

New Zealand Grinding Company Ltd	22,811.40	Transport Assets - Footpath grinding
New Zealand Post Ltd	5,323.98	Postage
New Zealand Post Ltd	25,412.98	Postage
Niss Athletics	5,500.00	Volunteer expenses - NISS Athletics
Norcross Stationery Ltd	14,619.24	Stationery
North Shore Glass Co Ltd	9,432.66	Various property maintenance contracts
North Western Toyota	40,560.00	Fleet replacement contracts
North Western Toyota	119,820.00	Fleet replacement contracts
NZIM Auckland Division Inc	7,312.50	Course provision - Project management
Occ Care	10,497.08	Professional services - Health & Safety
Onyx Group Ltd	320,070.00	Refuse collection contracts
Onyx Group Ltd	339,078.62	Refuse collection contracts
Open System Specialists Ltd	6,187.50	Information Management - Support contracts
Opus International Consultants	24,232.50	Professional services - Infrastructure contracts
Opus International Consultants	28,315.13	Professional services - Infrastructure contracts
Opus International Consultants	34,166.26	Professional services - Infrastructure contracts
Opus International Consultants	41,287.06	Professional services - Infrastructure contracts
Paradigm Associates Ltd	7,859.25	Printing contract - Biodiversity report
Parks & Maintenance Services Ltd	252,600.30	Parks maintenance contracts
Parks & Maintenance Services Ltd	469,045.04	Parks maintenance contracts
Patrick Partners	5,000.00	Professional services - Westgate retail review
Pinnacle Recruitment Ltd	9,469.69	Contract staff - Information Management
Premium Flooring	5,473.13	Waikumete Chapel - Replacement of carpet
Professional Property & Cleaning	35,114.87	Property cleaning contracts
Projectmax Ltd	6,104.81	Professional services - Project manage CCTV inspections
Promo HQ NZ Ltd	15,573.52	Road safety - equipment/promotional material
Q Designz Ltd	9,472.64	Professional services - Building consent peer review
Qmex Ltd	6,302.18	Professional services - EcoWater demand management
Quantate Ltd	18,281.25	Risk management software
Quotable Value NZ Ltd	54,656.25	Rating valuations/data base contract
Radio Network	8,476.88	Radio advertising - Summer Slamz
Ranui Action Project Incorporated	25,400.00	Programme funding
Rawlinson & Co Ltd	6,187.50	Quantity surveying - Henderson Youth Facility contract
Rawlinson & Co Ltd	10,125.00	Quantity surveying - Te Atatu library & community facility
Right Relations	7,751.25	Professional services - Business investment strategy
Right Relations	10,968.75	Professional services - Business investment strategy
Riteway Electrical Services	8,775.00	Various electrical contracts
Riteway Electrical Services	17,761.82	Various electrical contracts
Riteway Electrical Services	20,250.00	Various electrical contracts
Riteway Electrical Services	25,105.41	Various electrical contracts
Robert Walters	7,424.44	Contract staff
Robert Walters	10,473.75	Contract staff
Robert Walters	12,570.75	Contract staff
Robert Walters	29,598.75	Contract staff
Rotary Club of Waitakere City	9,000.00	Contribution to Soap Box Derby
RWA People Ltd	29,767.50	Contract staff - Information Management
Samoan Efkas Church	5,865.00	Project funding
Saul Roberts	7,499.99	Professional services
Seka Holdings Ltd	7,740.65	Professional services - Quality assurance contracts
Sheffield Ltd	8,968.50	Contract staff - Human Resources
Sheffield Ltd	9,576.00	Contract staff - Human Resources
Shumane Consultancy	9,669.38	Professional services - Resource management issues
Simpson Grierson (Auckland)	8,277.19	Legal services
Sinclair Knight Merz	54,506.25	Professional services - Transport Assets
Smith & Davies Civil Ltd	143,146.29	Transport Assets - Physical works contracts
Smith & Davies Ltd	17,800.76	Solid Waste cartage contracts
Smith & Davies Ltd	206,498.08	Solid Waste cartage contracts
Softsource Ltd	9,408.61	Information Management - Support contracts
Softsource Ltd	13,277.48	Information Management - Support contracts
Soil Engineering Ltd	6,131.25	Professional services - Geotechnical contracts
SOLGM	7,460.00	Management challenge
Southern Cross Healthcare	63,647.95	Health insurance deductions
Southern Skies Environmental Ltd	5,346.56	Professional services - EcoWater contracts
Southern Sky Books Ltd	6,067.19	Library books
Strategic Pay Ltd	8,158.28	Professional services - Human Resources
Studio of Urban Landscape	17,435.25	Contract staff - Strategy & Development
Studio of Urban Landscape	19,399.50	Contract staff - Strategy & Development
Suburban Drainage Ltd	7,720.26	EcoWater - Physical works contracts

Suburban Drainage Ltd	16,415.44	EcoWater - Physical works contracts
Sumich Plumbing Services Ltd	10,056.84	Transport Assets - Physical works contracts
Swanson Road Vet Clinic	5,190.50	Animal Welfare contracts
Swanson Road Vet Clinic	7,342.20	Animal Welfare contracts
Synergine Consulting Ltd	10,990.41	Professional services - Various infrastructure contracts
Synergine Consulting Ltd	37,051.88	Professional services - Various infrastructure contracts
Synergine Consulting Ltd	41,365.79	Professional services - Various infrastructure contracts
Synergine Consulting Ltd	82,203.61	Professional services - Various infrastructure contracts
Tag Out Trust	63,774.47	Graffiti removal contracts
Tag Out Trust	63,774.47	Graffiti removal contracts
Te Roopu Manutaki	7,500.00	Catering 0- Waitangi day and CEO welcome
Techscape Ltd	9,132.02	Various infrastructure contracts
Techscape Ltd	48,742.71	Various infrastructure contracts
Techscape Ltd	125,345.53	Various infrastructure contracts
Techscape Ltd	430,079.73	Various infrastructure contracts
Techscape Ltd	725,582.94	Various infrastructure contracts
Telecom NZ Ltd	99,323.49	Telephone services contract
Telstraclear Ltd	8,675.56	Install fibre optic cabling
The Answer Company International Ltd	13,200.33	Professional services - New Lynn TOD project
The Architecture Office	15,236.55	Professional services - Parks amenities
The Falls	5,600.00	Catering
The Library Supply Company Ltd	15,060.01	Library books
The Property Group Ltd	5,964.91	Professional services - Property transactions
The Property Group Ltd	11,494.32	Professional services - Property transactions
The Trusts Stadium	281,250.00	Operating grant
Thebics Consulting Ltd	6,693.75	Professional services - Telecommunication RFP
Thomas Civil Consultants Ltd	10,618.20	Professional services - Various infrastructure contracts
Thomas Civil Consultants Ltd	75,388.71	Professional services - Various infrastructure contracts
Thomas Civil Consultants Ltd	145,769.12	Professional services - Various infrastructure contracts
Tollmache Consultants Ltd	15,828.75	Professional services - Strategy & Development
Tony Murray Consultancy Services	5,803.88	Professional services - Various infrastructure contracts
Total Library Solutions	9,931.16	Library books
Total Library Solutions	10,662.36	Library books
Tower Software	13,587.75	Information Management support contracts
Town & Around Fence & Gate Ltd	9,312.35	Corban Estate - Pacific Arts fencing
Tracey Selwyn Consulting Ltd	20,496.09	Contract staff - Information Management
Traffic Design Group Ltd	5,892.47	Professional services - Transport Assets
Traffic Design Group Ltd	53,887.50	Professional services - Transport Assets
Traffic Engineering Solutions Ltd	25,692.19	Professional services - Transport Assets
Traffic Engineering Solutions Ltd	38,480.63	Professional services - Transport Assets
Traffic Systems Ltd	57,082.89	Transport Assets - Physical works contracts
Traffic Systems Ltd	165,192.58	Transport Assets - Physical works contracts
Transfield Services	236,665.35	Transport Assets - Physical works contracts
Transit New Zealand	24,921.35	Transport Assets - Physical works contracts
Transit New Zealand	45,092.57	Transport Assets - Physical works contracts
Transit New Zealand	49,535.84	Transport Assets - Physical works contracts
Treescape Ltd	79,549.77	Parks - Physical works contracts
Tse Group Ltd	13,415.63	Professional services - Various infrastructure contracts
Tse Group Ltd	21,103.31	Professional services - Various infrastructure contracts
Tse Group Ltd	46,878.75	Professional services - Various infrastructure contracts
Tse Group Ltd	69,160.50	Professional services - Various infrastructure contracts
Tyco Flow Control	13,331.25	EcoWater - Equipment/plant purchases
Uiverscroft Large Print Books Ltd	6,303.97	Library books
Underground Connections Ltd	31,448.25	EcoWater - Physical works contracts
Underground Connections Ltd	64,061.89	EcoWater - Physical works contracts
Underground Connections Ltd	92,517.76	EcoWater - Physical works contracts
Unitec	37,500.30	Property rental
University of Otago	5,625.00	Contribution to leaky building seminar
Urbanism Plus	6,187.51	Professional services - Industrial guideline review
URS New Zealand Ltd	10,692.51	Professional services - Various infrastructure contracts
URS New Zealand Ltd	11,803.53	Professional services - Various infrastructure contracts
URS New Zealand Ltd	13,617.23	Professional services - Various infrastructure contracts
Variety - Children's Charity	5,000.00	Donation / Sponsorship
Vodafone NZ Ltd	8,775.35	Cellphone contracts
Vodafone NZ Ltd	46,601.92	Cellphone contracts
Vodafone NZ Ltd	98,201.98	Cellphone contracts
Waitakere Corporate Ltd	5,906.25	Professional services - Legal and Corporate
Waitakere Enterprise Trust Board	314,437.50	Quarterly funding

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Waitakere Organic Centre Ltd	31,462.20	Solid Waste compost plant contract
Waitakere Organic Centre Ltd	33,816.60	Solid Waste compost plant contract
Waitakere Pacific Arts & Cultural Trust	36,562.50	Programme funding
Waitakere Pacific Board	5,729.17	Programme funding
Waitakere Properties Ltd	5,090.63	Project funding
Waitakere Properties Ltd	8,910.00	Project funding
Waitakere Properties Ltd	11,467.33	Project funding
Waitakere Properties Ltd	16,200.00	Project funding
Waitemata Harbour Cleanup Trust	30,000.00	Programme funding/sponsorship
Waste Management NZ Ltd	386,712.55	Refuse collection contracts
Wastewater Services Ltd	17,358.19	Water and Wast Water charges
Wastewater Services Ltd	10,518.75	Water and Wast Water charges
Wastewater Services Ltd	737,802.00	Water and Wast Water charges
Wastewater Services Ltd	748,653.75	Water and Wast Water charges
Wastewater Services Ltd	1,368,655.59	Water and Wast Water charges
Watkins Plumbing Ltd	8,890.58	Solid Waste Transfer Station - Drainage contracts
Wells Instrument & Electrical Services	11,655.41	Water meter reading contract
Wilcon Sylvan Ltd	7,745.63	Arboricultural consultancy services
Wilcon Sylvan Ltd	8,292.38	Arboricultural consultancy services
YMCA	50,625.00	Massey Community Centre contract
Total payments over \$5,000	22,895,936.60	
Other payments	31,298,050.81	
Total payments as per summary	54,193,987.41	

**WAITAKERE PROPERTIES LIMITED  
& ASSOCIATED TRUST ACCOUNTS**

***THIRD QUARTER MANAGEMENT OVERVIEW***

***REPORT***

***to***

***31 March 2008***

**PURPOSE OF THE REPORT**

This report presents the company and trust Financial Statements for the nine month period ending 31 March 2008 (balance date is 30 June) and financial statements for each trust account, along with a brief synopsis of activities.

**BACKGROUND**

Waitakere Properties Limited is 100% owned by Waitakere City Holdings Limited which is in turn 100% owned by the Waitakere City Council. Waitakere Properties Limited was set up to perform and facilitate property development on behalf of the City. Waitakere Properties Limited is required by its Statement of Corporate Intent to report quarterly, through the parent company, to Council.

**STRATEGIC CONTEXT**

Waitakere Properties Limited assists the Council in meeting its strategic outcomes by undertaking property development activities in Waitakere, facilitating economic development, and managing properties held for future strategic reasons.

**WAITAKERE PROPERTIES LIMITED**

The financial statement shows a net profit of \$91,063 for the nine months ended 31 March 2008. This is below the year-to-date budget (\$122,853) due to timing issues in invoicing Council for work at Wilsher Village and lower Director fee income which will increase over the next three months.

The year end forecast for the company shows that it will be close to breakeven.

In addition to the development and management activities undertaken for Council under the trust structure, the company received consulting income Prime West (the studio joint venture company) for assistance with its property operations and for time spent by Greg Parker as a Director. The company is also assisting Council with development planning at major strategic locations such as New Lynn and Wilsher Village where commercial property knowledge is required, at minimal cost to Council.

John Worley has left the direct employment of WPL and is now employed by the film studio joint venture company, Prime West Management Limited. We continue to run a small team of three supported by Waitakere Enterprise's accountant and administrative team.

## TRUST PROJECT REPORTS

### Waitakere Central

#### Central One

The development expenditure on Central one is nearly complete with a substantial amount of fitout work for new tenants finished. The total cost of Central one is sitting at \$6.879M with approximately \$175,000 remaining to be paid out in fitout and building retentions.

The office space is fully let and over the past three months we have leased four retail stores to Remax, a florist, the copy centre, and a home building company. The current leasing status is as follows:

Status	Retail	Office	Total	% leased
Leased	377.2	1766.2	2143.4	89.9%
Letter of Offer	0	0	0	0.0%
Projects Exploring	147	0	147	6.2%
No Interest	94.9	0	94.9	4.0%
<b>Total Leaseable Area</b>	<b>619.1</b>	<b>1,766.2</b>	<b>2,385.3</b>	<b>100.0%</b>
Leased % of space	61%	100%	89.9%	

The total rent flow from the current leased space compared to the current interest cost is shown below:

	Central One (cost to date)	Carparking	Total
Rental Income	\$553,354	\$61,881	\$615,234
Cash Cost	\$6,818,430	\$126,270	\$6,944,700
Interest Rate	7%		
Interest Charge	\$477,290	\$8,839	\$486,129
<b>Surplus</b>	<b>\$76,063</b>	<b>\$53,042</b>	<b>\$129,105</b>

The overall financial return on Central One is positive as shown below:

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<b>Waitakere Central: Central One</b>		
<b>Feasibility Summary</b>		
<b>Rental Income</b>		
Base Rental	\$585,282	7.50%
Fitout Rental	\$42,540	10%
<b>Total Rental</b>	<b>\$627,822</b>	
<b>Total Value @</b>		<b>\$8,229,153</b>
<b>Development Cost</b>		<b>\$7,888,028</b>
<b>Surplus</b>		<b>\$341,125</b>
<b>Carpark</b>		
Income	\$61,881	7.50%
<b>Value</b>		<b>\$825,077</b>
<b>Costs</b>		
Land (notional sum)	400,000	
Construction	127,010	527,010
<b>Additional Carpark Value</b>		<b>\$298,066</b>
<b>Total Return</b>		<b>\$639,192</b>

A capitalisation rate of 7% increases the profitability to in excess of \$1,200,000.

### **Central Two**

The second building, Central Two is in a pre-development marketing phase. Construction of this building will complete the feel of the civic square but it is subject to the same constraints that faced Central one – the lack of tenants prepared to sign lease agreements two years before the building is complete. We have good interest from non office tenants (gym, pub and childcare) but require an anchor office tenant of 500 to 1,000 m<sup>2</sup> to allow us to reasonably seek funding for this project from Council.

There are several prospects but it is proving difficult to get them to a commitment stage.

### **Consolidated Waitakere Central Financials**

Revenue received for the nine month period was \$329,437 from rental income at Central One and the carparking. Expenditure totalled \$978,181 with \$757,000 of this relating to professional fees and fitout work for tenants at Central one. The expenditure is within the budgeted amount for tenant works

at Central One and the overall development expenditure planned in the feasibility study.

The net deficit for the period was \$648,744 with the split between operating and development income shown below.

Operating Income	329,437
Operating Expenses	<u>(174,724)</u>
Operating Surplus	154,712
Property Sales	<u>0</u>
<b>Cash Received from Operations</b>	154,712
Distributions to WCC	0
Development Expenditure	<u>(803,457)</u>
Movement in Cash	<u>(648,744)</u>

Currently obligation for capital expenditure are related to the final fitout costs at Central one (\$175,000), feasibility work on a hotel, apartments, and Central two.

### **Henderson Valley Studios/Prime West**

The studio trust account is now nearly ready for closure. The cash balance is \$460,726 and we will be able to close the trust account once the final building defects are remedied, which should be by June 30.

The summarised financials are shown below:

Operating Income	1,514,872
Operating Expenses	<u>(286,499)</u>
Operating Surplus	1,228,374
Property Sales	<u>3,875,341</u>
<b>Cash Received</b>	5,103,714
Distributions to WCC	(4,500,000)
Development Expenditure	<u>(327,908)</u>
Movement in Cash	<u>275,806</u>

Prime West Ltd, the joint venture between WCC and Tony Tay Group, has secured a lease on the property from ABC Disney for the next twelve months. This project could see the property fully occupied for the next three years.

The investment in, upgrade of and attraction of private sector funding to the film studios can be regarded as a hugely successful undertaking by Council, Waitakere Enterprise and Waitakere Properties. A key piece of infrastructure was retained by the City for a strategically important industry, operated

commercially and made good financial returns. We hope to replicate this success with other key industries, such as super yachts at Hobsonville.

### **Hobsonville**

The Hobsonville Marine Precinct is the largest and most complex of WPL's developments. We are currently progressing a number of work streams including joint venture negotiations, market demand analysis, design finalisation, and preparing the CDP application.

We are having ongoing negotiations with three parties relating to the joint venture proposal put into the market in the first quarter. These are all substantial developer/investor organisations and a full report with recommendations will be provided to Council as soon as possible. The goal of WPL is to attract private capital to minimise any further Council investment and allow us to develop all the facilities at Hobsonville to ensure that the development proceeds in accordance with our strategic goals. An outcome of the development will be a secure investment asset for the city to hold.

I have retained the services of a Development Manager to drive the Comprehensive Development Plan to completion by July 2008. A full analysis will be available for review by Council prior to that date.

Expenditure of \$173,771 was incurred, primarily relating to consultant costs as we develop the master plan for the precinct.

### **51-65 Keeling Rd**

The completion of this industrial brownfields redevelopment at Keeling Road has been delayed by the consenting process. However, civil works were finally completed in the last quarter with titles issuing and the sold sections and investment properties settling before the end of this financial year.

Income and expenditure are shown below:

Operating Income	526,858
Operating Expenses	<u>(111,179)</u>
Operating Surplus	415,678
Property Sales	<u>0</u>
<b>Cash Received</b>	<b>415,678</b>
Distributions to WCC	(266,000)
Development Expenditure	<u>(1,234,722)</u>
Movement in Cash	<u>(1,085,043)</u>

Lots 5, 6, 8, and 9 have been sold and upon title issuing the trust account will receive the sales proceeds of \$2.8 million. Following a marketing campaign in March we have two conditional contracts on the investment properties and

interest in the remaining investment asset. The three vacant sections have not attracted much interest due to the softening in the owner occupier market however it suits WPL's economic development activities to have some vacant land that is developable on its books.

This development will return a small surplus to Council once complete. Other benefits received are the redevelopment of a run down industrial site, the release of industrial land to market allowing local businesses to grow, and over \$600,000 in fees and levies paid to Council. (These fees effectively added \$15/m<sup>2</sup> to the cost of the land.)

### **Harbour View**

All properties are sold and the Board of WPL is reviewing the Harbour View trust account status.

### **Old New Lynn Hotel**

A concept plan for a childcare centre on this site has been developed and costed. Our initial plan had the heritage building being retained and the development covering the cost of renovation but Council would not earn a profit or the cost of its land back. Council's Heritage Officer is presenting a report to demolish this property as it is not suitable for retention. Our work is on hold pending the outcome of this report.

The trust account incurred a deficit of \$121,012 on professional fees and the cost of holding up the existing structure.

### **Totara Avenue Shops**

Income of \$126,903 has been received year to date. Expenditure totalled \$40,590 resulting in an operating surplus of \$88,929.

Expenditure is being kept to a minimum on this site pending redevelopment options, however we have incurred some costs to ensure that the buildings are safe, have fire evacuation plans and are waterproof.

A distribution of \$67,900 was made in December 2007 to cover interest costs and will also be made in June 2008.

We have settled the two rent reviews outstanding and aim to have this property available for redevelopment in conjunction with the double tracking at New Lynn. The property is nearly operating at break even on 100% debt funding.

### **Green Bay (Godley Road)**

This property made a small surplus of \$924 for the nine month period, reversing previous losses following an increase in rental rates in early 2007. The two dwellings remain let to residential tenants.

We continue to attempt to secure the immediate neighbouring property to allow a major residential development to occur.

### **New Lynn (Ambrico Place)**

The New Lynn trust account has incurred a deficit of \$27,187 (being rates and management fees) for the nine month period.

The Richwill Group continue to progress their development plans on site for an apartment block. Due to requirements of the Urban Design section at Council Richwill are redesigning the apartment block to improve the impact on Ambrico Place. We expect them to lodge for resource consent before the end of the year.

### **Hugh Brown Carpark**

A concept plan for the Hugh Brown carpark has been developed showing a mixed-use development of apartments and townhouses. This is currently on hold as other sites are secured in New Lynn and the final use for this site is determined.

The trust account incurred a deficit of \$32,647 (being rates and management fees) as no income is being received.

### **Other Activities**

WPL is master planning a redevelopment of Wilsher Village to allow Council to secure new units at minimal cost of a private retirement village quality. We are holding a workshop with Council on 28 April 2008 to outline options.

The current plan has 180 units in a village type atmosphere with a 60 bed hospital also on site. The feasibility work is underway and our goal is to deliver 68 new units back to Council at minimal cost.

WPL was also assisting in the town centre planning for New Lynn although this is on hold due to Strategic Projects not liking our design which is commercially focused. s

# WAITAKERE PROPERTIES LIMITED

Quarterly Report for the nine months to 31/3/08

	<u>Nine Months</u>	<u>Full Yr Budget</u>
Trust Fee Income	552,525	717,662
Interest	146,122	189,646
Other Income	104,333	15,000
Rental Income	<u>236,250</u>	<u>315,833</u>
<b>Total Income</b>	<b>1,039,230</b>	<b>1,238,141</b>
Board	88,218	113,000
Personnel	358,117	570,972
Occupancy	38,668	51,132
Investment Rental Expense	222,000	296,000
Operational	376,964	472,948
Property Expenses	<u>86,199</u>	<u>0</u>
<b>Total Expenses</b>	<b>948,166</b>	<b>1,208,052</b>
<b>NET PROFIT BEFORE TAX</b>	<b><u>91,063</u></b>	<b><u>30,089</u></b>

# WAITAKERE CITY COUNCIL TRUST ACCOUNTS

Quarterly Report for the nine months to 31/3/08

Trust Account	CONSOLIDATED	Waitakere Ctr	Keeling	Studios	Hobsonville	Totara Ave	NL Hotel	Godley	HarbourView	Hugh Brown	Ambrico
Capital Receipts	0	-	-	-	-	-	-	-	-	-	-
Consulting	0	-	-	-	-	-	-	-	-	-	-
Interest	0	-	-	-	-	-	-	-	-	-	-
Miscellaneous	894,866	4,948	373	888,962	-	582	-	-	-	-	-
Recoverable Income	317,418	101,922	80,612	106,988	727	26,876	51	242	-	-	-
Rental	1,294,184	200,166	445,872	518,922	-	99,445	4,160	25,619	-	-	-
Rental - Fitout	22,400	22,400	-	-	-	-	-	-	-	-	-
Sales -Property	3,875,341	-	-	3,875,341	-	-	-	-	-	-	-
<b>Total Income</b>	<b>6,404,209</b>	<b>329,437</b>	<b>526,858</b>	<b>5,390,213</b>	<b>727</b>	<b>126,903</b>	<b>4,211</b>	<b>25,861</b>	-	-	-
Selling Costs	40,868	30,070	9,798	0	900	100	0	0	0	0	0
Statutory Costs	38,405	6,756	8,757	10,598	3,835	0	0	0	0	0	8,459
Land Development Expenses	1,106,071	9,148	1,080,418	0	16,505	0	0	0	0	0	0
Construction Expenses	540,507	532,166	4,305	4,036	0	0	0	0	0	0	0
Professional Fees	919,683	225,317	131,442	313,274	141,025	2,516	98,298	650	0	0	7,160
Property Operational	643,423	167,211	103,671	272,658	3,999	30,466	19,412	16,811	0	25,139	4,064
Trust Fees	88,899	7,513	7,508	13,840	7,508	7,508	7,513	7,476	15,012	7,508	7,513
<b>Total Expenses</b>	<b>3,377,856</b>	<b>978,181</b>	<b>1,345,901</b>	<b>614,407</b>	<b>173,771</b>	<b>40,590</b>	<b>125,223</b>	<b>24,937</b>	<b>15,012</b>	<b>32,647</b>	<b>27,187</b>
<b>MOVEMENT IN CASH</b>	<b>3,026,353</b>	<b>(648,744)</b>	<b>(819,043)</b>	<b>4,775,806</b>	<b>(173,044)</b>	<b>86,313</b>	<b>(121,012)</b>	<b>924</b>	<b>(15,012)</b>	<b>(32,647)</b>	<b>(27,187)</b>
Distributions to WCC	4,833,900	0	266,000	4,500,000	0	67,900	0	0	0	0	0

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**WAITAKERE PROPERTIES LIMITED**

**3rd QUARTER REPORT**

**FOR THE NINE MONTHS ENDED**

**31 MARCH 2008**

( MANAGEMENT -- INTERNAL USE ONLY )

# WAITAKERE PROPERTIES LIMITED

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# **WAITAKERE PROPERTIES LIMITED**

## **STATEMENT OF RESPONSIBILITY**

### **FOR THE PERIOD ENDED 31 MARCH 2008**

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 nine month Financial Statements for the period ended 31 March 2008 fairly reflect the financial position and operations of Waitakere Properties Limited.

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**CHAIRPERSON**

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**DIRECTOR**

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# **WAITAKERE PROPERTIES LIMITED** **COMPANY DIRECTORY**

## **NATURE OF BUSINESS**

Property development and project consultancy

## **REGISTERED OFFICE**

2nd Floor Central One Building,  
4 Henderson Valley Road  
Henderson,  
**WAITAKERE CITY**

## **DIRECTORS**

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

## **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

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**WAITAKERE PROPERTIES LIMITED**  
**THE NINE MONTHS IN REVIEW**  
**FOR THE PERIOD ENDED 31 MARCH 2008**

**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**

	<b><u>2008</u></b>
Revenue for the period	1,039,230
Expenses for the period	948,167
<b>Net Profit at 31 March 2008</b>	<b><u>91,063</u></b>

**The state of the Company's affairs as at 31 March 2008**

<b>Assets Totalled</b>	<b><u>2,637,311</u></b>
These were represented by:-	
Paid up capital (2,300,000 fully paid ordinary shares of \$1.00 each)	2,300,000
Plus retained earnings	<u>274,036</u>
<b>Company Equity at 31 March 2008</b>	<b><u>2,574,036</u></b>
<b>Liabilities of</b>	<b><u>63,275</u></b>
	<b><u>2,637,311</u></b>

**RESULTS AT A GLANCE**

	<b><u>2007</u></b>
Revenue for the period	878,624
Expenses for the period	771,984
<b>Net Profit at 31 March 2007</b>	<b><u>106,640</u></b>

**The state of the Company's affairs as at 31 March 2007**

<b>Assets Totalled</b>	<b><u>2,654,941</u></b>
These were represented by:-	
Paid up capital (2,300,000 fully paid ordinary shares of \$1.00 each)	2,300,000
Plus retained earnings	<u>283,819</u>
<b>Company Equity at 31 March 2007</b>	<b><u>2,583,819</u></b>
<b>Liabilities of</b>	<b><u>71,122</u></b>
	<b><u>2,654,941</u></b>

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**WAITAKERE PROPERTIES LIMITED**  
**STATUTORY INFORMATION**  
**FOR THE PERIOD ENDED 31 MARCH 2008**

**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, Hobsonville, Greenbay, Hugh Brown Carpark and New Lynn Hotel.

**Directors**

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

**ENTRIES MADE IN THE INTERESTS REGISTER**

**Interests In Transactions**

During the period 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 period 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 period.

**Remuneration and other benefits to Directors**

There have been no :-  
Payments for services, other than stated on note 14, page 25,  
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.

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**WAITAKERE PROPERTIES LIMITED**  
**STATUTORY INFORMATION**

**FOR THE PERIOD ENDED 31 MARCH 2008**

**Directors Remuneration (Director Fees and Allowances)**

			<u>ANNUAL</u>
Mr R.W.Jewell			25,000
Mr R.M.Noakes			25,000
Mr B.Taylor	( Chairman )		40,000
Mr B.Taylor	( Travel Allowance )	Est.	3,000
Mr N.Ranford			25,000
			<u>118,000</u>

			<u>PAID</u>
Mr R.W.Jewell			18,750
Mr R.M.Noakes			18,750
Mr B.Taylor	( Chairman )		30,000
Mr B.Taylor	( Travel Allowance )		1,968
Mr N.Ranford			18,750
			<u>88,218</u>

**Recommended Dividend**

The Directors recommend that no dividend be paid.

**Donations**

The Company has made no donations during the period.

**Changes in Accounting Policies**

There are no changes in Accounting Policies.

**Auditors Remuneration**

Auditing Fees	\$Nil
Other Services	\$Nil

**For and on behalf of the Company.**

**Chairman** \_\_\_\_\_

**Director** \_\_\_\_\_

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**STATEMENT OF FINANCIAL PERFORMANCE**

**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

<u>2007</u>	<u>INCOME</u>	<u>NOTE</u>	<u>2008</u>
159,750	DEVELOPMENT FEES		284,500
85,000	CONSTRUCTION FEES		15,000
102,003	PROPERTY MANAGEMENT		106,175
37,500	TRUST MANAGEMENT		87,487
122,675	INTEREST		146,122
134,100	OTHER INCOME		163,696
237,596	RENTAL		236,250
<u>878,624</u>	<u>TOTAL INCOME</u>	<u>1</u>	<u>1,039,230</u>
	 <u>EXPENSES</u>		
80,583	BOARD EXPENSES		88,218
263,537	EMPLOYEE BENEFIT COSTS	<u>2</u>	358,117
21,597	OCCUPANCY COSTS		38,668
338,587	OPERATIONAL COSTS		376,965
67,680	PROPERTY OPERATIONAL		86,199
<u>771,984</u>	<u>TOTAL EXPENDITURE</u>	<u>3</u>	<u>948,167</u>
<u>106,640</u>	<u>NET OPERATING SURPLUS BEFORE TAXATION</u>		<u>91,063</u>
 177,179	 <u>ACCUMULATED SURPLUS AT START OF YEAR</u>		 182,973
<u>283,819</u>	<u>ACCUMULATED SURPLUS AT END OF YEAR</u>		<u>274,036</u>

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

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2008

<u>2007</u>		NOTE	<u>2008</u>
2,462,370	<b>CURRENT ASSETS</b>		
39,432	CASH AND CASH EQUIVALENTS	4	2,451,536
66,488	CURRENT TAX	5	38,407
	TRADE AND OTHER RECEIVABLES	5	58,186
<u>2,568,290</u>	<b>TOTAL CURRENT ASSETS</b>		<u>2,548,129</u>
	<b>NON CURRENT ASSETS</b>		
82,120	PROPERTY, PLANT AND EQUIPMENT	6	60,142
-	INTANGIBLE ASSETS	7	24,562
4,131	FUTURE TAX BENEFIT	5	4,078
400	SHARES IN ASSOCIATE	8	400
<u>86,651</u>	<b>TOTAL NON CURRENT ASSETS</b>		<u>89,182</u>
<u>2,654,941</u>	<b>TOTAL ASSETS</b>		<u>2,637,311</u>
	<b>CURRENT LIABILITIES</b>		
71,122	TRADE AND OTHER PAYABLES	9	63,275
-	EMPLOYEE BENEFIT LIABILITIES	9	-
<u>71,122</u>	<b>TOTAL CURRENT LIABILITIES</b>		<u>63,275</u>
<u>2,583,819</u>	<b>NET ASSETS</b>		<u>2,574,036</u>
	<b>SHAREHOLDERS EQUITY</b>	10	
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.		
283,819	ACCUMULATED SURPLUS AT PERIOD END		<u>274,036</u>
<u>2,583,819</u>	<b>TOTAL EQUITY ATTRIBUTABLE TO THE COMPANY</b>		<u>2,574,036</u>

For and on behalf of the Company

Chairman

Director

Date:

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

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**STATEMENT OF CHANGES IN EQUITY**

**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

<u>2007</u>		NOTE	<u>2008</u>
2,477,179	BALANCE AT 1 JULY	10	2,482,973
106,640	Surplus / (deficit) for the period		91,063
<u>106,640</u>	Total recognised income/ (expense) for the three months ended attributable to the Company		<u>91,063</u>
<u>2,583,819</u>	BALANCE AT 31 MARCH		<u>2,574,036</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 NINE MONTHS ENDED 31 MARCH 2008**

<u>2007</u>		<u>2008</u>
	<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>	
		NOTE
788,541	Receipts from customers	949,925
122,675	Interest received	146,122
28,680	Goods and Services Tax (net)	-
-	Tax Refund	-
<u>939,896</u>		<u>1,096,047</u>
832,297	Payments to suppliers	971,414
-	Payments to employees	-
698	Interest Paid	-
-	Goods and Services Tax (net)	16,300
<u>832,995</u>		<u>987,714</u>
<u>106,901</u>	<b><u>NET CASH FROM OPERATING ACTIVITIES</u></b>	<u>108,333</u>
		11
	<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>	
2,484	Purchase of Property, Plant and Equipment	11,517
0	Intangible Assets	1,030
<u>2,484</u>	<b><u>NET CASH FROM INVESTING ACTIVITIES</u></b>	<u>12,547</u>
<u>104,417</u>	<b><u>Net (decrease) / increase in cash, cash equivalents and bank overdrafts</u></b>	<u>95,786</u>
2,357,953	Cash, cash equivalents and bank overdrafts at the beginning of the year	2,355,750
<u>2,462,370</u>	Cash, cash equivalents and bank overdrafts at the end of the year	<u>2,451,536</u>
		4

The GST (Net) component of operating activities reflect the net GST paid and received with the Inland Revenue Department. The GST (Net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

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

**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 wholly owned by the Waitakere City Holdings Ltd, a subsidiary of Waitakere City Council.

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 business of the Company is property development and project consultancy.  
The Waitakere City Council is the ultimate controlling party of the Company.

The financial statements of the Company are for the period ended 31 March 2008.

**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 profit-orientated entities that qualify for and apply differential reporting concessions.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Company is New Zealand dollars.

Any standards, interpretations, and amendments applicable to the Company that have been issued, but are not yet effective, have been adopted in preparing the financial statements.

## **BASIS OF PREPARATION (Continued)**

### **Associates**

Waitakere Properties Limited accounts for an investment in an associate using the equity method. An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of the surplus or deficit of the associate after the date of acquisition. The company's share of the surplus or deficit of the associate is recognised in the Company's statement of financial performance. Distributions received from an associate reduce the carrying amount of the investment.

If the Company's share of an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further deficits. After the Company's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate reports surpluses, the Company will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

The Company's share in the associate's surplus or deficits resulting from unrealised gains on transactions between the Company and its associates is eliminated.

The Company's investment in Prime West Management Limited is carried at cost in the Company's own "parent entity" financial statements.

### **DIFFERENTIAL REPORTING CONCESSIONS**

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

All concessions have been taken advantage of except for:-

- NZ IAS 7 Cash Flow Statements,
- NZ IAS 12 Income Taxes.

### **WAITAKERE CITY COUNCIL - PROPERTY TRUSTS**

Commercial property and property for development owned by the Waitakere City Council is legally vested in Property Trusts and Waitakere Properties Limited is appointed as Council's sole Trustee.

Under the Deeds of Trust, Waitakere Properties Limited acting as Trustee is obliged to develop and market properties to the best commercial advantage and to return to Waitakere City Council any surplus or deficit on the Property Trust operations.

## **REVENUE**

Revenue is measured at the fair value of consideration received.

Revenue from the sale of goods and services is recognised in the statement of financial performance when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, or where there is continuing management involvement with the goods and services.

Interest income is recognised using the effective interest method.

Management fees received from Waitakere City Council Property Trusts constitute a significant source of funding to the Company.

Rental Income is recognised in the period in which it relates.

Interest income is recognised using the effective interest method.

## **EXPENSES**

### **ADVERTISING COSTS**

Advertising costs are expensed when the related service has been rendered.

### **BORROWING COSTS**

Borrowing costs are recognised as an expense in the period in which they are incurred.

## **TAXATION**

### **Income Tax**

The income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on employee holiday pay.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

**Goods and Services Tax**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax than it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**Fringe Benefit Tax**

The Company is liable for Fringe Benefit Tax.

**LEASES**

**Finance Leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an assets, whether or not title is eventually transferred.

At the commencement of the lease term, the Company recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Company will obtain ownership at the end of the lease term, the assets is fully depreciated over the shorter of the lease term and its useful life.

**Operating Leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the statement of financial performance over the lease term as an integral part of the total lease expense.

**CASH AND CASH EQUIVALENTS**

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

Bank overdrafts are shown within borrowings as a current liability in the statement of financial position.

## **TRADE AND OTHER RECEIVABLES**

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

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows using the effective interest method.

## **INVESTMENTS**

### **Trading Bank Deposits**

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

At each balance sheet date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the statement of financial performance.

### **Investments in shares**

Shares held for trading are classified as current assets and are stated at fair value, with any resulting gain or loss recognised in the statement of financial performance.

Other share investments held by the Company are classified as available for sale and are stated at fair value, with any resulting gain or loss recognised directly in equity, except for impairment losses. When these investments are derecognised, the accumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of shares is their cost price or quoted bid price at statement of financial position date.

## **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

### **Disposals**

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the statement of financial performance.

## **PROPERTY, PLANT AND EQUIPMENT (Continued)**

### **Subsequent Costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

### **Depreciation**

Depreciation is provided on a straight line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Motor Vehicles	4 to 5 years (21.6%)
Office Equipment	2 to 10 years ( 10.2% - 48% )

These rates are in accordance with the Income Tax Act.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## **INTANGIBLE ASSETS**

### **Software Acquisition**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Company's website are recognised as an expense when incurred.

### **Amortisation**

Computer software licenses are amortised on a straight-line basis over their useful life of 2 to 3 years. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The amortisation charge for each period is recognised in the statement of financial performance.

Amortisation rates are in accordance with the Income Tax Act.

## **IMPAIRMENT OF NON-FINANCIAL ASSETS**

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the statement of financial performance.

## **EMPLOYEE BENEFITS**

### **Short Term Benefits**

Employee benefits that the Company expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Company recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent the Company anticipates it will be used by staff to cover those future absences.

### **Longterm Benefits**

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave are calculated on an actuarial basis.

The calculations are based on:

Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and the present value of the estimated future cash flows.

A discount interest rate together with a rate for an inflation factor is used to establish the discount factor. The discount rate is based on the Reserve Bank of New Zealand end of year ( June 2007) base lending rates plus the Reserve Bank of New Zealand consumer price index at year end (June 2007).

These two values make up the discount factor for net present value (NPV) calculations.

## **PROVISIONS**

The Company recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, if it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

## **BORROWINGS**

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

## **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

In preparing these financial statements the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including

expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Page 16**

**Property, Plant and Equipment useful lives and residual values**

At each balance date the Company reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Company to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Company, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of financial performance, and the carrying amount of the asset in the statement of financial position.

The Company minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programs;
- Review of second hand market prices for similar assets; and
- Analysis of prior asset sales.

The Company has not made significant changes to past assumptions concerning useful lives and residual values.

**CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES**

The Directors must exercise their judgement when recognising contract income to determine if conditions of the contract have been satisfied. This judgement will be based on the facts and circumstances that are evident for each revenue contract.

**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**2007**

**2008**

**NOTE 1**

**Revenue Summary**

384,253	Trust Account Fees	493,162
237,596	Rent	236,250
122,675	Interest	146,122
129,100	Other Consulting fees	59,363
-	Investigation & Other Recoveries / Income	96,083
5,000	Associate Company (Director Fees)	8,250
<b><u>878,624</u></b>		<b><u>1,039,230</u></b>

**Trust Account Fees**

159,750	Development Fees	284,500
85,000	Construction Fees	15,000
102,003	Property Management fees	106,175
37,500	Trust management Fees	87,487
<b><u>384,253</u></b>		<b><u>493,162</u></b>

For the financial period ended 31 December 2007 the Company resolved to separate its fee charges to the Property Trusts in to the components as shown.  
This has been done for the benefit of the Trust's beneficiary, Waitakere City Council.

**Housing Corporation licence ( Hobsonville)**

<b><u>237,596</u></b>	Rental	<b><u>236,250</u></b>
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Waitakere Properties limited ( "Licensee" )has an agreement with the Hobsonville Land Company Ltd as representative of Housing New Zealand Corporation as agent for the Crown for the use of land and facilities for a specified purpose on a limited term basis.

Property is located at Hobsonville, Auckland.  
(Refer note 12.)

**NOTE 2**

**Employee Benefit costs**

258,364	Salary and wages	354,200
5,173	Increase/ (decrease) in employee benefit liabilities	3,917
<b><u>263,537</u></b>		<b><u>358,117</u></b>

**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 3**

**Other expenses**

-	Audit fees for financial statement audit	-
698	Interest & Bank Servicing Fees	814
80,583	Director Fees & Allowances	88,218
690,703	All Other Expenses	859,134
<b><u>771,984</u></b>		<b><u>948,166</u></b>

**NOTE 4**

**Cash and cash equivalents**

174,551	Cheque Account	115,754
2,287,819	Call Account (2007/8 ASB rate - 8.00% to 7.75%) Term Account (2007/8 ASB rate - 8.12% to 8.50%)	250,218 2,085,564
<b><u>2,462,370</u></b>	Net cash, cash equivalents and bank overdrafts for the purposes of the statement of cash flows.	<b><u>2,451,536</u></b>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

**NOTE 5**

**Trade and other receivables**

105,920	Gross trade and other receivables	96,593
	Less provision for impairment	
<b><u>105,920</u></b>	Total trade and other receivables	<b><u>96,593</u></b>

As at 31 March there are no receivables that need to be assessed for impairment.

**Trade and other receivables -Summary**

-	Trade Receivables	29,738
-	GST	-
66,488	Related Party	19,167
-	Associate Company	9,281
39,432	Resident Withholding Tax	38,407
<b><u>105,920</u></b>		<b><u>96,593</u></b>

**Future Tax Benefit**

<b><u>4,131</u></b>	Deferred Tax Benefit	<b><u>4,078</u></b>
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**As audited 30 June 2007.**

**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 6**

<b>Property Plant and Equipment</b>	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>
<b>Balance at 01 July 2007</b>	<b>20,254</b>	<b>41,257</b>	<b>54,806</b>
Additions	4,222	7,295	
Disposals			
<b>Balance at 31 March 2008</b>	<b>24,476</b>	<b>48,552</b>	<b>54,806</b>

**Accumulated depreciation and impairment losses**

<b>Balance at 01 July 2007</b>	<b>13,634</b>	<b>9,913</b>	<b>23,676</b>
Depreciation expense	7,637	3,953	8,879
Impairment losses			
Disposals			
<b>Balance at 31 March 2008</b>	<b>21,271</b>	<b>13,866</b>	<b>32,555</b>

**Carrying amounts**

<b>Balance at 31 March 2008</b>	<b>3,205</b>	<b>34,686</b>	<b>22,251</b>
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**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 7**

**Intangible Assets** **2008**

Balance at 01 July 2007	63,669
Additions	1,030
Disposals	

<b>Balance at 31 March 2008</b>	<b>64,699</b>
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**Accumulated amortisation and impairment losses**

Balance at 01 July 2007	26,235
Amortisation expense	13,902
Impairment losses	
Disposals	

<b>Balance at 31 March 2008</b>	<b>40,137</b>
---------------------------------	---------------

**Carrying Amounts**

<b>Balance at 31 March 2008</b>	<b>24,562</b>
---------------------------------	---------------

**Depreciation Summary** **2008**

Motor Vehicle	8,879
Office Equipment & Fittings	3,953
Computer Hardware	7,637
<b>Total Depreciation Charged</b>	<b>20,469</b>

<b>Computer Software amortisation</b>	<b>13,902</b>
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<b>Total Expense</b>	<b>34,371</b>
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**Carrying Amount Summary** **2008**

Motor Vehicle	22,251
Office Equipment & Fittings	34,686
Computer Hardware	3,205
<b>Total property, plant and equipment</b>	<b>60,142</b>

<b>Computer Software</b>	<b>24,562</b>
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<b>Total property, plant, equipment and software</b>	<b>84,704</b>
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**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2007 FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**2008**

**NOTE 8**

**Investments in Associates**

Waitakere Properties Ltd has a 40% interest in Prime West Management Limited and its reporting date is at 31 March.

The investment in the associated company is carried at cost in Waitakere Properties Ltd statement of financial position.

Prime West Management Ltd is an unlisted company and, accordingly there are no published price quotations to determine the fair value of this investment.

The business of the Company is property management.

**Summarised Financial Information of associated company (Unavailable)**

( Unaudited Financial Statements as at 31 March 2008)

<b><u>2007</u></b>		<b><u>2008</u></b>
48,185	Current Assets	-
47,015	Current Liabilities	-
<b><u>95,200</u></b>	<b>Net Assets</b>	<b><u>-</u></b>

**Shareholders Equity**

1,000	Share Capital	-
170	Retained Earnings	-
<b><u>1,170</u></b>		<b><u>-</u></b>

**Associates Contingencies**

Details of any contingent liabilities arising from the Company's involvement in Prime West Management Ltd is disclosed in note 14.

**NOTE 9**

**Trade and Other payables**

43,325	Trade Payables	16,447
10,355	Related Party Payables	11,242
5,173	Employee Benefits	9,430
-	Accrued expenses	-
12,269	G.S.T	5,084
	Prepayments (Rent in advance)	21,072
<b><u>71,122</u></b>	<b>Total Trade and Other Payables</b>	<b><u>63,275</u></b>

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

**Employee Benefit Liabilities**

5,173	Annual Leave	9,090
<b><u>5,173</u></b>	<b>Total Employee benefit liabilities</b>	<b><u>9,090</u></b>

**Comprising**

5,173	Current	9,090
	Non Current	
<b><u>5,173</u></b>	<b>Total Employee benefit liabilities</b>	<b><u>9,090</u></b>

**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 10****Reconciliation of Equity****Retained Surpluses**

2,477,179	Balance at 1 July	2,482,973
106,640	Surplus / (Deficit) for the year	91,063
<b>2,583,819</b>	<b>Balance at 31 December</b>	<b>2,574,036</b>

**NOTE 11****Reconciliation of Cash Flows from operating activities with reported operating surplus**

106,640	Reported Surplus/(Deficit) after tax as per per Statement of Financial Performance	Note	91,063
	Add non cash items:		
26,323	Depreciation and amortisation expense	7	34,371
0	Movement in Deferred Taxation		-
-	Loss on disposal of assets		-
<b>132,963</b>			<b>125,434</b>
35,315	Trade and other receivables		65,771
(66,514)	Trade and other payables		(82,872)
5,137	Employee benefits		0
<b>(26,062)</b>			<b>(17,101)</b>
<b>106,901</b>			<b>108,333</b>

**NOTE 12****Capital Commitments and operating leases****Capital Commitments**

The Company has no capital expenditure commitments. (2007 Nil)

**Operating Leases as lessee**

The Company has no operating leases other than the Housing Corporation License. (2007 Nil )

Waitakere Properties limited ( "Licensee" )has an agreement with the Hobsonville Land Company Ltd as representative of Housing New Zealand Corporation as agent for the Crown for the use of land and facilities for a specified purpose on a limited term basis.

Specified use is for marine industry or film production.

Term of the licence is 3 years from 15 May 2006, with an option to renew for a period of a further two years.

		<b>Expense</b>
296,000	Licence fee (15 May 06 to 14 May 07)	296,000
296,000	Licence fee (15 May 07 to 14 May 08)	296,000
296,000	Licence fee (15 May 08 to 14 May 09)	296,000
<b>888,000</b>	<b>Total Licence Expense</b>	<b>888,000</b>

**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 12**

**Capital Commitments and operating leases (Continued)**

Waitakere Properties Limited ("Sub-Licensor) has an agreement with a Limited Liability Company in the Marine Industry ("Sub-Licensee") for the use of land and facilities for a specified purpose on a limited term basis.

The company meets the requirements for "specified use".

Term of the licence is 3 years from 15 May 2006, with an option to renew for a period of a further two years subject to head license.

		<u>Income</u>
310,000	Licence fee (15 May 06 to 14 May 07)	310,000
315,000	Licence fee (15 May 07 to 14 May 08)	315,000
320,000	Licence fee (15 May 08 to 14 May 09)	320,000
<u>945,000</u>	<b>Total Licence Income</b>	<u>945,000</u>

**NOTE 13**

**Contingencies**

Contingent Liabilities

The Company has no contingent liabilities (2007 Nil)

Contingent Assets

The Company has no contingent assets (2007 nil )

**NOTE 14**

**Related Party transaction**

**Waitakere City Council**

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.

The Waitakere City Council is the ultimate controlling party of the Company.

**Waitakere Enterprise Trust Board**

This organisation was settled as a charitable Trust by Waitakere City.

The Waitakere City Council is the ultimate controlling party of the Trust.

**Prime West Management Limited**

Waitakere Properties Ltd has a 40% interest in Prime West Management Limited and its reporting date is at 31 March.

Accounts for the quarter ending 31 March are not available.

Prime West Management Ltd is an unlisted company and, is primarily involved in commercial property management.

**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 14 (Continued)**

The following transactions were carried out with related parties during the period.

**Waitakere City Council**

<b><u>2007</u></b>	<b><u>Value of Transactions between Council and Council Trusts are:-</u></b>	<b><u>2008</u></b>
	<b><u>Income</u></b>	
384,253	Trust Fees, Consulting and investigation	613,245
<u>384,253</u>		<u>613,245</u>
	<b><u>Expenses</u></b>	
<u>Nil</u>	Purchase of Goods and Services	<u>Nil</u>

These services were supplied on normal commercial terms.

**Waitakere Enterprise Trust Board**

<u>59,099</u>	Rent and staff/management services	<u>78,373</u>
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These services were supplied on normal commercial terms.

<b><u>2007</u></b>	<b><u>Waitakere Enterprise Trust Board</u></b>	<b><u>2008</u></b>
	<b><u>Income</u></b>	
<u>Nil</u>	Purchase of Goods and Services	<u>112</u>
	These services were supplied on normal commercial terms.	<u>112</u>

<b><u>2007</u></b>	<b><u>Prime West Management Limited</u></b>	<b><u>2008</u></b>
	<b><u>Income</u></b>	
	Management Fees	35,363
	Director Fees	8,250
<u>Nil</u>		<u>43,613</u>

These services were supplied on normal commercial terms.

<b><u>2007</u></b>	<b><u>Kensington Swan</u></b>	<b><u>2008</u></b>
	<b><u>Expenses</u></b>	
<u>Nil</u>	Legal Fees	<u>3,841</u>
	These services were supplied on normal commercial terms.	

**NOTE 15**

**Significant Events After the Balance Date**

No significant events occurred after balance date. (2007 Nil)

**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 16****Categories of financial assets and liabilities****Loans and receivables**

2,462,370	Cash and cash equivalents	2,451,536
105,920	Trade and other receivables	96,593
<b><u>2,568,290</u></b>	<b>Total loans and receivables</b>	<b><u>2,548,129</u></b>
<b><u>Financial liabilities measured at amortised cost</u></b>		
71,122	Trade and other payables	63,275
<b><u>71,122</u></b>	<b>Total financial liabilities measured at amortised cost</b>	<b><u>63,275</u></b>

**NOTE 17****Financial Instrument risk**

The Company has policies to manage risks associated with financial instruments. The Company is risk adverse and seeks to minimise exposure from its treasury activities. The Company has established borrowing and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

**Market risk**

The interest rates on the Company's investments are disclosed in note 4 page 19.

**Fair value interest rate risk**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Trust's exposure to fair value interest rate risk is limited to its short-term bank deposits.

**Cash flow interest rate risk**

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Company to cash flow interest rate risk.

The Company's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements.

**Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to

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changes in foreign exchange rates.the Trust is not exposed to currency risk, as it does not enter into foreign currency transactions.

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**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 17 (Continued)**

**Credit Risk**

Credit risk is the risk that a third party will default on its obligation to the Company, causing the Company to incur a loss.

Due to the timing of its cash inflows and outflows, the Company invests surplus cash with registered banks.The Company's investment policy limits the amount of credit exposure to any one institution.

The Company has processes in place to review the credit quality of customers prior to the granting of credit.

The Company's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash equivalents ( note 4) and trade receivables (note 6). There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired.

The Company has no significant concentrations of credit risk, as it has a large number of credit customers and only invests funds with registered banks with specific credit ratings.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Company aims to maintain flexibility in funding by keeping committed credit line available.

In meeting its liquidity requirements, the Company maintains a target level of investments that must mature within specified time frames.

The maturity profiles of the Company's interest bearing investments are disclosed in note 4 .

**Capital Management**

The Company's capital is its share capital, and retained surpluses. Equity is represented by net assets.

The Waitakere City Council ( controlling body) requires the Board of Directors to manage its its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently. The Company's equity is largely managed as a by-product of managing revenues,expenses, assets, liabilities, investments and general financial dealings.

The objective of managing the Company's equity is to ensure the Company effectively achieves its objectives and purpose, whilst remaining a going concern.

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**WAITAKERE PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2008**

**NOTE 18**

**Property Vested In Waitakere Properties Limited Through Deed Of Trust**

Property formally owned by the Waitakere City Council is legally vested in Deeds of Trust. Waitakere Properties Limited is Waitakere City Council's appointed sole Trustee.

Under the Deeds of Trust, Waitakere Properties Limited acting as Trustee 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 the Deeds of Trust have not been reflected in the statement of financial Position on the basis that Waitakere Properties Limited is only acting as Trustee, and the beneficial owner of these properties is the Waitakere City Council.

**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.

# Waitakere Enterprise

## MEMORANDUM

To: Waitakere City Holdings Limited  
From: Bryan Mogridge, Chairman - Waitakere Enterprise  
Date: 28 April 2008  
Re: WE Third Quarter Report

### **1. FINANCIAL REPORT FOR THE QUARTER ENDING 31 MARCH 2008 AND THIRD QUARTER FINANCIAL REVIEW**

#### Financial Performance

The balance sheet and operating performance summary for the month ending 31 March 2008 and the profit and loss forecast to the end of June 2008 is attached.

Total operating surplus to the month ending March 2008 is \$46 281. This is \$77 063 ahead of the original budget.

#### Year End Forecast

The year end retained earnings projection is \$42 435. This is subject to final quarter financial performance and incurring of additional approved expenditure (see below).

The projected retained earnings figure is \$36 000 ahead of budget and within the limit of the \$0-75 000 specified in the Statement of Intent.

### Items That May Result In Fluctuations To The Year End Forecast

TrainSmart is continuing to demonstrate signs of growth in Youth enrolments. As at 28 April, TrainSmart had 100% occupancy levels, indicating a strong performance to year end. This has allowed the Board to resolve:

*That the Chief Executive be authorised to undertake the following additional items of expenditure provided the end of year financial result meets the Statement of Intent retained earnings target of \$0 - \$75 000;*

<i>Purchase of the Mosaic data licence</i>	<i>up to \$18 000</i>
<i>Remuneration benchmarking</i>	<i>\$17 500</i>
<i>Set-up for the sustainability data set and licence</i>	<i>\$10 000</i>
<i>Peer Review of TrainSmart's QA Processes</i>	<i>\$10 000</i>
<i>Database update</i>	<i>\$ 7 500</i>

## **2. THIRD QUARTER PROGRESS REPORT**

The third quarter progress performance report against the Statement of Intent objectives is attached.

Highlights include:

- There are now over 600 registrations of interest in the 2008 Business Awards. This compares with 221 in 2007.
- The largest ever Waitakere Business Club Business breakfast, with 300 attending the event that featured the Prime Minister in January
- The quarter ending with a youth occupancy of 79%. This compares favourably with a 2007 average of 60%. Two new classes – Retail and Pacific foundation trades, have been established
- 285 students participating in the Young Enterprise Scheme compared to 171 in 2007. This is the first time participation has exceeded 200
- The establishment of Gateway within WE. This programme features 420 students placed in over 500 employer per annum. In 2007, the average credit achievement was 25 against a national average of 16

All activities are tracking to meet or, in many cases, exceed SOI targets. There are currently no areas of concern.

## **3. DRAFT STATEMENT OF CORPORATE INTENT FOR THE THREE YEARS BEGINNING 1 JULY 2008**

The draft Statement of Intent for the three years beginning 1 July 2008 will be considered by Councillors on the morning of 16 April.

A request from Council has been made that the Board consider Council's comments and submit a final proposed SOI to Councillors in early June.

As the Board is not scheduled to meet prior to re-submitting a final proposed SOI by June, the Chairman and CEO consider Council's comments on behalf of the Board and recommend a final SOI to Board members for comment by way of e-mail before submitting to Council.

#### **4. SUBMISSION TO COUNCIL'S DRAFT ANNUAL PLAN**

With respect to Waitakere Enterprise, a feature of the draft Annual Plan has been the decision not to provide WE with a modest funding increment of \$30 000 that was allocated in the Long Term Council and Community Plan in 2006.

The Annual Plan submission from WE focuses on funding related matters as matters relating to organisational strategic alignment and objectives are the focus of the Statement of Intent process while the specific activities funded by Council each year are considered through a Funding and Service Agreement.

A copy of WE's Annual Plan submission is attached.



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Chairman

Bryan Mogridge  
Chairman