



support west

MID-YEAR UPDATE

We are pleased to present an update for the first six months of the 2020/21 financial year to September 30 2020.

Business Overview

It will come as no surprise that, like most organisations in New Zealand, COVID-19 has had a significant impact on our group performance over the first half of the financial year.

Our retail business was able to trade through all lockdown periods, but it faced many operational challenges, as well as increased costs in security and labour.

Hospitality has been doing it tough and, since the start of the financial year, could not trade for many weeks.

Whilst property has been a positive passive investment, we have had to concede to rent abatement requests in line with our contractual obligations. While this provided a measure of stability and support to our tenants, it also put additional pressure on our bottom line.

The equity investments we hold as a part of our managed portfolio hit all-time lows at the end of the last financial year. These have bounced back well but we forecast some bumpy roads ahead as markets adapt to the new normal.

Our People

The start of the financial year saw some key executive changes. Allan Pollard (formerly of Trust House Ltd / Masterton Licensing Trust) was appointed as Chief Executive, following the departure at the end of 2019 of Simon Wickham after 9 years in the role. Until Allan's arrival on 2 June, Matt Williams and Marie Weaver served as Joint Acting CEOs and led the business through the extremely challenging COVID-19 alert level four lockdown period at the start of the financial year.

There was also a change in the leadership team's finance area with the departure of the CFO, Marie Weaver, early in August after 7 years in the role. Reon Krishna was appointed as General Manager Finance & Business Systems in mid-August and he has hit the ground running with a

Year to Date - Sept 20	
\$	Actual
Income (Sales + Property Investment)	52,760
Expenses	53,316
EBITDAI	-556
EBITDAI %	-1.1%
Operating EBIT	-1,593
Operating EBIT%	-3.1%
Dividends Received	45
Equity Investment Reval	2,538
Support West Funds	775
Wage Subsidy	1,745
Gain on Sale of Asset	7,464
EBIT	9,424

Please note these results are unaudited

number of challenges in his sights, not least of all the enterprise resource planning (ERP) project roll-out.

We wish to express our gratitude to our people out on The Trusts frontline. We were very proud of the way they worked together to provide excellent service to our community throughout a very unusual time.

As one of West Auckland's largest employers, we took care of our people during COVID-19 alert level four – and the second alert level three – by ensuring that all of our employees were paid their usual wage or salary, despite the changes to our operations. We're making sure our people have access to our employee assistance programme to continue to support their wellbeing.

Community Support

These last six months have brought specific new challenges – including two lockdowns – to our West Auckland community, meaning many of our people are doing it tough. But there have also been highlights.

Through Your West Support Fund we gave \$500,000 to 107 community organisations that supported West Aucklanders during COVID-19.

From supporting Age Concern Auckland to help older members of our community feel less anxious and isolated, to assisting the team at The Fono to provide support for families directly impacted by COVID-19, these contributions were put to excellent use throughout our community.

We also donated \$50,000 to the Well Foundation so they could provide remote monitoring equipment for people with existing health conditions that make them particularly vulnerable to COVID-19. We donated a further \$100,000 each to both Fair Food & Vision West Community Trust to help get food to West Auckland families in need.

This support has been well-received. The speed by which we delivered this funding was impressive and was welcomed by the many struggling community groups who provide so many vital services and areas of support to people in our community most in need.



Image: The Fono



Image: Vision West and Fair Food



Image: Well Foundation

Looking Forward

The focus for the year ahead will be to adapt the organisation to the new normal and to ensure that we are ‘match fit’ by the start of the new financial year, 1 April 2021.

All indicators point to a tough few years ahead and we must ensure that The Trusts group is fit for purpose and that it has an ability to improve the commercial performance of its core trading segments and in doing so, support to the West Auckland community. This will be a significant focus for the WATS staff in the months ahead.

We are investing on behalf of the community as a way to future-proof our ability to support West Auckland, despite any headwinds that our retail or hospitality businesses may face in the years to come.

We do this through a portfolio of investment properties, as well as two investment funds that are managed on our behalf. While the support we provide to our communities is

focused 100% on West Auckland, our managed funds mean we can invest in the New Zealand economy as a whole, and contribute to our country’s growth.

We would like to take this opportunity to thank our Elected Members, Directors, Management and team members for their guidance and commitment throughout the last six months. It has been a difficult period and your continued support is greatly appreciated.

Brian Corban
CNZM QSO (Chairman)
October 2020

Allan Pollard
Chief Executive
October 2020