

GROUP ANNUAL REPORT 2019



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About Us

DWC chief executive, Chris Mackenzie, at the #BoostYourTown workshop in Westport

Photo: Jules Anderson



Directory

Trustees	Rooney, Renee	Chair Elected – Grey District
	Mulligan, Patrick	Deputy Chair Chair, Investment Committee Independent - New Zealand Law Society
	Lockington, Mark	Chair, Finance & Audit Committee Independent – Chartered Accountants Australia & NZ
	Christie, Julie DNZM	Council Appointee
	Little, Hugh	Elected – Westland District
	Oldham, Brent	Elected – Buller District
	Tumahai, Francois	Tangata Whenua Trustee
Staff	Beneke, Samantha	Tourism Marketing Manager
	Coates, Tara	Administration Manager
	Dawson, Mark	Chief Financial Officer
	Doolan, Rachel	Events Coordinator
	Gibson, Tony	Accountant
	Grant, David	Business Development Manager
	Hill, Fiona	Business Development Manager
	Hopkins, Amanda	Accounts Assistant
	Little, James (Jim)	Regional Tourism Manager
	Lunn, Belinda	Executive Manager
	Lynch, Dave	Business Development Manager
	Mackenzie, Chris	Chief Executive
	McMillan, Dayle	Commercial Lending Manager
	Rees, Aaron	Marketing & Communications Officer
	Ulrich, Alicia	Tourism Marketing Assistant
Wilson, Helen	Research & Innovation Manager	
Advisory Body	Rushbrook, Keith (Chair)	
	Bestwick, Jenn	
	Steele, David	
Registered Office	1st Floor, Brunner House, 54 Tainui Street, Greymouth PO Box 451, Greymouth	
Advisors	Investment	Bancorp Treasury Services Ltd JBWere (NZ) Ltd
	Legal	Buddle Findlay Duncan Cotterill Hannan & Seddon
	Tax	KPMG
Bankers	Westpac	
Auditors	Audit New Zealand, on behalf of the Controller and Auditor-General	

DWC Strategy 2018-2025

Development West Coast (DWC) was established as a Charitable Trust in 2001. Its purpose is to manage, invest and distribute income from a fund of \$92m received from the Government as an economic adjustment package for the loss of indigenous forestry and the privatisation of much infrastructure on the West Coast in the late 1990s.

DWC's objectives are to promote sustainable employment opportunities and generate sustainable economic benefits for the West Coast, both now and into the future. Its seven-member Board is supported



Te Ohu Whakawhanake o Te Tai Poutini

by an Advisory Body, which assists on matters around the commercial finance function, and investment advisors who assist with the management of the DWC fund. The organisation itself has 16 staff who carry out the day-to-day functions of the organisation.

Vision

Growing Business to Grow the Coast

Supporting commercial enterprises that can strengthen the economy and create thriving communities across the region.

Purpose

Sustainable Employment Opportunities and Economic Benefits

To promote sustainable employment opportunities and generate sustainable economic benefits for the West Coast region.

Core values

A leader in all that we do



Open Communication



Entrepreneurial Spirit



Empowering Others



Proactive and Responsive



Consistent Decision Making



Transparent and Accountable

Priorities

Enabling the development of business and industry on the West Coast

- Develop the capability and knowledge of local businesses to improve productivity and performance
- Support start-up business
- Identify opportunities to enable the creation and diversification of business and industry
- Develop and promote digital utilisation
- Target businesses that demonstrate:
 - Real potential to employ more people in skilled jobs
 - Medium to long term prospects of success
 - An ability to stimulate or strengthen a supply chain or commercial eco-system
 - An opportunity to diversify business, sector or industry
 - Potential to export

Managing the fund for current and future generations

- Protect DWC's charitable status
- Ensure DWC has a perpetual fund to invest into the region by maintaining the real value of DWC's equity
- Leverage DWC funds to attract investment into the region

Enhancing the profile and visibility of the West Coast

- Be the identifiable voice for regional development on the West Coast
- Be a key influencer and partner in the development of the West Coast region
- Develop strong working relationships with key stakeholders
- Be proactive and responsive to the economic climate and external factors affecting the region
- Maintain a regional profile which showcases the region as an attractive place to live, work, invest, do business and visit, while identifying opportunities and risks, and potential strategies to address these
- Facilitate sector development strategies to promote jobs and attract investment to the region, with emphasis on:
 - Agri-food and fishing
 - Digital enablement
 - Start-ups
 - Tourism
 - Untapped opportunities in mining and resources

Chair's Report

This year Development West Coast (DWC) has challenged itself to be a more customer-focused organisation. This has resulted in greater engagement with local businesses. Our core values of accountability and transparency drive our commitment to better communicate the stories behind the numbers and the work we do, so it gives me great pleasure to present our Annual Report for the year ended 31 March 2019.

It has been a year of change as we transition DWC into a wider economic development role. We are here to help grow businesses. We are listening to their needs and working with them to overcome the barriers they face in their day-to-day operations.

DWC Trustees are always mindful of the balance required to meet both current demands and the needs of future generations. This year the Trustees have put particular emphasis on maintaining the real value of the Investment Fund from which we derive the income that we can distribute locally. At present, for every \$25m that DWC has in its fund, it can sustainably spend \$1m in the region.

Running the Fund down or even conserving it at the current level means there will be less money to invest in the region in the future. As an example, today's \$128.4m equity would need to be \$184m in 2037 to generate the same benefits as in 2001 (assuming the inflation rate is replicated).

Despite the best efforts of our resourceful people, the last five years has seen the West Coast in a major economic downturn. DWC's recently published Economic Update indicates the economy is finally showing signs of recovery. While Buller is still recovering, the Westland and Grey districts

“For every \$25m that DWC has in its Investment Fund, it can sustainably spend \$1m in the region.”

appear to be on track to meet most of their targets set in the Tai Poutini West Coast Economic Development Strategy (2018-2025).

While it is heartening to see some positive trends emerging within our economy, we cannot become complacent. There will inevitably be further challenges ahead and we must meet these with a unified voice and work together to find effective outcomes for all involved.

Under the Regional Economic Development Strategy, which builds on the 2017 West Coast Economic Development Action Plan, DWC has been tasked with leading the region's economic direction and development. To ensure a coordinated approach, there has been a restructuring to the provision of regional economic development on the West Coast. It has taken time to put these changes in place, but we believe they will enable the region to work together in a more unified manner on regional development. This will ultimately present new opportunities for the Coast.

Meanwhile, the Government has acknowledged the opportunities present in regional New Zealand with the creation of the \$3 billion Provincial Growth Fund (PGF). Through working together, the West Coast has to date secured \$130.5m in PGF funding for projects. It is great to see these investments are not only playing to our historic strengths but also looking to the future by supporting our emerging industries.

This Annual Report highlights some of the ways we work with businesses and industries to strengthen

the economy and create thriving communities across our region. We must stress that these achievements do not happen in isolation. From the business leaders who give their time to present inspirational talks at networking events, to the business mentors who volunteer to help local entrepreneurs, many people must be thanked for the invaluable support they give DWC in achieving its objects.

Thanks must also be given to the West Coast councils who we work with on many projects. DWC's investment into community distributions and projects reached \$64.8m this year. This includes \$20.1m committed to the three West Coast district councils through to 2022 via the Major District Initiative Fund (MDI), and a one-off \$6m Extraordinary Distribution Fund (EDF) also allocated across the councils.

This year has seen many Coast businesses succeeding on the national and international stage with the media spotlight shining brightly on their achievements. At DWC we provided a platform for the region to come together to celebrate success by holding the 6th Development West Coast Leading Light Business Excellence Awards. This was a fantastic evening showcasing the finalists and the stories behind their businesses.

This Annual Report aims to tell our DWC story, of what we do and how we do it. We have included some first-hand stories from our fast growing client base, which has doubled over the past year. We acknowledge that actions speak louder than words and that we are accountable to our West Coast community. With a unified vision and strategy in place for the region, we look forward to working with all stakeholders to help grow businesses to grow the Coast.

I would like to sincerely thank my fellow Trustees for their support and contribution during the year, Advisory Body for their sound professional and independent advice, chief executive Chris Mackenzie for his leadership and the DWC staff for their ongoing hard work and unwavering commitment to the organisation and the West Coast region.



A handwritten signature in black ink, appearing to read 'R Rooney'.

Renee Rooney
Chair

What our clients are saying:

“DWC’s support has been a game changer for me. They have given me confidence to execute my business strategy because they believe in what I am doing. This is really important because being in business can be challenging so the objective and knowledgeable expertise they offer is invaluable.”

Emily Miazga, Em's Power Cookies

“So many people don’t realise what support is available for businesses here on the Coast. We highly recommend other local businesses take advantage of the many forms of assistance available through DWC. We’ve always had amazing communication and support when dealing with them.”

Moreen Evans, Jeff Evans Ltd.

“Bouncing my thoughts off experienced advisors and hearing their input was extremely helpful. An informed outside perspective is invaluable to me as a small business owner.”

Jase Blair, Printing.com West Coast

“We found the DWC staff to be knowledgeable and helpful and very keen to keep our entire operation on the West Coast.”

Lewis Simpkin, Westland Workgear

“Having support from DWC has allowed us to grow our business and create new jobs in the area.”

Thomsons Butchery

Trustees



Renee Rooney

Patrick Mulligan

Mark Lockington

Renee Rooney - Chair
Elected – Grey District

Renee was elected to DWC in 2016 for the Grey District. Renee is a West Coaster by birth, a mum to three school-age children, and a dairy farm business owner with her husband.

Renee is actively involved in her local community and also holds a variety of roles at a regional level including: immediate past Chair and long serving member of the Lake Brunner School Board of Trustees; executive member of Federated Farmers West Coast; committee member of TB Free West Coast and Lake Brunner Community Catchment Care Group. Renee also served on the Federated Farmers National Dairy Industry Executive from 2017-2019.

Renee is a graduate of the 2014/15 DWC Leadership and Governance Programme.

Patrick Mulligan – Deputy Chair
Independent – New Zealand Law Society

Patrick was appointed to DWC in 2016.

Patrick is a lawyer specialising in resource management and environmental issues. He is a partner in the Auckland office of the national law firm, Buddle Findlay, and heads its Auckland RMA and Local Government team. He has over 25 years' legal experience relating to a wide range of commercial and public law issues.

Although Patrick and his family now reside in Auckland, he was born and educated on the West Coast, coming from a well-known Reefton mining family.

Mark Lockington
Independent – Chartered Accountants Australia & NZ

Mark was initially appointed in 2005. He is the Company Secretary for Westland Milk Products and has worked for companies in New Zealand and Australia in management, financial, treasury, accounting and administrative positions.

Mark has a NZ Certificate in Engineering (Civil & Structural), a Bachelor of Commerce, and is a Fellow Chartered Accountant Australia and New Zealand.

Mark is married to Maria with three school-age children, and they are both actively engaged in the community.

Julie Christie, DNZM
Council Appointee

Dame Julie Christie was appointed in 2017. Born and educated in Greymouth, she now resides in Auckland.

A former international television producer, Dame Julie has extensive governance and industry experience in media, IP, business development, hospitality and sport. She has served on the Board of New Zealand Trade & Enterprise, Rugby World Cup NZ 2011 and Mediaworks. Dame Julie currently sits on the Advisory Board of The New Zealand Story, the New Zealand Steering Group for World Expo



Dame Julie Christie

Hugh Little

Brent Oldham

Francois Tumahai

Dubai 2020, as well as chairing the board of the new tourism venture, The All Blacks Experience.

Julie was made a Dame Companion of the New Zealand Order of Merit for Services to Governance and the Television Industry in 2017.

Hugh Little
Elected – Westland District

Hugh was elected in October 2013. He retired from Westland Milk Products in 2010 after a long and distinguished career that saw him rise from a labourer in the production area to Deputy CEO and General Manager of Operations.

Born and bred in Hokitika, Hugh and his wife Glenda built and own the luxury accommodation and restaurant complex, Stations Inn.

Hugh is a long-serving director of Westpower and the Westpower group of companies, and he was the directors’ representative for the successfully commissioned Amethyst Power scheme.

Brent Oldham
Elected – Buller District

Brent was elected as the Buller District Trustee in October 2016. Born and raised in Westport, Brent has been involved in the IT industry for over 30 years, the last 20 years of which he has been self-employed running his own IT company, IT@work.

Brent has skills and experience across the IT, management, retail and service sectors. He chairs the regional lobby group, GO West Coast, is a committee member of the Buller Gorge Marathon, and contributes as a member of the Buller District Council Economic Advisory Group.

Brent is married to Buller district councillor Sharon Roche and has two adult daughters.

Francois Tumahai
Tangata Whenua Appointee

Francois Tumahai is the Tangata Whenua Appointee of Ngāti Waewae. He is a proud West Coaster with whakapapa links to Ngāi Tahu and Ngāti Whatua, and has served as the Chair of Ngāti Waewae since 2008.

Francois has been instrumental in the project management of the Ngāti Waewae Arahura Marae development. He is currently the Chief Executive Officer of Arahura Holding Limited, the commercial arm of the Papatipu Rūnanga, which encompasses property, environmental, forestry, business and pounamu portfolio management.

In addition to this, Francois is involved in many boards including West Coast Conservation Board, West Coast District Health Board, New Zealand Institute for Minerals to Materials Research and Executive Director Ngāi Tahu Pounamu. He is part of the Mayors and Chairs Forum and most recently Westland District Council.

Chief Executive's Report

Last year DWC conducted a business opinion survey with the majority of respondents expressing optimism about the economy for the coming year. Data from our recently published Economic Update reveals this optimism was not unfounded. After a prolonged period of decline there are signs the economy is starting to recover. Exciting things are happening on the Coast.

As an organisation, DWC is working with local businesses and stakeholders to leverage this optimism for the success and prosperity of the region.

At an operational level, 2018/2019 has been a year of significant change for DWC. Based on recommendations originally presented in the 2017 West Coast Economic Development Action Plan, organisational changes have been implemented to ensure a more coordinated delivery of economic development on the West Coast.

The change saw the functions of Tourism West Coast merged into DWC. Minerals West Coast's project manager, MBIE's principal regional advisor and an independent consultant also now share office space at DWC. Having this wealth of knowledge and skills working in the same building provides a unified way forward for the region.

Over the past year, DWC approved over 80 percent of commercial loan applications received, seeing \$2.23m distributed to business and industry across the region.

While the financial markets remain volatile, DWC's growth (or equity) investments returned

“The past year has seen a significant rise in engagement with 1,179 attendees at DWC business events.”

10.5 percent for the year. The 2018/2019 financial year sees DWC parent with total assets of \$137.2m and total income for the year of \$5.4m (excluding unrealised revenue). Our total operating expenses were \$2.5m and DWC also invested \$1.9m in community distributions and projects. The year ended with a net profit of \$5.4m - ensuring DWC's ability to continue investing in the region.

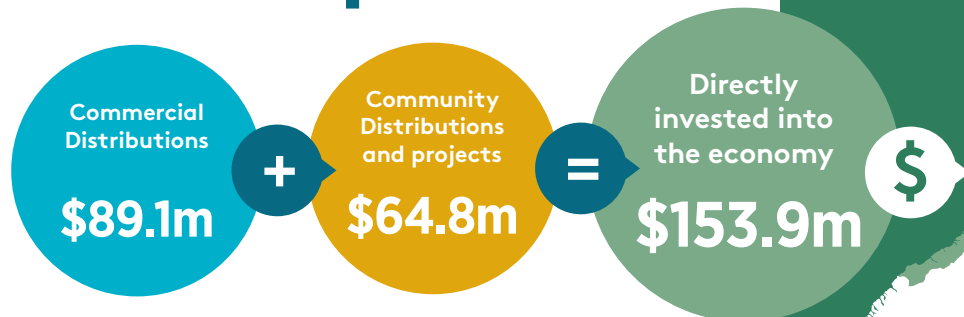
DWC's direct investment into the West Coast economy has now reached \$153.9m while still maintaining the Fund at \$128.4m - all from an initial fund of \$92m. It is important that we maintain the real value of the Fund to ensure future generations on the Coast can benefit from continued distributions into the economy.

The true worth of DWC to the West Coast goes far beyond these investments into the economy. DWC staff are working with a record number of local businesses to build capability, as well as helping them leverage other capital and business opportunities.

To make business support services accessible for all Coasters, our three business development managers travel from Karamea to Haast to meet local businesses and find out what we can do to help them.

We host regular business trainings, workshops and seminars that are targeted at the needs of local businesses. The past year has seen a significant rise in engagement with 1,179 attendees at DWC business events. In addition to building capabilities and knowledge, these events provide valuable networking opportunities for our business community.

Original Equity of the Fund 2001 **\$92m**



Current Equity 2019 **\$128.4m**

DWC also continues to play a key role in funding regional development projects aimed at boosting industries and promoting the West Coast. Over \$450,000 was invested in such projects this year.

Supporting regional growth is not something we are doing alone. The Government has shown optimism in the region by pledging over \$130m through the Provincial Growth Fund for projects that reflect the priorities of the Tai Poutini West Coast Economic Development Strategy (2018-2025).

Optimism in the region is also being reflected in the national media. A recent edition of NZBusiness Magazine featured a cover story on innovative West Coast businesses titled 'Coastal confidence: how technology is building West Coast businesses'.

Alongside the region's leaders and businesses, we look forward to building on this optimism and pushing ahead to create a prosperous future for the West Coast.

I want to acknowledge the guidance and expertise provided by the Trustees, the Advisory Body for their valuable advice, and my colleagues at DWC who have ensured this was a productive year for both the organisation and the region.



Chris Mackenzie
Chief Executive



DWC year comparisons

Actively managed clients

2018/2019: **circa 140**

2017/2018: **circa 70**

Commercial loans approved

2018/2019: **13**

2017/2018: **10**

Attendees at DWC business events, workshops and trainings

2018/2019: **1,179**

2017/2018: **571**

Businesses matched with BMNZ mentors

2018/2019: **17**

2017/2018: **14**

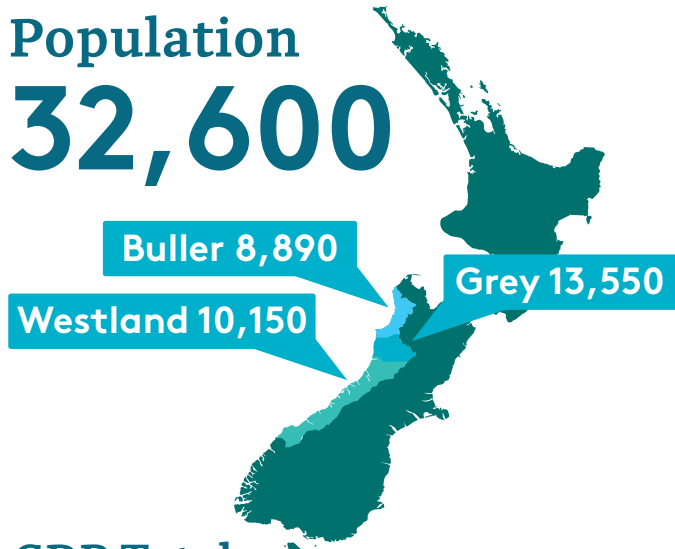
Regional Economic Development

Photo: Stewart Nimmo



Regional Economic Overview

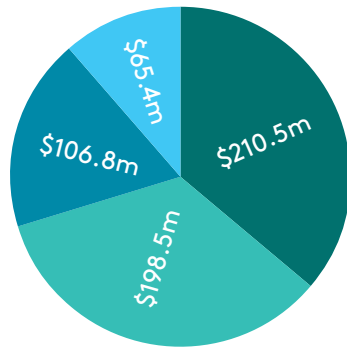
Population
32,600



GDP Total
\$1,517 Million

Main Economic Drivers

- Dairy
- Tourism
- Mining
- Agriculture, Forestry and Fishing (less Dairy)



GDP at 2010 prices



The current median house price in the region is \$205,625 versus \$639,536 for New Zealand

3,669 Businesses

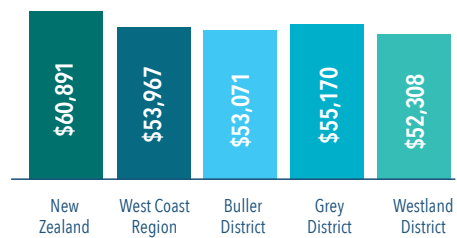
15,952
Jobs filled

Industries that employ the most people

- 1,856** Accommodation and Food Services
- 1,756** Construction
- 1,564** Retail trade
- 1,538** Health care and social assistance

Mean annual earnings

\$53,967



Unemployment rates

4.6% New Zealand **3.3%** West Coast Region **4.3%** Buller District **3.3%** Grey District **2.2%** Westland District

Source: Infometrics (2019). West Coast Region Economic Profile. Accessed from: <https://ecoprofile.infometrics.co.nz/West%20Coast%20Region>

Regional Economic Development

On the back of recommendations in the 2017 ‘Tai Poutini Economic Development Action Plan’, significant work was put into restructuring the provision of economic development on the West Coast in 2018/2019.

The region has developed a new economic development strategy and restructured the delivery of economic development to better implement this strategy. This has seen DWC become the Regional Economic Development organisation for the West Coast.

The tourism functions undertaken by the then-Tourism West Coast were migrated into DWC after balance date on 1 April 2019, bringing with it the three tourism staff.

With a unified strategy in place and a more coordinated approach to economic development, the region is better placed to leverage the opportunities ahead of it.

Tai Poutini West Coast Economic Development Strategy (2018-25)

The Tai Poutini West Coast Economic Development Strategy 2018-2025 was developed in collaboration with the West Coast Councils, iwi, Tourism West Coast,

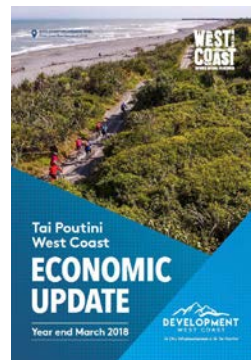


Department of Conservation and DWC. Stakeholders identified and agreed on a vision with eight key strategies to deliver on that vision.

As the lead economic development organisation for the West Coast, DWC leads the delivery of the strategic plan.

Tai Poutini West Coast Economic Update

The Strategy set ambitious targets for the region and districts to achieve by 2025. To track progress on these targets, DWC presented an update to key stakeholders in February 2019 followed by the production of an Economic Development Update in June 2019.



The findings in the Economic Update suggest the West Coast is heading in the right direction. Westland and Grey districts are on track to meet most of their targets. Buller district is finding it more challenging, however, it is encouraging to note the rates of decline in some of Buller’s key economic indicators are lessening, signalling possible improvements ahead.

Westport-based business iNFORCE
Photo: Jules Anderson



Tai Poutini West Coast Economic Development Strategy (2018-25)

West Coast Economic Development Vision

The West Coast will become a thriving and prosperous region - working together to drive innovation through better utilisation of our unique natural resources which will enable us to grow and care for our communities and our environment.

Key strategies to deliver the vision



Attract new business that diversifies our economy



Create added value opportunities to future proof existing business



Continued investment in Tourism to support new economy



Infrastructure investment to support growth and resilience



Maximise use of Stewardship and Cultural land



Education and training programmes fit for purpose



Maximise the Māori economy
He kai kei aku ringa



Assess and meet demands of ageing population

Guiding Principles

Kaitiakitanga Guardianship

Guardianship, stewardship, trusteeship.

Kotahitanga Unity

Unity, togetherness, solidarity, collective action.

Manaakitanga Mutual Respect

Hospitality, kindness, generosity, support - the process of showing respect, generosity and care for others.



Francois Tumahai, Prime Minister Jacinda Ardern, Ned Tauwhare and Lisa Tumahai at the Provincial Growth Fund announcement at Punakaiki.

Photo: Stewart Nimmo

Provincial Growth Fund

Government has committed to investing \$3 billion over three years in regional economic development in New Zealand. Launched in April 2018, the Provincial Growth Fund (PGF) has been established to enhance development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities and help meet New Zealand's climate change targets.

All provinces are eligible for funding, however the West Coast was one of six 'surge' regions identified for early investment.

To date the PGF has allocated \$130.5m to projects that support the West Coast.

Prime Minister Jacinda Ardern said the projects "reflect the priorities of the Tai Poutini Economic Development Strategy and focus on the key sectors already driving the region's economy, which increases the chances of success."

"This is a significant boost for the West Coast and demonstrates how the Government is partnering with the region to support projects that will build a better future for rangitahi and everyone here."

Provincial Growth Fund

Allocated to the West Coast as at June 2019

\$130.5m

Project	Funding up to:
Punakaiki Master Plan	\$130,000
Feasibility Study into Greymouth & Westport Ports	\$125,000
Dredging of Greymouth Port	\$750,000
Wilderness Cycle Trail	\$500,000
Old Ghost Road Cycle Trail	\$500,000
Greymouth Master Plan	\$250,000
Hokitika to Westport Rail Feasibility Study	\$250,000
West Coast Region – Strategy Development for Regional Cycle Trails	\$37,500
Business Case for Marsden Aged Care Facility	\$40,000
Kawatiri Coastal Trail	\$9,360,720
Dolomite Point Redevelopment Project	\$25,600,000
TranzAlpine Service Upgrade	\$40,000,000
Digital Connectivity	\$28,000,000
Croesus Road Upgrade	\$3,500,000
Oparara Arches Upgrade	\$5,700,000
Westport Airport – critical infrastructure resilience	\$2,074,000
Runanga Miners' Hall Restoration Project	\$408,120
Punakaiki Hot Pools and Spa	\$3,300,000
Ruatapu Garnet Project	\$10,000,000
Total	\$130,525,340

Industry Support and Regional Development

DWC works alongside stakeholders to assist and identify potential opportunities for the creation, development and innovation of business and industry. DWC’s involvement ranges from desktop research to identifying new and emerging opportunities, supporting industry body initiatives, facilitating research projects and regional promotion.

DWC’s financial contribution towards Regional Development projects for 2018-19 were as follows:

West Coast Economic Development Manager	\$75,000
Co.Starters Programme	\$17,181
Co-funding of Business Case for Aged Care Facility	\$40,000
Minerals West Coast	\$95,000
West Coast Regional Cycle Trail Strategy	\$37,500
Tourism West Coast Marketing Stage 3	\$147,000
Greymouth CBD Renewal Project	\$30,700
Regional Promotion Visitor Compendium	\$13,000

Regional Development Projects

2018/2019 **\$455,381**

Tourism

Tourism has shown rapid growth on the West Coast since the launch of the ‘Untamed Natural Wilderness’ brand in 2016 and the marketing of the six West Coast icons: Haast, Glacier Country, Hokitika Gorge, Lake Brunner, Punakaiki and Oparara. The West Coast has been one of the fastest growing tourism regions in New Zealand with visitors injecting over half a billion dollars directly into the region’s economy.

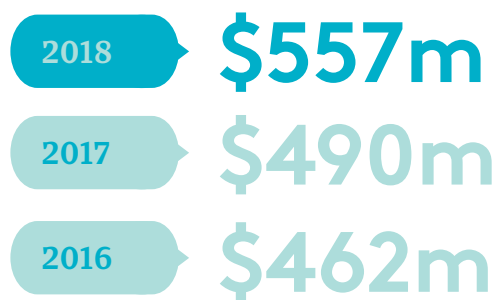
Continued investment in tourism is one of the key strategies in the Tai Poutini Economic Development Strategy. A significant step for DWC and the region was seeing the tourism marketing functions of Tourism West Coast (TWC) migrating into DWC at the end of the financial year on 1 April 2019, with the TWC board being replaced by a DWC Tourism Strategy Group. DWC is pleased to have the tourism team on board and working collaboratively in the wider economic development context to maximise the full potential of the West Coast.

DWC has always been a major funder of tourism. Since 2001, DWC has invested over \$30m into tourism businesses, infrastructure, marketing and promotion. DWC continues this support and in the 2019 financial year provided a grant of \$147,000 to TWC in addition to its annual operational funding contribution of \$100,000.

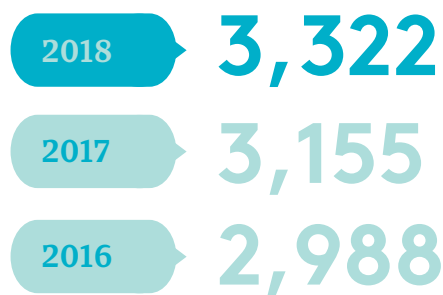




West Coast tourism spending



West Coast tourism employment



Source: Infometrics



This support has enabled TWC to attend trade shows both locally and internationally. Exhibitions in Australia, China, India, the United Kingdom and Germany have showcased the beauty and unique activities our region has to offer to wider international audiences. This assistance has also enabled TWC to host travel agents and media on familiarisation tours that heighten their awareness of the spectacular tourism products of our region. These excursions also achieve national and international coverage of the West Coast in travel journalism.

Much has been achieved with the support of DWC including the development of a spectacular library of images of West Coast icons and tourism activities taken by Greymouth-based photographer Stewart Nimmo which are available for use by anyone wishing to promote the West Coast.

In addition to continued promotion through traditional media channels and social media, a range of innovative promotional campaigns have also been held. These included the online 'Pin and Win' competition where entrants read about the six West Coast icons to find clues to where a \$10,000 gold bar could be hidden on the Coast. Close to 4,000 entrants participated in choosing coordinates and dropping their pin for a chance to win the gold bar.

The installation of a large Instagram photo frame at Lake Brunner is another unique campaign. The photo frame, designed and built by SignLink Graphics with their new CNC route, provides visitors and locals with a fun and interactive experience. It also activates a community of ambassadors and social media influencers that generate free marketing for our region.

The loss of the Waiho Bridge during an extreme weather event created a major disruption to the tourism sector in March with the economic impact felt Coast-wide. Subsequent to the year end, the bridge was rebuilt and DWC funded a \$47,000 'Come through for the West Coast' campaign to attract people back to the Coast in the lead up to the Easter holidays. The campaign was a notable success with data from Paymark showing the West Coast had New Zealand's biggest percentage increase in spending in the week of Easter.

West Coast Paymark spend for the week ending 22 April



Source: www.paymark.co.nz/about/media-releases/



“Since opening our shop, The Hokitika Sandwich Company, in 2017 we have been very impressed by the opportunities Development West Coast has provided for small businesses – through marketing tools, educational workshops, networking opportunities and, of course, the numerous campaigns promoting our beautiful region,”

Joseph Walker

Photo: Jase Blair

Regional Promotion

The West Coast’s untamed natural wilderness has long impressed journalists with many articles written about the region being a great tourist destination. This year has seen the national media pay closer attention to the Coast, not just as a great place to visit, but also as an amazing place to live, work and do business.

To raise the profile and visibility of our region, DWC has been working closely with media to share stories of West Coast business success. This has resulted in significant positive coverage of the region with national headlines such as:

- “Remote West Coast lures businesses with its high-speed internet and affordable houses”
- “Digital nomads choose Coast life”

NZBusiness Magazine

DWC had the opportunity to introduce Glenn Baker, the editor of NZBusiness Magazine, to some innovative digital businesses that have relocated to the West Coast.

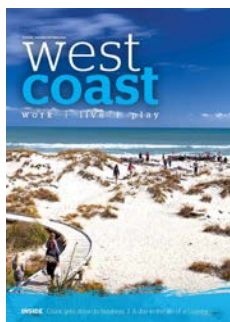
In his cover story on West Coast businesses, Glenn said: “You may think the West Coast of the South Island is the last place in New Zealand that would undergo a genuine technology-led business revival ... but you’d be wrong, and I’ve seen the evidence – innovative businesses demonstrating their online marketing skills and mining social media technologies to connect with customers worldwide and grow sales.”



“I came away with a healthy appreciation of how hard the business community is working on the Coast to build scale and create new opportunities through technology. And it is a community in the truest sense – people genuinely helping each other to succeed”.

West Coast Work Live Play

DWC teamed up with NZME to lead a ‘West Coast Work Live Play’ campaign. A comprehensive newspaper supplement was distributed via the New Zealand Herald showcasing the advantages of living, working and doing business on the West Coast.

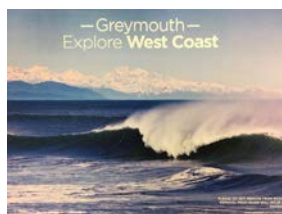


NZME media specialist Tracey Anderson says: “It was great working with DWC to put out this supplement and help let out the best kept secret - that the West Coast is an amazing place to work, live and play. The feedback we have received from local businesses about the campaign has been overwhelming, a real positive for the Coast.”

Explore West Coast Compendiums

The Greymouth Star produces unique in-room compendiums for accommodation providers on the West Coast. These compendiums show visitors what activities are available in each district as well as providing information on where to eat, drink and shop.

Greymouth Star sales and marketing manager Brett Kokshoorn says: “The support from DWC this year enabled us to increase the reach of our four Explore West Coast visitor compendiums. By increasing the distribution, we can encourage visitors to stay longer and spend more when they are visiting our amazing region.”



Minerals to Materials Research

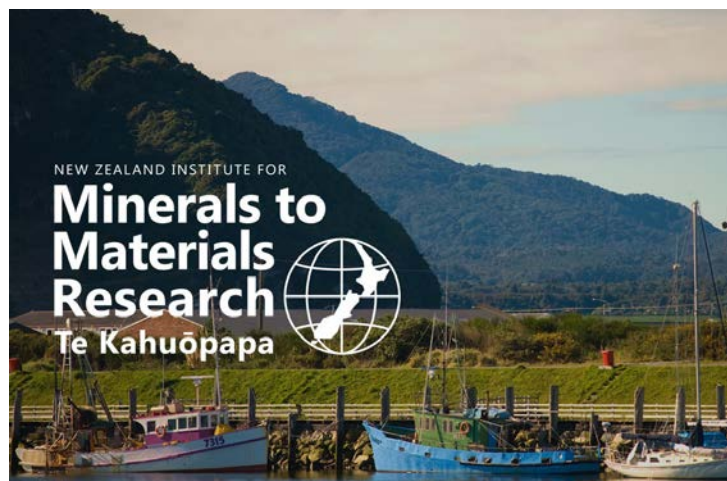
In 2018 DWC committed \$50,000 towards the Greymouth-based New Zealand Institute for Minerals to Materials Research (NZIMMR) whose aim is to drive a ‘paradigm shift’ in New Zealand repositioning the extractive sector to convert minerals into higher-value advanced products.

The new research institute opened in July 2018 and administers \$11m of government research funding.

“We’re a research organisation trying to discover ways for the mining industry to move minerals from their current mining operations up the value chain and find high value uses for them,” says chief executive Tony Hogg.

“We’re looking for a commercial outcome for NZIMMR - organic income, paid for research, owning IP and royalties – are just some of the funding models NZIMMR is exploring to move towards self-sustainability. The longer we can be here, the better it is for New Zealand and the West Coast.”

NZIMMR is carrying out research in three areas, defined as priorities by its Establishment Group in consultation with industry and on the basis of the overarching principles driving the NZIMMR. They seek to incorporate environmental awareness into all their activities to ensure a sustainable future and embrace the values of kaitiakitanga. The three focus areas are minerals to materials, extractive metallurgy and mineral processing.



Minerals West Coast

Minerals West Coast (MWC) exists to promote and assist the region's minerals industry. It represents the collective interests of the industry and assists mining companies on the West Coast in coming to terms with their responsibilities under new and revised mine safety regulations.

DWC has supported MWC through a \$95,000 grant to support their work in assisting the minerals sector. This funding will contribute towards the production of a fact book which provides an accurate economic and social analysis of the minerals industry on the West Coast and facilitation of the annual MWC forum.

Subsequent to balance date, DWC has provided MWC's project manager with office space within DWC's premises.

Tai Poutini Digital Enablement Strategy

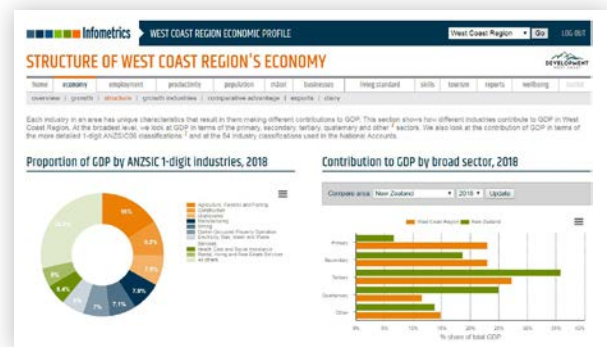
The West Coast region needs to leverage digital innovation and connectivity to achieve smart economic growth, enable diversification and increase value add opportunities for its main sectors. West Coast businesses require support to access and develop their own use of the internet to compete in the marketplace. This particularly applies to our region which is populated by SMEs.

In November 2018, Regional Economic Development Minister, Shane Jones, and Broadcasting, Communications and Digital Media Minister, Kris Faafoi, announced significant funding for additional rural broadband and mobile coverage across New Zealand, taking coverage to 99.8 percent of the population.

The Tai Poutini Digital Enablement Strategy is designed to make best use of the government's investment. Guiding fundamentals for the strategy were developed and approved by the region's leaders at the Shantytown Forum in February 2019. DWC has previously set aside a digital enablement fund of \$1m to support the digital action plan.

With new or faster connectivity, rural economies worldwide are keen to use new tools like the internet of things (IoT), artificial intelligence (AI) and virtual reality (VR) to enhance output. Using new technologies, especially in our traditional sectors, will be key to the West Coast remaining competitive.

One of the key workstreams in the strategy aims to explore the use of centralised data systems through blockchain technology. We are currently in a data-driven economy where no organisation can survive without analysing the current and future trends. Ben Dellaca, of EPIC Westport, agrees: "Data, the collection of, the interpretation of, and the ever smarter use of, is a big global industry of immense value in which data sovereignty is akin to 'mining rights' and data ownership akin to the 'extractable minerals' of this, the digital era."



Economic Indicators

Working with Infometrics, DWC continues to provide the region with up-to-date economic indicators. In addition to providing the regional indicators, DWC purchased the rights to access the district indicators, and all statistics are available for anyone to view and download from www.dwc.org.nz.

Accommodation Study

In response to various proposals on the development of hotel accommodation in the region, DWC engaged a consultant to undertake market research on the demand for accommodation, specifically in the three main centres of Westport, Greymouth and Hokitika. The project considered visitor and competitor analysis and researched the potential business drivers for a development. The report is available to be downloaded from DWC's website.

Supporting Business

“The investment by DWC into Reefton through the shop front project was an innovative model, a leap of faith at the time for community-led economic development ... it has created immeasurable results that have ensured the town’s long-term sustainability,”

Paul Thomas, Broadway Tearooms and Bakery.



Photo: Stewart Nimmo

Developing our People

DWC is engaging with more local business people than ever. We are listening to what they need to maximise their skill sets and develop their capabilities. We believe that growing the skills of our people will grow the businesses that will grow the Coast.

We may be the longest region in New Zealand but that distance should not impede anyone from accessing business services or advice. To ensure DWC is more accessible, our three new business development managers travel from Karamea to Haast to meet local businesses.

DWC engages with businesses of all sizes and at all stages of development, helping them to gain knowledge, connect with the right people and grow.

Jase Blair from Printing.com West Coast says:

“DWC’s business clinic was a valuable opportunity to reflect on my own business. Just signing up forced me to think about and present the current situation, consider what issues needed addressing, and think about what tools I had available.”

“On top of that, bouncing my thoughts off experienced advisors and hearing their input was extremely helpful. An informed outside perspective is invaluable to me as a small business owner.”



Martin and Co Mitre 10 - Winner of the Large Enterprise Award at the DWC Leading Light Business Excellence Awards. Photo: Jules Anderson

Co.Starters Programme

The 2018/19 year saw DWC's popular Co.Starters business start-up and development programme run four cohorts across the region.

Co.Starters is a programme targeting budding entrepreneurs who have the ideas but are unsure how to turn those ideas into successful business models. The programme is geared towards providing practical skills to help attendees develop new endeavours.

This year 45 participants graduated from the programme with cohorts being run in Westport, Hokitika and Greymouth in collaboration with BullerREAP, EPIC Westport and WestREAP.

The nine-week programme ends on a high note with participants pitching their business ideas to an audience. These pitches have showcased a diverse range of inspiring new businesses and business ideas, from beer brewing and graphic design through to bitcoin mining, wedding planning and erosion protection solutions.

DWC events coordinator Rachel Doolan says the success of Co.Starters is built on collaboration and support from the local business community.

"The programme would not be as successful as it is without the business community getting right behind it, sharing their time and knowledge with the participants."

Graduates of the Hokitika Co.Starters programme



CASE STUDY:

Wash Rite West Coast

Rita Costen and her husband Adrian dreamed of running their own business that would allow them a good work/life balance while also benefitting local residents and businesses. As a result, they invested their savings into a new Greymouth-based exterior cleaning business – Wash Rite West Coast Ltd.

Rita says: "At Co.Starters it was great meeting like-minded people and having our ideas challenged. The programme gives you the tools to delve deep into what will set your business apart from others and how you can market your wares/services."



CASE STUDY:

Ahi Kā Creations

Missy Campbell attended Co.Starters in Hokitika to develop her business, Ahi Kā Creations.

"Ahi Kā refers to the whanau who keep the home fires burning. I will keep my home fires burning through raranga (weaving), rongoā Māori products (Māori medicine) and handmade micro-macrame jewellery," she says.

Missy says Co-Starters helped her in starting up the small business: "Breaking everything down into categories has helped me prioritise what tasks and goals need to be dealt with and in what order."





CASE STUDY:

Wavewise

Pana Leontiadu wanted to combine her roles as a social worker and surf instructor to develop a surf school that teaches lessons to youth through 'experiential learning'. She attended Co.Starters in Westport where she refined her ideas for the social enterprise, Wavewise. This business provides adult surf lessons for a fee, which in turn funds youth classes.

"Co.Starters was so helpful in bringing Wavewise to life. The idea was in my head, but I was unsure about how to make my surf therapy programme happen. I didn't know about legal structures to start a social enterprise, how the financial side of things worked and what it takes to present a good pitch to get more support," she says.

Pana's pitch at graduation night impressed the audience so much that local businesses offered to sponsor Wavewise's first surfboards and wetsuits to get the social enterprise started.

"I developed a business plan with sales projections that satisfied our biggest sponsor to invest \$5,500 into our crowdfunding campaign - something that I surely wouldn't have reached without the learnings from Co.Starters. Thanks so much to DWC for such a great opportunity and all the support. A great programme, I absolutely recommend it to everyone."

Co.Starters 2018/2019

Co.Starters programmes

4

Co.Starters graduates

45



Grounded Garden Consultancy

"I found Co.Starters to be incredibly helpful and encouraging. I was challenged with questions and discussion which enabled me to look at my business ideas from different angles," says Kate Duthie.



Blue Spur Milk and Honey

"Co.Starters really helped me refine some of my business ideas. The course facilitators, guest speakers and classmates' personal experiences really complemented the resources delivered to us," says Miriam Rees.

Hopaholics

"Co.Starters gave us dedicated time and access to the experts that we needed to develop our business model and enlighten us about aspects of business we had not considered," says Sarah Johnson.



Regional Business Partner Network

DWC continues as the Regional Business Partner (RBP) for the West Coast. The RBP network is a collaboration between New Zealand Trade and Enterprise (NZTE), Callaghan Innovation, Business Mentors New Zealand and thirteen other Regional Business Partners across New Zealand.

The network delivers support services to businesses with an aim to improve management capability and increase research and development activity in SMEs. Regional Business Partners work with SMEs to identify development needs and provide information, advice, services and funding that will address those needs and help SMEs with the aspiration, commitment and potential to innovate and grow.

Capability Vouchers

Over the year, NZTE Capability Development voucher assistance was provided for businesses to access capability training in the following areas:

- Governance
- Business Systems
- Managing Resources
- Business Planning
- Marketing
- Business Sustainability
- Finance
- Lean Manufacturing

Regional Business Partner Network

32

NZTE Capability Development vouchers awarded to West Coast Businesses, valued at \$51,000

17

West Coast businesses matched with mentors through the Business Mentors New Zealand programme

85

Businesses actively engaged under the RBP network

219

Businesses registered with the RBP network

1

Business accessed International Connections Scheme Funding to assist with attending overseas Trade Fairs/Conferences

2

Businesses participated in Lean Innovation programme



Bright Print accessed Callaghan Innovation's 'Better by Lean' programme via DWC and the RBP network.

The programme encourages companies to implement the tools and philosophy of 'Lean Manufacturing' within their business to improve productivity, competitiveness, and profitability.



Jeff Evans Ltd.

Jeff Evans Ltd is one of the many local businesses that has benefited from NZTE Capability Development vouchers. The Hokitika, Greymouth and Westport-based family business has over 30 years' experience providing plumbing, drain-laying, gas fitting, light engineering and rural services.

Moreen and Jeff Evans received capability development vouchers through the RBP Network to engage a business coach, Dr Dominic Moran of Advantage Business, to review staff performance, determine ways of empowering staff to improve productivity and ensure the future sustainability of the business. A company restructure has been completed (with no loss of jobs, but a reallocation of people to more suited roles) and additional staff have since been employed.

"We are grateful and appreciative of the support and opportunities provided by DWC, Advantage Business and the RBP Network. DWC's business development manager Fiona Hill has been great, providing access to the available resources to assist in driving the change we were struggling to achieve on our own," Moreen says.

"So many people don't realise what support is available for businesses here on the Coast. We highly recommend other local businesses take advantage of the many forms of assistance available through DWC. We've always had amazing communication and support when dealing with them."

Business Mentors New Zealand

DWC partners with Business Mentors New Zealand to connect business owners and entrepreneurs with a mentor for one-on-one advice. The mentors utilise their knowledge and experience to aid the success and growth of the businesses they support.

Their support involves an independent and impartial review of the business, assistance with implementation of any necessary improvements and personal support at a level not generally available through standard courses or workshops.

CASE STUDY:

Natural Construction Company

Frank O'Toole, the owner and operator of the Natural Construction Company in Westport, accessed the mentoring scheme through DWC and was matched with John Barnes.

"We had experienced some great successes recently but hand in hand with that, we had also found ourselves encountering a few trials and tribulations which suggested we could really benefit from some sound advice and help. We saw the business mentor as an opportunity to help steer us on a much more even pathway as we navigate the exciting times ahead for our business," Frank says.

"I believe we have benefitted greatly from having a business mentor that we can call upon when we are unsure of a particular direction to take when dealing with issues as they arise. We also found that the analysis of the business we have undertaken together has allowed us to identify areas we are performing well in and other areas which need additional attention.

"The regular catchups allow us to plan and implement processes to address those areas requiring attention, which will ultimately enhance how we operate and progress in the future. I've really appreciated the assistance that the business mentor has provided us."

BUSINESS MENTORS
INSPIRING SUCCESS



Business breakfast with Peter Kenyon
Photo: Stewart Nimmo

Business Events, Trainings and Workshops

2018/19 was a busy year for business events on the West Coast. DWC hosted a wide range of events from business breakfasts and luncheons, business start-up workshops, business seminars, digital technology workshops and After-5 networking events.

“The importance of holding business events goes far beyond building capabilities, they also provide invaluable opportunities for our business and community leaders to come together to network and share knowledge,” says DWC events coordinator Rachel Doolan.

Attendees at DWC Business Events

2018/2019 **1,179**

2017/2018 **571**

2016/2017 **280**

Peter Kenyon Business Breakfast

Internationally renowned social capitalist Peter Kenyon talked at a DWC business breakfast about growing exceptional and thriving businesses. He inspired a Greymouth audience with his stories and vast experience of working with over 2,000 communities around the world.

Local businessman Stewart Nimmo says: “I was inspired and encouraged by Peter’s genuine and heart-warming stories of how communities can be greatly enriched and enhanced by people and businesses working together to bring positive changes in authentic ways.”

Pakihi Workshop

DWC hosted a workshop in Hokitika for Māori businesses looking to move forward, flourish and succeed. The Pakihi innovation workshop was delivered by Crowe Horwath, in partnership with Te Wānanga o Aotearoa, to help Māori businesses.

The three-hour workshop provided participants with new skills, a growth plan, mentoring and connections with other business support organisations. Participants learned how to scan their industry for opportunities and challenges, apply a structured framework to generate innovative ideas and prioritise their ideas for the best chance of success.

Missy Campbell from Ahi Kā Creations attended the workshop saying the presenters “were a wealth of knowledge.”

NetHui 2018

NetHui is a national event that explores the future of internet technology and how Kiwis are making the most of it. In October 2018, NetHui West Coast was hosted by Tai Poutini Polytechnic (TPP) with DWC as one of the sponsors for the event.

Around 100 representatives from West Coast businesses, groups and the community were involved in setting the agenda for the day-long event which included sessions on The Internet of Things (IoT), cryptocurrency, resilience, new technologies, data security, education on the West Coast, consumption and addiction to the internet, Māori in information and communication technologies, gaming and how technology can be harnessed to help us in our everyday lives.

“Events like NetHui, where a broad cross-section of community representatives come together to discuss issues important to the West Coast, are great for our region,” says Mequa Hourston, TPP Leader – Engagement.

DWC marketing and communications officer Aaron Rees co-facilitated a discussion on social media saying: “It was great seeing a room full of innovative Coasters bouncing ideas off each other on how we can use social media to boost our region.”

Investment Workshop

DWC, in collaboration with New Zealand Trade and Enterprise (NZTE), hosted a three-hour workshop on capital raising. Key speakers, Nathan Mills from Genesis Private Equity and

Pete McDonald from NZTE, discussed a wide range of topics including growth vision, capital strategy, and growth capital framework. The session was designed to provide participants with a clear understanding of the investment ecosystem and how to plan for a successful capital raise.

Craig Findlay, owner of the Punakaiki Beach Camp, says: “It was good to have real people delivering on the topic and to engage with a broad spectrum of local people.”



NZTE investment workshop

Drone Operator Courses

Drone use is becoming more and more common for commercial purposes with many drone operators now on the West Coast.

Future legislature will likely require certification for drone operators. To help meet this industry need, DWC has partnered with Fly UAV to hold three courses for drone operators.

Dave Kwant from VisionCo Films attended an advanced drone course in Hokitika saying: “It was very informative and done in a practical hands-on way.”

Drone operator course in Hokitika





#BoostYourTown workshop in Hokitika

#BoostYourTown Workshops

A series of free digital skills workshops were held across the West Coast in a collaboration between DWC, New Zealand digital innovation agency, AboutUs and social media giant, Facebook, to help business owners maximise their online presence and support a thriving and connected community.

Steve Adams, from AboutUS, says that with the right guidance even the smallest business can capitalise on the global reach of Facebook and Instagram to elevate their online presence as well as that of their communities. The act of putting their towns ‘on the map’ has a tangible benefit of attracting more visitors and therefore customers.

Adams conducted #BoostYourTown workshops in 13 towns across regional New Zealand including Hokitika and Greymouth. The series finale was held in Westport and attended by Minister Damien O’Connor and representatives from Facebook Australia and New Zealand.

Adams was not surprised by the large turnout to the workshops and the level of engagement with digital technology on the West Coast. His theory is that the story of the region has always been about pioneers leveraging the latest technology in order to build a life here.

“Coasters are isolated so they have to be creative and innovative about how they operate and we saw that in over 250 businesses that attended the West Coast #BoostYourTown workshops,” said Adams.

Spencer Bailey, head of Facebook New Zealand, said the workshops were aimed at “lifting the capacity of regional communities to participate and thrive in the digital economy.”



Franz Josef Ambassador programme

Ambassador Programme

The past year saw DWC deliver the nationally syndicated Ambassador programme across the Coast from Franz Josef to Westport.

The programme, facilitated by Ian Johnson from Sustainable Tourism and Thematic Interpretation NZ, explores what makes the West Coast such a unique and genuine experience for visitors as well as highlighting some simple customer service and communication tools.

“It teaches participants not just about the amazing sites our untamed natural wilderness is famous for but goes deeper by looking into the history of the Coast. Sharing these stories helps give visitors a better experience and appreciation of our region,” says DWC’s regional tourism manager Jim Little.

Stephanie Tubb, from Fox Glacier Guiding, said she learned skills for communicating with visitors and “lots of great information about what the Coast has to offer.”



#BoostYourTown workshop in Westport

Small Business Roadshow

In August 2018, DWC hosted the Ministry of Business, Innovation and Employment's "Taking Care of Business" roadshow in Westport.

The roadshow was designed to give people in the regions information to help make their small businesses more effective and efficient. It included talks from representatives of 12 Government agencies including ACC, the Intellectual Property Office, Ministry of Foreign Affairs and Trade and Statistics New Zealand.

DWC research and innovation manager Helen Wilson who led the event says: "The sessions not only gave people a great opportunity to hear from those organisations but also ask questions and get specific, individual advice."

Business Start-up Workshops

DWC hosts regular Business Mentors New Zealand (BMNZ) business start-up workshops.

At a workshop in Greymouth, John Barnes of BMNZ drew on his experience as a business mentor to provide insights on how to implement a good business plan.

Karen Haigh, a participant at the workshop, said it was "very valuable and inspirational" and an "excellent chance to meet like-minded people and learn from the experts."

Daimon Schwalger from Nomad Audio & Video
Photo: Jules Anderson



Promotional Video Competition

Westport-based Daimon Schwalger of Nomad Audio & Video teamed up with DWC this year to hold a promotional video competition for local businesses. Over 70 local businesses entered to win a promotional video filmed by Nomad Audio & Video.

"It's been so amazing moving to the West Coast. I'm constantly blown away with the amount of talented people that live here and how much positive energy we are surrounded by," says Daimon.



Commercial Finance

DWC provides a range of commercial financing options for West Coast business, including commercial lending, equity investment and guarantees.

The announcement of the Government's Provincial Growth Fund meant many West Coast businesses focussed on the financing possibilities this initiative presented. Despite this, DWC was still able to approve over 80 percent of commercial financing applications received from local businesses.

This year DWC approved thirteen applications totalling \$2.23m - providing a much needed boost to grow local businesses.

At the end of the financial year, DWC was managing 33 commercial clients with a loan book of net \$17.061m. This includes DWC's equity investments in Cranley Farms Ltd and Pūtake West Coast.

Since its inception, DWC has injected \$89.1m into the region's economy through commercial distributions.

Commercial distributions

13 applications approved this year

\$2.23m

159 distributions committed since 2001

\$89.1m



CASE STUDY:

OutWest Tours

Mickey and Doreen Ryan's business, Outwest Tours, provides authentic West Coast experiences, taking visitors off the beaten track into the heart of the land. Since 2001 they have offered tours in four wheel-drive vehicles through spectacular landscapes, historic gold mining trails and the open-cast Stockton mine.

To grow the business and create additional local employment, Mickey and Doreen approached DWC to assist with the establishment and development of a new tour, 'Johnny's Journey'. This tour provides a unique adventure through the Awakari Valley. Visitors can see wild deer, unusual rock formations, an ancient Māori cave, lush rainforest and get to hear off-the-grid landowner Johnny Currie tell bush lore and stories of how the pioneers lived.

"Outwest Tours would like to thank DWC for all their assistance over the last couple of years. Without the support from DWC, Outwest Tours would not have succeeded in its venture," Doreen says.



Johnny's Journey

CASE STUDY:

Westland Workgear

This year Westland Workgear opened new purpose-built premises in Greymouth. Commercial finance from DWC enabled the company to build the 1,200 square metre building that was crucial in retaining their warehousing operation on the West Coast.

Owner and director Lewis Simpkin said their original premises served them well but became a constraint to growth due to the lack of warehouse space and facilities for their expanding workforce which had grown from two to 16.

“We were faced with the option of getting bigger premises in Greymouth or retaining our original retail premises in Greymouth and splitting off our warehousing operation and locating it in another centre, for example Christchurch,” says Lewis.

Westland Workgear pursued the option of keeping the operation together in one larger building in Greymouth. When unable to find a suitable existing building they looked into building their own.

“Early on in the process contact was made with DWC and maintained through the whole project. We found the staff to be knowledgeable and helpful and very keen to help keep our entire operation on the West Coast,” Lewis says.

“We found banks were very wary about funding a development project due to their fear of the risk of significant cost over-runs. At this point we applied to DWC for a loan to cover the build.

“We wish to express our sincere thanks to DWC for their support, and encourage ongoing cooperation with other West Coast businesses to keep our region going forward,” he adds.

From their new building Westland Workgear can now offer a nationwide service - all from the West Coast.



CASE STUDY:

Thomsons Butchery

Thomsons Butchery was established 16 years ago by Neville and Lynley Thomson following the cessation of native forest logging in New Zealand. “When looking for employment in and around Hari Hari – there was nothing available,” Neville says. Now Neville and Lynley are creating employment themselves with their award-winning butchery.

Initially starting as a small home-kill service, Thomsons Butchery quickly grew into a significant business. Following requests to supply Fresh Choice, SuperValue and New World supermarkets across the South Island, Thomsons Butchery contacted DWC to assist with finance to extend the existing building and employ additional staff to meet the increase in production.

“Having support from DWC has allowed us to grow our business and create new jobs in the area,” Neville says.

Neville and Lynley’s hard work and passion were evident when Thomsons Butchery took part in the 2018 New Zealand Pork, Bacon and Ham Awards in Auckland. They were the proud recipients of gold awards for both their manuka smoked honey dew collar bacon and middle bacon, adding to their ever-growing trophy cabinet.

Westland Workgear’s new retail and warehousing premises





Photo: Jules Anderson

CASE STUDY:

Em's Power Cookies

Emily Miazga, a graduate of the DWC Leadership & Governance Programme, has made a habit of coming first. As an endurance athlete she won the Coast to Coast three times. Now her Buller-based business, Em's Power Cookies, has become the first to get commercially-produced hemp protein cookies on the market in New Zealand.

To keep up with the ever-increasing demand for her products, Emily approached DWC for assistance.

"DWC's support has been a game changer for me. They have given me confidence to execute my business strategy because they believe in what I am doing. This is really important because being in business can be challenging so the objective and knowledgeable expertise they offer is invaluable," she says.

When changes were finally made to hemp legislation in November, Emily was ready to hit the ground running and now her hemp protein cookies grace the shelves of around 200 Countdown stores across the country.

Em's Power Cookies was a finalist in the 2018 DWC Leading Light Business Excellence Awards and she has been a regular guest speaker at DWC's Co.Starters business start-up and development programme in Westport, sharing her insights and experience with budding entrepreneurs.



CASE STUDY:

LootWinner

The days of needing an office 'in the city' are long gone and many digital companies are shifting to the regions for the lifestyle and cost advantages. Advances in technology now allow people to live wherever they want and still do business with the world, and a number of digital businesses are choosing to base themselves amongst the truly stunning landscapes of the West Coast.

One such example is Ben Dellaca and Jeremy Cadillac's business, LootWinner, operating out of EPIC Westport.

"LootWinner is a next-generation gaming company focused on delivering British audiences with exciting new and innovative gaming content. With studios on both coasts of beautiful New Zealand, LootWinner is on a mission to change the game market by injecting a little Kiwi ingenuity into the global gaming industry," Ben says.

"DWC has been instrumental in helping LootWinner set up a studio on the West Coast, delivering the necessary support to both facilitate the early stages of a software deployment environment and de-risk the initial investment requirements."

First commercially-produced hemp protein cookies on the market in New Zealand





CASE STUDY:

Utopia Free Range

Hayden and Rochelle Crossman purchased their property at Utopia Road in Westport during 2011. The land was an ex-forestry block which the couple have cleared and developed over the years. Rochelle's father, Kevin, decided to build a hen house on the property to keep busy throughout his retirement.

They started off with about 50 chickens, supplying free-range eggs to the local market. The demand was instant so they decided to expand the business and build another two sheds. With expansion came regulation requirements so Hayden and Rochelle approached DWC for support.

"The compliance costs we faced with developing a free-range egg business were very prohibitive. The support of DWC made our idea of supplying Coast customers with a quality product from a fully registered supplier possible," Rochelle says.

Utopia Free Range now has around 700 hens, helping them meet the demand for free-range eggs. This demand is only going to increase with changing consumer preferences and New Zealand supermarkets' commitment to stop selling caged eggs by 2027.



CASE STUDY:

Shantytown Heritage Park

Assistance from DWC has enabled an expansion to the Shantytown Heritage Park Saloon, supporting the improvement of the heritage park and its economic growth.

The long overdue expansion provides the West Coast Events Centre with extended premises for functions, events and conferences.

"Themed in the Shantytown style, the Saloon is resplendent with chandeliers, timber-style flooring, colonial parlour wallpaper framed with crafted cornice, sash windows and repurposed leadlight doors from the old Greymouth Borough Council," Shantytown chief executive Andrea Forrest says.

"This has been a labour of love by Shantytown staff, using local contractors and designers but made possible with support from DWC."



Development West Coast Leading Light Business Excellence Awards

To showcase West Coast business success, the 6th Development West Coast Leading Light Business Excellence Awards were held in October 2018.

The Awards were emceed by legendary New Zealand broadcaster Peter Williams with internationally renowned thought-leader Graham Dockrill as the guest speaker.

Coastpak Besgrow took out the DWC Supreme Award and the Crombie Lockwood Medium Enterprise Category Award.

Chief judge Stephen Caunter, from ANZ, described Coastpak Besgrow as a standout along with the winner of the Greymouth Star Rising Star Award - West Coast Scenic Waterways Retreat.

“Both businesses are using resources from the natural environment. They demonstrate the essential need to work with landowners and/or government agencies to run a successful business.

“They also took seriously the need to protect what they are using so have become guardians of the environment in the world in which they operate.”

DWC chief executive Chris Mackenzie was impressed by the calibre and diversity of the finalists, saying it gets better each Awards.

“The Awards were a great success with a record number of entries and provided a great way to showcase business excellence on the West Coast with all the finalists receiving significant exposure.”

Category Winners

NZME Small Enterprise Award
AgFest West Coast

Crombie Lockwood Medium Enterprise Award
Coastpak Besgrow

Duncan Cotterill Large Enterprise Award
Martin and Co Mitre 10

Westland Milk Products Not for Profit Award
Tourism West Coast

Christchurch Airport Tourism and Hospitality Award
West Coast Wildlife Centre

Department of Conservation Environment Award
New World Hokitika

ACC Workplace Safety Award
MBD Contracting Ltd.

Media coverage of Awards

Local articles

25

National articles

4

Finalist video views

84,000+



Photo: Stewart Nimmo

Overall Winners



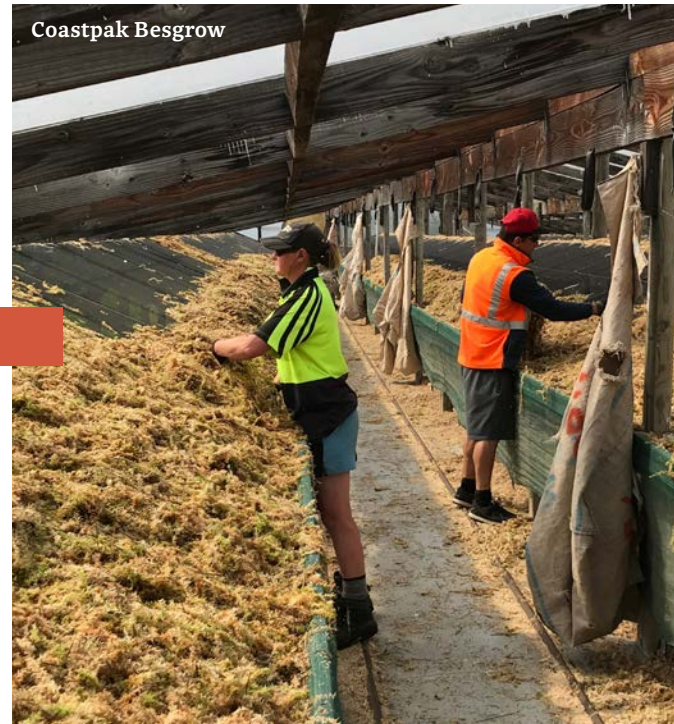
DEVELOPMENT WEST COAST SUPREME AWARD

Coastpak Besgrow

Coastpak Besgrow manager Sean Maffey says winning the Crombie Lockwood Medium Enterprise Award and the DWC Supreme Award was a humbling experience and has had a positive impact on team morale on the factory floor as well as on international sales.

“The increased exposure and prestige from winning the awards has helped increase sales and inquiries throughout Asia, parts of Europe and the Middle East.

“We proudly display these awards. It helps instil confidence with our customers knowing that they are buying from a company that processes and exports high quality sphagnum moss products.”



Coastpak Besgrow

GREYMOUTH STAR RISING STAR AWARD

West Coast Scenic Waterways Retreat

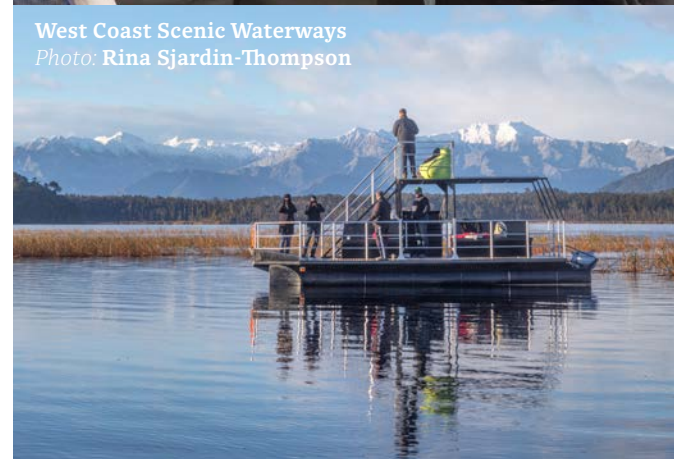
Cindy Hopper, of West Coast Scenic Waterways Retreat, says: “The impact of winning the Greymouth Star Rising Star Award has been priceless in value and exposure for our business, especially at a time when budgets were tight because we’ve had to invest so much in infrastructure due to our rapid growth.”

“It has provided us with a lot more credibility with our trade partners, operators and clients. Our cyclist guests get told we are an ‘award-winning business’ by the shuttle drivers and then get to see our prized trophy and certificate on display in our Scenic Waterways Retreat homestay,” says Cindy.

“It has built a sense of pride and achievement in what we have worked so hard for and has encouraged us to keep delivering our best to our trade partners and guests. Thank you, Development West Coast.”



West Coast Scenic Waterways
Photo: Rina Sjardin-Thompson



Spotlight on our Community

Photo: Jase Blair



Community Funding

DWC has continued its support of the community, providing funding to enhance a range of community facilities and projects.

In 2018-19, DWC provided funding for:

West Coast Community Trust	\$90,000
DWC Amateur Sports Trust	\$5,000
Life Education Trust	\$75,000
DWC Westland Sports Hub	\$30,000
i-SITE Conference	\$7,500
Westport's Whitebait Festival	\$9,000
Greymouth Motorcycle Street Race	\$6,945
Around Brunner Cycle Race	\$8,000

This funding was in addition to DWC's continued funding to each West Coast district council via the \$20.1m Major District Initiative (\$400,000 annually through to 2022) and the \$6m Extraordinary Distribution Fund (\$2m to each council).

DWC has invested \$64.8m in community grants and economic development projects since 2001.

Major District Initiative Fund (MDI)

DWC continues to financially support significant assets and facilities throughout the West Coast through the Major District Initiative Fund.

Established in 2005, this funding will continue through to 2022 being drawn down at a rate of \$400,000 per year by each of the three West Coast district councils. The adjacent schedule shows projects allocated MDI funding to date.

Community distributions & projects

Since 2001

\$64.8m

Major District Initiative Fund (MDI)

Buller District

Pulse Energy Recreation Centre	6,000,000
NBS Theatre	700,000
Total	6,700,000

Grey District

Aquatic Centre	6,000,000
Cobden Sports Complex	50,000
West Coast Theatre Trust	400,000
Grey United Tennis Club	20,000
Westurf Recreation Trust	100,000
Uncommitted Funds	130,000
Total	6,700,000

Westland District

Westland i-Site	296,952
Hokitika Regent Theatre (Stage I)	340,000
Library Relocation	489,392
Donovan's Store Refurbishment	78,375
Hokitika Gorge Upgrade	82,014
Westland Boys' Brigade Hall	247,349
Hokitika Regent Theatre (Stage II)	570,000
Hari Hari Community Hall	455,000
Franz Josef Community Centre	100,000
Fox Glacier Community Centre	1,000,000
Ross Community Hall	90,000
Hokitika Westland RSA	400,000
Westland Sports Hub	1,500,000
Chinese Miners' Memorial Reserve	68,709
Whataroa Community Hall	200,000
Haast Community Track	50,000
Westland Industrial Heritage Park	50,000
Carnegie Library	500,000
Uncommitted Funds	182,209
Total	6,700,000

Community Projects

To help build vibrant communities across the Coast, DWC has supported a number of community projects.



Whataroa Community Hall

DWC support has enabled the refurbishment of the Whataroa Community Hall.

The building is used by the neighbouring school throughout the week, the badminton club, and for meetings and events including weddings and funerals. The hall was in need of a complete refurbishment and, if the renovations were not undertaken, it would have likely been deemed unusable leaving a significant void in the community.

To help restore the hall, the Whataroa Community Association secured Major District Initiative funding from DWC. The refurbishment included a kitchen and toilet upgrade, re-piling, re-cladding and compliance work.

“It’s nearly 100 years old and the funding DWC has given will ensure the Whataroa Community Hall will be fully functional for the next 100 years. Not only will Whataroa residents benefit from the upgrade of the hall, but the whole of the South Westland community,” says Dave Nolan from the Whataroa Community Association.

DWC business development manager, Dave Lynch, attended the opening night for the hall, saying: “The impressive turnout highlighted how important the hall is to the whole community. It was attended by people of all ages, with everyone having a great night. The hall is a real asset to South Westland.”



DWC Westland Sports Hub

DWC has allocated \$1.5 million of MDI funding towards the Westland Sports Hub project, and will contribute a further \$30,000 over three years to help with capital items, maintenance and administration of the facility.

The sporting facilities at Westland High School have long been the base for many sports codes in Hokitika and the wider district. The current facilities needed major upgrades, therefore the DWC Westland Sports Hub is being developed to address these issues. The project includes covering the outdoor courts, gymnasium improvements, developing a pavilion and upgraded drainage for playing fields.

“The West Coast has a rich history of sporting success, but the importance of sport to our region goes far deeper than these achievements. Sport has long brought Coasters together, helping build thriving communities across our region,” says DWC chair Renee Rooney.

Northern Buller Museum

Located in Granity, on the site where in the early 1900’s several coke ovens were built, the Northern Buller Museum reflects the diversity of the people and the history of the Northern Buller area.

The charitable trust running the museum were given the opportunity to purchase the land and buildings from Solid Energy at a very favourable rate. To help with the purchase, the trust approached DWC.

“We thank DWC for securing the site and incline for the museum, and for its intervention with Solid Energy on our behalf,” says Charlotte May, the secretary/treasurer and trustee for the Northern Buller Museum.

West Coast Community Trust

The West Coast Community Trust receives \$90,000 annually from DWC. Since 2012, DWC has contributed \$810,000 to the Trust to be distributed to community groups that have an economic benefit to the region.

“This has been a very successful partnership and benefited organisations from our region significantly,” says West Coast Community Trust’s grants manager Angela Keenan.

Contributions to the West Coast Community Trust

Since 2001

\$810,000

Recipients of DWC Bulk Funding through West Coast Community Trust for year ended 31 March 2019:

Anglican Diocese of Christchurch - Hokitika Branch	\$11,000
Buller Cricket Association Inc.	\$5,200
Dobson Reserve Board	\$3,500
Friends of Waiuta Inc.	\$3,000
Greymouth District Pony Club Inc.	\$3,600
Greymouth Golf Club Inc.	\$3,000
Greymouth Motorcycle Street Race Inc.	\$7,400
Greymouth Churches Community Youth Project	\$4,500
Hokitika Golf Club Inc.	\$4,000
Northern Buller Community Society Inc.	\$9,200
Te Hā o Kawatiri Inc.	\$3,250
The Karamea Events Trust	\$3,550
West Coast Riding for the Disabled Inc.	\$4,840
Westland Basketball Association	\$2,600
Westland Industrial Heritage Park	\$5,000
Westland REAP Inc. Society	\$3,375
Westport Municipal Brass Band Society Inc.	\$3,800
Westport Performing Arts Society	\$3,000



Te Hā o Kawatiri

“The funding we received from Development West Coast/West Coast Community Trust has substantially contributed to purchasing a shipping container for Te Hā o Kawatiri’s Maara Kai project. Having a container on site means that the Maara Kai group is able to store gardening tools and resources on site for easy access and use, as well as having somewhere to meet on site when it is raining. We are extremely grateful for your generous koha which has been very beneficial for the progression of the Maara Kai.”



Friends of Waiuta

“As Friends of Waiuta we gratefully acknowledge the prior support of Development West Coast and the West Coast Community Trust for our work to preserve Waiuta and tell its story. Our documentary will fill an important gap in the resources available to the community. It will allow us to participate, as partners with DOC and local authorities, in the new opportunities that are planned for developing the Waiuta experience and attracting more visitors to our area.”

Westland Heritage Park

“With assistance from Development West Coast/West Coast Community Trust, Heritage Park members have been able to paint the entrance of a container and are about to build a roof and a veranda over it.”





West Coast Life Education Trust Chairperson Fergal O’Gara and DWC Chair Renee Rooney Photo: Stephen Roberts

Education

Since its establishment, DWC has supported a range of educational projects, acknowledging that education is a key component to long-term improvements in our region’s economic performance.

Toki Pounamu - Chromebooks in schools

DWC continues to support the Toki Pounamu Education Trust and its initiative to help West Coast children access Chromebook laptops. To date, over 2,150 students from 15 schools across the West Coast have gained their own computers through the scheme.

\$480,000 of loan funding was approved for Toki Pounamu during the year. The scheme sees Toki Pounamu purchase Chromebooks in bulk, meaning parents and schools can then purchase the laptops at an affordable rate along with a three-year warranty and insurance. While some parents are able to purchase the Chromebooks outright, Toki Pounamu also supports a three-year repayment programme.

The Toki Pounamu Education Trust says the project provides the children of the West Coast with the skills to become confident, connected, 21st century, lifelong learners.

2,150 chromebooks for students

Life Education Trust West Coast

This year DWC joined Rosco Contractors, Grey Ford and Bathurst Resources as major sponsors of the Life Education Trust West Coast.

“We are extremely grateful to have DWC on board as one of our major sponsors of the Life Education programme, something which every child on the West Coast benefits from,” says Life Education fundraising manager Suzi Taylor.

The Life Education Trust educates and empowers children to embrace positive choices for a healthy mind and body. On the West Coast the mobile classroom travels from Haast to Karamea, over 5,000km every year in one of the largest geographical areas in New Zealand. Harold and a Life Ed educator visit every primary school and many preschools across the Coast reaching over 3,300 kids.

“These children get to experience the joy and wonder of being inside the mobile classroom, which is equipped with sight and sound equipment designed to capture their imaginations and give a unique learning experience,” Suzi says.



Students at Karoro School using their Chromebooks



Westport's Whitebait Festival Photo: Jules Anderson

Events

Events play an important role in our communities; not only do they attract visitors whose spending contributes to our economy, they also promote the region as an attractive place to live, work and play. Over the past year DWC has contributed to a variety of West Coast events.

Westport's Whitebait Festival

In 2018, Westport's Whitebait Festival underwent major rebranding and realignment, from being a community-orientated event to a vehicle for expressing the diversity of 'stories' (perspectives) around 'whitebaiting' as a major cultural icon on the West Coast.

"This development was made possible with the financial support of DWC, who saw the potential for the event's development to provide economic gains through the revitalisation of the brand," says the festival's event organiser, Gary Smith.

"The event's objective for upcoming years is to be a significant part in 'West Coast Whitebait' being sustainable both as a brand and in practice by working in conjunction with the diverse stakeholders in expressing their perspectives and celebrating its cultural heritage."

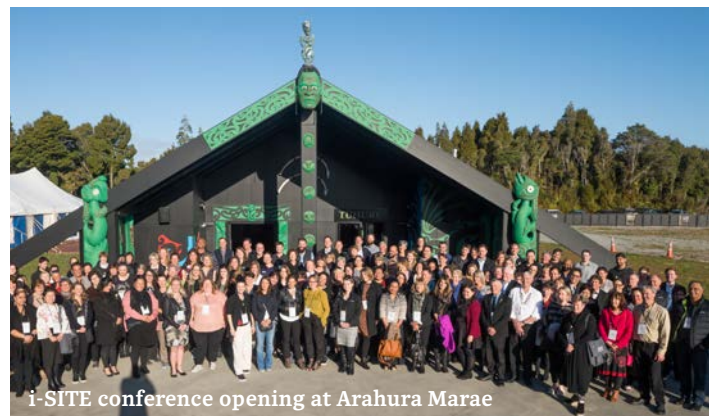
i-SITE Annual Conference

September 2018 saw the national i-SITE conference held at Shantytown with its opening at Arahura Marae. Some 140 delegates from every i-SITE in New Zealand attended the week-long event. As one of the key sponsors, DWC contributed \$7,500 towards the event.

Phillip Barnett, owner of the Greymouth i-SITE, says the event had a direct economic benefit of around \$80,000 to the Coast just in accommodation spending alone.

"But a benefit to the region which was not captured in purely money value was the ability to showcase the region through the familiarisation programmes. What was pleasing was that all delegates left with a fantastic image and experiences from the West Coast.

"This event brought together the leading visitor market operators and created many business opportunities for the future. It could not have been delivered if it had not been for the generous sponsorship from DWC, for both the facilitated network event and their commitment to the conference across the three days," Phillip says.



i-SITE conference opening at Arahura Marae



Photo: Stewart Nimmo

Greymouth Motorcycle Street Race

"We appreciate the grant from Development West Coast/ West Coast Community Trust as it enables us to run one of the few remaining street races in New Zealand. Every Labour Day weekend our event brings many hundreds of riders and spectators to the West Coast."

Spotlight on our Community

Extraordinary Distribution Fund (EDF)

In 2011, DWC provided each of the three district councils with a one-off \$2 million Extraordinary Distribution Fund (EDF) grant enabling each West Coast district council to fund community assets and projects that would boost its local economy. The following graphic shows projects receiving EDF funding to date.



\$25,000

Buller Rugby Football Union
Lights for Craddock Park

\$195,000

Karamea Medical Assn Trust
New house for medical staff

\$50,000

Salvation Army
Building work for 'The Shed'

\$400,000

Reefton Powerhouse Trust
Reconstruct powerhouse

\$200,000

The O'Conor Institute Trust Board
Extension & earthquake strengthening

\$15,000

Westport Volunteer Fire Brigade
Support vehicle

EDF FUNDING

\$50,000

Carters Beach Hall Committee
Upgrade hall

\$500,000

Coaltown Trust
Construct cultural hub

\$250,000

Mokihinui-Lyell Backcountry Trust
Old Ghost Road Cycle & Tramping Trail

\$54,000

Tai Poutini Polytechnic Trades Centre
Training Centre

\$25,000

Sunset Speedway Club
Replace safety fence

\$100,000

Westport Kindergarten Assn
New facility

\$35,500

Seddonville Community Assn
Relocate fire station & library

\$100,000

Reefton Early Learning Centre
New learning centre

Buller District
Total Funding \$2,000,000

Westland District
Total Funding \$2,000,000



\$5,000
Nelson Creek Hall
Renovations & picnic
facilities



\$250,000
West Coast Theatre Trust
Upgrades to Regent Theatre

\$60,000
Paroa Pony Club
Toilets to serve club &
cycleway

\$22,500
St John
Emergency Power
supply

\$600,000
Aquatic
Centre/Miners
Memorial
Build new
indoor centre

\$150,000
Cobden Breakwater-
Eco Cluster
Develop Cobden
breakwater



\$25,000
West Coast
Rugby League
Carpark
Wingham Park

\$10,000
West Coast Gem
and Mineral Club
Minerals display

\$300,000
Southern Breakwater
Develop southern
breakwater

\$6,000,000

\$15,000
Blackball
New pool liner

\$20,000
Greymouth Golf Club
River protection etc

\$50,000
Netball
Resurface courts

\$60,000
Town Development Strategy
Improvements to CBD

\$150,000
Shantytown
Improvements to
conference facilities

\$2,000,000
Westland Wilderness Trail Trust
Construction of trail

\$10,000
SPCA
New facility

\$20,000
Moana Foreshore
Redevelopment

\$215,000
Cycleway Paroa -Taramakau
Complete GDC section of
cycleway

Grey District
Total Funding **\$2,000,000**



By the Numbers



Photo: Tony Kokshoorn

Key Numbers & Highlights 2019

		Total Revenue (including Unrealised Gains)		Total Operating Expenses			
GROUP (Consolidated)	2018-19	14.5M	15.4M	2018-19	6.7M	2017-18	7.0M
	2017-18			2017-18			
DWC (Parent)	2018-19	10.4M	10.4M	2018-19	2.5M	2017-18	2.4M
	2017-18			2017-18			
		Community Distributions and Projects		Profit Before Tax			
GROUP (Consolidated)	2018-19	1.9M	2.5M	2018-19	5.4M	2017-18	4.8M
	2017-18			2017-18			
DWC (Parent)	2018-19	1.9M	2.5M	2018-19	5.4M	2017-18	5.2M
	2017-18			2017-18			
		Total Assets		Total Equity			
GROUP (Consolidated)	2018-19	154.3M	152.3M	2018-19	128.8M	2017-18	125.0M
	2017-18			2017-18			
DWC (Parent)	2018-19	137.2M	135.0M	2018-19	128.4M	2017-18	124.1M
	2017-18			2017-18			

2001- 2019 DWC at a Glance

Financial Overview

Income 2001 - 19

\$149.6M

Operating Expenses 2001 - 19

\$40M

Net Profit 2001 - 19

\$33.8M

Total Assets as at 31 March 2019

\$137.2M

Total Equity as at 31 March 2019

\$128.4M

Commercial Distributions*

322 Applications
received
totalling

\$300.8M

214 Distributions
approved
totalling

\$127.0M

159 Distributions
committed
totalling

\$89.1M

** A number of distributions approved are not taken up by the applicant. This represents the difference between the distributions approved and the distributions made.*

Community Distributions & Projects

EDF Extraordinary Distribution Fund

\$6M

A one-off distribution of \$2m to each of the three district councils. Spent on community assets.

Cycleway Funding

\$1.5M

Two grants of \$750k to the Westland Wilderness Trail and the Old Ghost Road.

MDI Major District Initiative

\$20.1M

DWC has committed \$6.7m to the three districts to develop significant community assets.

DESF District Economic Stimulus Fund

\$3M

A distribution of \$1m to the three districts to stimulate the local economies through direct assistance to businesses and organisations.

MRI Tourism Major Regional Initiative

\$2.3M

DWC's funding leveraged further investment of \$5m in 21 different tourism-related projects.

DEF Digital Enablement Fund

\$1M

An allocation of \$1m was made to leverage further government funding available to improve telecommunications on the Coast.

One-Off Grant to Councils

\$1.5M

\$500k was granted to each of the three district councils for investment in community assets.

Grants and Projects

\$29.4M

A significant number of regional economic and community development projects have been funded by DWC.

Total

\$64.8M

Investment Fund

DWC is pleased with its rate of return from its investments for the year ended 31 March 2019. While the financial markets have been volatile, they have produced strong results for DWC's investment portfolio.

The objectives for DWC's Investment Fund remain consistent – to achieve a level of income to meet the distribution requirements of DWC in any one-year; and provide for a reasonable element of capital growth required to preserve the real value of the Trust Fund, thereby enabling increased distribution levels over time.

More specifically, the Fund's investment policy aims to earn a rate of return, after investment-related expenses and any taxes, that exceeds CPI increases by at least 3% pa over rolling three-year periods. DWC's portfolio has returned 27.5% over the last three years – a significant outperformance of the SIPO target of 13.8%.

The Investment Fund's maximum asset allocation for the reported and ensuing financial year is as follows:

Asset Class	Allocation
Cash	100%
NZ Fixed Interest	90%
Total Cash & Fixed Interest	100%
Australasian Equities	22%
Australasian Property	5%
International Equities	21%
Alternative Investments	11%
Total Equities	55%

DWC's growth (or equity) investments returned 10.5% for the year with the Australasian equities providing the bulk of the gains.

As long-held bonds have matured, the average yield on DWC's bond portfolio has fallen slightly to 5.9%, with the overall cash and bond return at 4.6%. This still compares favourably with the current

OCR, which has remained at or below 1.75% since November 2016.

Overall, DWC earned returns of 7.0% on its Investment Fund. At the start of the financial year DWC had 50.7% of its investment funds in equity (growth) assets. At 31 March 2019, the percentage of the Investment Fund exposed to growth assets remained at 50.7%, although the value of equities held increased when compared to last year due to the overall growth of the fund.

Available for Sale investments (consisting of Fixed Interest and Alternative Assets) increased in value during the year. These movements in value are reported in "Other Comprehensive Revenue and Expense".

DWC continues to liaise with its Investment Advisors, JBWere (NZ) Ltd and Bancorp Treasury Services Limited, and closely monitor its funds.

A Fund for Present and Future Generations

Clause 4.3 of DWC's Trust Deed states that *"the Trust Fund shall be managed in a manner which provides adequate and reasonable protection of the funds to ensure both that present development opportunities are taken, and that current and future generations will benefit from the establishment of the Trust Fund."*

Trustees have consistently taken the position that the value of the fund should be maintained while maximising benefits to the current generation of the West Coast community. The original Statement of Investment Policies and Objectives (SIPO) stated that:

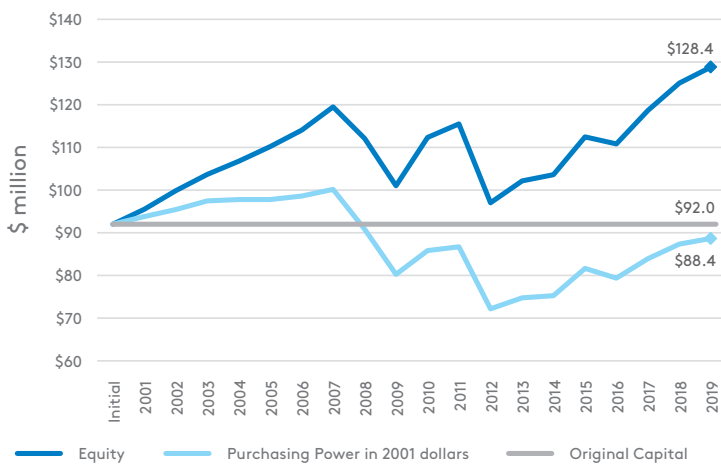
"The broad investment objectives for the Fund are to achieve a level of Income which is needed to meet the distribution requirements of Development West Coast in

any one-year and to provide for a reasonable element of capital growth. This is required to preserve the real value of the Trust Fund thereby enabling increased distribution levels over time.”

This objective has been unchanged since it was first established and remains a key to DWC’s investment strategy and financial planning.

Trustees are always mindful of the balance required to meet both present demands on DWC’s resources and the needs of future generations. Running the Fund down or even conserving it at current levels means there is less money to invest in the region in the future – the value of \$1 today is less than it was in 2001, meaning the benefits able to be generated from that \$1 become fewer over time.

Purchasing power of the Fund



Fund growth is created through the retention of investment returns. While DWC has had some good returns since 2001 and generated a considerable amount of income, demand on the Fund has seen the income largely spent. The impact of this is that DWC has not been able to benefit as much as it could have from compounding returns on its investments and the Fund has failed to keep pace with inflation.

While the current equity of the fund may be \$128.4m, its purchasing power in 2001 dollars is only \$88.4m – essentially, the real equity of the fund has fallen from the original \$92m by \$3.6m.

Value of the Fund to the West Coast

Since 2001, DWC has directly invested around \$154m into the West Coast economy – \$89.1m in commercial distributions and a further \$64.8m in community distributions and projects.

Maintaining this level of support and investment requires DWC to maintain the Investment Fund at a sustainable level. In simple terms, for every \$25m that DWC has in its Investment Fund, it can spend \$1m in the region.

To ensure we have a level of income that allows us to continue making such significant investments into the West Coast economy, it is paramount that DWC maintains the real value of the Fund.

“For every \$25m that DWC has in its Investment Fund, it can spend \$1m in the region.”

The value of our dollar over time

2001 \$1 = \$1
 2018 \$1 = 70¢
 2037 \$1 = 49¢

**assuming the same rate of inflation over the period.*
 The Fund would need to be at \$184m in 2037 to have the same value and generate the same benefits as in 2001.

Equity

2001 Equity \$92m
 2019 Equity \$128.4m
 Value of 2019 Equity in 2001 dollars \$88.4m

Financial Reporting



Statement of Responsibility

Trustees and Management of Development West Coast accept responsibility for the preparation of these Financial Statements and the judgements used in them.

We have been responsible 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.

We are of the opinion that these Financial Statements fairly reflect the financial position and operations of Development West Coast and the Group for the year ended 31 March 2019.

Signed for and on behalf of the Trustees and Management.



Renee Rooney
Chair

12 August 2019



Chris Mackenzie
Chief Executive

12 August 2019

Audit Opinion

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report To the readers of Development West Coast Group's financial statements for the year ended 31 March 2019

The AuditorGeneral is the auditor of the Development West Coast Group (the Group). The AuditorGeneral has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 55 to 79, that comprise the consolidated statement of financial position as at 31 March 2019, the consolidated statement of comprehensive revenue and expense, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Group on pages 55 to 79:

- present fairly, in all material respects:
 - its financial position as at 31 March 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 12 August 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for opinion

We carried out our audit in accordance with the AuditorGeneral's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the AuditorGeneral's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible for the preparation and fair presentation of financial statements for the Group that comply with generally accepted accounting practice in New Zealand.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from clause 22 of the Trust Deed of the Trust.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the AuditorGeneral's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or

The accompanying notes should be read in conjunction with these financial statements.

omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the AuditorGeneral's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Trustees are responsible for the other information. The other information comprises the information included on pages 2 to 52, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the AuditorGeneral's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.



John Mackey
Audit New Zealand
On behalf of the AuditorGeneral
Christchurch, New Zealand

The accompanying notes should be read in conjunction with these financial statements.

Consolidated Statement of Comprehensive Revenue & Expense

	Note	Consolidated		Parent	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Finance Revenue	4	5,065	6,932	4,963	6,821
Trading Sales	5	3,934	4,199	0	0
Other Revenue and Gains		493	1,202	451	528
Total Revenue		9,492	12,333	5,414	7,349
Operating Expenses	6	6,697	6,987	2,508	2,439
Share of Loss in Associates		107	130	0	0
Surplus before Community Distributions and Projects		2,688	5,216	2,906	4,910
Regional Development	7	1,510	2,193	1,510	2,193
Major District Initiative		164	205	164	205
Community Grants	8	231	112	231	112
Surplus/(Deficit) before Impairment of Assets		784	2,706	1,002	2,400
Impairment of Distribution Assets		378	976	656	291
Impairment/(Revaluation) of Other Assets		0	0	0	0
Investment Mark-to-Market (Gain)/Loss		(5,009)	(3,098)	(5,009)	(3,098)
Surplus/(Deficit) for the Year before Tax		5,415	4,828	5,355	5,207
Income Tax (Credit)/Expense	9	656	(419)	0	0
Surplus/(Deficit) for the Year		4,759	5,247	5,355	5,207
Other Comprehensive Revenue and Expense					
Items that may be Reclassified Subsequently to Surplus and Deficit					
Net Fair Value Gain/(Loss) on Available for Sale Investments	20	(991)	1,134	(991)	1,134
Net Gain/(Loss) on Movement in Cash Flow Hedges	20	0	(38)	0	(38)
Other Comprehensive Revenue and Expense for the Year		(991)	1,096	(991)	1,096
Total Comprehensive Revenue and Expense for the Year		3,768	6,343	4,364	6,303
Total Comprehensive Revenue and Expense for the Year is attributable to:					
Non-Controlling Interest		(162)	(98)	0	0
Group		3,930	6,441	4,364	6,303
		3,768	6,343	4,364	6,303

The accompanying notes should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Balance at 1 April	125,027	118,684	124,051	117,748
Surplus/(Deficit) for the Year	4,759	5,247	5,355	5,207
Other Comprehensive Revenue for the Year	(991)	1,096	(991)	1,096
Total Comprehensive Revenue and Expenses for the Year	3,768	6,343	4,364	6,303
Balance at 31 March	128,795	125,027	128,415	124,051

The accompanying notes should be read in conjunction with these financial statements.

Consolidated Statement of Financial Position

	Note	Consolidated		Parent	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
ASSETS					
Current Assets					
Cash and Cash Equivalents		0	0	298	449
Term Deposits		30,691	20,133	30,691	20,133
Trade and Other Receivables	10	1,027	988	764	425
Biological Assets	11	3,530	3,410	0	0
Investments	12	64,719	60,262	64,719	60,262
Loan Advances	13	666	219	666	219
Loan Advances to Subsidiaries	13	0	0	11,899	12,275
Total Current Assets		100,633	85,012	109,037	93,763
Non-Current Assets					
Term Deposits		0	9,000	0	9,000
Property, Plant and Equipment	14	20,890	21,198	2,207	2,267
Investment Properties	15	2,085	2,102	0	0
Investments	12	22,701	27,435	21,479	26,251
Loan Advances	13	4,496	3,732	4,496	3,732
Investment in Associates	13	2,392	2,503	0	0
Intangible Assets		1,090	1,090	21	21
Deferred Tax Assets	9	0	230	0	0
Total Non-Current Assets		53,654	67,290	28,203	41,271
TOTAL ASSETS		154,287	152,302	137,240	135,034
LIABILITIES					
Current Liabilities					
Cash and Cash Equivalents		186	146	0	0
Derivative Financial Instruments	16	4	41	4	41
Trade and Other Payables	17	7,168	8,341	6,648	7,731
Interest Bearing Loans and Borrowings	18	5,000	0	0	0
Total Current Liabilities		12,358	8,528	6,652	7,772
Non-Current Liabilities					
Deferred Tax Liability	9	426	0	0	0
Trade and Other Payables	17	2,208	3,247	2,173	3,211
Interest Bearing Loans and Borrowings	18	10,500	15,500	0	0
Total Non-Current Liabilities		13,134	18,747	2,173	3,211
TOTAL LIABILITIES		25,492	27,275	8,825	10,983
NET ASSETS		128,795	125,027	128,415	124,051
EQUITY					
Restricted Capital	19	79,514	79,514	79,514	79,514
Reserves	20	48,077	44,079	48,901	44,537
Total Equity Attributable to the Group		127,591	123,593	128,415	124,051
Non-Controlling Interests	20	1,204	1,434	0	0
TOTAL EQUITY		128,795	125,027	128,415	124,051

The accompanying notes should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Cash Flows from Operating Activities				
Cash was provided from:				
Finance Revenue	3,464	3,680	3,464	3,680
Other Revenue	4,868	4,604	579	398
Cash was disbursed to:				
Payments to Suppliers, Trustees and Employees	(5,583)	(6,187)	(1,571)	(2,104)
Community Distributions and Projects	(4,224)	(2,673)	(4,224)	(2,674)
Net Cash Flows from/(used in) Operating Activities	(1,475)	(576)	(1,752)	(700)
Cash Flows from Investing Activities				
Cash was provided from:				
Proceeds from Sale of PPE & Investment Properties	70	3,049	0	0
Proceeds on Disposal of Investments	8,933	20,405	8,933	20,405
Term Deposit Maturities	18,500	19,747	18,500	19,747
Distribution Asset Repayments	1,191	2,604	1,181	5,997
Cash was disbursed to:				
Purchase of PPE & Investment Properties and Intangibles	(401)	(393)	(78)	(98)
Purchase of Investments	(4,251)	(3,376)	(4,212)	(3,351)
Investment in Associates	(50)	(292)	0	0
Term Deposit Investments	(20,058)	(41,235)	(20,058)	(41,235)
Distribution Asset Lending	(2,499)	(597)	(2,665)	(878)
Net Cash Flows from/(used in) Investing Activities	1,435	(88)	1,601	587
Net Increase/(Decrease) in Cash and Cash Equivalents	(40)	(664)	(151)	(113)
Cash and Cash Equivalents at Beginning of Period	(146)	518	449	562
Cash and Cash Equivalents at End of Period	(186)	(146)	298	449

The accompanying notes should be read in conjunction with these financial statements.

Notes to the Consolidated Financial Statements

1. OBJECTS

Development West Coast is a Trust for charitable purposes for the benefit of the community of the present and future inhabitants of the West Coast region. The Trust Fund may be applied and used exclusively by the Trustees for the following general purposes within New Zealand, namely:

- a) To promote sustainable employment opportunities in the West Coast region; or
- b) To generate sustainable economic benefits for the West Coast region; or
- c) To support projects which are not the ordinary day-to-day running, maintenance and upgrade of the infrastructure that is normally the responsibility of the local authorities or central government, provided such projects meet paragraphs (a) or (b);

provided that any private benefit conferred to any person (other than a charity) is incidental to these overriding objects.

2. REPORTING ENTITY

The financial statements of Development West Coast (the Parent or DWC) and its subsidiaries (collectively the Group) for the year ended 31 March 2019 were authorised for issue by Trustees on 12 August 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation

The financial statements have been prepared in accordance with the Charities Act 2005 which requires compliance with generally accepted accounting practice in New Zealand.

DWC and Group are public benefit entities (PBE) for the purpose of financial reporting. The financial statements of the Parent and Group comply with PBE Standards Reduced Disclosure Regime (PBE Standards RDR).

The financial statements of DWC and Group have been prepared in accordance with PBE RDR Standards and disclosure concessions have been applied. DWC and Group are eligible to report in accordance with PBE RDR Standards because they do not have public accountability and they are not large.

The financial statements have also been prepared on an historical cost basis, except for derivative financial instruments, held for trading investments, available-for-sale investments, and farm land and buildings which have been measured at fair value.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of DWC and its subsidiaries (the Group) as at 31 March each year.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent with the exception of Cranley Farms Ltd which has a balance date of 31 May.

In preparing the consolidated financial statements, all intercompany balances and transactions, revenue and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained and cease to be consolidated from the date on which control is transferred out.

Investments in subsidiaries held by the Parent are accounted for at cost less an allowance for impairment in the separate financial statements of DWC.

3.3 Business Combinations

The acquisition method of accounting is used to account for all business combinations. Cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date fair value) and the amount of any non-controlling interests in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The excess of the cost of the business combination over the net fair value of shares of the identifiable net assets acquired is recognised as goodwill.

If the business combination is achieved in stages, any previous held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in surplus or deficit. It is then considered in the determination of goodwill.

3.4 Investments in Associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost less accumulated impairment in the Parent's separate financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems it has significant influence if it has over 20% of the voting rights.

Under the equity method, investments in associates are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in an associate is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If an impairment is recognised, the amount is not allocated to the goodwill of the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in surplus or deficit, and its share of post-acquisition movements in Other Comprehensive Revenue and Expense is recognised in other comprehensive revenue and expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the Parent's surplus or deficit as a component of other revenue.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

The associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

3.5 Foreign Currency Translation

a) *Transactions and Balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

3.6 Biological Assets

Biological Assets are recognised when the company controls the assets as a result of past events, it is probable that the future economic benefits will flow to the company and the fair value can be measured reliably.

Biological assets are measured at fair value less costs to sell.

Gains and losses as a result of changes in fair value are included in profit and loss in the period in which it arises.

Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

3.7 Financial Instruments

All financial instruments are initially recognised at the fair value of the consideration received or paid less, in the case of financial assets and liabilities not recorded at fair value through surplus or deficit, directly attributable transaction costs. Subsequently DWC and Group apply the following accounting policies for financial instruments:

a) *Cash and Cash Equivalents*

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand.

b) *Financial Assets at Fair Value through Surplus or Deficit*

Financial assets at fair value through surplus or deficit consist of held for trading financial assets. These assets are part of a portfolio managed in accordance with DWC's Trust Deed and investment policies.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Equity investments made through the financial markets are classified as held for trading (ie, Australasian and International Equities). Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. DWC and Group use derivative financial instruments, such as currency option contracts, to economically hedge their risks associated with foreign currency fluctuations.

Held for trading financial assets are carried on the Statement of Financial Position at fair value with any gains or losses arising from changes in the fair value, except for those that qualify as cash flow hedges, taken directly to the surplus or deficit.

The fair values of currency option contracts are calculated by reference to current exchange rates for option contracts with similar maturity profiles.

c) *Loans and Receivables*

Loans and receivables, including trade and other receivables, advances and investment in subsidiaries classified as Distribution Assets under DWC's Deed, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial recognition, such assets are carried at amortised cost using the effective interest method less impairment.

Collectability of trade receivables is reviewed on an on-going basis at an operating unit level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the receivable is not able to be collected. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Gains and losses on de-recognition or impairment of loans and receivables are recognised in the surplus or deficit. Loans and receivables are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

d) *Available-for-Sale Securities*

Available-for-sale investments are those non-derivative financial assets, principally private equity, term deposits, term bonds and co-operative shares, that are designated as available-for-sale or are not classified as any of the two preceding categories.

After initial recognition, available-for sale securities are measured at fair value with gains or losses being recognised in Other Comprehensive Revenue and Expense and accumulated in the Net Unrealised Gains reserve in equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the surplus or deficit.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Co-operative shares are held by the company at cost as the best estimate of Fair Value. These shares are specifically linked to the trading entity and cannot be sold until the cessation of trading by the company. At this time the shares held in these co-operative companies would be returned to the company of origin following the completion of the exit requirements for an amount not exceeding the recorded cost/book value.

e) *Financial Liabilities at Amortised Cost*

Initial Recognition and Measurement

Financial liabilities at amortised cost consist of trade and other payables, hire purchases and interest-bearing loans and borrowings, including bank overdrafts.

Trade and Other Payables

Trade and other payables are carried at amortised cost and, due to their short-term nature, are not discounted. They represent liabilities for goods and services provided to DWC and Group prior to the end of the financial year that are unpaid and arise when they become obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the statement of surplus or deficit.

3.8 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

3.9 Distribution Assets

A Distribution Asset is an advance or equity investment made by DWC in meeting the objects of its Trust Deed. These investments are made in West Coast Enterprises as defined in the Deed.

In meeting its objects, DWC is able to utilise distribution funds to purchase assets or issue advances. These assets are classified as investments in subsidiaries, investments in associates or advances according to the relevant accounting standard and DWC's accounting policies.

a) *Quality of Distribution Assets*

The underlying sustainable development theme of the Trust Deed requires DWC to look at projects with higher risk profiles. While DWC, in assessing applications, looks to reduce the overall risk profile where possible, this higher risk is reflected in the overall quality of the Distribution Assets.

b) *Securities and Non-Performing Assets*

As part of assessing any application for funding, DWC looks to achieve the greatest possible security cover. However, in line with the development nature of DWC, it can accept security positions less than the value of a Distribution Asset and lower in priority rankings.

c) *Non-Performing Assets*

Non-performing Distribution Assets are those where repayments are overdue three months or more or where a specific potential for loss has been identified.

3.10 Property, Plant and Equipment (PPE)

a) *Initial Recognition and Subsequent Expenditure*

Items of PPE (except for farm land and buildings) are stated at cost less accumulated depreciation and any accumulated impairment losses.

Farm land and buildings are considered as a separate asset class and measured at fair value, less accumulated depreciation on buildings. Fair value of farm land and buildings is their market value as determined by a registered valuer. A revaluation surplus is recorded in Other Comprehensive Revenue and Expense and credited to the Revaluation Reserve in equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in surplus or deficit, the increase is recognised in surplus or deficit. A revaluation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the Revaluation Reserve.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful

lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in surplus or deficit as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life. Depreciation rates are as follows:

Asset	Estimated Useful Life
Office Equipment	4 – 12 years
Computer Hardware	4 years
Furniture and Fittings	5 – 12 years
Plant and Equipment	2 – 25 years
Motor Vehicles	5 - 15 years
Buildings	4 - 55 years
Land	Not depreciated
Land Development	5 – 33 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end.

- b) *De-Recognition*
An item of PPE is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

3.11 Investment Properties

Investment Properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day maintenance of an investment property.

Subsequent to initial recognition, Investment Properties are carried at cost less accumulated depreciation and impairment.

Depreciation on Investment Properties is calculated over their estimated useful life as follows:

Asset	Basis	Rate
Land	-	Not Depreciated
Land Improvements	Diminished Balance	4-10%
Buildings	Straight Line	2%

The residual values, useful lives and methods of depreciation of Investment Property are reviewed at each financial year end and adjusted, if appropriate.

De-Recognition

Investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus/(deficit) for the year when the asset is de-recognised.

3.12 Impairment of Non-Financial Assets

a) *Classification of Cash Generating Assets or Non-Cash Generating Assets*

For the purpose of assessing impairment indicators and impairment testing, DWC and Group classifies non-financial assets as either cash-generating or non-cash-generating assets. DWC and Group classifies a non-financial asset as a cash-generating asset if the primary objective of the asset is to generate commercial return. All other assets are classified as non-cash-generating assets.

Land and buildings held by DWC are classified as non-cash-generating assets.

All PPE held by the Group's subsidiaries and associates are classified as cash-generating assets, as these entities are for-profit entities and the primary objective of these assets is to generate commercial return.

b) *Impairment of Cash-Generating Assets*

Non-financial cash-generating assets, except for those that are measured using the revaluation model, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

DWC and Group conduct an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use calculation is based on the discount cashflow method. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

c) *Impairment of Non-Cash-Generating Assets*

Non-financial non-cash-generating assets, except for those that are measured using the revaluation model, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

DWC and Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable service amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. Recoverable service amount is the higher of an asset's fair value less costs to sell and value in use. The value in use calculation is based on the discounted cashflow method. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

3.13 Provisions and Employee Benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. The increase in the provision resulting from the passage of time is recognised in finance costs.

3.14 Revenue Recognition – Exchange Transactions

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to DWC and Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- a) *Interest Revenue*
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.
- b) *Dividends*
Revenue is recognised when the Group's right to receive the payment is established.
- c) *Milk and Livestock Sales*
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

3.15 Grant Expenditure

Grant Expenditure is recognised as an expense when DWC considers it has a commitment to the grant. This commitment is usually recognised when the amount and conditions on the grant are communicated to the recipient.

3.16 Income Tax and Other Taxes

- a) *Income Tax*
DWC is registered with Charities Services as a Charitable Trust and is therefore exempt from income tax.

In respect of Group's subsidiary companies, income tax expense recognised in surplus or deficit comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Revenue and Expense or directly in equity.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided on all temporary differences between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax is not recognised on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, provided it is probable that taxable income will be generated to use them.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

b) *Other Taxes*

DWC is a “registered person” in terms of the Goods and Services Act 1985. DWC makes both standard, exempt and zero rated supplies and uses an apportionment method for other general expenditure. Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

3.17 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year.

4. FINANCE REVENUE

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Interest on Distribution Assets	418	397	316	287
Administration Fees raised on Distribution Assets	0	0	0	0
Interest on Term Deposits and call accounts	958	442	958	442
Interest on Available for Sale Investments	1,573	1,998	1,573	1,998
Interest Concessions	260	170	260	170
Dividends on Available for Sale Investments	341	379	341	379
Dividends on Held for Trading Investments	1,282	1,235	1,282	1,234
Net Realised Gains/(Losses) on Disposal of Available for Sale Investments Reclassified from Unrealised Gains Reserve	598	1,006	598	1,006
Net Realised Gains/(Losses) on Held for Trading Derivatives	162	618	162	618
Net Realised Gains/(Losses) on Held for Trading Investments	(527)	687	(527)	687
Net Realised Gains/(Losses) on Investment in Associates	0	0	0	0
Total Finance Revenue	5,065	6,932	4,963	6,821

5. TRADING SALES

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Dairy Produce	3,705	3,820	0	0
Livestock Trading	224	293	0	0
Other Farm Income	5	4	0	0
Rebates	0	82	0	0
Total Trading Sales	3,934	4,199	0	0

6. OPERATING EXPENSES

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Administration Expenses	1,380	1,404	1,255	1,261
Advisory Body Fees	70	70	70	70
Advisory Body Expenses	11	12	11	12
Auditor's Remuneration				
Current Audit Fees	93	106	81	80
Audit Fees Charged for Previous Years	0	11	0	11
Depreciation & Amortisation	573	601	82	77
Directors' Costs	69	56	0	0
Election Costs	0	0	0	0
Equipment Lease Payments	3	2	3	2
External Consultancy Expenses	53	106	36	79
Finance Costs	848	795	1	1
Information & Communication Technology	81	65	81	65
Insurance & Risk Management	112	132	55	56
Investment Advisory Expenses	242	242	242	242
Legal Fees	120	118	120	111
Loss/(Gain) on Sale of Assets	82	0	55	0
Licenses	0	0	0	0
Marketing & Promotion	58	33	58	33
Occupancy	119	122	119	122
Recruitment Costs	24	12	24	12
Trading Expenses	2,544	2,895	0	0
Trustees' Remuneration	176	176	176	176
Trustees' Expenses	39	29	39	29
Total Operating Expenses	6,697	6,987	2,508	2,439

7. REGIONAL DEVELOPMENT

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Interest Concessions	260	168	260	168
Regional Partnership Network	46	87	46	87
Tourism West Coast	100	97	100	97
Business Development Unit*	1,103	1,841	1,103	1,841
Total Regional Development	1,510	2,193	1,510	2,193

* The following projects are included in Business Development Unit	Type	2019 \$
West Coast Economic Development Manager	Project Co-Funding	75,000
Co.Starters Programme	Project Funding	17,181
Tourism West Coast Marketing Stage 3	Grant	147,000
Minerals West Coast	Grant	95,000
West Coast Regional Cycle Trail Strategy	Project	37,500
Greymouth CBD Renewal Project	Grant	30,700
Co-funding of Retirement Village Feasibility Study	Grant	40,000
Regional Promotion Tourism Compendium	Grant	13,000
Total		455,381

8. COMMUNITY GRANTS

Project or Recipient	2019 \$
Development West Coast Amateur Sports Trust	5,000
West Coast Community Trust	90,000
Greymouth Travel Centre – I-Site Conference	7,500
Westport Whitebait Festival	9,000
Around Brunner Cycle Race	8,000
Greymouth Motorcycle Street Races	6,945
Westland Sports Hub	30,000
Life Education Trust	75,000
Total Community Grants	231,445

9. INCOME TAX

9.1 Income Tax Expense

	Consolidated	
	2019 \$000	2018 \$000
Income Tax Expense		
Current Income Tax Charges/(Credit)	(718)	(56)
Current year losses for which no deferred tax asset is recognised	718	56
Utilisation of Previously Unrecognised Tax Losses	0	0
Deferred Tax		
Origination and Reversal of Temporary Differences	656	(419)
Income Tax (Credit)/Expense Reported in Surplus or Deficit	656	(419)
Reconciliation of Tax Expense		
Accounting Surplus/(Deficit) Before Tax	5,415	4,828
At the Statutory Income Tax Rate of 28%	1,516	1,352
Adjustments in Respect of Parent (Surplus)/Deficit not Taxable	(1,574)	(1,473)
Adjustments in Respect of Permanent Tax differences	27	208
Adjustments in Respect of Temporary Tax Differences	(687)	(143)
Current year losses for which no deferred tax asset is recognised	718	56
Tax Losses not Recognised	0	0
Deferred Tax		
Reversal of Temporary Differences	656	(419)
Income Tax (Credit)/Expense Reported in Surplus or Deficit	656	(419)

9.2 Deferred Tax

	Consolidated	
	2019 \$000	2018 \$000
Non Depreciable Buildings	(255)	(263)
Biological assets	(176)	(179)
Deferred Fertiliser	0	654
Employee leave accruals	18	18
Accrued Income	(13)	0
Deferred Tax (Liabilities)/Assets	(426)	230
Reconciliation of Deferred Tax (Liabilities)/Assets		
Opening Balance as at 1 April	230	(189)
Tax Credit/(Expense) During the Year Recognised in Surplus or Deficit	(656)	419
Pre-acquisition entry due to business combination during the year	0	0
Closing Balance as at 31 March	(426)	230

9.3 Tax Losses

No asset has been recognised in respect of the taxation losses held by the Group. At 31 March 2019 Group losses totalled \$21,406,039 (2018 \$18,853,474). Losses able to be utilised across the Group are \$14,248,270 (2018 \$11,695,705).

10. TRADE AND OTHER RECEIVABLES

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Trade Receivables	390	739	94	151
GST Refund Receivable	0	0	36	30
Prepayments	0	0	30	14
Sundry Receivables	637	249	604	230
Carrying Amount of Trade and Other Receivables	1,027	988	764	425

11. BIOLOGICAL ASSETS

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Balance at Beginning of Financial Year	3,410	3,291	0	0
Increase Resulting from Business Combination	0	0	0	0
Increases Due to Purchases	50	120	0	0
Decreases Attributable to Sales and Biological Assets Classified as Held for Sale	(154)	(294)	0	0
Net Gain/(Loss) from Changes in Fair Value Less Estimated Point of Sale Costs	120	120	0	0
Other Changes	104	173	0	0
Balance at End of Financial Year	3,530	3,410	0	0

11.1 Livestock

The Group owns dairy cattle. These are held at the Group's farm in the South Island. At 31 May 2019, the Group owned 1,517 milking cows, 300 in calf heifers, 300 one-year old heifers, and 22 mixed breed bulls.

Independent valuers, Tasman Agriculture Ltd, with the appropriate knowledge and experience in valuing livestock, have valued the livestock assets at 31 May 2019. The significant valuation assumptions adopted in determining the fair value of the livestock assets included current market values net of selling costs.

12. INVESTMENTS

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Available for Sale Investments	39,990	41,208	38,768	40,024
Held for Trading Investments	47,430	46,489	47,430	46,489
Total Investments	87,420	87,697	86,198	86,513
Current Assets	64,719	60,262	64,719	60,262
Non-Current Assets	22,701	27,435	21,479	26,251
Total Assets	87,420	87,697	86,198	86,513

13. DISTRIBUTION ASSETS

The Distribution Assets (net of impairment) can be further analysed as follows:

Class	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Advances to other parties	5,162	3,951	5,162	3,951
Investments in Subsidiaries	0	0	11,899	12,275
Investments in Associates	2,392	2,503	0	0
Total Investments	7,554	6,454	17,061	16,266
Current Assets	666	219	12,565	12,494
Non-Current Assets	6,888	6,235	4,496	3,732
Total Assets	7,554	6,454	17,061	16,266

13.1 Related Party Distribution Assets

	Parent	
	2019	2018
Distribution Assets Invested in Subsidiaries and Associates	28,880	28,930
Provision for Impairment Relating to Distribution Assets Invested in Subsidiaries and Associates	(16,981)	(16,655)
Total	11,899	12,275

14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated				Parent			
	Motor Vehicles	Other Property, Plant and Equipment	Land & Buildings	Total	Motor Vehicles	Other Property, Plant and Equipment	Land & Buildings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At Cost or Valuation								
Balance at 1 April 2017	791	1,740	24,927	27,458	177	334	2,104	2,615
Additions	145	58	190	393	22	19	56	97
Disposals	(97)	0	0	(97)	0	(25)	0	(25)
Balance at 31 March 2018	839	1,798	25,117	27,754	199	328	2,160	2,687
Balance at 1 April 2018								
Balance at 1 April 2018	839	1,798	25,117	27,754	199	328	2,160	2,687
Additions	275	63	63	401	18	58	0	76
Disposals	(271)	(1)	(54)	(326)	0	(1)	(54)	(55)
Balance at 31 March 2019	843	1,860	25,126	27,829	217	385	2,106	2,708
Depreciation and Impairment Losses								
Balance at 1 April 2017	401	1,176	4,477	6,054	54	250	65	369
Depreciation Charge for the Year	95	104	384	583	38	27	11	76
Disposals	(81)	0	0	(81)	0	(25)	0	(25)
Balance at 31 March 2018	415	1,280	4,861	6,556	92	252	76	420
Balance at 1 April 2018								
Balance at 1 April 2018	415	1,280	4,861	6,556	92	252	76	420
Depreciation Charge for the Year	99	95	362	556	41	30	10	81
Depreciation through Business Combination								
Disposals	(173)	0	0	(173)	0	0	0	0
Balance at 31 March 2019	341	1,375	5,223	6,939	133	282	86	501
Net Carrying Amount								
At 31 March 2017	390	564	20,450	21,404	123	84	2,039	2,246
At 31 March 2018	424	518	20,256	21,198	107	76	2,084	2,267
At 31 March 2019	502	485	19,903	20,890	84	103	2,020	2,207

Note 18 details the securities held by third parties over the Group's plant property and equipment.

15. INVESTMENT PROPERTIES

Consolidated	Land	Land	Buildings	Total
	\$000	Improvements \$000	\$000	\$000
At Cost or Valuation				
Balance at 1 April 2017	2,342	422	2,341	5,105
Additions	0	22	0	22
Disposals	(550)	(105)	(2,431)	(2,996)
Impairment	0	0	0	0
Balance at 31 March 2018	1,792	339	0	2,131
Balance at 1 April 2018	1,792	339	0	2,131
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
Balance at 31 March 2019	1,792	339	0	2,131
Depreciation and Impairment Losses				
Balance at 1 April 2017	0	18	333	351
Depreciation Charge for the Year	0	17	0	17
Disposals	0	(6)	(333)	(339)
Balance at 31 March 2018	0	29	0	29
Balance at 1 April 2018	0	29	0	29
Depreciation Charge for the Year	0	17	0	17
Disposals	0	0	0	0
Balance at 31 March 2019	0	46	0	46
Net Carrying Amount				
At 31 March 2017	2,342	404	2,008	4,754
At 31 March 2018	1,792	310	0	2,102
At 31 March 2019	1,792	293	0	2,085

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current Asset/(Liability)				
Currency Option Contracts – Held for Trading	(4)	(41)	(4)	(41)
Total Derivative Financial Instruments	(4)	(41)	(4)	(41)

16.1 Instruments Used by the Group

a) *Currency Option Contracts – Held for Trading*

DWC has entered into currency option contracts which are economic hedges but do not satisfy the requirements for hedge accounting.

These contracts are fair valued using the Bloomberg Option Pricing Model which is generally accepted as a global financial market standard valuation model.

- b) *Interest Rate Swap Contracts – Cash Flow Hedges*
No fixed or variable swaps were in place as at 31 March 2019 (2018 nil).

17. TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Trade Payables	1,475	1,032	1,207	679
GST Payables	10	86	0	0
Employee Entitlements	134	100	80	49
Sundry Creditors	7,757	10,370	7,534	10,214
Carrying Amount of Trade and Other Payables	9,376	11,588	8,821	10,942
Current Liabilities	7,168	8,341	6,648	7,731
Non-Current Liabilities	2,208	3,247	2,173	3,211
Carrying Amount of Trade and Other Payables	9,376	11,588	8,821	10,942

17.1 Sundry Creditors Analysis

		Consolidated		Parent	
		2019 \$000	2018 \$000	2019 \$000	2018 \$000
Sundry Creditors		169	107	145	85
Major Regional Initiative		11	116	11	116
Economic Development Projects		418	924	418	924
Major District Initiative	Note 17.5	4,628	5,530	4,628	5,530
Extraordinary Distribution Fund	Note 17.2	363	613	363	613
District Economic Stimulus Fund	Note 17.3	957	1,431	957	1,431
Digital Enablement Fund	Note 17.4	957	1,000	957	1,000
Finance Leases		199	134	0	0
Other Community Grants		55	515	55	515
Total Sundry Creditors		7,757	10,370	7,534	10,214

17.2 Extraordinary Distribution Fund (EDF)

In the 2012 financial year, through a change in the Trust Deed, the Trustees were empowered to create a special fund within the books of DWC, by the transfer from the Restricted Capital to the EDF of up to \$6,000,000. The EDF is an exceptional, once-only fund. The EDF is to be used as a fund from which grants may (at the discretion of the Trustees) be made to any of the West Coast district councils (up to a maximum amount of \$2,000,000 to each) in order to fund the undertaking of community projects which are within the Objects. As all undrawn funds have been allocated to approved projects, the EDF is classified as a current liability.

17.3 District Economic Stimulus Fund (DESF)

In the 2016 financial year, in light of the economic challenges facing the West Coast, Trustees granted \$1m to each district in the region to stimulate business development and growth. The funding will be provided to each of the district councils who will administer the funds on behalf of their districts. The DESF is to be applied in such a way so as to leverage additional funding from other funding sources.

17.4 Digital Enablement Fund

In the 2016 financial year, Trustees granted \$1m to the region's Digital Enablement Plan. The Plan has been developed to leverage designated funding from Central Government and other providers to enable the delivery of faster broadband services and improved mobile phone coverage in the region.

17.5 Major District Initiative Fund

The Major District Initiative (MDI) was established in 2005 and allocates \$400,000 p.a. to each district in the region. The funding was to be applied to the establishment or enhancement of significant community assets. The MDI will conclude in March 2022 by which time DWC will have invested over \$20m into regional community assets.

18. INTEREST BEARING LOANS AND BORROWINGS

	Consolidated		Parent	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Current liabilities - Westpac Bank	5,000	0	0	0
Non-current liabilities - Westpac Bank	10,500	15,500	0	0
Total Borrowings	15,500	15,500	0	0

The bank loans are secured by a first ranking GSA in all present and acquired property of Cranley Farms Limited, and a first registered mortgage over the freehold land and buildings of Cranley Farms Limited. The loans are split into 3 tranches which mature between December 2019 and September 2021 and the interest rates payable on the loans range from 5.27% to 5.56%.

19. RESTRICTED CAPITAL

19.1 Nature of Restricted Capital

Restricted Capital is classified as equity. It is comprised of the Initial Capital (\$92m) and is reduced from time to time in accordance with clause 11 of the Trust Deed as follows:

- The Trustees may distribute up to 5% of the Initial Capital in any financial year to recommended recipients provided that the income has been fully distributed or set aside for distribution to recommended recipients;
- Subject to clause 11.3, no further applications of the Restricted Capital can be made under clause 11.1 once the Restricted Capital is reduced to \$50 million; and
- The Trustees may only pay or apply further amounts under clause 11 with the written approval of the Settlor.

Movement in Restricted Capital	\$000
At 1 April 2017	79,514
Transfers to Distribution Fund	0
At 1 April 2018	79,514
Transfers to Distribution Fund	0
At 31 March 2019	79,514

The Parent and Group are not subject to any other externally imposed capital requirements.

20. RESERVES

20.1 Movements in Reserves

	Consolidated							Parent			
	Distribution Fund	Net Unrealised Gains Reserve	Cash Flow Hedge Reserve	Revaluation Reserve	Total Reserves attributable to Group	Non -Controlling Interest	Total Reserves	Distribution Fund	Net Unrealised Gains Reserve	Cash Flow Hedge Reserve	Total Reserves
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 31 March 2017	35,056	2,228	39	400	37,723	1,447	39,170	35,967	2,228	39	38,234
Net Fair Value Gains/(Losses) on Available-for-Sale Investments		2,141			2,141		2,141		2,141		2,141
Reclassification to Finance Revenue on Disposal of Investment		(1,006)			(1,006)		(1,006)		(1,006)		(1,006)
Net Gains/(Losses) on Movement in Cash Flow Hedges			(39)		(39)		(39)			(39)	(39)
Net Surplus/(Deficit) for the Year	5,260				5,260	(13)	5,247	5,207			5,207
At 31 March 2018	40,316	3,363	0	400	44,079	1,434	45,513	41,174	3,363	0	44,537
Net Fair Value Gains/(Losses) on Available-for-Sale Investments		(393)			(393)		(393)		(393)		(393)
Reclassification to Finance Revenue on Disposal of Investment		(598)			(598)		(598)		(598)		(598)
Net Surplus/(Deficit) for the Year	4,989				4,989	(230)	4,759	5,355			5,355
At 31 March 2019	45,305	2,372	0	400	48,077	1,204	49,281	46,529	2,372	0	48,901

20.2 Nature and Purpose of Reserves

- a) *Net Unrealised Gains Reserve*
This reserve records movements in the fair value of available-for-sale financial assets.
- b) *Cash Flow Hedge Reserve*
This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.
- c) *Distribution Fund Reserve*
This reserve is the revenue and the amount of Restricted Capital available for distribution, in accordance with Clause 11 of the Trust Deed.
- d) *Asset Revaluation Reserve*
This represents the Group's share of the Asset Revaluation Reserve recognised by its subsidiaries and associates.

21. RELATED PARTY DISCLOSURE

21.1 Subsidiaries

The consolidated financial statements include the financial statements of DWC and the subsidiaries listed in the following table.

Name	Country of Incorporation	% Equity Interest	
		2019	2018
Forever Beech Limited	New Zealand	100	100
West Coast Development Holdings Limited	New Zealand	100	100
The West Coast Development Trust Land Company Limited	New Zealand	100	100
West Coast Snowflake Limited	New Zealand	100	100
Cranberries New Zealand Limited	New Zealand	100	100
Cranley Farms Limited	New Zealand	81.8	81.8

21.2 Associates

- a) *Bold Head Farm Limited*
In August 2016, West Coast Development Holdings Limited invested \$585,610 in shares in Bold Head Farm Limited. Due to this investment, the Group owns 48% of Bold Head Farm Limited and Bold Head Farm Limited is classed as an associate of the Group. Bold Head Farm Limited has a balance date of 31 May. As this date is within 3 months of Group's balance date, Bold Head Farm Limited's accounts for 31 May 2018 have been used to apply the equity method of accounting for the investment.
- b) *Putake West Coast Limited Partnership*
In 2015 West Coast Development Holdings Limited invested \$500,000 in Putake West Coast LP, a joint venture with Putake LP Limited. Putake West Coast LP is a commercial and sustainable bee keeping and honey producing business. Due to this investment, the Group owns 50% of Putake West Coast LP and the investment is a joint venture of the Group.
- c) *Other Associates*
DWC is able to appoint a board member to Tourism West Coast Incorporated. During the year under review Tourism West Coast had a board member appointed by DWC. The member appointed has 20% of the voting rights to this entity.

DWC makes distributions to Tourism West Coast for operational purposes but does not have any rights to any distributions from this entity. Therefore, no revenue, expenses or assets are recognised in respect of this funding.

21.3 Transactions with Related Parties

Entities	Year	Advances to Related Parties	Repayments from Related Parties	Interest Raised by Group	Rent Received by Group	Amounts Owed by Related Parties*	Equity Contribution
		\$000	\$000	\$000	\$000	\$000	\$000
Group Subsidiaries							
West Coast Development Holdings Limited	2019	50	(100)	0	0	23,808	0
	2018	292	(3,411)	0	0	23,858	0
Forever Beech Limited	2019	0	0	0	0	1,372	3,700
	2018	0	0	0	0	1,372	3,700
Cranley Farms Limited	2019	0	0	0	(77)	0	12,014
	2018	0	0	0	(63)	0	12,014
Group Associates							
Bold Head Farm Limited	2019	0	(55)	51	0	1,445	1,519
	2018	0	(58)	51	0	1,449	1,519
Putake West Coast Limited	2019	50	(554)	51	0	342	1,000
	2018	292	(60)	60	0	795	500

* Interest is payable on this amount at rates of between 0% and 8% p.a.

- a) DWC provides accounting and other services to Forever Beech Limited, The West Coast Development Trust Land Co. Limited, West Coast Snowflake Limited, Cranberries New Zealand Limited and West Coast Development Holdings Limited. No management fees are currently charged for these services. No debts owing to DWC by a subsidiary were forgiven during the year (2018 \$nil).
- b) Related party disclosures have not been made for transactions with related parties that are:
- Within normal supplier or client/recipient relationship, and
 - On terms and conditions no more favourable than those that it is reasonable to expect the Group and DWC would have adopted in dealing with the party at arm's length in the same circumstances.

21.4 Compensation of Key Management Personnel

Key management personnel of DWC and Group are the 7 Trustees on the Board of Trustees and the Chief Executive Officer. The total remuneration for key management personnel is:

	2019 \$000	2018 \$000
Board of Trustees	176	176
Chief Executive Officer	258	268
Total Remuneration	434	444

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Key management personnel did not receive any remuneration or compensation other than in their capacity as key management personnel (2018: nil).

DWC did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year (2018: nil).

DWC did not provide any loans to key management personnel or their close family members.

22. COMMITMENTS

	Parent	
	2019 \$000	2018 \$000
Future Distributions		
Approved Funding either under consideration by Client or Undrawn against accepted facilities	292	2,010
Alternative Assets		
Capital Contributions for Investments in Private Equity Funds – commitment if fully called	5,724	5,148

In addition to the above, Group subsidiary Cranley Farms Limited had minor commitments relating to the lease of grazing land.

23. CONTINGENCIES

The Group had no contingent assets or liabilities at 31 March 2019 (2018 nil).

24. ENQUIRIES AND APPLICATIONS

For the financial year ending 31 March 2019, DWC received 40 client enquiries. The following table lists the quantum of applications received, and applications approved or under consideration at balance date.

Application Summary 2018-19	Quantity	Value \$000
Total Applications Received	16	4,815
Prior Year's Applications in Progress Brought Forward	0	0
Trustee Approved	8	1,995
CEO Approved under Delegated Authority	5	235
Offers under Consideration by Applicants	0	0
Offer Lapsed or not taken up by Client	1	330
Applications in Progress	2	527
Applications Withdrawn	1	70
Form of Distributions Approved		
Suspensory Loan		255
Term Loan		1,975

25. EVENTS AFTER BALANCE DATE

On 4 July 2019, the shareholders of Westland Co-Operative Dairy Company Limited, including DWC's subsidiary Cranley Farms Limited, agreed to sell their shares to Hongkong Jingang Trade Holding Co. Limited, a wholly owned subsidiary of Inner Mongolia Yili Industrial Group Co. Limited, for \$3.41 per share. Under the terms of the sale, the company's shares, which are currently held at \$985,163, would be sold for \$2.24m. No adjustment to DWC's investment in Cranley Farms Limited has been recorded in the accounts due to the lack of market evidence from farm sales causing uncertainty that the valuation of the farm will materially change. Ultimately it is expected the sale will be beneficial to Cranley Farms Limited as it will allow immediate debt reduction through the sale proceeds and provide an improved milk payout in the short to medium term.

Subsequent to balance date the board of Putake West Coast General Partner Limited, the manager of Putake West Coast Limited Partnership, has entered into a conditional sale and purchase agreement to sell the assets of the limited partnership. This decision is not expected to materially affect the result of the Group.

On 1 April 2019, the activities of Tourism West Coast were integrated into Development West Coast. The three Tourism West Coast staff were employed by Development West Coast from this date. The integration is part of the wider economic development role that Development West Coast is undertaking following the outcome of the West Coast Economic Development Action Plan. After payment of liabilities the residual assets of Tourism West Coast have will be transferred to Development West Coast.



Te Ohu Whakawhanake o Te Tai Poutini

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