

WHAT WE DO

DELTA Utility Services Limited is a multi-utility service contractor that provides a range of civil, electrical and other services to local authority and private sector clients. It is based in Dunedin, with service depots throughout the South Island.

- > Installation of the 27km water reticulation pipeline from Dunedin's northern reservoirs to Waikouaiti.
- > *DELTA* horticulturalists planting a weeping willow at the new Dunedin Chinese Garden.



FINANCIAL HIGHLIGHTS

	2008	2007
	\$'000	\$'000
Revenue	86,245	73,387
Net surplus for the year	1,980	3,546
Shareholder's funds	17,616	18,208
Total assets	42,962	39,386

WHAT WE DID THIS YEAR

This company continues to grow in size. Sales at \$86.2m are up 17% on last year and in terms of revenue this makes it the largest company in the group. The surplus after tax at \$1.98m is down on last year and does not reflect a claim in excess of \$3m against one major customer that is not recognised in these accounts and which is likely to result in litigation. The surplus was also affected by a substantial write-down in the value of the company's electrical metering investment in the Canterbury region.

Nevertheless the return to shareholders on the value of the assets invested in DELTA is good. Any company, like DELTA, that returns 11% (19% last year) on capital employed is working well.

DELTA's business activities continue to expand with the acquisition of another small Queenstown contractor in July 2007. Skills shortages across the board continue to be an ongoing issue although the market improved for civil contracting skills toward year-end.

Health and safety issues are always important. The company has placed a lot of effort into decreasing staff accident rates of staff and is very pleased to see that the statistics now show the effect of that effort. The number of lost time incidents fell to a new low for the company dropping from 1.29 incidents for every 100,000 hours worked to 1.26.

The construction of small sewerage schemes has proven to be excellent business for the company over several periods. This year the company finished a scheme at Tuatapere and has started a new scheme at Edendale/Wyndam. These projects followed the successful completion of the Wallacetown scheme the year earlier.

In Central Otago the company has entered a development joint-venture involving 200 residential sections. When the market is ready the company will complete the full sub-divisional development. In the Dunedin area the northern pipeline contract was undertaken for the City Council. This pipeline will carry water from Dunedin via Waitati to Waikouaiti on completion in March 2009.

The company continues to focus on growth in sectors in which it has competitive advantage. We understand that we must employ best practice contract management and have consequently invested in leading-edge data capture and display technology. We remain committed to increasing our involvement in the management of water and/or wastewater assets where there is strong synergy with the systems and skills associated with electricity distribution asset management.

For more information visit www.4delta.co.nz

THE PEOPLE

Directors	R S Polson (Chairman)
	M O Coburn
	G D Douglas
	N G Evans
	P R Hudson
	R D Liddell
	S J McLauchlan
Chief Executive	J F Walsh

