ANNUAL REPORT 2019

SICON LTD

2019 ANNUAL REPORT

CONTENTS

DIRECTORY

DIRECTORS:
Mr P J Carnahan
Mr J B Morten
Mr G A Lovell
Mr D P McEvedy
Mr S W Grave

CHIEF EXECUTIVE:
Mr D F Wilson

AUDITORS:
Audit New Zealand on behalf of the Auditor-General

LEGAL:
Anthony Harper
Level 9, HSBC Tower
62 Worcester Boulevard
Christchurch

BANK:
ANZ Bank New Zealand Limited

TAX ADVISOR:
Ernst & Young
Level 4
93 Cambridge Terrace
Christchurch

PRINCIPAL ACTIVITY:
Construction and maintenance of infrastructural assets and the performance of other civil engineering contracting services.

COMPANY NUMBER:
640084

SHAREHOLDER:
Selwyn District Council

REGISTERED OFFICE:
85 Hoskyns Road, Rolleston

CONTACTS:
Postal: P O Box 125, Rolleston
Phone: (03) 318 8320
Email: sicon@sicon.co.nz
Web: www.sicon.co.nz

DIRECTORS REPORT
for the year ended 30 June 2019

The Directors present their Annual Report, including the audited financial statements of SICON Ltd for the year ended 30 June 2019.

RESULTS

The group has Total Comprehensive Revenue and Expense of $0.4 million for the year compared to $2.0 million for the 2018 year.

Total revenue from Continuing Operations was $51.8 million compared to the previous year's $57.4 million.

DIVIDEND

The Directors declared total dividends of $800,000 during the year (2018, $800,000).

DIRECTORS

Directors' remuneration for the year was as follows:

P J Carnahan	$45,000
J B Morten	$32,000
G A Lovell	$32,000
D P McEvedy	$32,000
S W Grave	$32,000
Total	**$173,000**

The Directors' Transaction Register had the following entry:

Trojan Holdings Ltd - $12,423 work carried out by SICON Ltd (2018: $4,008).
Tonkin & Taylor Group Limited - $2,890 work carried out by SICON Ltd (2018 - $nil).
Steve Grave Consulting Ltd - $46,610 consulting services provided to SICON Ltd (2018: $nil).
Delta Utility Services - $8,693 services provided to SICON Ltd (2018: $nil).

Directors' insurance has been arranged by SICON Ltd. This Directors' liability insurance ensures that generally Directors will incur no monetary loss as a result of actions undertaken as Directors.

Board meetings attended during the year were:

P J Carnahan	10 of 10
J B Morten	10 of 10
D P McEvedy	10 of 10
G A Lovell	9 of 10
S W Grave	10 of 10

Tender reviews
SICON Ltd held several discussions by conference call, to evaluate and authorise tenders with a bid value in excess of $2m. All Board members were party to these reviews, subject to their availability, with a minimum of two board members on any one occasion.

General disclosure of interest by Directors in accordance with s140(2) of the Companies Act 1993 follows:

P J Carnahan
16Terrace Limited - Shareholder (as Trustee) & Director
Allied Queenstown Concrete Ltd - Director
Areograph Ltd - Shareholder (as Trustee)
Back Country Foods Ltd - Chairman
BCL Management Limited - Director
Beach Street Holdings Ltd - Director
Blue Sky Meats (NZ) Ltd - Director & Shareholder (as Trustee)
Blue Sky Meats (UK) Ltd - Director
Blue Sky Meats (Gore) Ltd - Director
Bond Contracts Ltd - Director
Horizon Meats New Zealand Ltd - Director
Grant Road Properties Ltd - Director
Invest South GP Ltd - Chairman
Invest South Holdings Ltd - Chairman
Invest South Limited Partnership - Chairman
Magic Memories Group Holdings Ltd - Shareholder (as Trustee)
Matakanui Gold Ltd - Shareholder (as Trustee)

J B Morten
EB Milton Charitable Trust – Chairman
J.B & F.M Morten Family Trust - Trustee
Manaaki Whenua - Landcare Research - Animal Ethics Committee - Member
Selwyn District Council - Councillor

G A Lovell
Bain Lovell Family Trust - Trustee
NCTIR Sub Alliance - Board Member
Tonkin & Taylor Ltd – Director
Tonkin & Taylor Group Ltd – Shareholder & Director
Tonkin & Taylor Environmental Limited – Director
Tonkin & Taylor International Limited – Director

P J Carnahan (continued)
Nomos Limited - Convertible Note Holder (as Trustee)
Northfuels (2012) Ltd - Director
OKC Holdings Ltd - Director & Shareholder (as Trustee)
P J & J Carnahan Family Trust - Trustee & Partner (as Trustee)
Peak Consulting Ltd - Director & Shareholder (as Trustee)
R M & J C Carnahan Family Trust - Trustee
Runway Investments Ltd - Director
SICON Ltd - Chairman
Skyline Enterprises Ltd - Shareholder (as Trustee)
Southfuels Ltd - Chairman
Southland Carrying Co Ltd - Shareholder (as Trustee)
Tasman Tyre Treads Ltd - Chairman
Techemy Ltd - Shareholder (as Trustee)
The Susan Carnahan Family Trust - Trustee & Partner (as Trustee)
Tracplus Global Limited - Shareholder (as Trustee)
Trojan Holdings Ltd - Director
Waikaia Gold Ltd - Chairman
Z Energy Ltd - Shareholder (as Trustee)

D P McEvedy
DP & LS McEvedy Partnership - Shareholder
Ellesmere Community Vehicle Trust - Trustee
Phoenix Park Farm Ltd - Chairman & Shareholder & Director
Robeen Trust - Chairman (as Trustee)
Selwyn District Council - Councillor
Shooting Creek Farm Ltd - Shareholder & Director
Vintage Village Trust - Trustee
Westland Co-operative Dairy Company - Director resigned 1 August 2019

S W Grave
Delta Ltd – Director
Fulton Hogan Ltd - Shareholder
Steve Grave Consulting Ltd - Director and Shareholder
Whitestone Contracting Ltd - Director

REMUNERATION OF EMPLOYEES

The number of employees (not including directors) whose total remuneration and other benefits were above $100,000 were as follows:

Range	2019	2018
$100,000 – $110,000	4	0
$110,001 – $120,000	3	1
$120,001 – $130,000	1	1
$130,001 – $140,000	1	3
$140,001 – $150,000	2	2
$150,001 – $160,000	2	0
$180,000 – $190,000	1	0
$190,001 – $200,000	1	1
$250,000 – $260,000	1	0
$260,000 – $270,000	0	1

Corporate governance

Responsibility for the governance of SICON Ltd rests ultimately with the Board of Directors and includes:

- Establishing the strategic direction for SICON Ltd, including agreement with the shareholder on items contained in the Statement of Intent.
- Appointing the Chief Executive and setting terms of the appointment and objectives.
- Monitoring SICON Ltd.'s performance.
- Ensuring regulatory and legal compliance and, SICON Ltd adheres to high standards of ethics and corporate behaviour.
- Ensuring an appropriate level of interaction is maintained with the shareholder.

AUDITORS

In accordance with s14 of the Public Audit Act 2001, the Auditor-General is the auditor of SICON Ltd. The Auditor-General has appointed Audit New Zealand to act on his behalf under s32 of the Public Audit Act 2001. Audit fees for the year ended 30 June 2019 were set at $95,939 (2018, $61,650). No other services were purchased from Audit New Zealand (2018, $nil).

For and on behalf of, the Board

P J Carnahan **Chairman**	**J B Morten** **Director**

CHAIRMAN AND CHIEF EXECUTIVE'S REPORT - for the year ended 30 June 2019

FINANCIAL

Total group revenue for the financial year ended 30 June 2019 was $52 million *(2018 - $57 million)*.

Net Profit after tax for the Group was $0.4 million *(2018 $2.0m).*

The group has a very low level of debt.

DIVIDEND

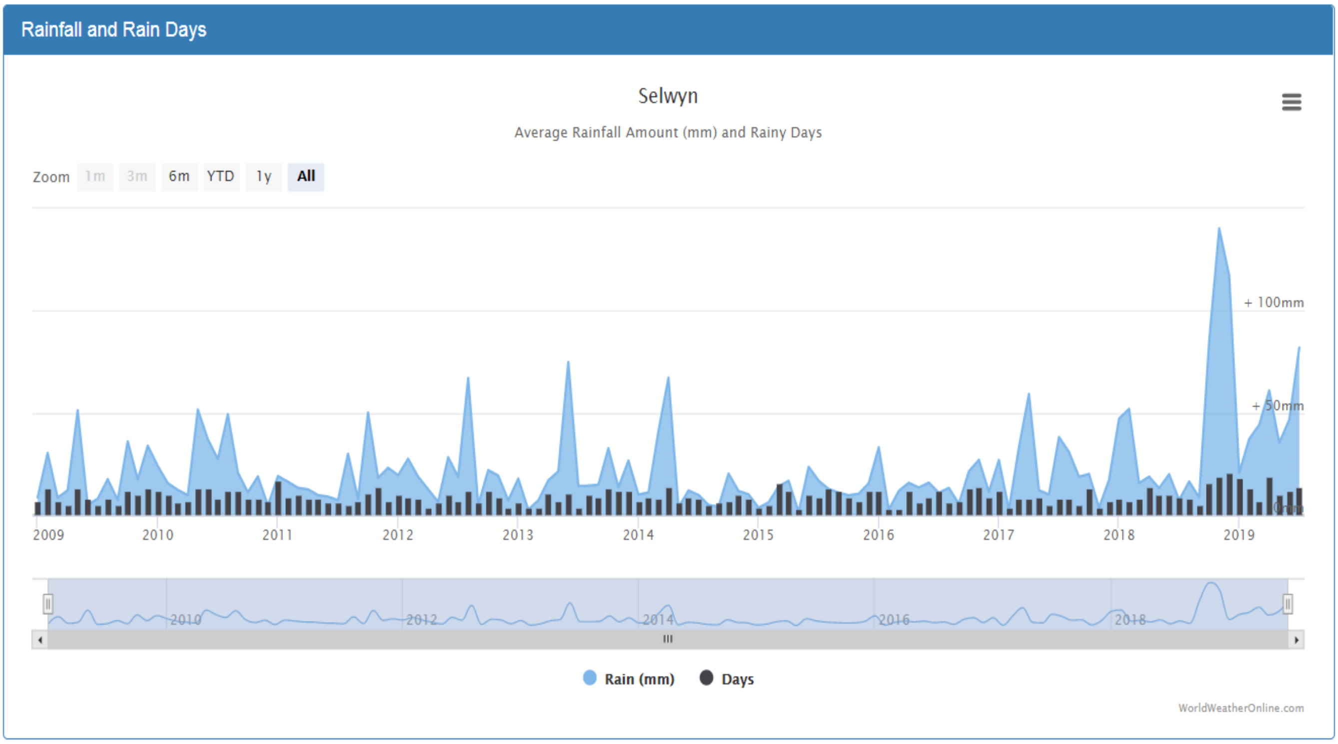
A final dividend of $800,000 was declared in June 2019 and will be paid to the Selwyn District Council before December 2019.

OVERALL PERFORMANCE

The overall performance of the Group for the year was well below recent years.

The major reasons for this were:

- Significantly greater than normal rainfall during Spring and Summer caused us issues across the business. Grass continued to grow for longer meaning our costs to support our lump sum contracts with Selwyn District Council and Timaru District Council were significantly higher than usual and we had delays starting civil projects due to the resulting ground conditions. The graph below for rainfall over the last 10 years demonstrates the challenge.
- An increasingly competitive tender market which has seen several both large and small competitors leave the market.
- Some duplication in costs prior to bringing all divisions together at Rolleston in February 2019.



The Blakely Construction purchase was completed during the year and now trades as a division of SICON Ltd.

SICON moved all its Selwyn based operations to its new yard at Izone in February 2019. The move was well received by the team and has created a more cohesive working environment for the staff now including the Blakely Construction staff. This has also provided more connectivity with the wider team at Selwyn District Council and has reduced the travel time that was required between Darfield and Rolleston. Significant reductions in operational costs have been achieved by the merging of the teams and moving to a single location.

Stage 2 of the digital transformation started during the year working with local councils to integrate their asset management systems into our front line delivery platform. This has been well received by all councils and has provided the capability for us to start to report on a real time basis.

SICON Ltd continues to provide consistent and reliable maintenance services to key clients and is working hard to deliver the highest level of service based on contractual requirements.

MARKET OUTLOOK

Large scale green field projects in Canterbury are diminishing as the region has experienced significant growth in the subdivision market since the February 2011 earthquakes. The changing market has encouraged us to look at medium size projects that will require a change in skill set and equipment.

We can also see that projects in the three waters space will be an area of growth in the future and are investing in our capability and capacity to meet this demand across the Canterbury region.

There is also a new round of road maintenance contracts being available for tender over the next 12-18 month which will be heavily contested at the tender box.

PEOPLE AND SAFETY

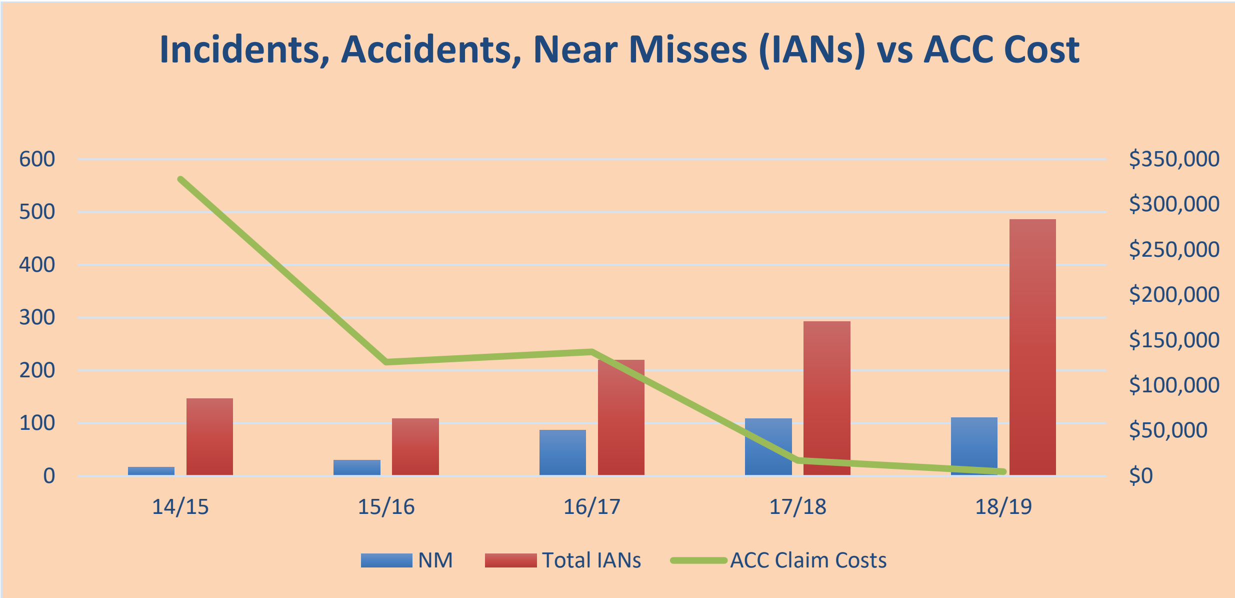
SICON Ltd were re-assessed against the Quality ISO 9001:2015 Standard which it successfully gained with zero non-conformances. Our Tertiary rating with ACC under their WSMP programme ended in early 2019 when ACC decided not to continue the product. Investigation into membership of the ACC Partnership Program showed that it was not financially viable. WorkSafe NZ's SafePlus tool was investigated but we have committed to attain ISO45001 by the end of the 2020 year as this is the international standard.

The integration of Blakely with SICON has resulted in all divisions now using a common reporting platform. The mental health Wellbeing program for employee assistance was changed to an early intervention and site based presence with Workplace Support.

Analysis of ACC accident data has identified the high proportion of strain/sprain related accidents and so a new program for Discomfort Pain and Injury is being implemented to reduce LTI injuries and create a greater sense of staff support and care.

The Health and Safety Coalition group continues with Blakely staff now integrated.

There continues to be strong levels of reporting of incidents, accidents and near misses (IANs). We are focusing on the number of accidents overall applying the programs identified above and a focus on foreman/supervisor education to be delivered to ensure we address the sometimes conflicting goals of efficiency and effectiveness and H&S. We also expect increasing levels of senior leader participation to reinforce commitment. Costs associated with ACC claims continue to decline as demonstrated in the graph below.



GOVERNANCE OF SICON LTD

The board meets monthly to review performance and have a focus on the mid to long term strategy of the company looking to identify growth opportunities.

I step down as a director at this year's AGM, after eight years on the board. The company has undergone major change during this time, and I believe is now structured to play an active part in the Canterbury industry into the future.

I would like to thank my fellow directors and CEO David Wilson for their support during the year and also thank all the staff for their individual contributions.

CONCLUSION

SICON Ltd is set to take advantage of the potential opportunities in a number of areas that have been identified for growth. It has a strong base throughout the Canterbury Region and healthy relationships with its key clients.

Future growth opportunities will require changes in capability and capacity with a key focus on quality delivery for both maintenance contracts and civil projects.

Peter Carnahan
Chairman
30 September 2019

David Wilson
Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

Continuing Operations	Note	2019 $'000	2018 $'000
Revenue			
Contracting Services	**20**	51,395	57,035
Other income	**2**	379	438
Share of joint venture profit	**22**	(1)	(1)
Total revenue		**51,773**	**57,472**
Expenses			
Depreciation and amortisation	**8, 9**	3,243	3,501
Employee benefit expenses	**3**	17,248	16,594
Finance expenses		153	108
Other expenses	**4**	30,362	34,222
Total expenses		**51,006**	**54,425**
Surplus (Deficit) before impairments and tax		**767**	**3,047**
Impairment of Plant Property & Equipment	**8**	2	-
Surplus (Deficit) before tax from Continuing Operations		**765**	**3,047**
Taxation credit/ (expense)	**5**	(328)	(1,005)
Surplus (Deficit) after tax from Continuing Operations		**437**	**2,042**
Total comprehensive revenue and expense		**437**	**2,042**
Total comprehensive revenue and expense attributable to:			
Equity holders of the parent		437	2,194
Non-controlling interests		-	(152)
Total comprehensive revenue and expense		**437**	**2,042**

The accompanying notes form an integrated part of these financial statements.

SICON LTD
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019

	Note	2019 $	2018 $
Balance at 1 July		21,191	19,949
Total comprehensive income		437	2,042
Final BCL payment		(2,850)	-
Adjustment to the prior year's BCL retained earnings		(153)	-
Distribution to owners - dividends	**13**	(800)	(800)
Balance at 30 June		**17,825**	**21,191**

The accompanying notes form an integrated part of these financial statements.

APPROVAL OF FINANCIAL STATEMENTS
for the year ended 30 June 2019

The directors present the financial statements of SICON Ltd for the year ended 30 June 2019. The financial statements were authorised by the Board of Directors on 30th September 2019 for release to the shareholder.

P J Carnahan
Director

J B Morten
Director

SICON LTD
STATEMENT OF FINANCIAL POSITION

	Note	2019 $'000	2018 $'000 *Restated*
Assets			
Current assets			
Cash and cash equivalents		1,113	3,347
Trade and other receivables	**6**	7,569	7,684
Tax receivable	**5**	72	-
Contract Assets	**21**	1,811	587
Inventories	**7**	788	497
Investment in joint venture	**22**	(2)	(1)
Non-current assets held for sale	**8**	558	-
Total current assets		**11,910**	**12,114**
Non-current assets			
Property, plant and equipment	**8**	13,243	14,563
Intangible assets	**9**	1,993	2,573
Deferred tax asset	**5**	178	303
Total non-current assets		**15,413**	**17,439**
Total assets		**27,323**	**29,553**
Liabilities			
Current liabilities			
Trade and other payables	**10**	4,034	4,502
Taxation payable	**5**	-	417
Dividend payable		800	500
Employee benefit liabilities	**11**	1,348	1,376
Contract Liabilities		51	-
Borrowings	**23**	3,000	1,241
Provisions	**12**	254	316
Total current liabilities		**9,487**	**8,352**
Non-current liabilities			
Employee benefit liabilities	**11**	11	10
Total non-current liabilities		**11**	**10**
Total liabilities		**9,498**	**8,362**
Net assets		**17,825**	**21,191**
Equity			
Share capital	**13**	15,363	15,363
Non-controlling interest		-	3,425
Retained earnings	**13**	2,462	2,403
Total equity		**17,825**	**21,191**

The accompanying notes form an integrated part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Receipts from customers		51,104	57,053
Interest received		12	10
Payments to suppliers and employees		(49,114)	(51,076)
Interest paid		(153)	(108)
Net Income tax refunded/(paid)		(687)	(1,019)
Net Goods and Services Tax		105	(86)
Net cash from operating activities	**14**	**1,267**	**4,774**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,064	799
Proceeds from joint ventures		-	-
Purchase of property, plant and equipment		(2,825)	(2,132)
Purchase of Investments		-	-
Net cash from investing activities		**(1,761)**	**(1,333)**
Cash flows from financing activities			
Funds introduced from Shareholders		-	-
Bank Term Loan		(3,000)	-
Dividends paid		(500)	(600)
Net cash from financing activities		**(3,500)**	**(600)**
Net increase in cash, and equivalents		(3,993)	2,841
Cash and cash equivalents at the beginning of the year		2,106	(735)
Closing cash and cash equivalents		**(1,887)**	**2,106**
Made up of			
Bank account		1,113	3,347
Bank borrowing - commercial flexi facility		(3,000)	(1,241)
		(1,887)	**2,106**

The accompanying notes form an integrated part of these financial statements.

SICON LTD
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 1: Statement of accounting policies

Reporting Entity
SICON Ltd (SL) is registered under the Companies Act 1993. SL is a Council Controlled Trading Organisation as defined by section 6 of the Local Government Act 2002 (LGA).

SICON Ltd (SL) is a limited liability company incorporated and domiciled in New Zealand.

SL is a wholly-owned subsidiary of Selwyn District Council (SDC) and carries out civil engineering contracting services for a variety of public and private clients. SL's financial statements are consolidated into the financial statements of SDC.

The financial statements of SICON Ltd are for the year ended 30 June 2019. The financial statements were authorised for issue by the Directors on 30th September 2019.

Basis of preparation
The financial statements of SICON Ltd have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993 and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). For the purposes of complying with GAAP, SL is a for-profit entity.

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain non-current assets.

Statement of compliance
The financial statements of SL have been prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 for-profit entity accounting standards.

SL, under the Local Government Act, is required to prepare an annual report and have it audited within three months of the end of the financial year.

Presentation currency and rounding
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars.

Changes in accounting policies
(a) Changes in accounting policy and disclosures.
The accounting policies adopted are consistent with those of the previous financial year except where the adoption of new standards and revisions as outlined below have had an impact.

New accounting standards and interpretations
There are two new standards which apply for the first time in 2019 that have an impact the annual financial statements of the company:

NZ IFRS 9 Financial Instruments
NZ IFRS 9 replaces NZ IAS 39 Financial Instruments: Recognition and Measurement and the date of initial application for SL was 1 July 2018. SL has elected not to restate comparative information. The main changes under the new standard impacting SL are:
(a) NZ IFRS 9 has amended the guidance on the classification of financial assets. Under NZ IFRS 9 the classification will depend on the nature of the assets and how they are managed. The classification categories have also changed.
(b) For those financial assets measured at amortised cost, the standard has introduced a new impairment model. The new impairment requirements are based on a forward-looking expected credit loss (ECL) model.

The adoption of NZ IFRS 9 did not have a material impact on SICON, and no transition adjustments were made. All financial assets previously classified as loans and receivables are now classified as debt instruments at amortised cost, without any changes to their measurement.

NZ IFRS 15 Revenue from contracts with customers
NZ IFRS 15 Revenue from Contracts with Customers became effective for annual reporting periods beginning on or after 1 January 2018.

The new standard applies a 5-step model in determining the recognition and measurement of revenue with contracted customers. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

SL have decided to adopt using the 'full retrospective method' with the date of initial application of 1 July 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 January 2018.

There was no material impact on adoption of NZ IFRS 15 and no transition adjustments were required.

New standards and interpretations issued and not yet adopted
The following new standard, interpretation and amendment may have an impact on SL's future financial statements, but is not yet effective for the year ended 30 June 2019, and has not been applied in preparing these financial statements:

Standard, Amendment or Interpretation	Effective for the financial year ending 30 June
NZ IFRS 16 Leases	2020

The impact of the amendment to the standard and interpretation on SL's operations has not been determined yet.

Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

Revenue from contracts with customers
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. SL has generally concluded that it is the principal in its revenue arrangements.
The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided further below.

If the consideration in a contract includes a variable amount, SL estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue is recognised over time, using a measure of progress which reflects the transfer of control to the customer. Construction / maintenance services within a contract are deemed to represent a single performance obligation to the customer, which is satisfied over time. SL opts to apply the 'right to invoice' practical expedient in NZ IFRS 15 to revenue recognition for its measure and value contracts when the Company has a right to payment from a customer in an amount that corresponds directly with the value of SL's performance completed to date. In these cases, SL recognises revenue on the basis of invoicing.

For contracts where the right to invoice practical expedient is not applied SL's performance is measured using the output method, by reference to regular quantity surveyor reports. A subsequent change in the price or scope of the contract must be approved by the Engineer in writing to be accounted for a contract modification.

SL typically provides for defects liability periods, which cover the obligation to rework certain general construction contracts. These are deemed assurance-type warranties as defined in NZ IFRS 15 and are accounted for under NZ IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer.
If SL performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade and other receivables
A receivable represents SL's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
Trade receivables that do not contain a significant financing component or for which SL has applied the practical expedient are measured at the transaction price determined under NZ IFRS 15, less any provision for expected credit losses. They are non-interest bearing and are generally on terms of 30 days, or per monthly progress payments reflective of work performed in that month.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which SL has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before SL transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when SL performs under the contract.

Onerous contracts
If SL has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, SL recognises any impairment loss that has occurred on assets dedicated to that contract.

Borrowings
Interest-bearing borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest basis.

Borrowings are classified as current liabilities unless SICON Ltd has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Borrowing costs
Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised in the income statement in the period in which they are incurred, other than borrowing costs directly attributable to the construction of qualifying assets which are capitalised as part of the asset.
Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method and interest receivable on funds invested.

Income tax
Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

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

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

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

Deferred tax is recognised on taxable temporary differences arising on investments except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

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

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Inventories
Inventories held for use in the production of goods and services are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the standard cost. In the case of manufactured goods, cost includes direct materials, labour and production overheads associated with putting the inventories in their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to value the rate. The write down from cost to net realisable value is recognised in the surplus or deficit.

Financial assets
SL classifies its financial assets into the following category: Financial assets at amortised cost (debt instruments).
SL's financial assets at amortised cost contain trade receivables and cash and cash equivalents.
The Group measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment of financial assets
SL recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate if applicable.
For trade receivables and contract assets, SL applies a simplified approach in calculating ECLs.
Therefore, SL does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. SL determines ECLs based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Fair value measurement
Fair values of financial instruments that are measured at amortised cost are disclosed in note 19.

Property, plant and equipment
Property, plant and equipment consist of:

Buildings, improvements, plant and machinery, motor vehicles, furniture and fittings and computer equipment.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions
The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to SL and the cost of the item can be measured reliably.
In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation
Depreciation is provided using a mix of both straight-line and diminishing value methods on all property, plant and equipment, at rates that are consistent with tax rates and will write off the cost (or valuation) 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:

Particulars	**Useful life**	**Deprecation rate**
Buildings	10 - 33 years	3% - 10% (DV)
Improvements	10 - 50 years	12% - 40% (DV)
Plant & Machinery	2 - 12 years	8.3% - 50% (DV & SL)
Motor Vehicles	6 - 10 years	10% - 30% (DV & SL)
Furniture & Fittings	3 - 10 years	10% - 33% (DV & SL)
Computer Equipment	2 - 3 years	33% - 50% (DV & SL)

The estimated useful lives, residual values and depreciation rates of the company are reviewed at each financial year end as they represent a significant judgement in the preparation of these financial statements.

Revaluation
Those asset classes that are revalued, are valued on a five yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Buildings
Buildings are valued at fair value as determined from market-based evidence by an independent valuer. The most recent valuation of buildings was performed by David Shaw and Alex Wills of Quotable Value Ltd and this is effective as at 30 June 2013.

Accounting for Revaluations:
SL accounts for revaluations of buildings on an asset by asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for each asset. Where this results in a debit balance in the asset revaluation reserve for this asset, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that asset through other comprehensive income.

Intangible assets

Goodwill
Goodwill is initially measured at cost and is the difference between the cost of the acquisition and the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill on business combinations is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead goodwill is tested for impairment annually. After initial recognition goodwill is measured at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

The recoverable amount as at 30 June 2019, has been determined based on a value in use calculation using estimated cash flow projections. The projection is based on 0.5% growth rate for the first five years then nil growth rate beyond that. The post-tax discount rate applied to cash flow projections is 2.2%.

Software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use, the specific software.
Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of software is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software have been estimated as follows:

Particulars	Useful life	Amortisation rate
Software	2 - 3 years	33% -50%

Mining Licences

Acquired mining licenses and permits are capitalised on the basis of the costs incurred to acquire and bring to use, the specific licence and permit.

Amortisation

Mining Licences transferred at acquisition date with a finite life are amortised on a straight line basis over their useful life.

Amortisation begins from acquisition date and ceases at the date that the licence is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rate for mining licences have been estimated as follows:

	Useful Life	Amortisation Rate
Wanganui	24.04 years	4.16%

Brand Name / Customer List & Customer Contracts

Brand Name, Customer List & Customer Contracts are finite life intangibles recorded at their fair value on acquisition less accumulated amortisation and impairment. They are amortised on a straight-line basis over their assumed useful life.
The fair values have been established by reference to Former BCL revenue, discounted cash flows and contracts on BCL books at time of acquisition.
These valuations use assumptions including future revenue, margins, risk and appropriate discount rates.

Amortisation

Amortisation begins from acquisition date, over the amortisation life established, or as profit on a contract is realised.
The amortisation charge for each period is recognised in the surplus or deficit.

The Amortisation Life/Method have been established as follows:

	Amortisation Life/Method
Brand Name	10 years
Customer Relationships	3 years
Customer Contracts	As profit realised

Impairment of non-financial assets
Non-financial assets that have an indefinite useful life or are not subject to amortisation are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that asset. Where that results in a debit balance in the revaluation reserve for that asset, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

Trade and other payables
Trade and other payables are initially measured at their face value.

Goods and service tax (GST)
All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.
The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

Employee benefits
Short-term benefits
Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

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

SL recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits
Long service leave and end of work life benefit entitlements that are payable beyond 12 months, such as long service leave and end-of-work life benefit, have been calculated on an actuarial basis. The calculations are based on:
Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information and the present value of the estimated future cash flows. A discount rate and an inflation factor are used in this calculation.

Superannuation schemes
Defined contribution schemes
Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Provisions
A provision for future expenditure is recognised when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

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

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

Interests in joint ventures
A joint venture is a contractual arrangement which involves two or more parties who undertake an economic activity subject to joint control. A jointly controlled entity involves the establishment of a corporation, partnership or other entity where each venture has an interest. The joint ventures contribute cash or other resources to the jointly controlled entity and the contributions are recognised in the joint ventures financial statements as an investment in a jointly controlled entity. SL accounts for its interest in jointly controlled entities using the equity method where the initial investment is recognised at cost. The carrying amount is increased or decreased to recognise the joint ventures share of profit or loss. If the share of losses exceeds the interest in the joint venture, the share of further losses are not recognised.

Non-current assets held for sale
Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than continuing use. The asset must be available for immediate sale and the terms of the sale must be usual and customary for sales of such assets. The sale must be highly probable and management must be committed to a plan to sell the asset. The asset must be actively marketed and the sale completed within one year from classification date. After classification, the asset is measured at the lower of carrying value or fair value less costs to sell. Non-current assets classified as held for sale are not depreciated.

Consolidation
Basis of consolidation
The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cashflows of entities in the group on a line by line basis.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries are adjusted to conform to SL accounting policies.

Subsidiaries
Subsidiaries are all entities over which SL has control. SL controls an entity when SL is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The SL applies the acquisition method to account for business combinations. The consolidation transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by SL. The consideration transferred includes fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition- related costs are expensed as incurred.

Any contingent consideration to be transferred by SL is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries are adjusted to conform to SL accounting policies.

Critical accounting estimates and assumptions
In preparing these financial statements SL has made estimates concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Impairment of goodwill
SL determines whether goodwill is impaired on an annual basis. This requires an estimation of the recoverable amount of the single cash- generating unit of SL, using a value in use discounted cash flow methodology, to which the goodwill is allocated. The Directors of SL estimated the forecast trading performance of the single cash- generating unit of SL and determined that the goodwill of the business was not impaired.

Intangible assets – Brand name and customer list
Determining the cost of the brand name and customer list intangible assets acquired in the purchase of the trade and assets of SL, required an estimation of the discounted future cash flows expected from the established brand name and customer relationships. The Directors of SL have assumed that cash flows associated with the brand name and customer relationships will continue over 15 years and 3 years respectively.

Revenue from Contracts with Customers – Identification of performance obligations
SL determined that the services provided under its construction and maintenance contracts are capable of being distinct. However, SL does not consider each part of the services to be distinct in the context of the contract, as SL provides a significant integration service (SICON is responsible for the overall management of the contract) which requires the performance and integration of various services and contract outputs. Management therefore concludes, that construction and maintenance contracts each contain a single performance obligation.

Revenue from Contracts with Customers – Pattern of revenue recognition
Revenue is recognised when or as each performance obligation is satisfied, at the amount of the transaction price allocated to that performance obligation. A performance obligation is satisfied over time, when either the customer simultaneously receives and consumes the benefits provided by SL's performance, the performance creates or enhances an asset that the customer controls as the asset is created or enhanced or its performance does not create an asset with an alternative use to SL and SL has an enforceable right to payment for performance completed to date. Where a performance obligation is satisfied over time an 'input method' or an 'output method', as deemed appropriate by management, is used for measuring progress towards complete satisfaction of the performance obligation.

Note 2: Other income

	2019 $'000	2018 $'000
Interest received	12	12
Gain on sale of property, plant and equipment	186	274
Other income	181	152
Total other income	**379**	**438**

Note 3: Employee benefit expenses

	2019 $'000	2018 $'000
Salaries & Wages	16,884	16,051
Employer contributions to superannuation and Kiwisaver plans	385	380
Employer contributions to fringe benefits	5	21
Increase (decrease) in employee benefit liabilities	(26)	142
Total employee benefit expenses	**17,248**	**16,594**

Note 4: Other expenses

	2019 $'000	2018 $'000
Audit fees	117	143
Directors fees	177	191
Operating leases	591	662
Bad Debts written off	161	-
Loss on disposal/write off of PPE	72	107
Cost of Services	26,488	31,442
Other operating expenses	2,756	1,677
Total other expenses	**30,362**	**34,222**

Note 5: Taxation

	2019 $'000	2018 $'000
Income Tax Expense		
Relationship between tax expense and accounting surplus		
Accounting profit before income tax	765	3,047
Tax at 28%	214	853
Permanent differences	163	152
Prior year adjustments	(49)	-
Recognition of prior losses	-	-
Recognition of previously unrecognised temporary differences	-	-
Tax Expense/(Credit)	**328**	**1,005**
Tax Expense/(Credit) reported in the statement of comprehensive income	328	1,005
Comprising the following components of tax expense		
Current tax expense	365	1,065
Deferred tax expense	12	30
Prior year adjustments	(49)	-
Recognition of current tax losses	-	(90)
Income Tax Expense/(Credit)	**328**	**1,005**

	2019 $'000	2018 $'000
Current tax asset/(liability)		
Balance at 1 July	(417)	(378)
Charged to profit or loss	(365)	(1,065)
Net tax paid (refunded)	693	1,013
Prior year adjustments	161	13
Balance at 30 June	**72**	**(417)**
Deferred tax asset		
Balance at 1 July	303	257
Prior year deferred tax adjustments	(113)	(14)
Recognition of previously unrecognised temporary differences	-	-
Current year movement	(12)	(30)
Change of income tax rate	-	90
Balance at 30 June	**178**	**303**

Imputation credit account

Imputation credits available for use in subsequent periods were $4.3 million (2018 - $4.1 million).

Note 5: Taxation (continued)

Movements in deferred tax balances for year ended 30 June 2019

	Balance 1/07/2018	Charged to surplus	Prior Year Adjustment	Balance 30/06/2019
	$'000	$'000	$'000	$'000
Disclosure of deferred tax balances are as follows				
Retentions receivable	(215)	(4)	-	(219)
Employee benefit	219	1	(13)	207
Trade and other payables	142	17	(10)	149
Property, plant and equipment	54	(13)	-	41
Provision for doubtful debts	13	(13)	-	(0)
Losses Recognised	90	-	(90)	-
Balance as at 30 June	**303**	**(12)**	**(113)**	**178**

Movements in deferred tax balances for year ended 30 June 2018

	Balance 1/07/2017	Charged to surplus	Prior Year Adjustment	Balance 30/06/2018
	$'000	$'000	$'000	$'000
Disclosure of deferred tax balances are as follows				
Retentions receivable	(147)	(68)	-	(215)
Employee benefit	194	55	(30)	219
Trade and other payables	145	(18)	15	142
Property, plant and equipment	65	(11)	-	54
Provision for doubtful debts	-	13	-	13
Losses Recognised	-	90	-	90
Balance as at 30 June	**257**	**61**	**(15)**	**303**

Note 6: Trade and other receivables

	2019 $'000	2018 $'000
Trade receivables	4,330	4,909
Related party receivable - Selwyn District Council (note 17)	2,384	1,979
Related party receivable - BG Contracting/Sicon Joint venture (note 17)	22	-
Related party receivable - Woody B Ltd (note 17)	-	21
Related party receivable - other entities	-	32
Contract Retentions	766	752
Prepayments	67	37
	7,569	7,730
Less impairment for expected credit losses	-	(46)
Total trade and other receivables	**7,569**	**7,684**

The carrying value of trade and other receivables approximates their fair value.

Receivables due from both local and government authorities account for 70% (2018 - 95%) of trade receivables. This concentration of receivables is not considered a credit risk due to the risk profile of local or government authorities which are considered minimal.

As of 30 June 2019, and 2018, all overdue receivables have been assessed for impairment and appropriate provisions applied. SL holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Movement in the allowance for expected credit losses

	2019 $'000	2018 $'000 **Restated*
At 1 July	(46)	-
Provision for expected credit losses	46	(46)
Write-off	-	-
As at 30 June	**-**	**(46)**

Expected credit losses recognised relate to trade receivables and are based on lifetime expected credit losses. The change in the loss allowance is due to repayment of the trade receivable.

The carrying amount of receivables that would have been past due or impaired, whose terms have been renegotiated is $nil (2018 – $nil). The status of receivables at 30 June are:

	2019			2018		
Group	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Current	6,276	-	6,276	6,576	-	6,576
Past Due 31 - 60 days	349	-	349	67	-	67
Past Due 61 - 90 days	83	-	83	60	-	60
Past due over 90 days	28	-	28	237	(46)	191
Total	**6,736**	**-**	**6,736**	**6,940**	**(46)**	**6,894**

Note 7: Inventories

	2019 $'000	2018 $'000
Gravel stocks	306	137
Other direct materials	482	360
Total inventories	**788**	**497**

The write-down of inventories is $nil (2018 – $nil).
There is no inventory subject to retention of title clauses.

Note 8: Plant, property and equipment

	Buildings	Improvements	Plant & machinery	Motor vehicles	Furniture & fittings	Computer equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost							
Balance at 1 July 2017	65	46	18,720	8,650	252	239	**27,972**
Additions	-	-	1,120	925	2	34	**2,081**
Disposals	-	-	(1,835)	(243)	(20)	(8)	**(2,106)**
Transfer to held for sale	-	-	-	-	-	-	**-**
Balance at 30 June 2018	**65**	**46**	**18,005**	**9,332**	**234**	**265**	**27,947**
Balance at 1 July 2018	65	46	18,005	9,332	234	265	**27,947**
Additions	-	-	2,249	383	112	72	**2,816**
Disposals	-	(10)	(991)	(388)	(18)	(56)	**(1,463)**
Transfer to held for sale	-	-	(331)	(326)	(1)	-	**(658)**
Balance at 30 June 2019	**65**	**36**	**18,932**	**9,001**	**327**	**281**	**28,642**
Accumulated Depreciation							
Balance at 1 July 2017	45	43	7,411	4,043	237	199	**11,978**
Depreciation Expense	2	1	1,927	1,012	3	28	**2,973**
Disposals	-	-	(1,410)	(128)	(20)	(8)	**(1,566)**
Transfer to held for sale	-	-	-	-	-	-	**-**
Balance at 30 June 2018	**47**	**44**	**7,928**	**4,927**	**220**	**219**	**13,385**
Balance at 1 July 2018	47	44	7,928	4,927	220	219	**13,385**
Depreciation Expense	2	0	1,646	933	7	39	**2,627**
Disposals	-	(10)	(314)	(118)	(16)	(56)	**(514)**
Transfer to held for sale	-	-	(43)	(56)	(0)	-	**(99)**
Balance at 30 June 2019	**49**	**34**	**9,217**	**5,686**	**211**	**202**	**15,399**
Carrying amounts							
At 30 June and 1 July 2017	20	3	11,310	4,607	16	39	**15,995**
At 30 June and 1 July 2018	18	3	10,077	4,405	14	46	**14,563**
At 30 June 2019	**16**	**2**	**9,715**	**3,315**	**116**	**79**	**13,243**

No property, plant and equipment are pledged as security for liabilities.

The carrying amount under the cost model for Buildings would have been $16,099 as at 30 June 2019. (2018: Buildings $17,840).

Note 8: Plant, property and equipment (continued)

Impairment

Impairment losses of $1,981 (2018 - $nil) have been recognized for plant, property and equipment classified as held for sale based on a detailed review of the operational effectiveness and net realizable value of individual items. The directors believe that no additional impairment is appropriate.

Assets held for sale

	Plant & Machinery	Motor Vehicles	Furniture & fittings	Total
2018	**$'000**	**$'000**	**$'000**	**$'000**
Net Assets Classified as Held for Sale 1 July	94	-	-	94
Disposals at Book Value	(94)	-	-	(94)
Transferred Assets Held for Sale Opening Cost	-	-	-	-
Transferred Accumulated Depreciation	-	-	-	-
Impairment	-	-	-	-
Net Assets Classified as Held for Sale	**-**	**-**	**-**	**-**
2019				
Net Assets Classified as Held for Sale 1 July	-	-	-	-
Disposals at Book Value	-	-	-	-
Transferred Assets Held for Sale Opening Cost	331	327	1	659
Transferred Accumulated Depreciation	(43)	(56)	(0)	(99)
Impairment	(1)	-	(1)	(2)
Net Assets Classified as Held for Sale	**287**	**271**	**0**	**558**

Note 9: Intangible assets

	Goodwill	Brand Name	Customer List	Customer Contracts	Software	Mining licences	Website	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost								
Balance at 1 July 2017	870	1,357	877	357	15	43	2	**3,521**
Additions	-	-	-	-	51	-	-	**51**
Disposals	-	-	-	-	-	-	-	**-**
Balance at 30 June 2018	**870**	**1,357**	**877**	**357**	**66**	**43**	**2**	**3,572**
Balance at 1 July 2018	870	1,357	877	357	66	43	2	**3,572**
Additions	-	-	-	-	70	-	-	**70**
Disposals	-	-	-	-	-	(43)	-	**(43)**
Balance at 30 June 2019	**870**	**1,357**	**877**	**357**	**136**	**-**	**2**	**3,599**
Accumulated Amortisation								
Balance at 1 July 2017	-	57	122	283	(0)	8	2	**472**
Amortisation	-	136	292	74	24	2	0	**528**
Disposals	-	-	-	-	-	-	-	**-**
Balance at 30 June 2018	**-**	**193**	**414**	**357**	**23**	**10**	**2**	**999**
Balance at 1 July 2018	-	193	414	357	23	10	2	**999**
Amortisation	-	281	292	-	44	-	-	**617**
Disposals	-	-	-	-	-	(10)	-	**(10)**
Balance at 30 June 2019	**-**	**474**	**706**	**357**	**67**	**-**	**2**	**1,606**
Carrying amounts								
At 1 July 2017	870	1,300	755	74	15	35	(0)	3,049
At 1 July 2018	870	1,164	463	-	43	33	(0)	2,573
At 30 June 2019	**870**	**883**	**171**	**-**	**69**	**-**	**(0)**	**1,993**

Note 10: Trade and other payables

	2019 $'000	2018 $'000
Trade payables	2,855	3,010
Accrued expenses	989	1,413
Amounts due to related parties - Selwyn District Council (note 17)	190	16
Amounts due to related parties - Woody B Ltd (note 17)	-	27
Amounts due to related parties - other entities	-	36
Total trade and other payables	**4,034**	**4,502**

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

Note 11: Employee benefit liabilities

	2019 $'000	2018 $'000
Accrued pay	457	475
Annual and alternative leave	830	862
Long service leave	4	3
Retirement benefit	8	7
Sick leave	61	39
Total employee benefit liabilities	**1,359**	**1,386**
Comprising:		
Current	1,348	1,376
Non-current	11	10
Total employee benefit liabilities	**1,359**	**1,386**

Note 12: Provisions

	GROUP 2019 $'000	GROUP 2018 $'000
Contractual Rework	254	316
Onerous Contracts	-	-
At 30 June	**254**	**316**

Movement for each class of Provision are as follows:

	Group	
2018	**Onerous Contracts $'000**	**Rework $'000**
At 1 July 2017	371	88
Increase/(decrease) in provision during year	(371)	228
Costs incurred during the year	-	-
	-	**316**
2019	**Onerous Contracts $'000**	**Rework $'000**
At 1 July 2018	-	316
Increase/(decrease) in provision during year	-	13
Costs incurred during the year	-	(75)
	-	**254**

Note 13: Equity

	2019 $	2018 $'000
Capital		
As at 1 July	15,363	15,363
Capital issued	-	-
As at 30 June	**15,363**	**15,363**
Retained earnings		
As at 1 July	2,403	1,009
Final BCL payment	(2,850)	-
Adjustment to the prior year's BCL retained earnings	(153)	-
Non -controlling Interest	3,425	-
Surplus (Deficit) for the year	437	2,194
Distribution to owners - dividends	(800)	(800)
As at 30 June	**2,462**	**2,403**

SL has 3,294,350 (2018 – 3,294,350) authorised, issued and fully paid shares, with $nil par value. All shares carry the same voting rights. None of the shares carry fixed dividend rights.

Note 14: Reconciliation of net surplus after tax to cash flows from operating activities

	2019 $'000	2018 $'000
Net surplus (deficit) after tax	437	2,042
Add (less) non cash items:		
Depreciation and amortisation	3,243	3,491
Deferred tax expense/(credit)	125	(49)
Share of joint venture (surplus) deficit	-	9
Increase in Provisions	-	(132)
Add (less) items classified as investing or financing activities:		
Net (gains) losses on disposal of property, plant and equipment	(114)	(167)
Net (gains) losses on Distributions from JV	-	-
Working capital acquired on acquisition	-	-
Add (less) movements in working capital items		
Trade and other receivables	115	(291)
Income tax receivable	(72)	-
Inventories and work in progress	(1,516)	130
Trade and other payables	(507)	(391)
Income tax payable	(417)	50
Employee benefits	(27)	81
Net cash inflow (outflow) from operating activities	**1,267**	**4,774**

Note 15: Capital commitments and leases

SICON Ltd has $nil capital expenditure for property, plant and equipment contracted for at balance date but not yet incurred (2018 – $71,267).

SICON and its subsidiary leases property, plant and equipment in the normal course of its business. The leases have a non-cancellable term of between 17 and 60 months. The future aggregate minimum lease payments to be collected under non-cancellable operating and tenancy leases are as follows:

	2019 $'000	2018 $'000
Non-cancellable operating and tenancy leases as lessee		
Not later than one year	806	506
Later than one year but not later than five years	2,173	340
Later than five years	-	-
Total non-cancellable operating and tenancy leases as lessee	**2,979**	**846**

The leases can be renewed at SL's option, with rents set by reference to current market rates for items of equivalent age and condition.

Note 16: Contingencies

Contingent liabilities

From time to time SL has performance bonds and bonds in lieu of retentions to third parties. Bonds to the value of $500,000 (2018 - $510,000) are committed as at 30 June 2019.
SL does not list these bonds as provisions because it does not consider that it is probable that any such bonds will be exercised. If any performance issues are raised SL has a policy of promptly returning to the site and fixing the customers concerns.

Other than the above SL has no contingent liabilities as at 30 June 2019.

Note 17: Related party transactions

SL is a wholly owned subsidiary of Selwyn District Council and carries out civil engineering contracting services for a variety of public and private clients.

	2019 $'000	2018 $'000
Transactions with ultimate parent entity		
Selwyn District Council		
Services provided to SL	73	63
Depot lease paid by SL	301	142
Rates paid by SL	3	4
Services provided by SL	16,825	14,007
Balance receivable by SL at 30 June	2,384	1,879
Balance payable by SL at 30 June	190	16
Services provided by BCL	-	100
Balance receivable by BCL at 30 June	-	100
Transactions with subsidiary and joint venture		
BG Contracting/Sicon Joint venture		
Services provided by SL	19	-
Balance receivable by SL at 30 June	22	-
Transactions with shareholder in BCL		
Woody B Ltd		
Services provided to BCL	-	50
Assets sold to BCL	-	-
Services provided by BCL	-	177
Balance receivable by BCL at 30 June	-	27
Balance payable by BCL at 30 June	-	21

Note 17: Related party transactions (continued)

Transactions with Key Management Personnel

During the year, Directors, Chief Executive and other senior management personnel, as part of a normal customer relationship, may have been involved in minor transactions with the SDC (such as payment of rates, purchase of rubbish bags etc.).

During the year, SL sold goods and services amounting to $12,423 (2018 - $4,008) to Trojan Holdings Ltd, a company associated to director Mr P J Carnahan. Balance outstanding at 30 June 2019 was $nil (2018 - $nil).
Sale of goods and services amounting to $2,890 (2018 - $nil) were also made to Tonkin & Taylor Group Limited a company associated to director Mr G Lovell. Balance outstanding at 30 June 2019 was $nil (2018 - $nil).

Steve Grave Consulting Ltd, a company associated to director Mr S W Grave provided goods and services to SL amounting to $46,610 (2018: $nil). Balance outstanding at 30 June 2019 was $nil (2018 - $nil).
Delta Utility Services a company associated to director Mr S W Grave provided goods and services to SL amounting to $8,693 (2018: $nil). Balance outstanding at 30 June 2019 was $nil (2018 - $nil).

These sales and purchases were all made on terms equivalent to those that prevail in arm's length transactions.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2018 - nil).

Key management personnel compensation

	2019 $'000	2018 $'000
Salaries and other short-term employee benefits	1,484	1,442
Post-employment benefits	36	40
Total	**1,520**	**1,482**

Key management personnel were determined to be the directors, Chief Executive, and Senior Leadership Team.

Note 18: Events after the balance date

On 2 July 2018 Blakely Construction Limited was amalgamated into SICON Limited, following SICON Limited purchasing the remaining 30% shareholding from Woody B Limited, on 2 July 2018. On amalgamation, SICON applied the amalgamation date accounting approach, incorporating the assets and liabilities and results of operations of Blakely Construction Limited from the date of amalgamation.

There have been no significant events after balance sheet date 30th June 2019.

Note 19: Financial instrument risk management

SL has a series of policies to manage the risk of exposure with financial instruments. SL is risk averse and seeks to minimise exposure from its activities. SL has established approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Categories of financial assets and liabilities
The carrying amounts of financial assets and liabilities are approximated at their fair values.

Banking facility

Facility in place during the financial year:
SL has a composite facility with the ANZ Bank New Zealand Limited that includes overdraft, commercial flexi and flexible credit facilities. The facility has a limit of $3.3 million (2018: $3.5m) apportioned between the facilities and is "on demand" which is the standard term for the bank's working capital facilities.
Fees of 0.5% pa are charged on the facility and are payable quarterly. Interest is charged at the Business Bank Indicator Rate (BBIR) plus various margins.

Fees of 0.0417% are charged on the greater of the highest facility limit or the highest outstanding money each month. Interest is charged at the Business Bank Indicator Rate (BBIR) plus various margins. The interest rates applicable to SL on 30 June 2019 were overdraft facility 9.50% and the commercial flexi facility 5.49%.

The commercial flexi facility balance as at 30 June 2019 is $0.0 million (2018 - $0.0m), and the overdraft balance as at 30 June 2019 is $nil (2018 - $nil).
A movement in interest rates of plus or minus 1% to the actual average interest rate will have an effect of plus or minus $12 (2018 - $10) on the surplus/deficit.

SL has a Term facility with the ANZ Bank New Zealand Limited that ends on 1 August 2019. The facility has a limit of $3.0 million.
Interest is calculated daily on the balance of the outstanding principle under the drawing and charged on the last day of each month. Interest is charged at the ANZ Business Reference Rate (BKBM) plus a margin of 2.85% p.a. The interest rate applicable to SL on 30 June 2019 was 4.74% p.a.
The Term facility balance as at 30 June 2019 is $3.0 million.
A movement in interest rates of plus or minus 1% to the actual average interest rate will have an effect of plus or minus $30k (2018 - $0) on the surplus/deficit.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SL's exposure to the risk of changes in market interest rates relates primarily to the short-term bank debt obligations with floating interest rates.
SL manages its interest rate risk by closely monitoring changes in interest rates and forecasts provided by the bank and external sources. At 30 June 2019 SL had 100% of its debt obligations on floating rates (2018 – 100%).

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. SL is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions.

Note 19: Financial instrument risk management (continued)

Trade receivables

Customer credit risk is managed by SL subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on references to both external and internal credit ratings. Outstanding customer receivables are regularly monitored, and any outstanding payments are followed up. At 30 June 2019 SL had nine customers (2018 – five customers) who owed SL more than $100,000 and four of these customers (2018 – four customers) were local or central government authorities. Receivables due from both local and central government agencies account for 70% (2018 – 95%) of SL's trade receivables. This concentration of receivables is not considered a credit risk due to the risk profile of local and central government authorities which is considered minimal.

An impairment analysis is performed at each reporting date on an individual basis for all receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 6. SL does not hold collateral as security. SL evaluates the concentration of risk with respect to trade receivables as low, as their customers are predominantly local or central government agencies or profitable construction and land developers. SL's maximum exposure to credit risk for each class of financial instrument is as carried in the statement of financial position.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by investing in term deposits with registered banks. SL has no collateral or other credit enhancements for financial instruments which give rise to credit risk.

Liquidity Risk

Liquidity risk is the risk that SL will encounter difficulty raising liquid funds to meet their commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. SL aims to maintain flexibility in funding by keeping committed credit lines available. SL manages its borrowings in accordance with its funding and financial policies. These policies have been adopted as part of SL's long-term plans. SL has short-term debt as at 30 June 2019. SL has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available. SL has a maximum amount that can be drawn down against its overdrafts of $3.3 million (2018 - $3.45m).

Note 20: Revenue from Contracts with Customers

Set out below is the disaggregation of the SICON's revenue from contracts with customers:

	2019 $'000	2018 $'000
Disaggregated revenue information		
Type of good or service		
Maintenance	36,231	36,279
Construction	15,164	20,756
Other	-	-
Total revenue from contracts with customers	**51,395**	**57,035**

Note 21: Contract Assets

	2019 $'000	2018 $'000
Accrued Revenue	909	167
Contract WIP - unbilled receivables	902	420
	1,811	587

Note 22: Investments

Investment in Joint Ventures

	2019 $'000	2018 $'000
Balance at 1 July	(1)	7
Recognised surplus	(1)	(1)
Distributions by joint ventures	0	(7)
Balance at 30 June	**(2)**	**(1)**

In 2012 SL entered into a Joint Venture (JV) arrangement with BG Contracting Ltd to complete Stage 6 of the Izone industrial subdivision at Rolleston. The JV was a jointly controlled entity under NZ IFRS 11, which was completed and closed in 2015. The contract finished in 2017.

SL entered into a new contract with BG Contracting Ltd in 2017. SL has a 49% share of the JV (2018 – 49%) and has accounted for this share using the equity method under NZ IAS 28.

SL's share of the profit/(loss) for the year to 30 June 2019 was ($718) (2018 – ($1,009)) and the investment in the JV at 30 June 2019 was ($718) (2018 - ($1,009)).

At 30 June 2019 SL's share of the JV assets was $18,485 (2018 - $97,495) and liabilities $21,435 (2018 - $98,649). The JV's revenue for the year ended 30 June 2019 was $0 (2018 - $668,267). There was no initial investment required. The JV has no contingent assets or liabilities.

Acquisition of Blakely Construction Limited

On 2 April 2012, Ferguson Brothers (2012) limited, a wholly owned subsidiary was incorporated with 100 shares.

On 1 February 2018, Ferguson Brothers (2012) limited purchased the trade and assets of Blakely Construction Limited and simultaneously changed its name to Blakely Construction Limited (BCL). On this day, a further 900 shares were issued, 600 of these to SL resulting in a total shareholding of 70%.

On 2 July 2018 SL purchased the non-controlling interest's 30% at a price based on BCL's net earnings over the 3 years to 30 June 2018.

On 30 June 2019, final sign-off and settlement was agreed, with no addition consideration.

Note 23: Borrowings

	2019 $'000	2018 $'000
Current		
Term facility	3,000	1,241
Total current borrowings	**3,000**	**1,241**

Overdraft

The overdraft facility is secured by debenture. The maximum amount that can be drawn down against the overdraft facility is $300,000 (2018 $500,000). There are no restrictions on the use of this facility.

Commercial flexi facility

The commercial flexi facility is secured by debenture. The maximum amount that can be drawn down against the overdraft facility is $3,000,000 (2018 $3,000,000). There are no restrictions on the use of this facility.

Term facility

The term facility has a limit of $3.0 million with the ANZ Bank New Zealand Limited that ends on 1 August 2019. There are no restrictions on the use of this facility.

Note 24: Dividends

SL has provided a dividend of $800,000 (net of imputation credits) to Selwyn District Council (2018 - $800,000 net of imputation credits).

Note 25: Statement of objectives and performance

Targets were set under the Statement of Corporate Intent in June 2018. A comparison of achievement against those targets is as follows:

	Achievement	SOI Target
Financial Performance:		
Return After Tax* to Opening Equity	4.8%	≥ 8.0%
*(excluding amortisation)		
Dividend paid	$800,000	≥ $800,000
Quality services:		
ISO 9001:2008 Quality standard certificate	Maintained	Maintain
Health and Safety:		
To achieve “Leading” status through the SafePlus performance on-site assessment. The WSMP programme ended on 1 April 2017, ratings for SICON continued until the end of 2018. From the end of 2018 SICON intended to adopt the SafePlus assessment tool supported by WorkSafe NZ.	Decision not to adopt SafePlus	Adopt SafePlus
Employee Retention and Training:		
Staff Retention	65.6%	75%
Training & Development as a % of payroll costs	3.6%	≥ 1.5%

Note 26: Capital management

The company’s capital is its equity, comprised of share capital, retained earnings and reserves and represented by net assets.

It is the company’s intention to maintain sufficient capital to provide security for the existing level of operations and the flexibility for future growth opportunities.

The company pays dividends after taking into account profitability and future investment requirements. The board of directors determines the dividends payable after considering the group’s funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

Independent Auditor's Report

To the readers of SICON Limited's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of SICON Limited (the Company). The Auditor-General has appointed me, John Mackey, 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 11 to 38, that comprise the statement of financial position as at 30 June 2019, 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 38.

In our opinion:

- the financial statements of the company on pages 11 to 38:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2019; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards; and
- the performance information of the company on page 38 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 2019.

Our audit was completed on 30 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the 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.

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.

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 10, 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(Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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

John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand