



ANNUAL REPORT

2020



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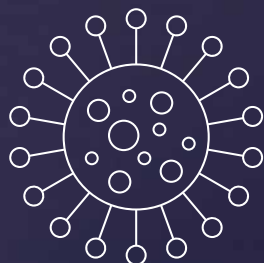
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Summary Highlights



Delivering despite COVID-19

- Throughout the lockdown, Nelmac delivered essential services for NCC, TDC & the community without interruption
- Nelmac stands ready to assist in the regional recovery via our support for shovel ready projects
- Working from home capabilities are now established for some teams
- Nelmac reaffirmed the commitment to NCC to pay its dividends for 2020 and 2021



Launched our Sustainability Plan

- Enviromark GOLD award achieved by Nelmac within 10 months of starting the accreditation process
- Carbon emissions baseline has been measured and now reported against
- Exploring how we improve fleet efficiency including GPS in Fleet, work methods and scheduling of activities

Winning at Tasman District Council



- Awarded new Green spaces contract commencing 1 July 2020, initially for 3 years with two options of renewal (7 years total)
- It was a very competitive tender process with a significant weighting on non-price attributes
- Nelmac led with technology based solutions, delivering real time dashboards & an audit regime utilising GIS Mapping.

CEO Message

Nelmac has strong core values around fairness and transparency and these have been the driving force behind our approach to the current COVID-19 crisis in NZ. The Senior Leadership team and Crisis Management Team have worked tirelessly throughout the lockdown period, to ensure no one at Nelmac lost their job and we continued to pay our teams over and above the Government Subsidy payment throughout.

Prior to COVID-19 our approach was one of consolidation and improvements to the business support resources, systems and processes, paving the way for informed investment decisions about our future. We have invested in plant, fleet, depot and office upgrades, security improvements and asset data cleansing to maximize efficiencies and productivity.

We continue to protect our important platform contracts for Water and Recreation, with contract extensions and renewals uppermost in our mind. We were delighted to successfully re-win a key contract with Tasman District Council based on new technology, supporting proof of delivery and quality standards alongside our Turf & Sports Centre of Excellence capabilities.

Our NRSBU contract was not retendered as expected during the year, it was extended and we have a strong projects pipeline to support as we move into the new financial year.

In a change to the normal strategic approach of a 3-5-year window, the economic impacts of COVID-19 have focused the Board and SLT on the next 12-18 months. It is essential that we are able to withstand both the financial impact and the potential negative morale impact on all our employees and their families, in order to achieve our goal of protecting the financial viability of Nelmac.

I am proud of all our teams, their support of the communities they live and work in and our strong core values. If we keep doing the right thing as responsible

NZ citizens, we will each contribute to bringing the global pandemic to an end, sooner rather than later.

Nelmac is aiming to emerge from the crisis even stronger, ready to take up growth opportunities and continuing to build our growing reputation as Environmental Guardians.



Jane Sheard
Chief Executive

A handwritten signature in dark ink, appearing to read 'J Sheard', written over a light green background.



VISION

Enhancing New Zealand's
environment for community
wellbeing


OUR BUSINESS

For 25 years, Nelmac has enhanced the wellbeing of New Zealand communities by providing environmental asset management services in the core areas of Recreation, Conservation and Three Waters, along with Refuse & Recycling and Landscape Architecture & Planning services



VALUES


WE ARE ONE TEAM



WE HAVE A POSITIVE IMPACT



WE STRIVE TO DO THINGS DIFFERENTLY



WE DO AS WE SAY



RELENTLESS PURSUIT OF ZERO HARM

What we do

Nelmac's service offerings and activities include:



WATER

- Three Waters Utilities operations, maintenance and construction (for freshwater, stormwater and wastewater networks)
- Wastewater treatment facility operations and maintenance
- Civil water projects
- Reinstatement works following utility repairs or construction
- Supervisory Control and Data Acquisition (SCADA) - remote data monitoring and control



RECREATION

Parks and Open Spaces Management

- Maintenance of parks and reserves
- Construction and maintenance of sports grounds
- Arboriculture services, including tree pruning, tree felling and line clearance work
- Construction, maintenance and compliance of playgrounds
- Vegetation control to roads, utilities and ecological linkages
- Cemetery management and maintenance
- Landscape construction for local authority, commercial and private clients



Facilities Management

- Recreational and community service asset management, e.g. marina, campgrounds, crematorium
- Building asset maintenance
- Plumbing, electrical, carpentry, joinery and painting trades
- Light construction
- Engineering – fitting and fabrication





KŪMĀNU ENVIRONMENTAL



Conservation

- Conservation reserve maintenance & asset management for local authorities
- Biosecurity, pest plant and animal monitoring and control
- Ecological planning, management and restoration
- Track and trail design, build and maintenance
- Wholesale nursery, including production of eco-sourced plants



Landscape Architecture and Planning

- Urban park and civic space design
- Landscape design, commercial and private
- Revegetation planning
- Project management of landscape construction/planning
- Resource consent and planning advice/assessments



REFUSE & RECYCLING

- Refuse collection, residential and commercial
- Recycling collection, residential and commercial
- Street bin servicing and cleaning



ADDITIONAL SERVICES

- Emergency services response, such as flooding, fires and windstorms
- Traffic management for events, emergencies and major projects
- Vehicle and equipment maintenance and general engineering services

Strategic Pillars



Key highlights aligned with these Strategic Pillars over the last 12 months:

- **Protect our core**
 - » Awarded new Tasman Greenspaces contract commencing 1st July 2020
- **Improve sustainability**
 - » Sustainability Plan launched including tangible carbon reduction targets
 - » Enviromark Gold accreditation achieved
- **Protect & develop our people**
 - » Health & Safety ISO 45001 certification achieved for the first time
 - » Continued investment in our people including our Leadership and Development programme
- **Enhance our environment**
 - » Working with TBfree to monitor success of pest eradication
 - » Continued delivery of the iconic Pike29 Memorial section as part of the Paparoa Track
 - » Saxton Creek and Tahunanui beach planting projects
- **Grow and diversify our customer base**
 - » Further growth in Landscape Construction

Divisional Strategies

Each Nelmac Division is guided by its own Divisional Objective and Strategy, to drive both near-term and longer-term achievements and progress toward the overall company objectives.

Water Division: A strong regional New Zealand supplier of three waters asset management, operations and construction services.

Recreation Division: Through business excellence, become one of New Zealand's best providers of parks and facilities maintenance services in order to retain current and gain diversified market share.

Kūmānu Environmental: A recognised national leader in conservation, particularly in biosecurity, track building/maintenance and ecology.

Successful delivery of our divisional strategies is underpinned by:

- The expertise of our people
- Development of our intellectual property in water, conservation, ecology and asset management of the natural and built environment
- Growth targeted at strategic opportunities and leveraging of our core competencies
- Adoption of field data collection technology which enables smart programming of work, proof of service, data integration with client systems and seamless dashboard style reporting.

Nelmac's long-term strategy is shaped by our markets still maturing in funding, procurement practices and asset management disciplines along with the consolidation of our core competencies.

Launch of the Sustainability Plan

This year we have launched our sustainability plan. Below are the highlights of the plan

Environmental

Optimising environmental management systems

To ensure we cause no harm to the environment, we are progressing towards ISO 14001 Environment Management System (EMS) accreditation.

Reducing greenhouse gas emissions

Recognising the climate emergency and that we emit approx. 1,250 tonnes of CO₂ per year, we are committed to taking action to reduce our emissions.



Climate change responsiveness

Because some level of climate change is inevitable, responding to climate change involves not only taking all effort to reduce and mitigate emissions but also adapting to climate change that is already in effect.

Reduce agrichemical usage

Reducing agrichemical usage is not only good for the environment but also the health of our staff and the public. To achieve our targets we need the support of our clients, so advocacy will play a key role in this commitment.

Maximising resource efficiency

In a world of finite resources, increasing pressures and the strong link between resource use and carbon emissions, we need to do all we can to use resources efficiently.

Social & Community

Support community projects and initiatives

Helping to build a strong and resilient local community is very important to Nelmac. So too is nurturing nature and supporting biodiversity, especially at a time of unprecedented species extinction. Our target is to donate 5% (including "in kind") of our profit per year.



Department of
Conservation
Te Papa Atawhai

Become a leader in sustainability

Nelmac wishes to be identified as one of the early business leaders in sustainability and to help support local councils and businesses to become more sustainable.

Ensure a healthy and working environment

Nelmac's vision for health and safety is Zero (serious) harm to our employees, the environment and others who may be impacted by our activities. Ensuring a healthy and safe working environment is a continual focus at Nelmac.

Sustainability in the workplace

A sustainable and healthy workplace, offering flexibility, support, inclusion, diversity, training, upskilling and promotion opportunities, results in happier more engaged personnel, which consequently enhances wellness and productivity.

Nelmac's Carbon footprint



ACCOMODATION

tCO₂e: 6.46
Amount - 525 Nights
0.54% of Nelmac's total emissions

**FREIGHT**

tCO₂e: 5.60
Amount - 25,860.70 KM
0.47% of Nelmac's total emissions

**FERTILIZER**

tCO₂e: 18.70
Amount - 3463 KG
1.56% of Nelmac's total emissions

**FLIGHTS**

tCO₂e: 4.18
Amount - 27,209 KM
0.35% of Nelmac's total emissions

**WASTE**

tCO₂e: 15.36
Amount - 462,072 L
1.28% of Nelmac's total emissions

**TRAVEL - NON FLEET**

tCO₂e: 0.20
Amount - 901 KM
0.02% of Nelmac's total emissions

**ELECTRICITY**

tCO₂e: 13.77
Amount - 130,839 KWH
1.15% of Nelmac's total emissions

**PETROL**

tCO₂e: 100.90
Amount - 41,153.87 L
8.43% Nelmac's total emissions

**DIESEL**

tCO₂e - 1,031.74
Amount - 386,042.6 L
86.2% Nelmac's total emissions

**Nelmac Emissions tCO₂e**

Total Nelmac Emissions 2020:

1,196.91

Environmental Achievements



Environmental Accreditation – Enviromark Gold

Nelmac signed up for the Toitu Envirocare Certification programme in August 2019. Bronze level was achieved in early 2020 and Gold certification was achieved in June. Toitū Enviromark Gold identifies that organisations have developed a comprehensive environmental management plan to help them achieve the goals outlined in their formal environmental policy and are taking steps toward making environmental improvements.



Establishment of Sustainability Committee

To help drive Nelmac's commitment to sustainability, a sustainability committee was established in December 2019. One focus of the committee has been to encourage staff cycling, to reduce emissions and promote wellbeing. One of the committee members (Lance Roozenburg) was instrumental in Nelmac winning a Bike Aotearoa achievement. Another focus of the committee is to reduce waste to landfill. Subsequently, a food waste collection system has been set up for Nelmac's main sites and a comprehensive recycling system is being rolled out across all Nelmac sites. This was based on implementing the runner-up submission from the sustainability competition.



Reducing CO₂ emissions

Nelmac signed up to the Ekos carbon accounting programme to measure our carbon emission data for the 2019/2020 financial year. Recognising that most of Nelmac's CO₂ emissions are connected to fuel, Nelmac has increased the number of low carbon vehicles and the use of electric tools. We now have two low emission hybrid cars, a zero-emission electric van, five electric bikes and our amenity horticulture team uses almost solely electric tools.



Reduced reliance on harmful substances

We are continuously seeking ways to limit use of harmful substances, particularly agrichemicals. Where agrichemicals cannot be avoided, our teams are trained in selecting the best chemical for the task and calculating the most efficient chemical application rates, avoiding wastage. A rabbit proof fence has been erected at the nursery, resulting in substantial savings from avoided plant damage and eliminating the use of poison for rabbit control. We have been using natural plant-based oils in machinery (such as for chainsaw bar oil) to avoid damaging leaks into the environment and also natural oil-based hand and surface sanitiser.

Kea Conservation Trust and Brook Waimārama Sanctuary

Nelmac's Kumanu team has been supporting these two flagship community projects, with \$20,000 over the year of staff time, plant and equipment. The focus for the Kea Conservation Trust has been to work mostly with the Department of Conservation (DOC) to remove lead from DOC huts in the Nelson Lakes region. This work is being extended to include lead removal from buildings on private land in the Pohara area. The Brook Waimarama Sanctuary is the largest fenced haven for endangered plants and creatures in the South Island, and the Kumanu team has been supporting it over the last year with conservation rangers, specialist arboriculture services and 100 native plants.



Other community commitments

To support the local community and enhance biodiversity, Nelmac is giving away 100 native plants to the community from its Nursery each year. For this planting season (June 2020) the plants are being donated to Clifton Terrace School in Atawhai, Nelson. The school plans to use them to plant out the front of the school grounds.

Sustainability Competition

The sustainability committee held a sustainability competition, which was open to all Nelmac staff. The winning submission involved two components, the reuse of plant pots and the use of Bioforce (a biological control of plant pests). Nelmac puts thousands of plants into the ground each year and plant pots cannot be recycled in the region. The determination and drive of one staff member has seen many of these pots being re-used. In line with reducing reliance on harmful chemicals, the use of Bioforce provides an opportunity for a healthy alternative to pesticide use.



Businesses for climate action - Activator

As an activator of the local Businesses for Climate Action group, Nelmac is coordinating a sub-group on Fleet Management. The aim of this sub-group is to bring businesses from Nelson Tasman together to share experience, knowledge, and lessons learnt. It will also investigate new opportunities for reducing emissions through fleet management, such as transitioning to electric vehicles, car share opportunities and route optimisation.

Social & Community Achievements





Employee Achievements

Staff wellness

Nelmac recognises the importance of investing and providing a workplace that nourishes and improves overall mental and physical wellbeing. We have a long-standing relationship with Workplace Support who provide a 100% confidential free (to staff and their whanau/family) Wellbeing Service.

Throughout the year we also promote and run a range of Wellbeing initiatives. For example, the past two years Nelmac has participated in the Bike Aotearoa Challenge. Nelmac came 1st in the Nelson Marlborough Tasman region and 2nd nationally for the government and public services category in the 2020 Challenge. Active participation in the competition was not only great for staff well-being but also the environment. Staff biked a total of 14,825 km during the month the competition was held, resulting in 975 kilograms of CO2 savings. There were 79 staff, out of a total 249, who rode in the competition, raising \$400 for Big Brothers Big Sisters Nelson-Tasman. Of the cyclists, 29 were new riders, meaning they hadn't biked to and from work or to meetings before the competition started.

Living wage

Nelmac is committed to providing a secure working environment with wages that enable workers to provide the basic necessities of life for themselves and their families. In July 2019 Nelmac proactively moved ahead of the government's 2020 minimum wage target of \$18.90 by ensuring all employees are paid no less than \$19.00 per hour. This was a difference of \$1.30 per hour above the \$17.70 minimum wage at that time. Nelmac has over 88% of the workforce paid above the Living Wage of \$21.15.

Flexible working options

During the COVID-19 lockdown, many office based Nelmac staff were able to continue working effectively from home. Having to work remotely meant that

staff gained a lot of experience in using remote meeting applications, which had not been expansively utilised in the past. Nelmac's positive experience with working from home is likely to create more opportunities for flexible work arrangements for the future.

Essential Service workers

Throughout lockdown, Nelmac's Crisis Management Team coordinated the response ensuring all teams were kept up to date and appropriate Health & Safety infection control measures were in place.

During Lockdown Level 4, Nelmac's Water Treatment and Service teams continued to operate the Bells Island and Nelson North Treatment Plants. The teams carried out repairs to water leaks, sealed off public drinking taps and ensured essential 3 Waters infrastructure continued to operate. Refuse drivers and runners ensured rubbish was collected and taken for disposal. Nelmac's Recreational teams supported Nelson City Council by putting up signs and restricting access at community parks, beaches and playgrounds.

Employee Engagement Survey

Nelmac's 2019 Employee Survey achieved an incredible 79% participation rate (200 of 252 employees). High scoring results were in the categories of teamwork, relationship with direct manager and employee's sense of achievement and making good use of their skills and experience. Opportunities for improvement were wanting to see greater leadership presence in the field, more investment in plant and resources and frequent communication. The 2020 Engagement Survey is planned to run during July 2020.

Innovation

Nelmac is continuing to explore how we can further add value for customers using smart technology and data.

The core pillars of IT at Nelmac are:

- Cloud First
- Mobility
- Automation
- Data and Analytics
- Management Systems
- Collaboration

A key strength of the Nelmac technology ecosystem is the ability to automate systems and add contract intelligence. This is achieved through real-time spatial reporting of contract KPIs and asset condition, to clients. For example, clients can log into a cloud portal that navigates to dashboards displaying spatial information. The information includes contract scheduled works program, proof of delivery, reactive works status, and overall asset condition.

Another strength is the ability to utilise the underlying dataset. This data can provide client specific reporting and asset insights, enabling Nelmac to add value our client's asset product, and management programs.

Further investment in technology will continue to strengthen our internal capabilities, allowing Nelmac to quickly identify and deploy new technologies, maintain sustainable efficiency and productivity, enhance data and infrastructure integrity and develop better transparency for internal and external stakeholders.

Highlights over the last 12 months:

- Development of GIS dashboarding for operational KPI notably TDC RF2020 tender
- Deployment of GIS to Kūmānu field operations namely TBFree and Conservation
- Rollout of Communication RFP successful bidder services - 2degrees
 - » Mobile voice and data
 - » Internet and WAN (inc. 3G/4G fail over)
 - » Unified communications
- Upgrade of Internet and WAN services
- Consolidation and Update of Infrastructure resources through adoption of Microsoft Azure services.
- Development of data intelligence strategy 'Add value through data'
- Measurement and deployment of cyber security migration framework ASD essential eight
- Review and modernisation of management systems namely Payroll and H&S

Cloud First



Mobility



Automation



Data & Analytics



Management Systems



Collaboration



NELMAC
TAKING CARE OF YOUR ENVIRONMENT

Core IT Pillars

COVID 19

As part of preparation for the ISO 45001 health and safety certification, we developed a series of emergency response procedures and a Crisis Management Plan (CMP), to prepare for when an emergency situation occurred that would result in a loss of business continuity. A Crisis Management Team (CMT) was selected, consisting of a range of experienced personnel with key connections across our three divisions and the Corporate Services teams. Prior to COVID-19 hitting New Zealand shores, the CMT had participated in two scenario training sessions. These sessions were used to test our emergency procedures and CMP. The sessions offered great insight into what it would be like to deal with real-life crisis situations. This enabled a higher level of preparedness as we anticipated the government announcement regarding New Zealand's response to the COVID-19 pandemic.

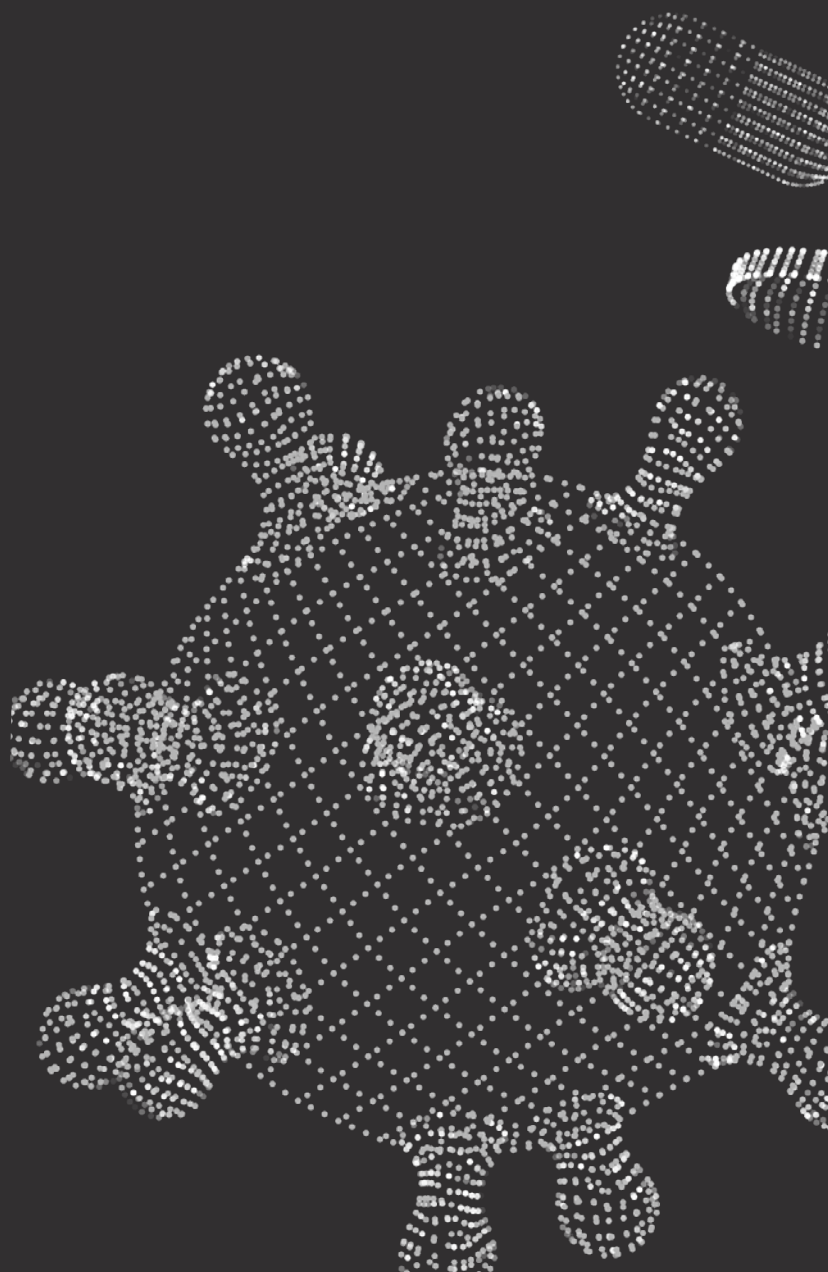
As the worldwide situation began to evolve, the CMT gathered to develop Nelmac's response for when the virus would inevitably hit New Zealand shores. Nelmac's response plan identified five clear stages which later aligned with the government's four alert level system. The plan took into account:

- Which essential service teams needed to remain operational
- Volunteers to backfill essential service roles to ensure continuation of service
- Protection of high risk and vulnerable staff
- The recent travel history of staff
- Technology requirements needed to enable people working from home
- Pay arrangements structured to accommodate variability in work patterns across departments

When the government alert level system was announced, much of our plan remained the same. This increased the confidence Nelmac staff had in the CMT and the response plan. Approximately one third of the workforce continued to provide Essential Services under Level 4 lockdown. The remainder

were stood down on 80% of their normal pay. Nelmac maintained its full workforce through and post COVID-19, with zero redundancies as a result of the crisis.

Managing the health, safety and wellbeing of all staff was the priority throughout the crisis. Providing consistent communication, access to personal protective equipment and access to flu vaccinations (with an additional person of the employee's choosing) ensured we were looking after staff effectively and that we had an effective response. This combined with all the planning and backup plans, ensured we were prepared for the long haul if required.



Financials

Under the government Lockdown Level 4, we were fortunate from a Financial perspective that 40% of our business was classified by the government as Essential Services, so continued functioning across the five weeks of the lockdown. The balance of our employees either worked from home or were temporarily stood down.

At Level 3, all but nine of our most vulnerable employees returned to work. There was a slight impact on efficiency due to the additional H&S measures introduced, however job margins were still positive over this period.

At Level 2, margin levels were back to normal and everyone was back to work.

As a result of the adverse impact on our revenue we received the government COVID-19 wage subsidy, which helped with wages and overheads while we were in Level 4.

Forward Guidance

Post lockdown we undertook a condensed budgeting and strategic planning cycle, which was more tactical in focus and included multiple scenarios that could eventuate over the next 12 to 18 months. This process also included engaging with our customers to understand the forward impact on demand for our services. We updated our shareholder in May with a revised forward guidance.



STATEMENT OF PERFORMANCE

Objective Area	Performance Measures	Targets	Result
Quality of Service	Quality assurance accreditations(s) maintained to industry standards	Maintain AS/NZS ISO 9001 Quality Accreditation	Achieved
	Achieve compliance with NCC contract key performance measures for the year ending 30 June	Meet major performance measures	Achieved
		Undertake customer satisfaction surveys (alternate years for all Customers vs NCC only surveys)	Achieved
	Understand and strive to improve customer satisfaction	2019/20 - Net Promoter Score Survey for all Nelmec customers	Achieved
		2020/21 - Pulse Survey for NCC Contract Managers	Achieved
Sustainability and Community	Continually advance Nelmec's sustainability plan to deliver measurable value to the environment and community	Develop a Sustainability Plan, to include a carbon emissions measurement and reduction plan	Achieved
		Increase number of low carbon emissions vehicles/assets in fleet and plant	Achieved
		Support community organisations/initiatives through financial or in-kind contributions equivalent to 5% of net profit after tax	Achieved
People and Safety	Employee morale/turnover within industry benchmarks, excluding retirement, redundancy and internal transfers	Employee Turnover within 5% of the national industry average	Not Achieved
	Continue to actively promote employee health & safety in the workforce	<1% workday losses to accidents	Achieved
	Healthy & safety accreditation(s) maintained to industry standards	Achieve and maintain ISO 45001 accreditation for health & safety	Achieved
Non-shareholder business	Non Nelson City Council work contributes to the profitability of the company	Profitable growth in non-NCC work	Achieved
Equity ratios	Investment delivers a sustainable return at or above industry norms.	EBIT Return on Equity is at or above industry benchmarks	Achieved
	Financial risk limited by maintaining appropriate balance sheet ratios	Bank Debt to Equity Ratio at or below 55%	Achieved

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Nelmac Limited's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of Nelmac Limited (the company). The Auditor-General has appointed me, Chris Genet, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 36 to 67, that comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and 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; and
- the performance information of the company on page 30.

In our opinion:

- the financial statements of the company on pages 36 to 67:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; 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 New Zealand equivalents to International Financial Reporting Standards.
- the performance information of the company on page 30 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2020.

Our audit was completed on 16 October 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of COVID-19 on the company. In addition, we outline the responsibilities of the Board of Directors and our

responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of COVID-19 on the company as set out in note 20 on page 64 to 65 of the financial statements.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General'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 Auditor-General'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 Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or 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 and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

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

As part of an audit in accordance with the Auditor-General'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 and the performance information, 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 company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 and the performance information 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 company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial

statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 29 and 68 to 71 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information 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 company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International 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 company.



Chris Genet
 Audit New Zealand
 On behalf of the Auditor-General
 Christchurch, New Zealand

Financial Statements



1. REPORTING ENTITY

Nelmac Ltd is a profit-orientated Company registered under the Companies Act 1993. Nelmac Ltd is wholly owned by Nelson City Council and is a Council Controlled Trading Organisation (CCTO) as defined in Part 1 Section 6 of the Local Government Act 2002. Its principal activities are the maintenance of Utility Services and Amenity Horticultural Assets, along with provision of Facilities Management, Conservation and Environmental Services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following particular accounting policies, which materially affect the measurement of financial results and financial position, have been applied:

Statement of Compliance

The Company is a Tier 1 for profit entity as defined by the External Reporting Board (annual expenses over \$30 million) and has reported in accordance with Tier 1 for profit Accounting Standards. These Annual Financial Statements are general purpose financial reports which have been presented in accordance with NZIAS1, additional information as requested by Directors, and in accordance with NZ GAAP. They comply with New Zealand equivalents to IFRS, and other applicable Financial Reporting Standards, as appropriate for profit orientated entities.

These Financial Statements were authorised for issue by the Directors on 16th October 2020

Basis of Preparation

The financial statements have been prepared on the historic cost basis less impairment, with the exception of land which is held at fair value. The going concern basis of accounting has been applied.

The accounting policies set out below and in the following notes have been applied consistently to all periods in these financial statements except for IFRS 16 Leases which has been applied using the modified retrospective approach.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit-orientated entities.

The financial statements of Nelmac Limited have been prepared in accordance with the requirements of the Companies Act 1993 and the Local Government Act 2002.

The reporting currency is New Zealand dollars, rounded to the nearest dollar.

Critical Accounting Judgements, Estimates and Assumptions

In preparing these financial statements, the Company has made judgments, estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated. The critical accounting judgements, estimates and assumptions of the Company are contained within the following policies and notes.

a. Goods and Services Tax

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities is classified as operating cash flows.

b. Taxation

Income tax on the profit/loss for the year comprises current and deferred tax, and is recognised in the profit or loss (or recorded as equity or other comprehensive income if it relates to items recognised directly in equity or other comprehensive income).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at balance date, and any adjustment to tax payable in respect of previous years. The current tax for current and prior periods is recognised as a liability (or asset) in the Statement of Financial Position to the extent that it is unpaid (or refundable).

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted at balance date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

c. Financial Instruments

The company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, debtors, creditors, and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the profit or loss.

i. Accounts Receivable

Accounts receivable are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment.

ii. Accounts Payable

Accounts payable are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value approximates their fair value. They are recognised when an obligation to make future payments exists from the purchase of goods and services. They are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

iii. Cash/Cash Equivalents

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments with original maturities of 3 months or less in which the Company invests as part of its day-to-day cash management.

d. Inventories

Inventories are valued on the basis of the lower of cost, determined on a weighted average basis, and net realisable value.

e. Property, Plant and Equipment

Land is shown at fair value based on periodic valuations by external independent valuers. Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Land is not depreciated.

Plant and equipment, and leasehold improvements are stated at historical cost less depreciation and impairment.

Depreciation is provided on a straight line basis on all property, plant and equipment other than freehold land, at rates which will write off the cost of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

THE USEFUL LIVES AND ASSOCIATED DEPRECIATION RATES OF MAJOR CLASSES OF ASSETS HAVE BEEN ESTIMATED AS FOLLOWS:

BUILDINGS	4 TO 50 YEARS	(2% - 25%)
PLANT AND EQUIPMENT	1 TO 25 YEARS	(4% - 100%)
MOTOR VEHICLES	5 TO 15 YEARS	(6.67% - 20%)
ADMINISTRATION FURNITURE & EQUIPMENT	1 TO 20 YEARS	(10% - 100%)

The actual cost of improvements to capital assets is transferred to the Asset Register on completion and then depreciated.

f. Intangible Assets

Software has a finite useful life and is initially recognised at cost, and amortised on a straight line basis over its estimated useful life of 2 to 5 years.

g. Impairment of Assets

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Impairment losses are recognised and expensed immediately.

h. Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after balance date.

i. Employee Entitlements

Provision is made in respect of the Company's liability for annual leave, sick leave, long service leave, and retirement gratuities. Annual and long service leave due has been calculated on an actual entitlement basis at current rates of pay. Provision is also made for retirement gratuities, sick leave, and long service leave based on an estimate of the likelihood of those liabilities crystallising.

j. Borrowing Costs

Except for borrowing costs that are capitalised on qualifying assets with a start date on or after 1 July 2012, all other borrowing costs are recognised as an expense in the period in which they are incurred. A qualifying asset is defined as a separate asset where the construction period exceeds one year and costs, in excess of \$1 million.

k. Work in Progress/Contract Assets

Work in progress/contract assets is stated at estimated realisable value, after providing for non-recoverable amounts. Work in progress represents work from contracts which has been performed, but which is unable to be billed as the right to consideration remains conditional. Profits on contracts are recognised progressively over the period of each contract. The amount included in the profit or loss and the value of the work in progress are established by assessment of individual contracts, taking into account the proportion of work completed, cost analysis and estimated final results. Foreseeable losses on a contract are recognised immediately.

l. Capital Management

Nelmac Ltd's capital is its issued and paid up capital, asset revaluation reserve and retained earnings. Equity is represented by net assets as disclosed in the Statement of Financial Position. The company manages its revenue, expenses, assets and

liabilities and day to day financial transactions prudently. The purpose of managing Nelmac's equity is to ensure the company achieves its goals and objectives, whilst remaining a going concern.

Nelmac has adopted the new accounting pronouncements which have become effective this year:

m. IFRS16 LEASES

IFRS 16 "Leases" replaces IAS 17 "Leases" along with three interpretations. The adoption of this new Standard has resulted in Nelmac recognising a right of use asset and related lease liability in connection with all former operating leases except for those identified as low value or having a remaining lease term of less than 12 months from the date of initial application. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated. For contracts in place at the date of initial application, Nelmac has elected to apply the definition of a lease from IAS 17 and has not applied IFRS 16 to arrangements that were previously not identified as a lease under IAS 17. Nelmac has elected not to include initial direct costs in the measurement of the right of use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 July 2019. At this date Nelmac has also elected to measure the right of use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Nelmac has assessed that its right of use assets at the date of initial application are not impaired. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low value assets, Nelmac has applied the optional exemptions to not recognise right of use assets but to account for the lease expense on a straight line basis over the remaining lease term. On transition to IFRS 16, the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS16 was 5%. Nelmac has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

n. Government Subsidies

Subsidies from the government are recognised at their fair value where there is a reasonable assurance that the subsidy will be received and the group will comply with all attached conditions.

o. Non-Current Assets held for sale and discontinued operations

Non-Current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell of a disposal group, but not in excess of any cumulative impairment loss previously recognised.

Non-Current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-Current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet. A discontinued operation is a component of the entity that has been classified as held for sale and that represents a separate major line of business or geographical area of operations, and is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Comprehensive Income.

p. Revenue from Contracts with Customers

Nelmac Ltd applied IFRS 15 Revenue from Contracts with Customers from 1 July 2018. Which is a single standard with a principles based approach to be applied to all contracts with customers. The disclosures are designed to be more relevant and informative. Revenue from Contracts with Customers is recognised over time using the input method, as the customer is able to receive and consume the benefits as the Company performs the work. Revenue from contracting services rendered is recognised in the Statement of Comprehensive Income in proportion to the stage of the contract. The stage of completion is assessed by reference to the proportion of the costs incurred to date compared to the total estimated costs of the contract.

This input method is considered by the Directors to be appropriate in measuring progress towards complete satisfaction of these performance obligations under IFRS 15.

The work performed by the Company maintains, creates, or enhances assets the customer controls and the customer receives and consumes the services at the same time. Much of the revenue of the Company is covered by a monthly claim process, where the Company and the Customer agree the work fully performed, and the resulting value applying contract rates. These amounts are then due for payment in the next month. The Company has not included a finance component to revenue levels as its expectation is that the period between when a customer receives a good or service, and when they pay for it will be less than one year. There is an amount of revenue that is from sale of goods to customers on an individual order basis, the benefits of these goods transfer to the customer when they take possession. These sales are under normal trading terms with payment expected the next month. Variable Consideration. The Company's contracts are for performance of services, with any variable components mainly relating to additional scope being added during the contract periods. Warranties and Defects Periods. Some contracts include a warranty or defects period following the completion of work. These performance obligations are not separate and are allowed for in the contracts, and provisioned as appropriate.

3. CHANGES IN ACCOUNTING POLICIES

Accounting policies have been updated in the 2019/20 year with the adoption of

- NZ IFRS 16 Leases
- Changing from Book Value to Fair Value for Land Valuation

Details of the impact these changes have had are given below.

A) NZ IFRS 16 Leases

The group has adopted IFRS 16 Leases retrospectively from 1 July 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in Accounting Policies 2(m).

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5%. This was based on the incremental cost of increasing the MOCU facility that was quoted by Westpac during the current Financial Year.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

B) Change in Land Valuation Method

During the year it was decided by the Directors to change the method of valuing Land assets held by the Company from the Cost Model to the Revaluation Model. This decision was taken so that readers of the financial report can have a clearer understanding of the value of the Land assets held by the Company. Land will be revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of the reporting period

This change has been applied prospectively from 1 July 2019

COVID was considered when valuing the Land assets, in the context of the impact on the economic environment. The recent valuation of Land considers the significant downside risk to the economy and is included in the fair value, however the valuation does not provide a specific value of this magnitude of economic risk.

There was no impact of this change on the Net Profit of Nelmac. However this change in policy did materially change the value of Assets and Equity by \$1,080,000. This revaluation was performed as at 30 June 2020 by independent property valuers using a combination of income capitalisation, market valuation and cost valuation approach.

All other policies have been applied on a consistent basis with those used in previous years.

4. FUTURE CHANGES TO ACCOUNTING STANDARDS

A) NZ IFRS 17 - Insurance Contracts

Nelmac did not apply this new standard as Nelmac expects minimal impact from this standard on the 2020 financial statements

B) NZ IFRS 10 - Consolidated Financial Statements

Nelmac did not apply this new standard as Nelmac expects minimal impact from this standard on the 2020 financial statements

C) NZ IAS 28 - Investments in Associates and Joint Ventures

Nelmac did not apply this new standard as Nelmac expects minimal impact from this standard on the 2020 financial statements

There are no standards, amendments and interpretations issued but not yet effective that have been early adopted and which are relevant to Nelmac Limited.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

SOI TARGET		NOTES	2020	2019
			(NZD)	(NZD)
34,950,000	REVENUE	1	37,200,101	34,632,106
	COST OF SALES	1	(28,821,873)	(27,429,029)
	GROSS PROFIT		8,378,228	7,203,077
	OTHER INCOME		34,776	33,448
	FINANCE COSTS		(169,490)	(153,877)
	OPERATING EXPENSES	1	(7,065,003)	(6,480,638)
	OPERATING PROFIT/(LOSS) OF CONTINUING OPERATIONS		1,178,511	602,010
	PROFIT/(LOSS) RELATED TO DISCONTINUED OPERATIONS		(384,792)	
1,048,000	OPERATING PROFIT/(LOSS) BEFORE TAX		793,719	602,010
(293,000)	INCOME TAX EXPENSE	3	(236,261)	(181,477)
755,000	NET PROFIT/(LOSS) AFTER TAX		557,458	420,533
	OTHER COMPREHENSIVE INCOME			
	ASSET REVALUATION		1,080,000	-
755,000	TOTAL COMPREHENSIVE INCOME		1,637,458	420,533

Refer to Note 21 for explanation on variance of achieved NPAT to SOI target (\$427,467).

The accompanying accounting policies and notes form part of these financial statements.


The accompanying accounting policies and notes form part of these financial statements.

Refer to Note 21 for explanation on variance in actual Financial Position to SOI estimates.

For and on Behalf of the Board who authorised the issue of these financial statements on 16th October.



Director
Date: 16th October



Director
Date: 16th October

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

SOI TARGET	NOTES	2020	2019
		(NZD)	(NZD)
8,986,000	EQUITY AT BEGINNING OF YEAR	8,725,756	8,695,907
	ADJUSTMENT FROM THE ADOPTION OF IFRS16	(4,659)	
8,986,000	ADJUSTED EQUITY AT BEGINNING OF YEAR	8,721,097	8,695,907
755,000	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,637,458	420,533
(210,267)	DIVIDENDS PAID	(210,267)	(390,684)
9,364,000	EQUITY AT THE END OF THE YEAR	10,148,288	8,725,756
THIS IS REPRESENTED BY:			
2,000,000	SHARE CAPITAL	2,000,000	2,000,000
7,364,000	RETAINED EARNINGS	7,068,288	6,725,756
	ASSET REVALUATION RESERVE	1,080,000	
9,364,000	TOTAL	10,148,288	8,725,756

The accompanying accounting policies and notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2020

SOI TARGET	EQUITY	NOTES	2020	2019
			(NZD)	(NZD)
2,000,000	SHARE CAPITAL		2,000,000	2,000,000
7,364,000	RETAINED EARNINGS & RESERVES		7,068,288	6,725,756
	ASSET REVALUATION RESERVE		1,080,000	
9,364,000	TOTAL	4	10,148,288	8,725,756
	REPRESENTED BY:			
	CURRENT ASSETS			
	CASH AND CASH EQUIVALENTS	5	655,952	18,989
	RECEIVABLES AND PREPAYMENTS	6	5,137,582	5,222,872
	ASSETS HELD FOR DISPOSAL	17	228,000	-
	INVENTORIES	7	704,270	602,676
	WORK IN PROGRESS / CONTRACT ASSETS	8	644,066	380,023
6,626,000	TOTAL CURRENT ASSETS		7,369,870	6,253,188
	NON CURRENT ASSETS			
	PROPERTY, PLANT & EQUIPMENT	9	10,171,525	9,812,958
	INTANGIBLE ASSETS	10	284,206	464,825
	RIGHT-OF-USE ASSETS		400,040	-
	DEFERRED TAXATION	3	101,620	131,571
11,217,000	TOTAL NON-CURRENT ASSETS		10,957,391	10,409,354
17,843,000	TOTAL ASSETS		18,327,261	16,662,542
	CURRENT LIABILITIES			
	BORROWINGS	13	125,016	232,600
	PAYABLES AND ACCRUALS	11	2,686,820	2,830,941
	EMPLOYEE ENTITLEMENTS	12	1,716,249	1,708,072
	DEFERRED REVENUE - CONTRACT LIABILITIES		193,922	194,511
	LEASE LIABILITIES		108,544	-
	TAXATION PAYABLE	3	250,529	9,477
4,540,000	TOTAL CURRENT LIABILITIES		5,081,079	4,975,601
	NON CURRENT LIABILITIES			
	BORROWINGS	13	2,749,215	2,891,200
	EMPLOYEE ENTITLEMENTS	12	39,472	41,357
	LEASE LIABILITIES		309,208	-
3,939,000	TOTAL NON-CURRENT LIABILITIES		3,097,894	2,932,557
8,479,000	TOTAL LIABILITIES		8,178,973	7,767,110
9,364,000	NET ASSETS		10,148,288	8,725,756

The accompanying accounting policies and notes form part of these financial statements.

Refer to Note 21 for explanation on variance in actual Financial Position to SOI estimates.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

SOI TARGET	CASHFLOWS FROM OPERATING ACTIVITIES	NOTES	2020	2019
			(NZD)	(NZD)
	<u>CASH WAS PROVIDED FROM:</u>			
	RECEIPTS FROM CUSTOMERS		36,193,469	34,131,189
	COVID-19 WAGE SUBSIDY		1,813,459	-
	OTHER INCOME		946	1,784
34,610,000			38,007,874	34,132,973
	<u>CASH WAS DISBURSED TO:</u>			
	PAYMENTS TO SUPPLIERS AND EMPLOYEES		(35,529,166)	(32,425,492)
	TAXES PAID		34,743	(295,954)
	INTEREST ON LEASES		(31,965)	-
	INTEREST PAID		(133,666)	(133,944)
(32,996,000)			(35,660,054)	(32,855,390)
1,614,000	NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	2	2,347,820	1,277,583
	CASHFLOWS FROM INVESTING ACTIVITIES			
	<u>CASH WAS PROVIDED FROM:</u>			
	PROCEEDS FROM SALE OF PROPERTY, PLANT & EQUIPMENT		88,229	64,833
	<u>CASH WAS APPLIED TO:</u>			
	PURCHASE OF PROPERTY, PLANT & EQUIPMENT		(1,025,190)	(1,211,785)
	PURCHASE OF INTANGIBLE ASSETS		(78,771)	(136,272)
(1,715,000)			(1,103,961)	(1,348,057)
(1,715,000)	NET CASH (USED IN)/PROVIDED FROM INVESTING ACTIVITIES	2	(1,015,731)	(1,283,224)
	CASHFLOWS FROM FINANCING ACTIVITIES			
	<u>CASH WAS PROVIDED FROM:</u>			
415,000	BORROWINGS - DRAWDOWN		2,874,231	550,000
	<u>CASH WAS APPLIED TO:</u>			
	BORROWINGS - REPAYMENTS		(3,123,800)	(230,400)
	LEASE LIABILITIES		(235,288)	-
(304,000)	DIVIDENDS PAID		(210,267)	(390,684)
(304,000)			(3,569,067)	(621,084)
111,000	NET CASH (USED IN)/PROVIDED FROM FINANCING ACTIVITIES		(695,124)	(71,084)
10,000	NET INCREASE/(DECREASE) IN CASH HELD		636,964	(76,621)
108,000	OPENING CASH BALANCE		18,989	95,610
118,000	CLOSING CASH BALANCE		655,953	18,989

The accompanying accounting policies and notes form part of these financial statements.

Refer to Note 21 for explanation on variance in actual Financial Position to SOI estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE

1. (a) REVENUES

OPERATIONAL REVENUE

- REVENUE FROM CONTRACTS WITH CUSTOMERS
- REVENUE FROM SALE OF GOODS
- REVENUE FROM DIVESTED BUSINESS
- COVID-19 WAGE SUBSIDY

FINANCE INCOME

INTEREST REVENUE

	2020	2019
- REVENUE FROM CONTRACTS WITH CUSTOMERS	35,058,138	34,109,331
- REVENUE FROM SALE OF GOODS	328,504	522,775
- REVENUE FROM DIVESTED BUSINESS	1,287,610	919,498
- COVID-19 WAGE SUBSIDY	1,813,459	-
FINANCE INCOME		
INTEREST REVENUE	949	1,131
	38,488,660	35,552,735

Nelmac performs contracting services in a variety of areas, including:

- Open space management
- Utility assets including water and water treatment
- Facilities maintenance and cleaning
- Recycling and waste
- Environmental and conservation
- Revenue from Sale of Goods is recognised at point of transfer
- Revenue from Contracts is recognised using the monthly claim process, where the Company and the Customer agree the work fully performed, and the resulting value applying contract rates

1. (b) EXPENSES

	2020	2019
EXPENSES INCLUDE		
AUDIT FEES	57,705	42,400
ADVISORY SERVICES (TAX AND ACCOUNTING)	10,000	8,000
DEPRECIATION		
- BUILDINGS	248,271	73,066
- PLANT & EQUIPMENT	731,146	687,447
- MOTOR VEHICLES	201,198	187,338
- ADMINISTRATION FURNITURE & EQUIPMENT	79,237	78,459
- LEASED ASSETS	203,776	129,965
RENT	172,335	160,648
AMORTISATION		
- SOFTWARE & OTHER	258,261	78,797
EMPLOYEE BENEFIT COSTS	16,871,872	16,229,527
DIRECTORS' FEES	144,695	143,495
INTEREST EXPENSE		
- BANK (INCLUDING LOAN FEES)	137,079	133,944
- LEASED ASSETS	31,965	22,645
- OTHER	313	-
CHANGES IN PROVISION FOR DOUBTFUL DEBTS	(37,658)	44,675

1. (c) OTHER COMPREHENSIVE INCOME

OTHER COMPREHENSIVE INCOME	1,080,000	-
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Other comprehensive income for the year is entirely comprised of land revaluation performed on 30th June 2020. Under New Zealand tax legislation this other comprehensive income is exempt from taxation. No amounts previously recognised in other comprehensive income are reclassified to profit and loss in the 2020 financial year.

2 RECONCILIATION OF NET PROFIT/(LOSS) AFTER TAXATION WITH NET CASHFLOW FROM OPERATING ACTIVITIES

	2020	2019
NET PROFIT/(LOSS) AFTER TAXATION	557,458	420,533
<i>ADD/(DEDUCT) NON-CASH ITEMS:</i>		
DEPRECIATION AND AMORTISATION	1,721,889	1,105,107
NET (GAIN)/LOSS ON SALE	(33,826)	(31,663)
IMPAIRMENT OF ASSETS RELATING TO DISCONTINUED OPERATIONS	217,085	-
MOVEMENT IN DEFERRED TAXATION	(111,097)	79,479
TOTAL NON-CASH ITEMS	1,794,051	1,152,923
<i>ADD/(DEDUCT) MOVEMENTS IN WORKING CAPITAL ITEMS:</i>		
(INCREASE)/DECREASE IN RECEIVABLES AND PREPAYMENTS	85,290	(602,183)
(INCREASE)/DECREASE IN INVENTORIES	(101,594)	(82,040)
(INCREASE)/DECREASE IN WIP	(235,415)	208,517
INCREASE/(DECREASE) IN PAYABLES AND ACCRUALS	(144,121)	277,766
INCREASE/(DECREASE) IN EMPLOYEE ENTITLEMENTS	8,177	115,851
INCREASE/(DECREASE) IN PROVISION FOR TAXATION	382,089	(193,956)
NET MOVEMENT IN WORKING CAPITAL	(5,574)	(276,045)
<i>ADD/(DEDUCT) MOVEMENTS IN NON-CURRENT ITEMS:</i>		
INCREASE/(DECREASE) IN EMPLOYEE ENTITLEMENTS	1,885	(19,828)
NET MOVEMENT IN NON-CURRENT ITEMS	1,885	(19,828)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2,347,819	1,277,583

DEPRECIATION AND AMORTISATION EXPENSE

DEPRECIATION AND AMORTISATION EXPENSE CONSISTS OF THE FOLLOWING:

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT (NOTE 9)

DEPRECIATION OF RIGHT-OF-USE ASSETS (NOTE 14)

TOTAL DEPRECIATION

AMORTISATION OF INTANGIBLE ASSETS (NOTE 10)

2020	2019
1,259,852	1,026,310
203,776	
1,463,628	1,026,310
258,261	78,797
1,721,889	1,105,107

FINANCE COSTS

FINANCE COSTS FOR THE REPORTING PERIODS CONSIST OF THE FOLLOWING:

INTEREST AND FEES ON BANK BORROWINGS

INTEREST ON SUPPLIER ARRANGEMENTS

INTEREST EXPENSE FOR LEASING ARRANGEMENTS

TOTAL INTEREST EXPENSE

2020	2019
137,079	133,944
313	-
31,965	22,465
169,357	156,409

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

THE CHANGES IN NELMAC'S LIABILITIES ARISING FROM FINANCING ACTIVITIES CAN BE CLASSIFIED AS FOLLOWS:

	LONG-TERM BORROWINGS	SHORT-TERM BORROWINGS	LEASE LIABILITIES	TOTAL
1 JUNE 2019	2,891,200	232,600	428,416	3,552,216
ADOPTION OF IFRS 16	-	-	164,522	164,522
REVISED 1 JULY 2019	2,891,200	232,600	592,938	3,716,738
CASHFLOWS:	-	-	-	-
- REPAYMENT	(2,891,200)	(232,600)	(235,288)	(3,359,088)
- PROCEEDS	2,749,215	125,016	-	2,874,231
NON CASH	-	-	-	0
- FAIR VALUE	-	-	41,102	41,102
- ADDITIONS TO RIGHT-OF-USE ASSETS IN EXCHANGE FOR INCREASED LEASE LIABILITIES	-	-	-	-
- RECLASSIFICATION	-	-	-	-
30 JUNE 2020	2,749,215	125,016	398,752	3,272,983

3 TAX EXPENSE

	2020	2019
<u>PROFIT/(LOSS) BEFORE TAXATION</u>	793,719	602,010
PRIMA FACIE TAXATION AT 28%	222,241	168,563
PLUS/LESS TAXATION EFFECT OF:		
OPENING BALANCE ADJUSTMENT	(5,621)	(1,890)
NON-DEDUCTIBLE EXPENDITURE	5,649	2,885
DEFERRED TAX ADJUSTMENT	13,992	11,919
TAX EXPENSE	236,261	181,477
<u>TAXATION IS REPRESENTED BY:</u>		
CURRENT TAXATION	352,979	90,322
DEFERRED TAXATION	(111,097)	93,045
PRIOR PERIOD ADJUSTMENT	(5,621)	(1,890)
TAX EXPENSE	236,261	181,477
<u>TAXATION (RECEIVABLE)/PAYABLE ACCOUNT</u>		
BALANCE AS AT 1 JULY	(131,571)	62,385
OPENING BALANCE ADJ	(5,621)	11,676
CURRENT TAXATION	352,979	90,322
(NET TAXES PAID)/REFUNDS RECEIVED	34,743	(295,954)
CLOSING BALANCE 30 JUNE	250,529	(131,571)
<u>DEFERRED TAXATION (ASSET)/LIABILITY ACCOUNT</u>		
BALANCE AS AT 1 JULY	9,477	-
OPENING BALANCE ADJ	12,620	(13,566)
CURRENT YEAR CHARGE	(123,717)	93,045
CLOSING BALANCE 30 JUNE	(101,620)	9,477

DEFERRED TAXATION MOVEMENTS STATEMENT	PROPERTY, PLANT & EQUIPMENT	PROVISIONS	EMPLOYEE ENTITLEMENT	OTHER	TOTAL
BALANCE AS AT 1 JULY 2018	204,278	43,625	(289,247)	(28,658)	(70,002)
OPENING BALANCE ADJ			(13,566)		(13,566)
CURRENT YEAR CHARGE	65,725	8,393	29,138	(10,211)	93,045
CLOSING BALANCE 30 JUNE 19	270,003	52,018	(273,675)	(38,869)	9,477
BALANCE AS AT 1 JULY 2019	270,003	52,018	(273,675)	(38,869)	9,477
OPENING BALANCE ADJ			9,477	3,143	12,620
CURRENT YEAR CHARGE	(112,565)	16,141	(39,010)	11,717	(123,717)
CLOSING BALANCE 30 JUNE 20	157,438	68,159	(303,208)	(24,009)	(101,620)

4 EQUITY

a. Share Capital

	2020	2019
OPENING BALANCE	2,000,000	2,000,000
BALANCE AT 30 JUNE	2,000,000	2,000,000

At 30 June 2020 the company had a share capital of 2,000,000 shares (2019 2,000,000 shares). All shares are fully paid, and have no par value. All shares carry equal voting rights and the right to share in any surplus on winding up the company. None of the shares carry fixed dividend rights.

b. Retained Earnings

	2020	2019
RETAINED EARNINGS AT 1 JULY	6,725,756	6,695,907
ADJUSTMENT FROM ADOPTION OF IFRS 16	(4,659)	
NET PROFIT AFTER TAX	557,458	420,533
DIVIDEND	(210,267)	(390,684)
RETAINED EARNINGS AT 30 JUNE	7,068,288	6,725,756

c. Asset Revaluation Reserve

	2020	2019
ASSET REVALUATION RESERVE AT 1 JULY	-	-
REVALUATION	1,080,000	-
ASSET REVALUATION RESERVE AT 30 JUNE	1,080,000	-

Included in the Asset Revaluation Reserve is a \$1,080,000 asset revaluation for land to Fair Value. This is the first year Nelmac revalued land as per the change in accounting policy

Imputed Dividend Rate for 2020 was 10.51% (2019 19.53%).

d. Imputation Credit Account

	2020	2019
OPENING BALANCE	(2,037,994)	(1,895,325)
CREDITS:		
INCOME TAX PAID	(95,885)	(331,885)
DEBITS:		
TAX REFUND	129,865	37,284
IMPUTATION CREDITS ON DIVIDENDS PAID	81,771	151,932
CLOSING BALANCE AT 30 JUNE	(1,922,243)	(2,037,994)

5 CASH AND CASH EQUIVALENTS

	2020	2019
CASH AT BANK AND IN HAND	103,624	18,989
SHORT TERM DEPOSITS	552,328	-
CLOSING CASH BALANCE	655,952	18,989

6 RECEIVABLES AND PREPAYMENTS

	2020	2019
TRADE/CONTRACT DEBTORS	1,575,966	1,896,300
TRADE/CONTRACT DEBTORS (RELATED PARTIES)	3,247,464	2,941,264
PROVISION FOR DOUBTFUL DEBTS	(8,298)	(45,956)
RETENTIONS	243,427	185,779
PREPAYMENTS	79,022	245,485
TOTAL RECEIVABLES AND PREPAYMENTS	5,137,582	5,222,872

As at 30 June 2020 and 2019, all overdue receivables have been assessed for impairment and appropriate provisions applied as detailed below:

	2020			2019		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
CURRENT	4,665,299	-	4,665,299	4,560,658	-	4,560,658
PAST DUE 30 DAYS	72,025	-	72,025	179,982	-	179,982
PAST DUE 60 DAYS	23,050	-	23,050	22,998	-	22,998
PAST DUE 90 DAYS +	63,056	(8,298)	54,758	73,926	(45,956)	27,970
TOTAL	4,823,430	(8,298)	4,815,132	4,837,564	(45,956)	4,791,608

Movements in the provision for impairment of receivables are as follows;

	2020	2019
OPENING BALANCE	45,956	-
PLUS INCREASE OF PROVISION	(37,658)	46,116
LESS RECEIVABLES WRITTEN OFF DURING PERIOD	-	(160)
BALANCE AT 30 JUNE	8,298	45,956

The Company does not hold any collateral as security.

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

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

The Company has historically had only small amounts of losses on receivables. Loss rates in recent prior years have been negligible, and it is considered that the current provision allows adequately for foreseeable losses. The impairment amount relates entirely to Revenue from Contracts with Customers.

7 INVENTORIES

	2020	2019
NURSERY PLANT STOCK	187,361	135,913
OTHER MATERIALS	516,909	477,983
PROVISION FOR OBSOLESCENCE	-	(11,220)
	704,270	602,676

Inventories form part of the security under the Debenture that Westpac has over Nelmac Ltd's Assets and Undertakings.

No provision for obsolescent stock has been made this year on the basis that any obsolete stock was written off during the year and recognised in cost of sales.

8 CONTRACT ASSETS AND CONTRACT LIABILITIES

Work in progress/contract assets arise from the performance of Contracting Services

CONTRACT ASSETS

WORK IN PROGRESS
CONTRACT SET UP COSTS

	2020	2019
WORK IN PROGRESS	644,066	380,203
CONTRACT SET UP COSTS	-	28,448
	644,066	408,651

CONTRACT LIABILITIES

DEFERRED REVENUE

	2020	2019
DEFERRED REVENUE	193,922	194,511
	193,922	194,511

Maintenance Services

Payment for maintenance services is due periodically. A contract asset is recognised over the period as services are provided to represent the Company's right to consideration for the services transferred to date.

Construction Contracts

Construction contract asset represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus margin recognised to date, less progress billings and recognised losses. Costs include all expenditure related directly to the specific projects.

Once the outcome of a construction contract can be estimated reliably, construction revenue and costs are recognised on the basis of percentage of completion of the contract at balance date. The stage of completion is assessed by carrying out surveys of the work performed.

An expected loss on a contract is recognised immediately in the income statement.

Construction contracts are defined as those in which progress claims are made under the Construction Contracts Act 2002.

Contract Set Up Costs

The Company recognises an asset in relation to costs incurred to set up new contracts. This asset is amortised over the term of the specific contract (to the earliest renewal period) that it relates to.

9 PROPERTY PLANT & EQUIPMENT

	FREEHOLD LAND HELD AT FAIR VALUE	BUILDINGS	PLANT & EQUIPMENT	MOTOR VEHICLES	FURNITURE & FITTINGS	CAPITAL WIP	TOTAL
BALANCE AT 1 JULY 2019	1,150,000	2,356,642	10,475,541	3,734,041	894,612	4,488	18,615,324
REVALUATIONS	1,080,000	-	-	-	-	-	1,080,000
ADDITIONS	-	51,766	570,955	212,712	172,193	32,413	1,040,038
DISPOSALS	-	-	(535,924)	(30,779)	(278,166)	-	(844,869)
TRANSFERS	-	-	4,488	-	-	(4,488)	-
RECLASSIFICATION	-	-	(126,237)	126,237	-	-	-
ASSETS HELD FOR SALE	-	-	-	(756,835)	-	-	(756,835)

BALANCE AT 30 JUNE 2020	2,230,000	2,408,408	10,388,823	3,285,376	788,638	32,413	19,133,658
BALANCE AT 1 JULY 2019	1,150,000	2,338,336	10,397,661	3,389,282	794,417	113,459	18,183,155
ADDITIONS	-	19,382	713,260	368,444	106,107	4,488	1,211,680
DISPOSALS	-	(2,520)	(643,617)	(127,463)	(5,911)	-	(779,511)
TRANSFERS	-	1,444	8,237	103,778	-	(113,459)	-
BALANCE AT 30 JUNE 2019	1,150,000	2,356,642	10,475,541	3,734,041	894,612	4,488	18,615,324

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

BALANCE AT 1 JULY 2019	-	381,263	5,971,017	1,726,329	723,757	-	8,802,366
DEPRECIATION	-	248,271	731,146	201,198	79,237	-	1,259,852
DISPOSALS	-	-	(482,526)	(30,779)	(275,029)	-	(788,334)
TRANSFERS	-	-	-	-	-	-	-
RECLASSIFICATION	-	-	(58,781)	58,781	-	-	-
ASSETS HELD FOR SALE	-	-	-	(311,750)	-	-	(311,750)

BALANCE AT 30 JUNE 2020	-	629,534	6,160,855	1,643,779	527,965	-	8,962,134
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BALANCE AT 1 JULY 2018	-	310,152	5,913,383	1,647,653	651,209	-	8,522,397
DEPRECIATION	-	73,066	687,447	187,338	78,459	-	1,026,310
DISPOSALS	-	(1,955)	(629,813)	(108,662)	(5,911)	-	(746,341)
TRANSFERS	-	-	-	-	-	-	-
BALANCE AT 30 JUNE 2018	-	381,263	5,971,017	1,726,329	723,757	-	8,802,366

CARRYING AMOUNTS

AT 30 JUNE 2018	1,150,000	2,029,184	4,484,278	1,741,629	143,208	113,459	9,661,758
AT 30 JUNE 2019	1,150,000	1,975,379	4,504,524	2,007,712	170,856	4,488	9,812,959
AT 30 JUNE 2020	2,230,000	1,778,874	4,227,968	1,641,596	260,674	32,413	10,171,525

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, annually. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Westpac has a General Security Agreement covering all of Nelmac's assets

FREEHOLD LAND CARRIED AT FAIR VALUE (LEVEL 3, AS DEFINED IN NZ IFRS 13)

An independent valuations of the Company's land was performed on 30 June 2020 by independent registered valuer Ashley Stevens

of Telfer Young (Nelson Marlborough) Limited, Nelson, to determine the value of the land. The valuation which conforms to NZ IAS16: Property, Plant and Equipment, NZ IFRS 13: Fair Value Measurement and International Valuation Standards IVS300: Valuations for Financial Reporting, was determined by reference to the asset's highest and best use, without deducting disposal costs. The valuation was on the estimated market value of the land at \$260 psm. If the psm rate moves by +/- \$10, the valuation would increase/(decrease) by \$85,780. Under the New Zealand Property Institute Practice Standard 1, which came into force from 1 May 2004, all valuations must be assessed as at the date of inspection of the property, except where the valuation instructions are to assess the value at a retrospective date. The Directors are satisfied that the current carrying amount reflects its fair value. The carrying amount of land, had it been recognised under the historical cost method, is as follows:

	2020	2019
FREEHOLD LAND	1,150,000	1,150,000

10 INTANGIBLE ASSETS

Intangibles contain software which is recognised at cost and amortised to the Income Statement on a straight line basis over the estimated useful life - which is a maximum period of 5 years.

	SOFTWARE	OTHER	CAPITAL WIP	TOTAL
COST				
BALANCE AT 1 JULY 2019	745,998	71,911	72,362	890,270
ADDITIONS	72,598	3,198	2,975	78,771
DISPOSALS	(37,290)	(8,635)	-	(45,925)
TRANSFERS	40,004	32,359	(72,362)	-
BALANCE AT 30 JUNE 2020	821,309	98,832	2,975	923,116
BALANCE AT 1 JULY 2018	477,203	57,352	219,443	753,998
ADDITIONS	64,810	-	71,462	136,272
DISPOSALS	-	-	-	-
TRANSFERS	203,985	14,559	(218,543)	-
BALANCE AT 30 JUNE 2019	745,998	71,911	72,362	890,270
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES				
BALANCE AT 1 JULY 2019	369,732	55,714	-	425,446
AMORTISATION	208,146	50,115	-	258,261
DISPOSALS	(36,161)	(8,635)	-	(44,797)
TRANSFERS	-	-	-	-
BALANCE AT 30 JUNE 2020	541,716	97,194	-	638,910
BALANCE AT 1 JULY 2018	296,149	50,500	-	346,649
AMORTISATION	73,583	5,214	-	78,797
DISPOSALS	-	-	-	-
TRANSFERS	-	-	-	-
BALANCE AT 30 JUNE 2019	369,732	55,714	-	425,446
CARRYING AMOUNTS				
AT 30 JUNE 2018	181,054	6,852	219,443	407,349
AT 30 JUNE 2019	376,266	16,197	72,362	464,825
AT 30 JUNE 2020	279,593	1,638	2,975	284,206

11 PAYABLES AND ACCRUALS

	2020	2019
TRADE CREDITORS AND ACCRUALS	2,433,606	2,419,465
TRADE CREDITORS AND ACCRUALS (RELATED PARTIES)	66,207	58,995
	2,499,813	2,478,460
GST PAYABLE	187,007	352,481
TOTAL PAYABLES AND ACCRUALS	2,686,820	2,830,941

12 EMPLOYEE PROVISIONS

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Entitlements to salary and wages and annual leave are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date at current rates of pay.

Entitlements to long service leave and retirement gratuities are calculated on an actuarial basis and are based on the reasonable likelihood that they will be earned by employees and paid by the Company.

PROVISIONS	2020	2019
ACCRUED PAYROLL	438,990	572,019
ANNUAL LEAVE	1,277,259	1,131,552
LONG SERVICE LEAVE ACCRUAL	14,078	26,137
RETIREMENT GRATUITY	25,394	19,721
TOTAL EMPLOYEE PROVISIONS	1,755,721	1,749,429

COMPRISING:

CURRENT	1,716,249	1,708,072
NON CURRENT	39,472	41,357
TOTAL EMPLOYEE PROVISIONS	1,755,721	1,749,429

13 BORROWINGS

	2020	2019
BANK SHORT TERM FACILITY	0	232,600
BANK FIXED ASSET FACILITY - CURRENT PORTION	125,016	0
BANK FIXED ASSET FACILITY - NON CURRENT PORTION	399,215	291,200
BANK LOANS TERM LOANS	2,350,000	2,600,000
BALANCE AT 30 JUNE	2,874,231	3,123,800

Nelmac Ltd's banking facilities with Westpac includes a Visa facility of \$50,000 (2019: BNZ, \$30,000)

The company has MOCU (Multi Option Credit Facility) flexible borrowing facilities of \$4 million. As at 30 June 2020, \$2,350,000 of the facility was drawn down (2019: BNZ, \$2,600,000) The interest cost including fees on this facility is 2.35% (2019: BNZ, 4.2%) Interest rates on the floating rate debt are based on bank bill rates plus a margin. Due to interest rates on floating debt resettling on the market rate, the carrying amounts on secured loans approximate their fair values. Nelmac also has a FlexEquip Fixed Asset facility of \$1 million,

secured by the Fleet Assets it funds. The interest rate on this facility is 4.1%. The MOCU borrowing facilities are not amortising and can be drawn down as required. The FlexEquip Fixed Asset facility is reducing based on depreciation rates of the assets that it is funding. It is a revolving facility that will increase as assets are purchased from it.

Obligations are secured by a Debenture over the Assets and Undertakings of Nelmac.

14 LEASES

Nelmac has leases for premises in Tasman and Marlborough, plant and equipment, and some vehicles. With the exception of short term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Nelmac classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Lease of vehicles are generally limited to a lease term of 3 to 5 years. Leases of property generally match the term of their underlying Delivery Contract ranging from 5 to 10 years including lease renewal options. Lease payments are generally a fixed amount per month, however the company has property leases with rental reviews linked to changes in market rents or an annual index.

Each lease generally imposes a restriction that, unless there is a contractual right for Nelmac to sublet the asset to another party, the right-of-use asset can only be used by Nelmac. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. A lease may contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. Nelmac is prohibited from selling or pledging the underlying leased assets as security. For leases of premises Nelmac must keep those properties in good state of repair and return the properties in such condition at the end of the lease. Nelmac must insure items of property, plant and equipment (or pay for this) and incur maintenance fees on such items in accordance with the lease contracts. A weighted average incremental borrowing rate of 5% has been applied to lease liabilities.

Nelmac Ltd applied IFRS 16 Leases from 1 July 2019 and elected to use the modified retrospective approach, in that prior year amounts were not restated, and any impact to prior year revenue recognised with an adjustment to opening retained earnings.

Practical Expedients Applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

Applying a single discount rate to a portfolio of leases with reasonably similar characteristics relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 30 June 2020 excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application and using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Measurement of Right-of-use Assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The table below describes the nature of Nelmac's leasing activities by type of right-of-use asset recognised on the balance sheet:

RIGHT-OF-USE ASSET	NUMBER OF RIGHT- OF-USE ASSETS	RANGE OF REMAINING TERMS	AVERAGE REMAINING LEASE TERM	NUMBER OF LEASES WITH EXTENSION OPTIONS	NUMBER OF LEASES WITH VARIABLE PAYMENTS LINKED TO MARKET OR INDEX	NUMBER OF LEASES WITH TERMINATION OPTIONS
PREMISES - DEPOTS	5	1 TO 60 MONTHS	33 MONTHS	3	4	0
VEHICLES	5	23 TO 54 MONTHS	44 MONTHS	0	0	0

RIGHT-OF-USE ASSETS

ADDITIONAL INFORMATION ON THE BY CLASS OF ASSETS IS AS FOLLOWS:

RIGHT-OF-USE ASSET	ASSET	CARRYING AMOUNT AS AT 30/06/20	ADDITIONS	2020 DEPRECIATION	IMPAIRMENT
PREMISES - YARD, WORKSHOP AND OFFICE		249,995		152,042	
VEHICLES		150,045	43,735	51,734	
TOTAL		400,040	43,735	203,776	

LEASE COMMITMENTS

	2020	2019
LESS THAN ONE YEAR	108,544	227,070
ONE TO FIVE YEARS	290,208	201,346
	398,752	428,416

CHANGE IN ACCOUNTING POLICY - LEASES

OPERATING LEASE COMMITMENTS DISCLOSED AS AT 30 JUNE 2019	428,416
ADJUSTMENTS AS A RESULT OF A CHANGE IN TREATMENT OF EXTENSION AND TERMINATION OPTIONS	236,897
DISCOUNTED USING LESSEE'S INCREMENTAL BORROWING RATE	(34,175)
(LESS) VEHICLE SERVICING COSTS INCLUDED IN LEASES	(38,200)
LEASE LIABILITY RECOGNISED AS AT 1 JULY 2019	592,938

ADDITIONAL INFORMATION ON THE LEASE LIABILITIES BY CLASS OF ASSETS IS AS FOLLOWS:

	2020	2019
CURRENT	108,544	
NON-CURRENT	309,208	592,938
TOTAL	417,752	592,938

Included in the Non-Current figure above is a \$19,000 Provision for Remediation

Lease payments not recognised as a liability:

Nelmac has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2020	2019
SHORT TERM LEASES	-	-
LEASES OF LOW VALUE ASSETS	8,639	11,899
VARIABLE LEASE PAYMENTS (SEE BELOW)	-	-
	8,639	11,899

Amounts Recognised in the Statement of Comprehensive Income

	2020	2019
<u>DEPRECIATION CHARGE ON RIGHT OF USE ASSETS</u>		
LAND & BUILDINGS	152,042	
VEHICLES	51,734	
TOTAL	203,776	
<u>INTEREST EXPENSE ON RIGHT OF USE ASSETS</u>		
LAND & BUILDINGS	16,984	
VEHICLES	14,981	
TOTAL	31,965	

15 RELATED PARTIES TRANSACTIONS

Nelmac is a 100% owned by Nelson City Council (NCC). All transactions with NCC and its Subsidiaries are considered to be related party transactions and these are detailed below. The amounts owing to/from related parties are payable in accordance with the Company's normal terms of trade. No related party debts have been written off or forgiven during the year and no provision has been required for impairment of any receivables from related parties. During the year the Company provided services and traded with the Nelson City Council Group in respect of the following transactions:

A) TRANSACTIONS AND BALANCES

	2020	2019
SERVICES PROVIDED TO / FROM NCC		
SERVICES PROVIDED TO NCC (INCLUDING ALL COMPETITIVELY WON TENDERS)	20,741,843	19,515,402
SERVICES PROVIDED BY NCC	771,261	672,336
RATES PAID TO NCC	40,897	54,718
ACCOUNTS PAYABLE TO NCC	66,207	58,995
ACCOUNTS RECEIVABLE FROM NCC	3,613,575	2,941,264
DIVIDEND PAID TO NELSON CITY COUNCIL	210,627	390,684
SERVICES PROVIDED TO NCC SUBSIDIARIES AND ASSOCIATES (INCLUDING ALL COMPETITIVELY WON TENDERS)		
NELSON AIRPORT LTD	68,314	81,798
PORT NELSON LTD	28,435	87,058
ACCOUNTS RECEIVABLE FROM NELSON AIRPORT LTD	5,718	5,868
ACCOUNTS RECEIVABLE FROM PORT NELSON LTD	1,919	6,555
DIVIDEND		
DIVIDEND PAID TO NELSON CITY COUNCIL	210,627	390,684

The Services provided to the Nelson City Council (NCC) related to the maintenance of Parks, Gardens, Reserves, and Essential Services.

The Services provided to the Nelson City Council subsidiaries and associates (Nelson Airport Ltd, Nelson Regional Sewerage Business Unit and Port Nelson Ltd) related to Grounds and Garden Maintenance, and repairs to Essential Services. Nelmac Ltd has leased from the Nelson City Council a property in Atawhai Drive Nelson. Lease payments for fiscal year to June 30th 2020 were \$27,000 (2019: \$27,000)

B) KEY MANAGEMENT PERSONNEL

Total remuneration paid to key management personnel during the year was \$1,156,294 (2019 \$1,125,372) and consisted only of short term benefits. No purchases or services of a material amount were provided to, or made from, Key Management Personnel or companies where Key Management Personnel were directors of those companies, during the year (2019: \$nil).

C) OTHER RELATED PARTIES

No related party debts have been written off or forgiven during the year.

16 CATEGORIES OF FINANCIAL ASSETS & LIABILITIES

The carrying amounts of financial asset and liability categories are as follows;

FINANCIAL ASSETS

LOANS AND RECEIVABLES

CASH AND CASH EQUIVALENTS (NOTE 5)

TRADE AND OTHER RECEIVABLES (NOTE 6)

FINANCIAL LIABILITIES

OTHER FINANCIAL LIABILITIES

TRADE AND OTHER PAYABLES (NOTE 11)

BANK BORROWINGS (NOTE 13)

	2020	2019
	655,952	18,989
	5,058,960	4,977,387
	5,714,912	4,996,376
	2,134,811	2,070,316
	2,874,231	3,123,800
	5,009,042	5,194,116

17 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current Assets Held for Sale and Discontinued Operations

Nelmac Ltd are in the process of divesting their Refuse business. This includes residential refuse, greenwaste and commercial collections, but excludes rubbish collection relating to NCC contracts.

At Balance Date, Nelmac had approached prospective buyers, signed NDAs with those interested parties, finalised an Information Memorandum, had both business valuations and fleet valuations completed and engaged legal and selling agents to complete the transaction.

Negotiations have not begun so management have taken the view that Nelmac will recover the market value of the Fleet assets less any disposal costs, and that stock will be recovered at the net carrying cost.

IMPACT OF DIVESTED BUSINESS ON OPERATIONS

	2020
REVENUE	1,287,610
COST OF SALES	(1,455,317)
PROFIT OR LOSS BEFORE TAX	(167,707)
IMPAIRMENT LOSS RECOGNISED ON RE-MEASUREMENT TO FAIR VALUE LESS COSTS TO SELL	(217,085)

PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATION

(384,792)

ASSETS HELD FOR SALE

AS AT 30 JUNE

BOOK VALUE OF FIXED ASSETS	445,085
CURRENT MARKET VALUE	268,000
LESS COSTS OF DISPOSAL	40,000
NET CARRYING VALUE OF ASSETS HELD FOR SALE	228,000

CASHFLOW IMPACT FROM DISCONTINUED OPERATIONS

2020 ACTUAL

<u>OPERATING CASHFLOW</u>	324,061
FINANCING	-
INVESTING (REINVESTING DEPRECIATION IN FLEET)	60,731
TOTAL CASH IMPACT FROM DISCONTINUED OPERATIONS (FAVOURABLE)	384,792

18 FINANCIAL INSTRUMENTS

Nelmac Ltd is party to financial instruments as part of its everyday operation. These include instruments such as bank balances, investments, accounts receivable and trade creditors.

Nelmac Ltd has a policy providing risk management for interest rates, operating and capital expenditures and the concentration of credit.

A) INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from investments.

The interest rates on the Company's financial instruments at 30 June are:

	2020	2019
MOCU RATES	2.35%	
FLEXEQUIP RATES	4.10%	
OVERDRAFT INTEREST RATES (TO \$200,000)		4.72%
OVERDRAFT INTEREST RATES (OVER \$200,000)		12.70%
SHORT TERM DEPOSITS		0.50%

The Directors do not consider there is any significant exposure to interest rate risk on its investments. There are no interest rate options or interest rate swap agreements in place as at 30 June 2020. (2019 Nil)

B) CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Nelmac Ltd has no financial instruments denominated in foreign currency and is therefore free of any currency risk.

C) CREDIT RISK

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

Financial instruments, which potentially subject the Company to risk, consist principally of cash and short-term investments and trade receivables.

The Company invests in high credit quality financial institutions and limits the amount of credit exposure to any one financial institution. Accordingly, the Company does not require any collateral or security to support financial instruments with organisations it deals with.

Concentrations of credit risk with respect to accounts receivable are considered medium. Nelson City Council accounts for 67.1% of Nelmac Ltd's outstanding debtors as at 30 June 2020 (2019, 61.43%), however, Nelson City Council is considered a high credit quality entity.

Capital Management Strategy

The capital of the Company is its equity which is comprised of subscribed capital and retained earnings. Equity is represented by the net assets. The Company manages its capital to ensure that it will be able to continue to operate as a going concern and optimise the balance of debt to equity on a prudent basis in consultation with its Shareholder.

The Directors perform continual reviews of operating strategies and financial performance, and include in those reviews any strategies required to protect the capital of the Company. The Board seeks to maximise overall returns to the Shareholder, Nelson City Council, and to maintain the Company's financial strength.

The Company is required to provide to its shareholder an annual Statement of Intent. This Statement of Intent includes information on planned distributions by way of dividend for the following three years.

19 CONTINGENCIES AND COMMITMENTS

Nelmac Ltd does not have any outstanding Contingent Assets or Contingent Liabilities as at 30 June 2020 (2019 \$nil).

At 30 June 2020 Nelmac Ltd's Bankers held Contract Performance Bonds in favour of Clients totalling \$924,016 (2019, \$589,480).

Nelmac does not list performance bonds as Contingent Liabilities because it does not consider it is probable that any such bonds would be exercised.

20 COVID-19

The effects of Covid-19 on Nelmac

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 from 26 March to 27 April, and then remained in lockdown at Alert Level 3 until 13 May.

During Alert Level 4, one third of Nelmac's staff were deemed to be providing an essential service and continued to work albeit with additional Health & Safety precautions and PPE. Volunteers from other teams were recruited to be on standby if there was an outbreak to ensure our supply of essential services was able to continue as to serve our customers and community. A register of staff who were vulnerable or had vulnerable family members was established, and additional steps were taken to protect these employees. Those employees whose roles allowed them to work from home did work from home.

Under Level 3, all but those vulnerable staff were able to return to work, practising safe work practices including social distancing and remaining within region. Operationally Nelmac redeployed some of the Kumanu teams so that they didn't travel outside of the region that they reside. All staff who were able to work from home continued to work from home.

After 13 May, Nelmac continued with best practice Health & Safety procedures and followed the guidance of the Ministry of Health guidelines, while also continuing with extra protection for vulnerable workers.

The effect on our operations is reflected in these financial statements, based on the information available to the date these financial statements are signed. At this time, it is difficult to determine the full on going effect of Covid-19 and therefore some material uncertainties remain. There could also be other matters that affect Nelmac in future, of which we are not yet aware.

We have also disclosed in the financial statements our significant assumptions and judgements regarding the potential future events that may have a material impact on Nelmac. The main impacts on Nelmac's financial statements due to Covid-19 are explained below:

Revenue

Revenue under level 4 was about 40% compared of what was expected. The amount received for the COVID wage subsidy offset this revenue reduction, so overall revenue was not materially impacted.

Trade Receivables

Post lockdown activity was higher than usual as Nelmac was catching up on work that had been paused during lockdown. The impact on trade receivables was negligible compared with balances at 30 June 2019.

Wage Subsidy

COVID Wage subsidy of \$1,813,459, is included as an in 1(a). There are no unfulfilled conditions or other contingencies attached to this subsidy. Nelmac did not benefit directly from any other forms of government assistance. Subsidies relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Direct Cost Impact

There was an unquantifiable increase in direct costs related to additional time required to meet the Health and Safety requirements that resulted from COVID19, along with additional PPE purchases that were required. There was also a reduction in spend with suppliers of about \$500k during Level 4, however this was partially offset with the subsequent acceleration in activity over the remainder of the Financial Year.

Funding Requirements

There has been no change in the funding requirements for Nelmac.

Impairment Assessment

No additional impairments have been required as a result of COVID-19.

Overall Conclusion

The Company continues to closely monitor the COVID-19 situation and is working closely with the Board and its customers to ensure the appropriate actions are taken, with people's safety and wellbeing at the forefront.

21 EXPLANATION OF MAJOR VARIANCES AGAINST SOI TARGET

Explanations for major variances from the Company's original 2019/20 budget figures as contained within the Statement of Intent are as follows:

a) Comprehensive Income

The year has seen the growth of the business reflected in higher Revenue exceeding the SOI target, while challenges within the business and markets we operate have seen a Net Profit After Tax below the SOI Target. Covid-19 also had an impact on the financials. Additionally, Nelmac have completed a revaluation of Land which had not been included in the SOI.

Revenue

Revenue was higher than forecast over the year due to a combination of additional projects in Landscape Construction along with Water Projects. Also included within revenue was the Covid-19 wage subsidy.

Net Profit After Tax

Net Profit After Tax was \$197,452 less than SOI target due to a combination of continued underperformance of the Refuse business, along with the impacts of Covid-19.

Asset Revaluation

Nelmac have revalued the land to fairer reflect the underlying equity in the company. This was not included in the forecast SOI.

b) Statement of Financial Position

Non-Current Assets

Non-Current assets were \$259,609 lower than SOI target, due to the transfer of Refuse Assets held for sale to current assets. Included in the Non-Current assets is the \$1,080,000 Land Revaluation, which was partially offset by the timing of Capex purchases that were planned but not procured due to supply chain disruptions caused by Covid-19.

Current Liabilities

Current liabilities were \$502,453 higher than SOI target, due to the higher activity levels in the last two months of the year following the Covid-19 lockdown.

Non-Current Liabilities

Non-Current liabilities were \$613,147 lower than SOI target, due to the delay in procuring Capex.

c) Statement of Cashflows

Cashflow from Operating Activities

Cashflow from Operating Activities was \$513,380 favourable due to the increasing level of depreciation as a proportion of the cost base combined with the anticipated increase in Working Capital that was carried forward in the forecast assumptions not materialising.

Cashflow from Investing Activities

Cashflow from Investing Activities was \$684,420 favourable primarily due to the timing of Capex purchases that were planned but not procured due to Covid-19 related supply chain disruptions.

Cashflow from Financing Activities

As a result of the favourable Cashflow from Operating Activities combined with the delay to Capex procurement, Cashflow from Financing Activities was adverse \$570,836 as Nelmac utilised the opportunity to repay borrowings.

Net Increase in Cash Held

As a result of the favourable Cashflow from Operating Activities combined with the delay to Capex procurement, Net Increase in Cash Held was favourable \$626,964. This cash holding enabled Nelmac to remain reactive to Covid-19 related events as they materialised.

22 POST BALANCE DATE EVENTS

No significant events have occurred for Nelmac Ltd since Balance Date

STATUTORY INFORMATION

FINANCIAL STATEMENTS

Directors' Responsibility Statement

The Directors are responsible, in accordance with New Zealand law and Generally Accepted Accounting Practice, for the preparation of financial statements which present fairly the financial position of Nelmac Limited as at 30 June 2020 and the results of the operations and cash flows for the year ended 30 June 2020.

The Directors consider that the financial statements of the group have been prepared using accounting policies appropriate to the Company's circumstances, consistently applied and supported by reasonable and prudent judgments and estimates and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

The Directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1993.

The Directors are responsible for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Directors are pleased to present the financial statements of Nelmac Limited for the year ended 30 June 2020.

This Annual Report is dated 16 October 2020 and is signed in accordance with a resolution of the Directors made pursuant to section 211(1) (k) of the Companies Act 1993.

For and on Behalf of the Board



Director

Date: 16th October



Director

Date: 16th October

DIRECTORS



The directors of Nelmac Ltd are: Hugh Martyn | Sarah-Jane Weir | Robert Gunn (Chairman) | Agnieszka Grudzinska | Michael Playford

DIRECTORS' INTERESTS

Interests in Transactions

The Directors of Nelmac Ltd had no interest in any transactions of the Company except as Directors during the year ended 30 June 2020

Use of Company Information by Directors

There were no notices from Directors requesting the use of Company information received in their capacity as Directors, which would not otherwise have been available to them.

Shareholding by Directors

No Directors held shares in the Company during the year ended 30 June 2020.

Director's Fees and Other Benefits

Director's Fees and other benefits paid or due for services as a Director and in any other capacity acting for Nelmac Limited during the year, are as follows.

AGNIESZKA GRUDZINSKA	\$24,889
HUGH MARTYN	\$24,889
MICHAEL PLAYFORD	\$16,593
ROBERT GUNN (CHAIRMAN)	\$43,935
SARAH-JANE WEIR	\$24,889
DAVID KENNING	\$8,296

Attendance of Directors at Board Meetings - July 2019 to June 2020

	MEETINGS HELD	MEETINGS ATTENDED
AGNIESZKA GRUDZINSKA	11	11
HUGH MARTYN	11	11
MICHAEL PLAYFORD	7	7
ROBERT GUNN (CHAIRMAN)	11	11
SARAH-JANE WEIR	11	11
DAVID KENNING	4	4

Board subcommittees & safety walk arounds

All Directors attend subcommittee meetings:

- Health & Safety
- Remuneration
- Audit & Risk

Directors conduct a monthly safety walk, joining Nelmac staff on various sites across the business. The Company has also provided statutory liability insurance for officers.

Indemnity Insurance: Directors and Officers

In accordance with its Constitution, the Company has provided Directors and Officers liability insurance.

Employees' Remuneration

Fifteen employees received remuneration in excess of \$100,000 during the period (2019: Twelve)

BAND	2020	2019
\$100,000 TO \$110,000	4	4
\$110,000 TO \$120,000	5	3
\$120,000 TO \$130,000	1	1
\$130,000 TO \$140,000	1	1
\$140,000 TO \$150,000	1	-
\$160,000 TO \$170,000	2	2
\$170,000 TO \$180,000		1
\$270,000 TO \$280,000	1	-

Changes in Accounting Policies

See statement of accounting policies.

Auditor's Remuneration

Section 15 of the Public Audit Act 2001 and Part 5 Section 70 of the Local Government Act 2002 requires the Office of the Auditor-General to audit the financial statements and performance information presented by the Board. Audit New Zealand has been appointed to act as auditor and \$62,713 has been expensed for audit fees. No other services were provided by Audit New Zealand.

Donations

The Company made no donations.

Dividend

A dividend of \$210,627 plus imputation credits, in respect of the year ended 30 June 2019, was paid to the shareholders on 30th June 2020

In lieu of a dividend, a subvention payment of \$396,860, is recommended for the 2020/21 year.

COMPANY DIRECTORY

DIRECTORS

Agnieszka Grudzinska
Hugh Martyn
Michael Playford
Robert Gunn (Chairman)
Sarah-Jane Weir

CHIEF EXECUTIVE

Jane Sheard

REGISTERED OFFICE

2 Bullen St, Tahunanui, Nelson, New Zealand

POSTAL ADDRESS

PO Box 9035, Annesbrook, Nelson 7044
Telephone: (03) 546-0910
Email: service@nelmac.co.nz

AUDITOR

Audit New Zealand
On behalf of the Auditor-General

SOLICITORS

Duncan Cotterill

BANKERS

Westpac
Nelson