700m² in size and is the first "A" grade office development in Henderson for some time. Construction is expected to be complete on January 31 2007 and tenants will commence occupation in February 2007.

The company is actively marketing the vacant space in Central one and has three serious prospects considering lease offers which, if accepted, would take the building to 57% occupied. The current occupancy of the buildings is as follows (by area):

Status	Retail	Office	Total	%
Leased	130.5	620.6	751.1	31%
Letter of Offer	94.9	851.3	946.2	39%
Propects Exploring	257.5	78.9	336.4	14%
No Interest	136.2	236.8	373	15%
Total Leaseable Area	619.1	1,787.6	2,406.7	100.00%

The rental income at the current occupancy is \$236,619 per annum. The 'breakeven' rental to allow the trust account to fully service the loan advance by council is \$469,000, which will require a occupancy of 44%. In other words, a 13% increase in occupancy will ensure that the trust account is at breakeven and thereafter will be generating a surplus. Fully leased, the building will generate a surplus of \$170,000 per annum over the funding cost.

The feasibility for this building remains solid with a forecast profit of \$500,000 to \$750,000 depending on leased rentals and end capitalisation rates.

The company continues to work on Central two, and has good interest for the ground and top floors but requires a key office tenant prior to this building being feasible.

The design workshop to be held with Councilors was cancelled and we are seeking another opportunity to present options for future development on the site.

Keeling Road

WPL has obtained resource consent for the industrial subdivision at Keeling Road and is about to commence civil works. The company has created 8 additional industrial lots on this site totalling 16,500m². We expect to complete the Keeling Road subdivision in 2007 and settlement will occur upon the issue of title. At this time a distribution will be made back to Council of the surplus plus the initial costs. The total distribution will be approximately \$8.0million.

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Four sections have been sold to date principally to local businesses looking to expand including FRP Plastics and Rohits Plumbing. The final two lots and the investment properties will be marketed upon title issuing to maximise returns.

The company believes that industrial subdivision is a beneficial activity to be involved in to assist in the growth of companies in Waitakere City and is actively looking for additional sites, brownfield or greenfield, to acquire to allow additional industrial land to be developed.

Henderson Valley Studios

The studios have been fully occupied over this 6 month period, construction commenced for the new studio at Henderson Valley on December 11 2006, and the first deposit on the sale of the studios was received. A \$2,000,000 distribution from the Studio Trust account was made in July 2006 from the sale proceeds. The balance of the sale (\$4 million) is due upon completion of the new film studio.

Operationally the studios earned \$609,983 (577,692 of that being studio rental income) with \$401,413 in expenditure resulting in a surplus of \$208,570. The cash balance of the trust account is \$297,454. WPL will manage the existing studios until August 2007 and is responsible for paying all professional consultant costs associated with construction. Upon the completion of the new film studio we will close this trust account and return surplus funds to Council. This distribution will be approximately \$750,000.

The studios continue to attract international films with a part of the current Lion Witch Wardrobe movie being filmed on site for four months prior to moving to Europe. The site will need constant investment to continue to attract films of this scale and the private sector is well placed to undertake this investment.

The new studio is due for completion in July/August 2007 and the contractor is being managed to allow the studios to continue to be rented over this period.

Totara Avenue Shops

The shops are being managed until such time as a redevelopment plan is approved.

Current income for the 6 month period was \$78,826 with expenses of \$24,429 resulting in an operating surplus of \$54,397. A distribution of \$67,900 being interest due was made to Council in January 2007.

Harbourview

The company has received a leaky home claim on 38 Danica Esplanade which is being jointly defended by WCC and WPL. WPL was the developer of this dwelling in 1998.

No other leaky homes have been brought to the company's attention of the 53 developed by WPL (in its capacity as trustee of Harbourview) in the late 1990's.

Forty three of the dwellings were built by Cranstons who are still solvent.

Ambrico Place, New Lynn

A sale and purchase agreement for an apartment development has been entered into and the developer is in discussions with urban designers and WCC strategic planning staff to ensure that the development meets the standards required.

ASB

Godley Road, Greenbay

The company continues to try to acquire the neighbouring sites to allow a large redevelopment of this site.

Hugh Brown Carpark, New Lynn

Development plans were put on hold pending the under grounding of the rail line and the acquisition of the Totara Avenue development opportunity.

OTHER ACTIVITIES

Hobsonville

The company has been actively involved in developing the Hobsonville Marine Precinct and now has a concept plan for review by the key stakeholders. The main consultant team has been selected and we are preparing for the MUL rezoning hearings in March.

The concept plan has been developed in conjunction with the Marine Industry Association and offers an intensive land use to maximise the number of boat builders on site. In addition it will be comprehensively managed to ensure that the impact of any visual, noise and smell of the business operations are minimised.

A full feasibility study of this concept plan will be undertaken upon the civil costs being completed in May.

In confidence, we have been successful in obtaining a \$2,000,000 grant from NZTE to upgrade the infrastructure on site.

WPL has been undertaking this work at no cost as there is no trust account at this time.

BOARD AND MANAGEMENT

There were no staff changes during the year. Neil Ranford, previously Chief Executive of Mainzeal, joined the Board during the 6 month period.

SUMMARY

Waitakere Properties Limited is building on its focus as a commercial developer within the City, delivering strategic outcomes and supporting economic growth. The company also identifies and assists with the acquisition of significant landholdings.

The result is that the Company is now taking on more complex projects to advance Council's strategic outcomes. The success of securing private investment at Henderson Valley Studios and the development at Waitakere Central and Keeling Road, combined with the future projects of Hobsonville and Totara Avenue, provides considerable scope and opportunity for the Company going forward.

GK Parker
Chief Executive

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WAITAKERE PROPERTIES LIMITED

2nd QUARTER REPORT

FOR THE SIX MONTH PERIOD

31 DECEMBER 2006

WAITAKERE PROPERTIES LIMITED

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WAITAKERE PROPERTIES LIMITED

STATEMENT OF RESPONSIBILITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

The Board and management of Waitakere Properties Limited accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Board and management of Waitakere Properties Limited accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non financial reporting.

In the opinion of the Board and management of Waitakere Properties Limited the annual Financial Statements for the six months ended 31 December 2006 fairly reflect the financial position and operations of Waitakere Properties Limited.

CHAIRPERSON

CHIEF EXECUTIVE OFFICER

WAITAKERE PROPERTIES LIMITED **COMPANY DIRECTORY**

NATURE OF BUSINESS

Property development and project consultancy

REGISTERED OFFICE

3rd Floor John Henry Centre,
Cnr of Catherine and Pioneer Streets,
Henderson,
WAITAKERE CITY

DIRECTORS

Mr R.W.Jewell (Chairman)
Mr R.M.Noakes
Mr N.Ranford
Mr B.Taylor

CHIEF EXECUTIVE

Mr G.Parker

BANKERS

A.S.B Bank Limited
350 Great North Road
HENDERSON

AUDITORS

Audit New Zealand on behalf of the Auditor-General

SOLICITORS

Corban Revell
19 Alderman Drive
HENDERSON

CAPITAL

2,300,000 Ordinary Shares of \$1.00 each fully paid.

SHAREHOLDER

Waitakere City Holdings Limited 2,300,000

WAITAKERE PROPERTIES LIMITED **THE YEAR IN REVIEW**

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

Company Activities

The business of the Company is property development and project consultancy.
The nature of the Company's business has not changed during the year under review.

RESULTS AT A GLANCE

Revenue for the period	2006 536,066
Expenses for the period	467,992

Surplus at 31 December 2006	<u>68,074</u>
-----------------------------	---------------

The state of the Company's affairs as at 31 December 2006

Assets Totalled	<u>2,575,151</u>
-----------------	------------------

These were represented by:-

Company Equity at 31 July 2006	2,477,179
--------------------------------	-----------

Plus current surplus	68,074
----------------------	--------

Company Equity at 31 December 2006	<u>2,545,253</u>
------------------------------------	------------------

Liabilities of	29,898
----------------	--------

<u>2,575,151</u>

RESULTS AT A GLANCE

Revenue for the period	2005 266,709
Expenses for the period	261,632

Surplus at 31 December 2005	<u>5,077</u>
-----------------------------	--------------

The state of the Company's affairs as at 31 December 2005

Assets Totalled	<u>2,512,046</u>
-----------------	------------------

These were represented by:-

Company Equity at 31 July 2005	2,473,722
--------------------------------	-----------

Plus current surplus	5,077
----------------------	-------

Company Equity at 31 December 2005	<u>2,478,799</u>
------------------------------------	------------------

Liabilities of	33,247
----------------	--------

<u>2,512,046</u>

Donations

The Company has made no donations during the year.

WAITAKERE PROPERTIES LIMITED **THE YEAR IN REVIEW**

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

Likely Developments

The Company will continue to provide services to the Waitakere City Council in respect of the Harbour View Estate, New Lynn, Henderson Valley Studios, Totara Ave Shops, Waitakere Central, 51 to 65 Keeling Road and Hobsonville.

AUDIT GOVERNANCE AND INDEPENDENCE

Approach to audit governance

The Board is committed to three core principles:-

- That the Company's financial reports present a true and fair view,
- That the Company's accounting methods are comprehensive and relevant and comply with applicable accounting rules and policies and,
- That the external auditor is independent and serves stakeholder interests.

Engagement of the external auditor

The Auditor - General is the auditor of the Company.

The Auditor - General has appointed Audit New Zealand to be the Company's auditor.

Restrictions on non - audit services by the external auditor

To avoid possible independence or conflict of issues, the external auditor is not permitted to carry out certain types of non - audit services for the Company, including:

Preparation of accounting records and financial statements;
Financial information systems design and implementation; and
Internal audit services.

Attendance at General Board Meetings

Any Director can request that the external auditor be available to answer questions on:

- The conduct of the audit;
- The preparation and content of the audit report;
- The accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- The independence of the auditor in relation to the conduct of the audit.

WAITAKERE PROPERTIES LIMITED

THE YEAR IN REVIEW

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

CONTROLLING AND MANAGING RISK

The Company approaches risk management by identifying, assessing and managing the risks that effect its its operations in accordance with a set core risk management values.

This approach enables the risks to be balanced against appropriate rewards and reflects the Company's vision and values, objectives and strategies, and procedures and training.

The Company identifies four main types of risk:

- ***Credit risk*** .The risk of financial loss where a customer fails to meet their financial obligations;
- ***Market risk*** .the risk to earnings from changes in market factors, such as Government or Council policy initiatives;
- ***Operational risk*** .The risk that arises from inadequate or failed internal processes, people and systems or from external events; and
- ***Compliance risk*** .The risk of failing to comply with the Company's obligations under the law, based on the letter and spirit of a range of regulatory standards expected of the Company.

Risk management responsibilities

The Board of Directors is responsible for reviewing and approving the Company's risk management strategy, frameworks and key parameters, including determining the Company's appetite for risk.

REMUNERATION

The Company's reward strategy provides a framework aimed at attracting and retaining talented employees and emdedding a culture of achievement.

This anchored by a philosophy of paying for performance, enterprise wide and by specific programs to achieve market competitiveness.

Changes in Accounting Policy

There are no changes in Accounting Policies. The Policies are consistent with those adopted in the previous period.

WAITAKERE PROPERTIES LIMITED **STATUTORY INFORMATION**

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

Directors

Mr R.W.Jewell (Chairman)
Mr R.M.Noakes
Mr N.Ranford
Mr B.Taylor

ENTRIES MADE IN THE INTERESTS REGISTER

Interests In Transactions

During the year there have been no transactions entered into by the Directors of the Company which would require disclosure.

Use of Company Information by Directors

The Board received no notices during the year from Directors requesting to use Company information received in their capacity as Directors which would not otherwise be available to them.

Shareholding by Directors

No Director acquired or disposed of any interest in shares in the Company during the year.

Remuneration and other benefits to Directors

There have been no :-
Payments for services other than those stated in note 1, page 14.
Compensation for loss of office,
Loans by the Company to a Director,
Guarantees given by the Company for debts incurred by a Director,
Entering of contracts to do any of the above.

Indemnity and Insurance:Directors and Employees

The Company has taken insurance for any Director and Employee in respect of any liability for any act or omission in his or her capacity as a Director or Employee.

WAITAKERE PROPERTIES LIMITED
STATUTORY INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

Directors Remuneration (Director Fees and Allowances)

	<u>ANNUAL</u>
Mr R.W.Jewell	35,000
Mr R.W.Jewell (Travel Allowance - reimbursement)	3,000
Mr R.M.Noakes	25,000
Mr B.Taylor	25,000
Mr N.Ranford	25,000
	<u>113,000</u>

For services and other benefits refer to note 1 page 14

	<u>PAID</u>
Mr R.W.Jewell	17,500
Mr R.W.Jewell (Travel Allowance - reimbursement)	1,500
Mr R.M.Noakes	12,500
Mr B.Taylor (August 2006)	10,417
Mr N.Ranford (August 2006)	10,417
	<u>52,334</u>

Recommended Dividend

The Directors recommend that no dividend be paid.

Donations

The Company has made no donations during the year.

Changes in Accounting Policies

There are no changes in Accounting Policies.

Auditors' Remuneration

Audit Fees (2006)	\$6,571 Annual Report
Audit Fees (2005)	\$7,571 Annual Report

For and on behalf of the Board.

Director _____

Director _____

Date:

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

<u>2005</u>	<u>INCOME</u>	<u>NOTES</u>	<u>2006</u>
185,000	DEVELOPMENT FEES		106,500
-	CONSTRUCTION FEES		60,000
-	PROPERTY MANAGEMENT		65,502
-	TRUST MANAGEMENT		24,000
81,709	INTEREST		81,731
-	OTHER INCOME		17,500
-	RENTAL		180,833
<u>266,709</u>	<u>TOTAL INCOME</u>	6	<u>536,066</u>
	 <u>EXPENDITURE</u>		
36,667	BOARD EXPENSES		52,333
131,684	PERSONNEL COSTS		174,080
11,800	OCCUPANCY COSTS		13,002
81,481	OPERATIONAL COSTS	13	228,577
<u>261,632</u>	<u>TOTAL EXPENDITURE</u>	6	<u>467,992</u>
<u>5,077</u>	<u>NET OPERATING SURPLUS BEFORE TAXATION</u>		<u>68,074</u>
-			-
137,277	<u>ACCUMULATED SURPLUS AT JULY</u>		177,179
<u>142,354</u>	<u>ACCUMULATED SURPLUS AT END OF DECEMBER</u>		<u>245,253</u>

This Statement should be read inconjunction with the Statement of Accounting Policies and the Notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2006

<u>2005</u>		NOTES	<u>2006</u>
31,654	<u>CURRENT ASSETS</u>		
2,353,343	CHEQUE ACCOUNT	3	174,375
65,131	CALL ACCOUNT	3	2,260,386
-	CURRENT TAX		25,921
	ACCOUNTS RECEIVABLE		19,688
<u>2,450,128</u>	TOTAL CURRENT ASSETS		<u>2,480,370</u>
	<u>NON CURRENT ASSETS</u>		
60,128	FIXED ASSETS (NET)	4	90,650
1,790	FUTURE TAX BENEFIT	5	4,131
<u>2,512,046</u>	TOTAL ASSETS		<u>2,575,151</u>
	<u>CURRENT LIABILITIES</u>		
33,248	ACCOUNTS PAYABLE		29,898
<u>33,248</u>	TOTAL CURRENT LIABILITIES		<u>29,898</u>
	<u>SHAREHOLDERS EQUITY</u>		
2,300,000	AUTHORISED,ISSUED AND PAID UP CAPITAL		2,300,000
	<i>2,300,000 ORDINARY SHARES OF \$1.00 EACH</i>		
	All shares carry equal voting rights and the right to share in any surplus on winding up of the Company.No shares carry fixed dividend rights.		
178,798	ACCUMULATED SURPLUS AT YEAR END		<u>245,253</u>
<u>2,478,798</u>	TOTAL EQUITY		2,545,253
<u>2,512,046</u>	TOTAL EQUITY AND LIABILITIES		<u>2,575,151</u>

For and on behalf of the Board

Director _____

Director _____

Date:

This Statement should be read in conjunction with the Statement of Accounting Policies and the Notes to the Financial Statements

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

<u>2005</u>		<u>2006</u>
<u>2,473,721</u>	SHAREHOLDERS EQUITY AT JULY	<u>2,477,179</u>
-	NET SURPLUS FOR THE PERIOD	<u>68,074</u>
-	TOTAL RECOGNISED REVENUES AND EXPENSES FOR THE PERIOD	<u>68,074</u>
<u>2,473,721</u>	SHAREHOLDERS EQUITY AT END OF DECEMBER	<u>2,545,253</u>

This Statement should be read in conjunction with the Statement of Accounting Policies and the Notes to the Financial Statements

STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

<u>2005</u>	<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	NOTES	<u>2006</u>
373,026	<u>Cash was provided from:-</u>		
81,708	Receipts from customers		546,038
2,857	Interest received		81,731
<u>457,591</u>	G.S.T (net)		<u>17,803</u>
			<u>645,572</u>
483,229	<u>Cash was applied to:-</u>		
-	Payments to suppliers and employees		567,052
279	Tax Paid		-
-	Interest		-
<u>483,508</u>	G.S.T (net)		<u>-</u>
			<u>567,052</u>
<u>(25,917)</u>	<u>NET OPERATING CASH FLOWS</u>	12	<u>78,520</u>
	<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
61,975	<u>Cash was applied to:-</u>		
<u>61,975</u>	Purchase of fixed assets		<u>1,712</u>
			<u>1,712</u>
	<u>Cash was received from:-</u>		
			-
<u>(61,975)</u>	Net Investing Cash Flows		<u>(1,712)</u>
<u>(87,892)</u>	<u>NET INCREASE/(DECREASE) IN CASH</u>		<u>76,808</u>
2,472,889	<u>CASH AT BEGINNING OF JULY</u>		<u>2,357,953</u>
<u>2,384,997</u>	<u>CASH AT END OF DECEMBER</u>		<u>2,434,761</u>
	<u>MADE UP AS PER FINANCIAL POSITION</u>		
31,654	ASB Bank Cheque Account		174,375
2,353,343	ASB Bank Call Account		2,260,386
<u>2,384,997</u>			<u>2,434,761</u>
	<u>Reconciliation of Cash Flows from operating activities with reported operating</u>		
5,077	Surplus/(Deficit) after tax as per Statement of Financial Performance		68,074
	<u>Add non cash items:</u>		
7,535	Depreciation		17,421
0	Movement in Deferred Taxation		-
2,043	Loss on disposal of assets		-
<u>14,655</u>			<u>85,495</u>
(26,387)	Accounts Receivable (increase)/decrease		95,626
(14,185)	Accounts Payable increase/(decrease)		(102,601)
<u>(40,572)</u>			<u>(6,975)</u>
<u>(25,917)</u>			<u>78,520</u>

This Statement should be read in conjunction with the Statement of Accounting Policies and the Notes to the Financial Statements

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WAITAKERE PROPERTIES LIMITED

Notes to the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Company is registered under the Companies Act 1993.
The Company is a Council Controlled Trading Organisation as defined in Sec.6 of the Local Government Act 2002.
The Financial Statements have been prepared in accordance with the Financial Reporting Act 1993, Companies Act 1993 and the Local Government Act 2002.
The Company is fully owned by Waitakere City Holdings Limited, a 100% subsidiary of Waitakere City Council.

STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting standards (NZ IFRS), and its interpretations as appropriate to non profit entities that qualify for and apply differential reporting concessions.

These are the Company's first NZ IFRS financial statements and NZ IFRS has been applied.

The Company is a trading entity.

The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

The financial statements are presented in New Zealand Dollars (NZD). The financial statements are prepared on the historical cost basis

DIFFERENTIAL REPORTING CONCESSIONS

The Company qualifies for Differential Reporting exemptions as it has no public accountability as defined in the Financial Reporting Act 1993.

The size of the organisation qualifies the Trust under the New Zealand Institute of Chartered Accountants reporting framework. The criteria for qualification is any two of the following:-

Total revenue not exceeding \$20.0 million,

Total assets not exceeding \$10 million

Exceeding more than 50 full time employees.

The Company presently meets all the criteria.

The concessions taken advantage of are in:-

NZ IAS 1 Presentation of Financial Statements

Reference; 1.38(b), Reclassification of comparative amounts, disclosure of amount of each item or class of items that are reclassified.

Reference; 1.52, disclosure of the amount expected to be recovered or settled after more than 12 months if assets and liability line items combine amounts to be settled no more than 12 months after balance sheet date and amounts to be settled more than 12 months after balance sheet date.

Reference 1.94.2; Disclosure of donations made.

Reference 1.113; Disclosure of judgements management has made in the process of applying the entitle's accounting policies.

Reference 1.116; Disclosure of key assumptions concerning the future and other key sources of estimation uncertainty at balance sheet date.

WAITAKERE PROPERTIES LIMITED
Notes to the Financial Statements
SIGNIFICANT ACCOUNTING POLICIES

DIFFERENTIAL REPORTING CONCESSIONS (Continued)

NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Reference 8.30; Disclosure of the impact of a new Standard or Interpretation that has been issued but is not yet effective.

NZ IAS 12 Income Taxes

Reference 12.81 (a); Disclosure of deferred tax relating to items charged or credited to equity.

Reference 12.81 (f); Disclosure of aggregated amount of temporary differences associated with investments, for which deferred tax liabilities have not been recognised.

Reference 12.80 (c - g); Disclosure of major components of tax expense.

NZ IAS 16 Property, Plant and Equipment

Reference 16.73 (e); Disclosure of a reconciliation between the carrying amount at the beginning and end of a period.

Reference 16.74 (b); Disclosure of the amount of compensation from third parties for items of property, plant and equipment that were impaired.

Reference 16.77 (e); Disclosure of, for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the asset been carried under the cost model.

NZ IAS 17 Leases

Reference 17.31 (c); Disclosure by lessees in respect of finance leases, of contingent rents recognised as an expense in the period.

Reference 17.31 (e); Disclosure of general description of the lessee's material financing leasing arrangements.

Reference 17.35 (d); Disclosure of general description of the lessee's significant operating leasing arrangements.

Reference 17.47 (a); Disclosure by lessors of a reconciliation between the gross investment in the finance lease at balance sheet date, and the present value of the minimum lease payments receivable at balance sheet date and classified into three time periods.

Reference 17.47 (e); Disclosure by lessors of the accumulated allowance for uncollectible minimum lease payments receivable in respect of finance leases.

Reference 17.47 (f); Disclosure by lessors of a general description of the lessor's material financing leasing arrangements.

Reference 17.56; Disclosure by lessor of a range of items in respect of operating leases.

NZ IAS 24 Related Party Disclosures

Reference 24.16; Disclosure of key management personnel compensation.

WAITAKERE PROPERTIES LIMITED
Notes to the Financial Statements
SIGNIFICANT ACCOUNTING POLICIES

DIFFERENTIAL REPORTING CONCESSIONS (Continued)

NZ IAS 32 Financial Instruments : Disclosure and Presentation

Reference 32.55 ; Disclosure of sufficient information to permit a reconciliation to relevant line items on the balance sheet.

Reference 32.60 (a) ; Disclosure of information about the extent and nature of the financial assets, liabilities and equity instruments, including significant terms and conditions that may affect the amount, timing and certainty of cash flows.

Reference 32.67 ; Disclosure of information about the Trusts exposure to interest rate risk.

Reference 32.76 ; Disclosure of information about the Trusts exposure to credit risk.

Reference 32.92 ; Disclosure of the methods and assumptions applied in determining the fair values of financial assets and financial liabilities.

NZ IAS 36 Impairment of Assets

Reference 36.130 ; Disclosure of information in relation to each material impairment loss recognised or reversed during the period.

Reference 36.134 (d) ; Disclosure of the assumptions and methodology used to determine value in use.

Reference 36.134 (e) ; Disclosure of the methodology used to determine fair value less costs to sell.

Reference 36.134 (f) ; Disclosure of information regarding the sensitivity of values to changes in *key assumptions*.

NZ IAS 37 Provisions,Contingent Liabilities and Contingent Assets

Reference 37.84 (b) ; Disclosure of additional provisions made in the period, including increases to existing provisions.

Reference 37.84 (c) ; Disclosure of amounts charges or incurred during the period.

Reference 37.84 (e) ; Disclosure of the increase during the period in the discounted amount arising from the passage of time and the effect of any changes in the discounted rate.

WAITAKERE PROPERTIES LIMITED
Notes to the Financial Statements
SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICIES

Particular accounting policies which materially affect the measurement of the Company's surplus or deficit from operations and financial position are:-

GOING CONCERN

Reliance is placed on the Company being a going concern.

The Waitakere City Council through its annual plan and budgeting process sets and approves the company's planning and building program.

PROPERTY PLANT & EQUIPMENT

All fixed assets are stated at historical cost, less accumulated depreciation and impairment losses. Depreciation and impairment losses are recognised in the Statement of Financial Performance. Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property plant and equipment.

Leased Assets

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with item will flow to the Company and the cost can be measured reliably. All other costs are recognised in the Income Statement as an expense as incurred.

The Company has a policy to expense all items of plant property and equipment individually costing \$500 exclusive of Goods and Services Tax (GST) at time of purchase. This policy aligns with the Income Tax act in respect of deducting the entire cost of a low value asset.

Depreciation

Depreciation is calculated in accordance with NZ IAS 16 and is charged to the Income Statement.

The following rates have been used:-

Motor Vehicles	21.6%	S.L
Computer Software	36%	S.L
Office Equipment	14.4%-50%	D.V

TRADE AND OTHER RECEIVABLES

These are stated at their cost less impairment losses.

WAITAKERE PROPERTIES LIMITED
Notes to the Financial Statements
SIGNIFICANT ACCOUNTING POLICIES

INCOME TAX

The income tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior periods.

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

The following temporary differences are not provided for: differences relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the Balance Sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

GOODS AND SERVICES TAX

The financial statements have been prepared on a basis exclusive of Goods and Services Tax. All items in the statement of financial position are stated net of Goods and Services Tax with the exception of receivables and payables which include Goods and Services Tax.

FRINGE BENEFIT TAX

The Company is not exempt from Fringe Benefit Tax and any expense including GST is included in Operational Expenses.

EMPLOYEE BENEFITS

Annual Leave

Provision is made in respect of the Company's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Long Service Leave

The Company has no obligation in respect of long service leave.

TRADE AND OTHER PAYABLES

These are stated at cost.

WAITAKERE PROPERTIES LIMITED
Notes to the Financial Statements
SIGNIFICANT ACCOUNTING POLICIES

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit which can be reliably measured to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Contingent Liabilities

A contingent liability is a possible obligation yet to be confirmed that could lead to an outflow of economic benefit which cannot be measured reliably.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

REVENUE

Contracts

Revenue from contracts is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer.

EXPENSES

Operating Lease Payments

Payments made under operating leases are recognised in the Income Statement on a straight line basis over the term of the lease.

Finance Lease Payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term on an effective interest basis.

Changes In Accounting Policy

There are no changes in Accounting Policies. The Policies are consistent with those adopted in the previous period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

2005 **NOTE 1** **2006**

Related Parties

The Company is wholly owned by Waitakere City Holdings Limited. Enterprise Waitakere, (Waitakere Enterprise Trust Board) is a Charitable Trust incorporated by the Waitakere City Council.

Value of transactions recorded between the parties

Received From Waitakere City Council

185,000	Trust Fees, Consulting and Investigation expense recoveries	273,502
<u>185,000</u>	Totals	<u>273,502</u>

Paid to Waitakere City Council

-	Other expenses	-
<u>NIL</u>	Totals	<u>NIL</u>

Received From Enterprise Waitakere

-	Other Income	-
<u>NIL</u>	Totals	<u>NIL</u>

Paid to Enterprise Waitakere

32,821	Staff & Professional services	34,155
<u>32,821</u>	Totals	<u>34,155</u>

Key Management & Directors

The Company has had no commercial dealings with organisations that are associated with the present Directors for the six month period ended December 2006.

NOTE 2

Significant Events After Balance Date

No significant events occurred after balance date. (2005 Nil)

NOTE 7

Commitments and Contingencies

COMMITMENTS and CONTINGENCIES AS AT 31 DECEMBER 2006-Nil, (2005:Nil)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

<u>2005</u>	<u>NOTE 3</u>	<u>2006</u>
	<u>Bank Account Balances (Held A.S.B Bank Ltd)</u>	
31,654	Cheque Account	174,375
2,353,343	Call Account (2006 ASB rate - 7.25%) (2005 ASB rate - 6.75%)	2,260,386
<u>2,384,997</u>	Totals	<u>2,434,761</u>

NOTE 4

<u>2005</u>	<u>Fixed Assets</u>	<u>Cost</u>	<u>Accum Deprn</u>	<u>Book Value</u>
48,962	Motor Vehicles	54,806	17,757	37,049
1,161	Office Equipment	9,534	8,569	965
10,005	Computers & Software	78,295	26,059	52,236
<u>60,128</u>	Totals	<u>142,635</u>	<u>52,385</u>	<u>90,250</u>
	Investment in Shares	<u>400</u>		<u>400</u>
<u>60,128</u>	Total Non Current Assets			<u>90,650</u>

<u>2005</u>	<u>NOTE 5</u>	<u>2006</u>
	<u>Expenditure Summary</u>	
214,750	All Other Expenses	397,879
2,043	Loss on asset Disposal	-
7,535	Depreciation	17,421
637	Interest & Bank Servicing Fees	359
36,667	Director Fees & Allowances	52,333
<u>261,632</u>	Totals	<u>467,992</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2006

NOTE 9

Property Vested In Waitakere Properties Limited Through Deed Of Trust

Property formally owned by the Waitakere City Council is legally vested in Waitakere Properties Limited through a Deed of Trust.

Under the Deed of Trust Waitakere Properties Limited is obliged to develop and market properties to the best commercial advantage and to return to Waitakere City Council funds realised through sales as agreed between the parties from time to time.

Statement Of Financial Position

Properties vested in Waitakere Properties Limited through the Deed of Trust have not been reflected in the Statement of Financial Position on the basis that Waitakere Properties Limited is not the beneficial owner of these properties.

Statement Of Financial Performance

Revenue from the realisation of properties have not been reflected in the Statement of Financial Performance. Expenditure incurred in developing and marketing of properties have not been reflected in the Statement of Financial Performance.

Revenue and expenditure have been excluded on the basis that it has been received and incurred on behalf of Waitakere City Council, and that to reflect it in Waitakere Properties Limited financial statements would misrepresent the true substance of the transactions.

Consulting and project management fees paid to Waitakere Properties Limited by the Waitakere City Council in relation to these properties have been recognised in full in the Statement of Financial Performance of Waitakere Properties Limited.

Statement of Cash Flows

Cash flows relating to the development, marketing and sale of properties held under the Deed of Trust have not been included.