

Waimea Water Limited

Mid-Year Report: 31 December 2022

Issued: 28 February 2023



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1. CEO's summary

Waimea Water Ltd (WWL) has achieved significant milestones and endured further challenges with completing the Waimea Community Dam (dam) during the six months to December 2022.

The 53 metres-high, 220 metres-long dam and the 165 metres-long spillway were substantially completed this period. This allowed the diversion culvert beneath the dam to be partially closed in mid-October, so that the temporary river diversion pipework could be installed over the 2022/23 summer.

Subject to the Contractor completing their quality assurance documentation and subsequent regulatory approval, we expect to commission this temporary pipework and then fully close the culvert in March 2023, so that the reservoir can fill over the upcoming winter.

The permanent mechanical, electrical and control works will be completed and commissioned as the reservoir fills and river flow is moderated through the temporary facilities. WWL expects the reservoir to be filled and works completed in October 2023, providing service to our shareholders and community for next summer.

The construction of the Waimea Community Dam continues in the context of COVID-19, a high inflationary environment, resource limitations and an unstable and constrained international supply chain.

With the project 84% completed at the end of the period, project costs are now largely understood and geology issues and most risks addressed. There is, however, residual risk and cost pressures with completing the mechanical and electrical works and the associated time-related costs of the Contractor. In the 2022 financial year, the Contractor initiated dispute proceedings against WWL and the risk of contract and adjudication decisions being unfavourably overturned will remain until arbitration is completed over the next few years..

While construction costs are largely as forecast in mid-2022, we do expect, however, a further \$3M cost increase to the June 2022 forecast of \$195M to \$198M due to increasing dispute, prolongation, and river diversion costs. This is outlined in section 7.

The dam remains the most cost-effective solution to providing our region with water security in the face of climate change. When full, the dam will hold enough water to cover a one in 50-year drought. Water is New Zealand's competitive advantage and because of the dam, within the next 12 months our region will be able to use water to protect our environment and to support and grow our local community and economy for many generations to come.

The project continues to achieve outstanding safety and environmental performances, and I am very grateful for the effort, diligence and discipline the Contractor and the wider team is making to ensure everyone stays safe and the environment is well protected.

I thank my team for their unwavering commitment to the project, and I thank you for your ongoing support. The board's support of our expert team should also be acknowledged. On behalf of the board, I would also like to welcome Graeme Christie, who joined the board during the period as TDC's new director.

As noted in section 8, WWL is progressing well against its Statement of Intent objectives. As we enter the second half of the financial year, we look forward to moving closer to the dam's commissioning, so that it can start supporting the region's economy from next summer.

2. Performance highlights for the period

- ✓ No lost time injuries.
- ✓ Completed the dam and dam face pipework.
- ✓ Completed the spillway and ogee-weir.
- ✓ Significantly progressed the new cut-off wall beneath the spillway that protects the spillway from erosion.
- ✓ Partially closed the culvert to prepare for and commence the temporary river diversion pipework and controls.
- ✓ 100% compliance with the resource consent conditions.
- ✓ Full compliance with the biodiversity management plan.
- ✓ In preparation for commissioning, completed the Commissioning Management Plan, Reservoir Filling Management Plan, Dam Safety Management Plan, the Instrumentation and Surveillance Plan, the Operational Management Plan and the Emergency Action Plan. This fulfilled the requirements of the resource consent and financier.



Figure 1: Overview of dam, February 2023

3. Introduction

This Mid-Year Report is presented by the Directors of Waimea Water Limited (WWL), in accordance with Section 66 of the *Local Government Act 2002 (the Act)*. Established in December 2018, WWL is a Council Controlled Organisation under Section 6 of the Act.

This document provides shareholders with an unaudited report containing the following information relating to the six-month financial period ending 31 December 2022:

- Statement of Comprehensive Revenue and Expense disclosing actual and comparative figures.
- Statement of Financial Position at the end of the period.
- Statement of Cash Flows.
- A commentary on the results for the period.
- Health, safety and wellbeing performance.
- Compliance and audit status.
- Risk updates.
- Progress against Statement of Intent (SOI) objectives.
- An outlook for the second half-year.



Figure 2: Downstream view of the rockfill embankment and the spillway, February 2023

4. Background

WWL was established to manage the construction, operation and maintenance of the Waimea Community Dam. A joint venture between Tasman District Council (TDC) and Waimea Irrigators Ltd (WIL), the dam will secure the Nelson Tasman region's water supply for the next 100+ years.



Figure 3: Looking down the spillway downstream, December 2022

WWL is committed to building and operating a safe, reliable, sustainable and efficient dam for the benefit of the region. WWL's vision is to build and operate the dam to the appropriate high standards to ensure reliable, sustainable and efficient water security and service to its shareholders and the region for the 2023/2024 season and thereafter for the expected dam life of 100 years.

The dam is being constructed for WWL through a joint venture between local companies Fulton Hogan Ltd and Taylors Contracting Ltd ('the Contractor'). Damwatch Engineering Ltd (DWE) independently reviews the construction and provides design guidance. GHD Engineering peer reviews design changes and designs temporary works.

WWL is focused on having the people, policies and positive relationships that it needs to deliver a world-class water infrastructure project to support the region and its growth.

The dam will be a significant infrastructure asset for the region, supporting the community and economy to thrive, ensuring healthy Lee and Waimea rivers, and helping to protect the region from the changing climate.

5. Areas of activity

This section outlines progress over the reporting period, any emerging issues and opportunities, and the outlook for the second half of the year for each of the key areas of operational activity:

1. Health, Safety and Wellbeing.
2. Design.
3. Construction.
4. Environment.
5. Biodiversity Management Plan.
6. Sustainability and Community Relationships



Figure 4: Completing the dam crest, February 2023

5.1 Health, safety and wellbeing

Progress

WWL has statutory requirements (under the Health and Safety at Work Act 2015) and duty of care for people it influences or directs while delivering the dam project. WWL's Health, Safety and Wellbeing risks and obligations are managed through its Health, Safety and Wellbeing (H, S & W) Management System and ongoing due diligence of the Contractor's construction health and safety management and performance for the dam site.

During this reporting period, WWL operated its system with no notable incidents involving WWL staff or premises. Staff absences due to COVID-19 have continued, with WWL and the Contractor implementing COVID-19 mitigation practices.

Also during the period, WWL and its independent specialist consultant reviewed and worked with the Contractor on safety performance. Regular verification of critical safety risks and regular geotechnical inspections were completed. The Contractor developed and implemented systems and procedures for working in the flood prone confined space of the culvert for the installation of the temporary pipework, with these safety protocols working well. The Contractor also updated their fire prevention plans.

Key metrics for this reporting period include:

- No lost time injuries.
- A rolling annual average of 6.4 injuries per million man-hours.
- No high-potential incidents.

Emerging issues and opportunities

The Contractor has continued to implement thorough reviews and investigations of accidents and near-miss incidents to maintain continual improvement in Health, Safety and Wellbeing practices.



Figure 5: Working on the upstream dam face

5.2 Design

Progress

The focus of design in the period was primarily on dam closure, commissioning and operational readiness, with other design changes primarily focused on the spillway to remediate poor rock.

Build design

The design continues to be adjusted for the encountered geology. For example, a concrete wall has been designed to replace inadequate rock on the true right of the spillway approach channel.

The design team is also analysing new seismic load modelling provided by GNS during the period.

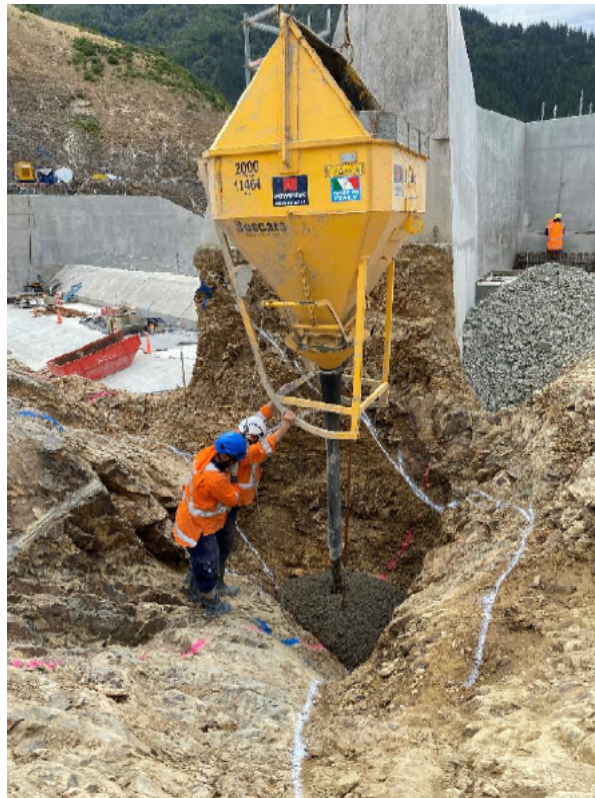


Figure 6: Concrete pour at 'Rocky Knob' to remediate poor founding rock for the guide wall, November 2022

Dam closure and commissioning

In preparation for filling the reservoir over winter 2023, the sequencing programme for the river diversion for the culvert pipework installation was completed. WWL also finalised the Commissioning Management Plan, the Dam Safety Management Plan and the Reservoir Filling Management Plan, which was approved by the Regulator, TDC.

Procurement of mechanical and electrical equipment and works progressed well this half, with many of the major components now fabricated and delivered, such as screens, pipes, valves, debris boom, generators, fuel tank and electrical components. Work on the Scada and control systems is progressing well and to plan. The micro-hydro power generation system has been ordered.

Operational readiness

There was significant progress towards operational readiness this period with the completion of the Operations Management Plan, which TDC certified. The Instruction and Surveillance Plan was also completed. The Emergency Action Plan was completed and approved after consultation with emergency services.

Emerging issues and opportunities

Supply chain issues continue to be a risk but are reducing as more components arrive to site.

The design team continues to seek and implement opportunities to gain time in the programme, including modifying the design of the culvert end wall to facilitate quicker installation and commissioning of the mechanical works.



Figure 7: Upstream of the dam with working continuing on the approach apron in the foreground

5.3 Construction

Dam

During this period, the concrete parapet wall, which is located on the crest above the concrete face, was completed and largely backfilled. The mechanical elements on the face, including the intake screens, rails and winch platform were then installed and subsequently commissioned in early October 2022. Dam instrumentation is being installed behind the completed parapet wall.



Figure 8: Completed parapet wall (top) and intake screens (below)

Spillway

The spillway was completed in the prior period in August 2022. The ogee weir, that sets the operating level of the dam (RL197.2 metres) and optimum hydraulic flow, was subsequently completed in October 2022.

Upstream of the spillway in the approach channel, work has commenced on constructing the structures (beams) to support the geosynthetic liner (Carpi), which mitigates the threat of erosion through the shear zones. The geosynthetic liner is due to be installed in March 2023.



Figure 9: Completed spillway and gee weir. Work continues on the approach apron, February 2023.



Figure 10: Grouting the upper spillway in front of the completed spillway and ogee weir, February 2023

Lower spillway

The nine-metre-high concrete cut-off wall between the spillway flip-bucket and plunge pool protects the spillway from erosion (figure 11). Its construction was significantly progressed during the period, although construction was hampered by flood events.

The concrete bridge across the lower spillway was completed, and construction of the toe berm continued.



Figure 11: Construction of the cut-off wall beneath the spillway, December 2022

With the upstream concrete face, parapet wall and spillway complete, construction reached the milestone in October of closing one of the two river diversion culverts beneath the dam and commencing the temporary river diversion works. This signifies that the dam is now sufficiently complete to function and accommodate floods.



Figure 12: The culvert was partially closed in October for the installation of temporary pipework

Inside the culvert

With the left of the two river diversion culverts closed (figure 13), the permanent upstream section of the intake pipe was installed and connected to the lower intake screen and pipe. The pipe was then entombed in a concrete plug in December 2022. The temporary river diversion works is expected to be installed, connected to this intake pipe and commissioned in March 2023. Subject to the Contractor completing the quality documentation and subsequent regulatory approval, this will then allow the reservoir to be closed and commence filling immediately after the seasonal summer demand for water.



Figure 13: The upstream intake pipe was installed and entombed in a concrete plug in the left culvert in December. In the left photo, the temporary pipe is being installed during February 2023

Construction progress at-a-glance

The graph below shows the status of activities at the beginning of the period (orange), and progress during this period (blue).

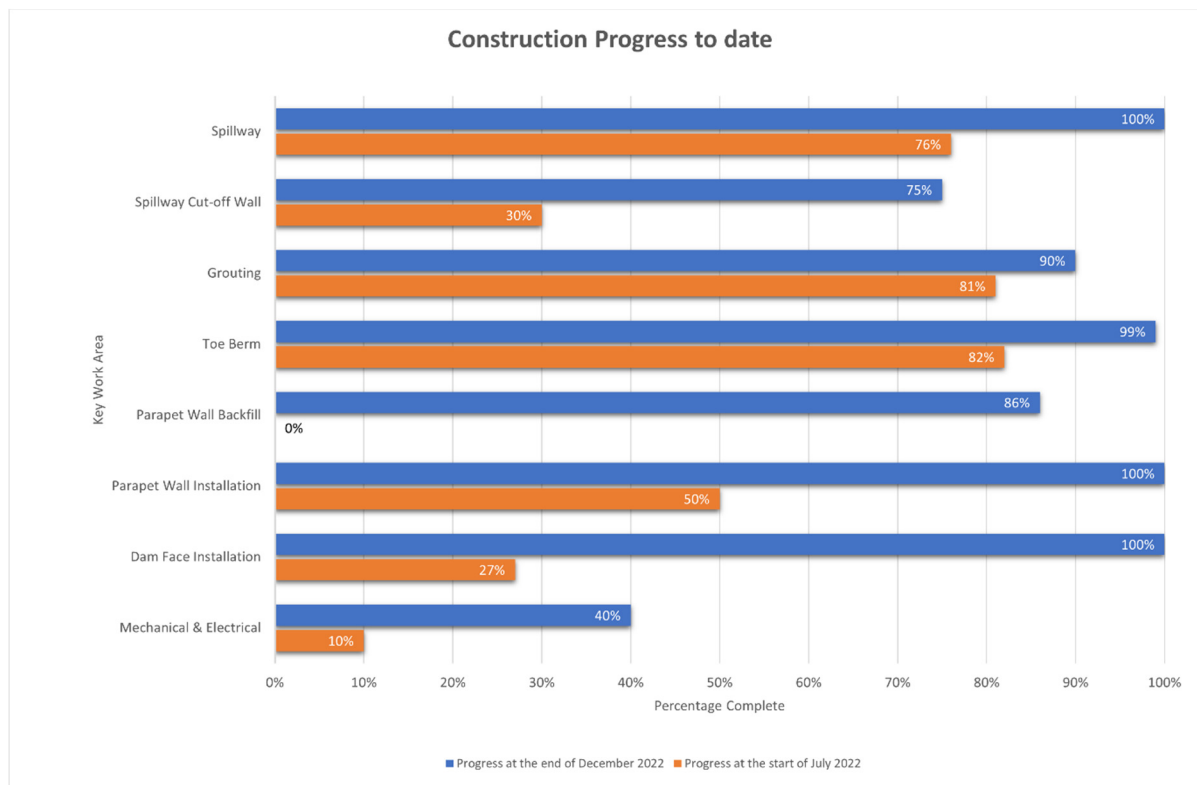


Figure 14: Construction progress as at 31 December 2022

Works for the remainder of the 2022 / 2023 financial year

- Installation of temporary pipework and mechanical elements in the culvert to enable the river to be diverted into the temporary pipe and the culvert to be subsequently closed.
- Completion of the cut-off wall beneath the spillway.
- Completion of the grouting.
- Completion of the spillway approach channel.
- Installation of pre-closure mechanical, electrical, instrumentation and controls works.
- Close the culvert and install the second (right hand side) permanent upstream section of the intake pipe and entombing concrete plug.
- Commence permanent mechanical and electrical works.
- Commence filling the reservoir.

Emerging issues and opportunities

Potential weather events pose significant risks to delaying construction.

The Contractor needs to complete quality assurance documentation to enable regulatory approval to close the culvert and commence filling the reservoir.

5.4 Environment

Progress

WWL continued to work in compliance with its resource consents and the underlying Construction Environmental Management Plan. All environmental management plans required for the works have been reviewed and certified by TDC as compliant with the resource consent conditions.

There were no significant environmental near-misses or incidents during the period.

Fish migration

Work continued on developing WWL's draft Fish Trap and Transfer Plan for dam operations.



Figure 15: Ecologist trapped and transferred fish upstream of the dam, November 2022

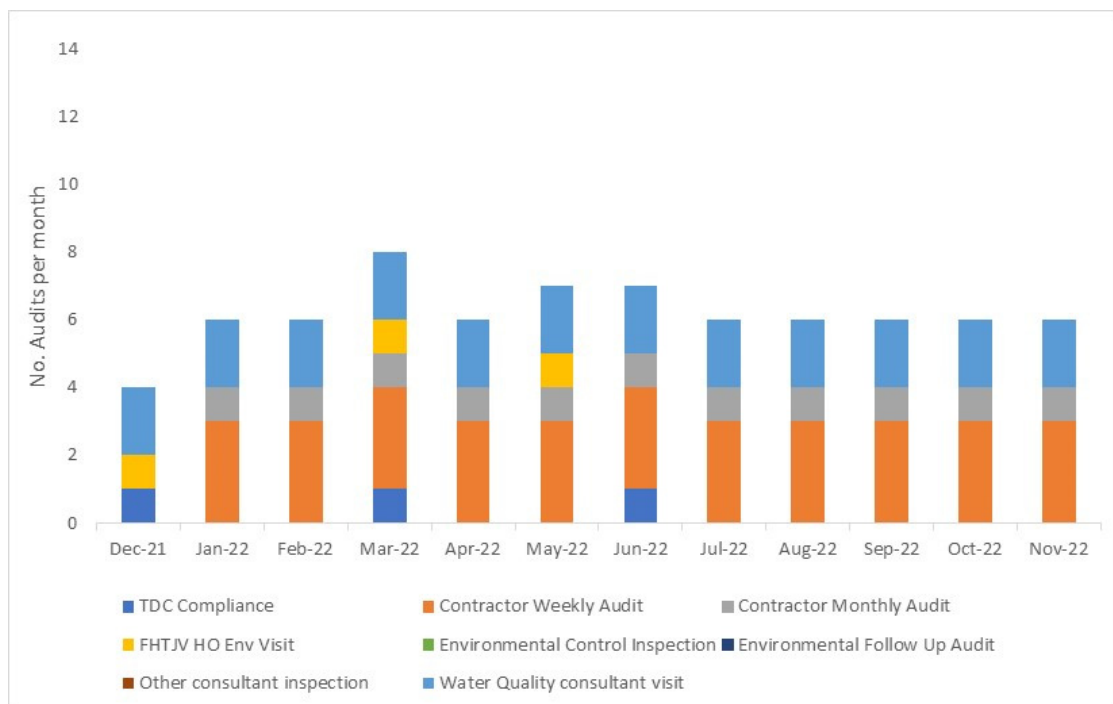


Figure 16: Inspections completed

Fortnightly water quality monitoring has continued throughout the period, with Water Quality Results and the Quantitative Macroinvertebrate Community Index (QMCI) score continuing to demonstrate excellent ecological health in the river (figure 19). The period's heavy rain events did not impact water quality, with excellent water quality metrics being maintained.

Earlier in the financial year, The Annual Water Quality Report for the prior year was completed and submitted to the regulator, showing full compliance.



Figure 17: The river bottom through a bathoscope, for estimating the percentage of the riverbed covered with deposits of fine and coarse sediments.

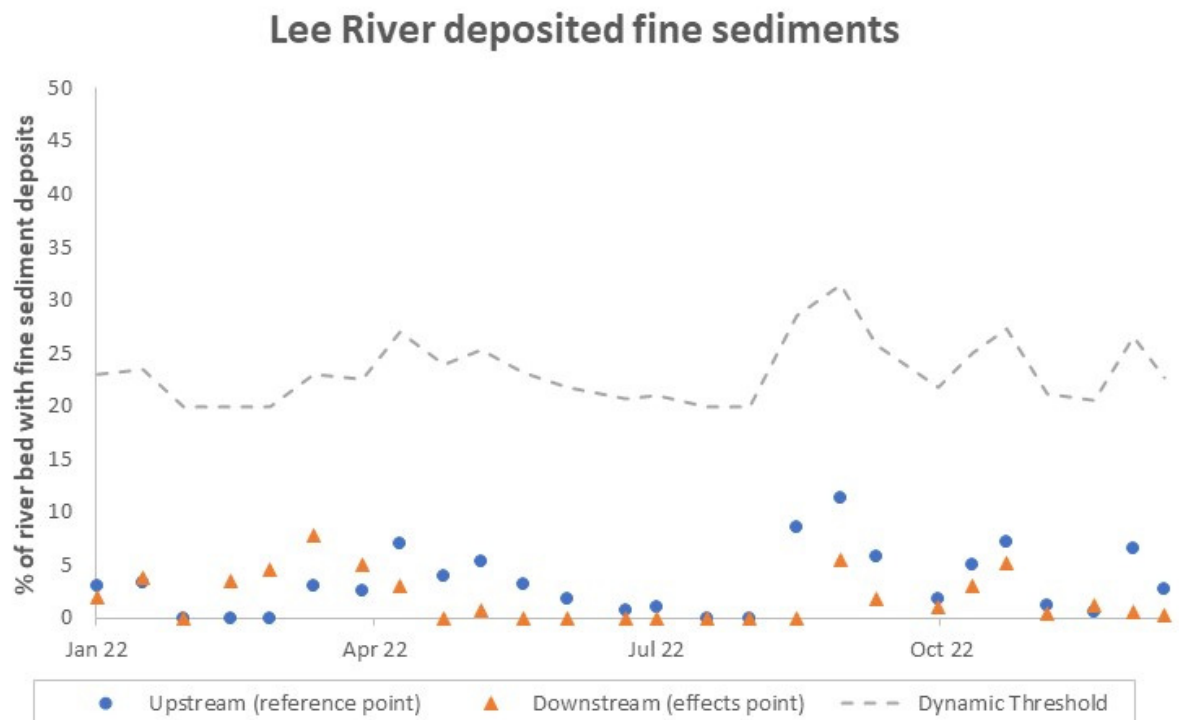


Figure 18: Lee River sediment

Lab Results: Lee River Quantitative Macroinvertebrate Community Index (QMCI) scores

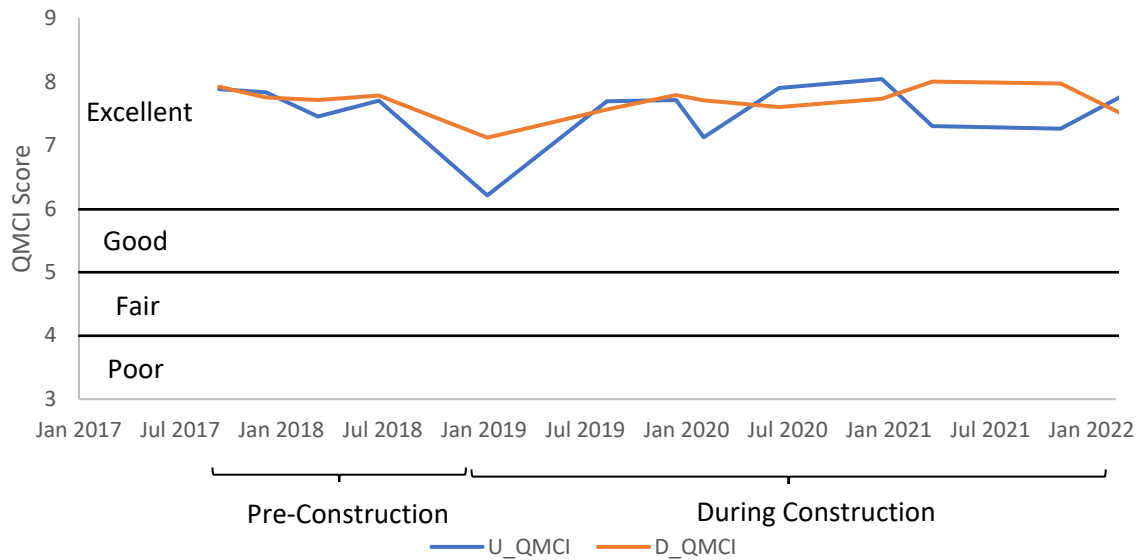


Figure 19: QMCI scores



Figure 20: Upstream water quality monitoring site. (in water beneath the solar panel)

Emerging issues and opportunities

Environmental compliance inspections will continue to be conducted.

5.5 Biodiversity management plan

Progress

WWL commenced a programme to target and eradicate the invasive plant pests in the Lee River below the dam (particularly Old Man's Beard) to enable residual pockets of native plants to thrive.

Now that planting is completed, weed control in the Rough Island wetland and from the dam to Lucy Creek continued this period, with some disruption due to weather events in the period. Meanwhile, after the storms, the trees planted on Rough Island were evaluated as being able to survive, despite the wetland being at very high water levels.

A 10 HA Waimea Bermlands planting project has commenced this period, with TDC approving the planting plan and mulching completed. It is expected to take approximately 10 years to become a self-sustaining forest.

Emerging issues and opportunities

WWL will continue to implement the Biodiversity Management Plan. WWL will continue to monitor the success of restoration planting at Rough Island, and will implement a Grey Willow control plan.



Figure 21: Preparing for restoration work of the Waimea Bermlands (pest vegetation removed)

5.6 Sustainability and community relationships

In November 2022, WWL hosted central and local government representatives on site, including National MPs Joseph Mooney, the then party spokesperson for water, and local MP Maureen Pugh. WWL also hosted the South Island mayors and council CEOs.

The virtual tour of the dam site online and the regularly updated drone videos and photos continue to be regularly viewed and shared.

WWL will again provide a shop front with displays and video in the Richmond Mall in March 2023.



Figure 22: South Island Mayors and CEOs visit the dam site, November 2022

6. Project performance

6.1 Programme schedule

As at 31 December 2022, the programme remains similar to that reported in the September 2022 quarterly report, one year and eight months behind the original plan.

The temporary pipework is due to be commissioned in March 2023. Subject to the Contractor completing its quality assurance documentation and the subsequent regulatory approval, this will then allow the reservoir to be closed in March 2023 and filled over winter. Mechanical works and commissioning will be completed as the reservoir fills and is expected to be completed in October 2023.

	Original Plan	Expected
Diversion culvert and reservoir closure (SP1)	27 Oct 2021	March 2023
Completion (SP2)	23 Jan 2022	Oct 2023

As previously reported, these delays have resulted from:

- COVID-19, floods and design changes.
- The dam structures taking longer than planned to complete.
- An increase in time forecast to complete the river diversion and mechanical works.

WWL continually investigates opportunities to mitigate delays.

There remains risk of future delay to the project schedule arising from:

- Weather events in 2023, particularly around completing the temporary river diversion facilities and dam closure.
- COVID-19 impacting the workforce and constraining the site.
- The Contractor completing its quality assurance documentation and subsequent regulatory approval.

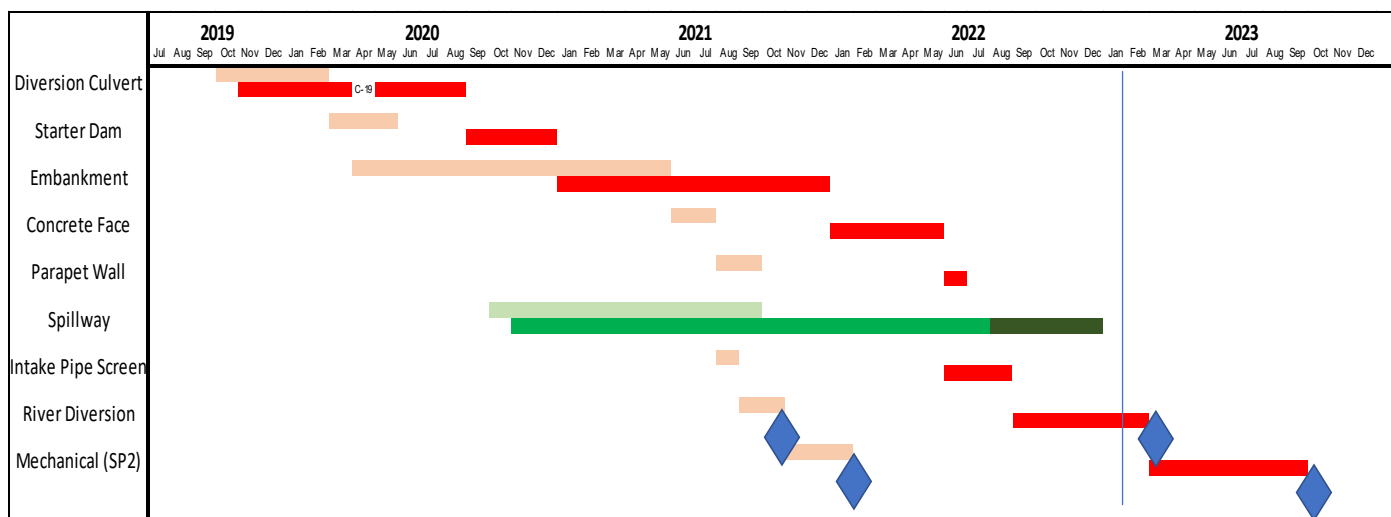


Figure 23: Progress: Actual vs plan.



Figure 24: Downstream of the dam, February 2023

7. Project costs and risks

7.1 Construction cost forecast

Further to the project cost forecast in June 2022 of \$195M, WWL now foresees a further cost increase of \$3M to \$198M. This increase is predominantly a result of increasing dispute, prolongation and river diversion costs.

Since financial close and the original budget of \$104.4M in December 2018, that included a contingency of \$4.6M, the project cost has increased by \$98M to \$198M, as shown in figure 25. This cost increase is driven by:

a) Encountered Geology: +\$43M

As described in the 2022 Annual Report, accommodating the encountered geology resulted in a \$43M cost increase, and included:

- Poor quality indigenous rock-fill, and the need to import drainage material and sand.
- Shear zones bisecting the top and bottom of the spillway, requiring an impermeable apron on the approach channel and enlarged cut-off wall beneath the spillway.
- Greater stabilisation on the left and right abutments.
- Increased foundation treatment to the embankment and spillway.
- Greater sub-surface grout curtain, requiring ~17,000m of drilling rather than the 5,000 metres of drilling originally planned.

b) Mechanical and Electrical Costs: +\$22M

The mechanical and electrical systems were not designed or procured at project funding, and the budget included, therefore, a provisional sum. Design was completed during FY2021 and procured during FY2022. WWL has encountered both higher costs as design and procurement were realised and significant inflation as a result of the economic environment.

Mechanical costs recently further increased due to:

- Greater costs than expected to install some mechanical components and the temporary river diversion works.
- Greater time-related costs to the Contractor for the prolongation of mechanical and diversion works.

Noting the cost reimbursable nature of the works, mechanical costs and time have increased from the original estimate and plan provided by the Contractor at funding in 2018 as shown in the table below.

Mechanical / diversion works	2018 original budget	2023 current
Cost (\$M)	\$6.3M	\$23M
Time related costs (\$M)	\$0.0M	\$5M
Time (calendar days)	143	347

This increase has been incurred despite WWL taking steps to rationalise the works. This rationalisation includes a single, rather than dual, permanent pipe (30% less steel, welding and valves) and 67% less pipe supports.

c) Other Project Costs: +\$33M

Other costs were either underbudgeted or not contemplated at project funding, and were expected to cost \$32M more than originally funded, as outlined below.

- Dam engineering and construction supervision costs are tracking at 10% of project costs, rather than the assumed 4%, to address the encountered geological conditions, complete the mechanical and electrical design and to support the Contractor and delayed construction activities.
- Project services and legal support to assist contractual management and defending disputes.
- Office costs to support design and construction activities.
- Project delays.
- COVID-19 costs, including payments to the Contractor for two lockdowns and illness absenteeism.
- New additional public holidays.

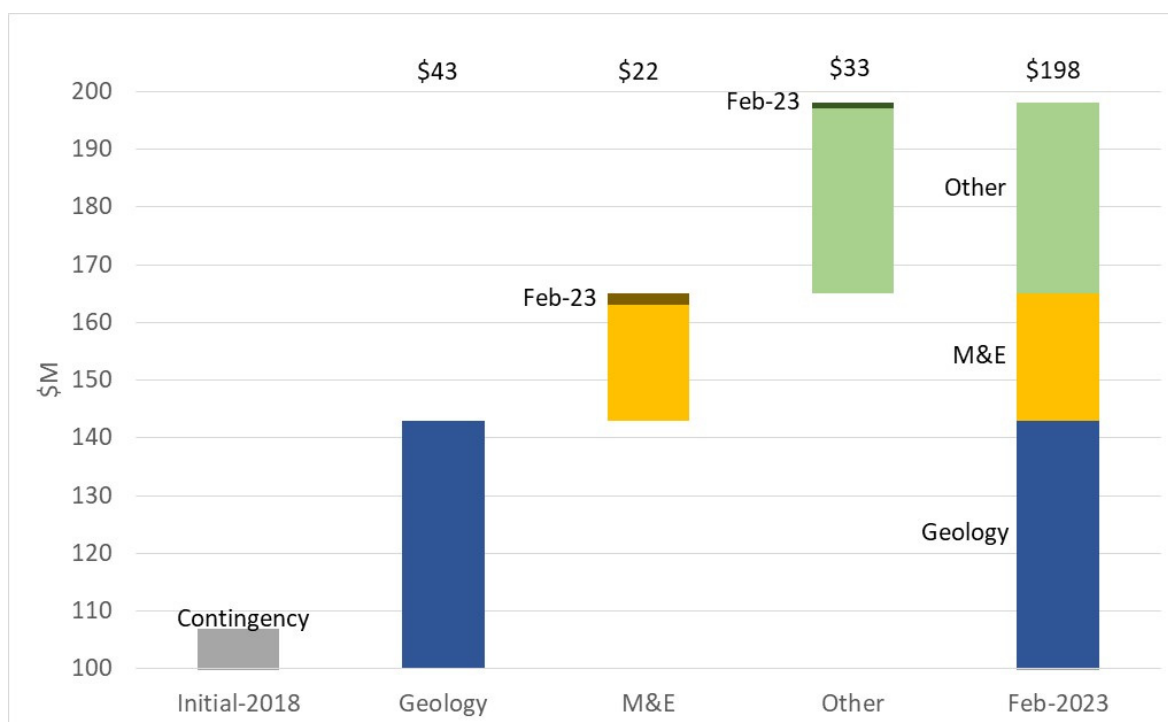


Figure 25: Project costs

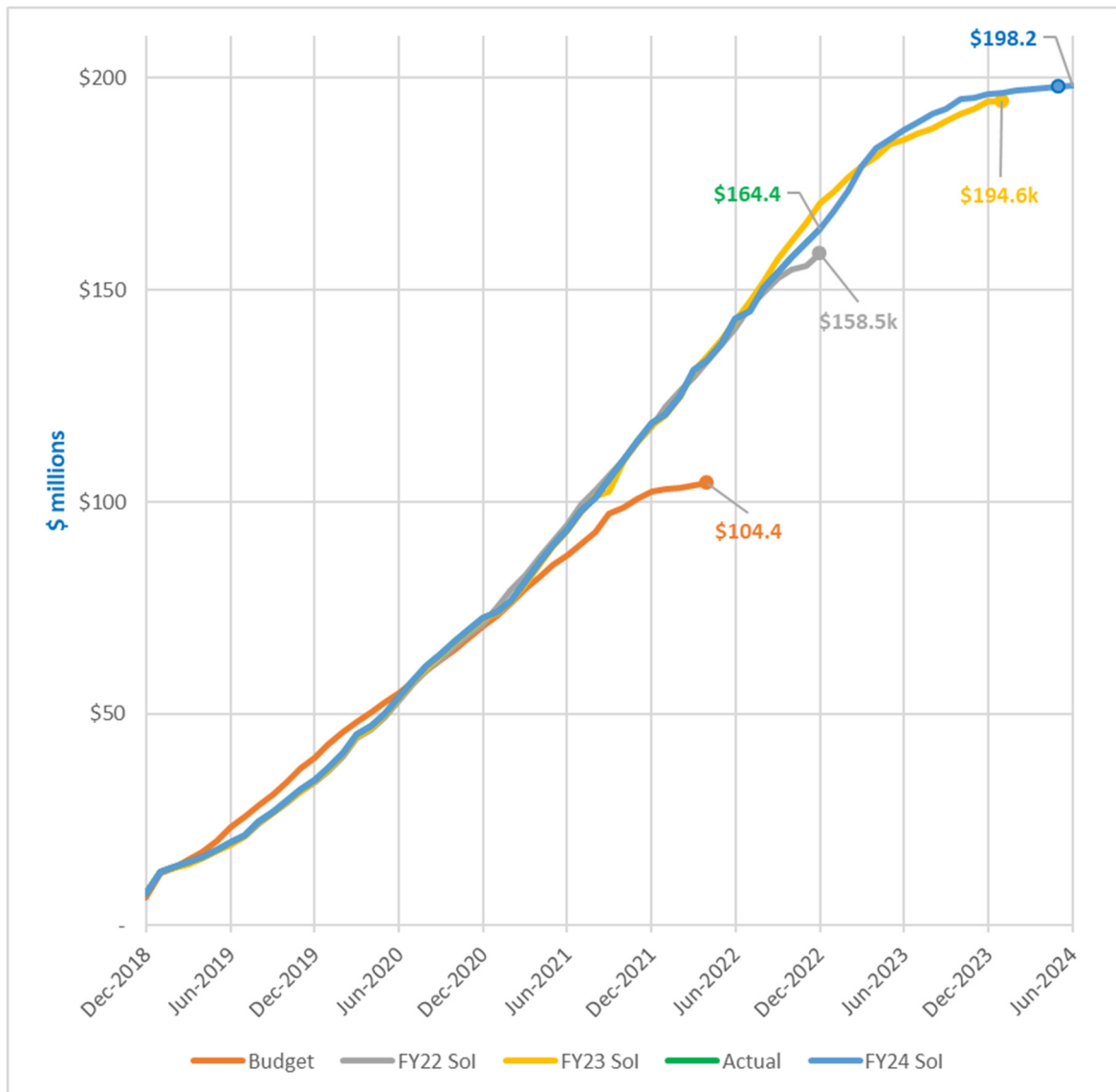


Figure 26: Expected cost curve

7.2 Further risks

Project risk continues to dissipate now that construction is 84% complete, the geology is largely exposed and treated, mechanical and electrical works and equipment largely procured.

Residual risk remains with the project that may impact costs over the remaining year of construction, namely:

- Flood and abnormal weather risk.
- Further mechanical installation cost escalation.
- The Contractor's dispute proceedings against WWL and the risk of contract and adjudication decisions in WWL's favour being overturned will remain until arbitration is completed in 2025.

7.3 Cost and schedule progress

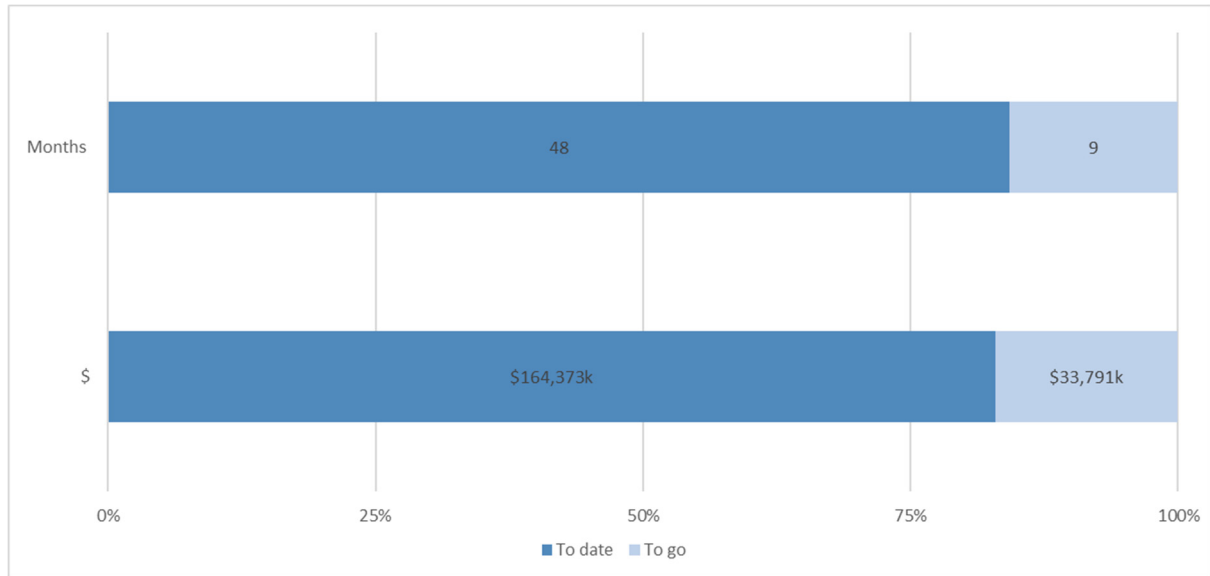


Figure 27: Cost and monthly schedule progress

7.4 Funding

Project funding is shown in the following graph.

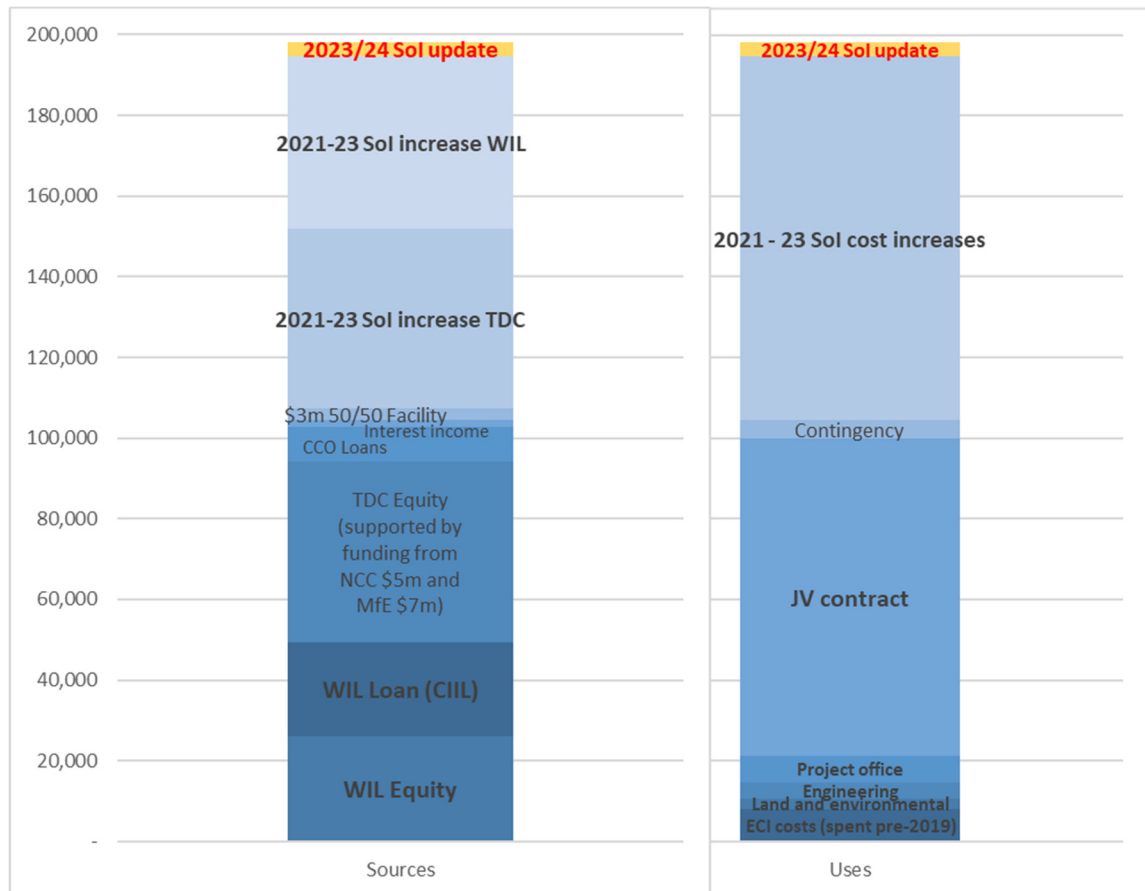


Figure 28: Funding components

8. Performance against Statement of Intent

<p>Health and Safety</p> <p>No task is too important or so urgent as to preclude health and safety.</p> <ul style="list-style-type: none"> • Meet requirements of health and safety in the workplace legislation. <ul style="list-style-type: none"> ✓ <i>WWL's system peer reviewed by independent industry qualified expert.</i> • Review and verify Contractor's H, S & W systems. <ul style="list-style-type: none"> ✓ <i>Contractor's system peer reviewed by independent industry qualified expert.</i> • No fatalities or serious injuries. <ul style="list-style-type: none"> ✓ <i>There have been no fatalities, serious injuries, or lost time injuries.</i> • Total recordable injury rate <5per m. <ul style="list-style-type: none"> ❖ <i>6.4 TFIFR at 31 Dec 2022.</i> <p>Environmental management</p> <p>WWL is committed to minimising impacts on the environment during the build and operation of the dam.</p> <ul style="list-style-type: none"> • Meet resource consent conditions. <ul style="list-style-type: none"> ✓ <i>All conditions due to be met have been met.</i> • Approve and validate SCEMPs. <ul style="list-style-type: none"> ✓ <i>100% of SCEMPs approved and validated during the year.</i> • Implement Biodiversity Management Plan. <ul style="list-style-type: none"> ✓ <i>100% compliance. Highlights include commencing restoration of Waimea Bermlands. Rough Island planting completed.</i> <p>Design</p> <p>Dam design will reflect the appropriate high requirements of international and NZSOLD guidelines and be in accordance with New Zealand building regulations.</p> <ul style="list-style-type: none"> • Modify and optimise design for all encountered conditions to meet NZSOLD guidelines. <ul style="list-style-type: none"> ✓ <i>On track for PS-1 and PS-2.</i> ✓ <i>Spillway and plunge pool design adapted for conditions.</i> • Revise dam break analysis and prepare Emergency Action Plan (EAP). <ul style="list-style-type: none"> ✓ <i>Dam break analysis complete.</i> ✓ <i>EAP complete.</i> • Complete surveillance strategy and Dam Safety Management Plan (DSMP). <ul style="list-style-type: none"> ✓ <i>Complete.</i> 	<p>Construction</p> <p>WWL will build the dam in a safe, reliable and efficient way.</p> <ul style="list-style-type: none"> • Construct dam in accordance with specification. <ul style="list-style-type: none"> ✓ <i>On track for PS-3 and PS-4.</i> ✓ <i>On track for Regulator Code of Compliance.</i> • Deliver project to schedule, as adjusted for encountered conditions and uncontrolled events. <ul style="list-style-type: none"> ❖ <i>Filling of reservoir / SP1 delayed to March 2023.</i> • Report COVID-19 impacts. <ul style="list-style-type: none"> ✓ <i>Further 5 working days awarded to Contractor for Covid-19 impacts.</i> • Utilise appropriate risk-based management system. <ul style="list-style-type: none"> ✓ <i>Risk register process follows NZTA Z44 guidelines.</i> <p>Sustainability and Community relationships</p> <p>WWL recognises that a prosperous economy can support good social, cultural and environmental outcomes.</p> <ul style="list-style-type: none"> • Transparent engagement with stakeholders and community. <ul style="list-style-type: none"> ✓ <i>Quarterly and mid-year updates provided to shareholders.</i> ✓ <i>Newsletter and regular social media updates provided to community.</i> • Consultation with Ngāti Koata. <ul style="list-style-type: none"> ✓ <i>Ongoing engagement continues.</i> • Recognise key cultural milestones. <ul style="list-style-type: none"> ✓ <i>On track for closure and reservoir blessings.</i> • Develop Sustainability Plan. <ul style="list-style-type: none"> ❖ <i>Plan delayed with project delays.</i> 	<p>Financial management</p> <p>WWL has a tight focus on financial management and is doing all it can to reduce costs without compromising safety, reliability and sustainability.</p> <ul style="list-style-type: none"> • Review Board composition. <ul style="list-style-type: none"> ✓ <i>On track, new 7th Director appointed.</i> • Review Board Committees structure. <ul style="list-style-type: none"> ✓ <i>Current structure remains fit for purpose.</i> • Manage Costs to Complete. <ul style="list-style-type: none"> ❖ <i>A cost of \$198M is reported in this mid-year report.</i> • Agreed quarterly reporting deadlines met. <ul style="list-style-type: none"> ✓ <i>100% compliance.</i> • Compliance with financier expectations. <ul style="list-style-type: none"> ✓ <i>100% compliance with expectations.</i> • An unqualified audit opinion on annual financial statements. <ul style="list-style-type: none"> ✓ <i>Expect to achieve at year end.</i> <p>Operational readiness</p> <p>Once constructed, WWL will operate and maintain the dam in accordance with NZSOLD guidelines, the resource consent, and business plans and budgets.</p> <ul style="list-style-type: none"> • Complete Land Owner Consultation and Land Access Report. <ul style="list-style-type: none"> ✓ <i>Complete.</i> • Complete Operational Management Plan. <ul style="list-style-type: none"> ✓ <i>Completed and approved by regulator.</i> • Complete Reservoir Release Water Management Plan. <ul style="list-style-type: none"> ✓ <i>Completed and approved by regulator.</i> • Complete River Quality Monitoring and Reservoir Quality Monitoring programmes. <ul style="list-style-type: none"> ✓ <i>Completed and approved by regulator.</i> • Complete operating model and budgets for shareholders consideration. <ul style="list-style-type: none"> ✓ <i>Complete.</i>
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9.Unaudited accounts

Waimea Water Limited

Financial Statements
For the period ended 31 December 2022



draft unaudited 15 Feb 2023

Waimea Water Limited

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draft unaudited 15 Feb 2023

Statement of Comprehensive Revenue and Expense

For the period ended 31 December 2022

		6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
	Note			
Water charges income	1	633	-	160
<i>Operating expenses</i>				
Project costs	2	-	-	-
Employee costs		247	323	554
Depreciation and impairment	3	34	36	610
Other administrative expenses	4	257	89	382
Operating expenses		538	448	1,546
Finance income	5	153	8	34
Finance costs	5	(937)	-	(161)
Surplus / (Deficit) for the year		(689)	(440)	(1,513)

Statement of Changes in Net Assets

For the period ended 31 December 2022

		6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
	Note			
Opening retained earnings		(4,098)	(2,585)	(2,585)
Total surplus (deficit) for the year		(689)	(440)	(1,513)
Retained earnings as at year end		(4,787)	(3,025)	(4,098)
Opening share capital		81,016	70,517	70,517
Movement for the year		12,234	10,499	10,499
Share capital at year end	6	93,250	81,016	81,016
Closing equity at year end		88,463	77,991	76,918

Statement of Financial Position

As at 31 December 2022

		6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
Assets				
<i>Current</i>				
Cash And Cash Equivalents	7	22,158	10,350	9,337
Receivables From Exchange Transactions	8	356	-	163
Receivables From Non-Exchange Transactions	9	836	590	838
Other Current Financial Assets	10	-	-	-
Total Current Assets		23,350	10,940	10,338
<i>Non-Current</i>				
Property, Plant And Equipment	11	158,224	113,963	137,497
Deferred Tax Asset	12	-	-	-
Other Non-Current Financial Assets	10	-	-	-
Total Non-Current Assets		158,224	113,963	137,497
Total Assets		181,574	124,903	147,835
Liabilities				
<i>Current</i>				
Payables Under Exchange Transactions	13	4,403	4,651	6,599
Employee Entitlements	14	125	94	98
Total Current Liabilities		4,528	4,745	6,697
<i>Non-Current</i>				
Loans And Borrowings	15	88,583	42,167	64,220
Total Non-Current Liabilities		88,583	42,167	64,220
Total Liabilities		93,111	46,912	70,917
Net Assets		88,463	77,991	76,918
Equity				
Equity Contributions	6	93,250	81,016	81,016
Accumulated Funds		(4,787)	(3,025)	(4,098)
Total Equity		88,463	77,991	76,918

Statement of Cash Flows

For the period ended 31 December 2022

	Note	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
<i>Cash flow from operating activities</i>				
Payments to suppliers		(222)	(115)	(403)
Payments to employees		(206)	(301)	(520)
Net water charges		(433)	-	(45)
Net water charges income		508	-	-
Net cash from/(used in) operating activities		(353)	(416)	(968)
<i>Cash flow from investing activities</i>				
Purchase of property, plant and equipment		(23,331)	(24,047)	(46,348)
Purchase of financial assets		-	-	-
Net cash from/(used in) investing activities		(23,331)	(24,047)	(46,348)
<i>Cash flow from financing activities</i>				
Proceeds from equity		12,234	10,499	10,499
Proceeds from sale of financial assets		-	-	-
Proceeds from borrowings		24,236	14,949	36,879
Interest received		153	8	33
Interest paid on borrowings		(117)	-	(115)
Net cash from/(used in) financing activities		36,505	25,456	47,296
Net increase/(decrease) in cash and cash equivalents		12,821	993	(20)
Cash and cash equivalents, beginning of the year		9,337	9,357	9,357
Cash and cash equivalents at end of the year	7	22,158	10,350	9,337

Notes to the financial statements

A Reporting entity

Waimea Water Limited ("WWL") is a Council Controlled Organisation under Section 6 of the Local Government Act 2002 ("LGA"). WWL is registered under the Companies Act 1993. WWL has been established to manage the construction, operation and maintenance of the Waimea Community Dam.

These draft unaudited financial statements were authorised for issue by the Board of Directors on 24 February 2023.

B Basis of preparation

(a) Statement of compliance

The financial statements 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 as required by the Companies Act 1993. WWL has a balance date of 30th June.

The financial statements have been prepared in recognition of WWL being a public benefit entity, in accordance and to comply with PBE Standards RDR. Disclosure concessions have been applied. WWL is eligible to report in accordance with PBE Standards RDR because it does not have public accountability and is not large.

(b) Basis of measurement

The financial statements are prepared on the basis of historical cost, and on the going concern basis.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ("000s"). The functional currency of WWL is New Zealand dollars (NZ\$).

(d) Comparatives

Comparative financial periods are the same period in the prior financial year or the last financial year end.

Comparatives may have been reclassified from that reported in earlier financial statements where appropriate to ensure consistency with the expanded presentation of the current year's position and performance.

(e) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year. Any impact of new and amended standards and interpretations applied in the year is limited to additional note disclosures.

C Summary of significant accounting policies

The preparation of financial statements requires WWL to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. Areas of judgement in preparing financial statements are set out below. These are assessed by Management as part of the reporting process and included within the accounts. The principal area of judgement in financial statements for the period are described in sections (i) and (k) below.

(f) 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.

Notes to the financial statements

(g) Trade and Other Receivables

Trade and other receivables are initially stated at fair value and subsequently stated at their amortised cost using the effective interest method less impairment losses. A provision for impairment of receivables is established when there is objective evidence that WWL will not be able to collect all the amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the expected future cash flows discounted using the effective interest method.

(h) Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(i) Property, plant and equipment

Property, Plant & Equipment (PPE) is recognised in accordance with PBE IPSAS 17, at historical cost less accumulated depreciation and any accumulated impairment losses. Historical Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 'Directly attributable' includes; all costs directly associated with the dam build including professional fees, all staff costs where a majority of the person's time is directly associated with the dam build, and a reasonable allocation of other costs incurred for staff identified above. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Uncompleted capital works are not depreciated until ready for service.

Subsequent expenditure is capitalised and added to the carrying amount of an item of Property, Plant and Equipment when the cost is incurred if it is probable that the future economic benefits embodied in the specific asset will flow to WWL and the cost of the item can be measured reliably. The costs of day-to-day servicing of Property, Plant and Equipment are recognised in the surplus or deficit as incurred.

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 WWL and the cost of the item can be measured reliably. Individual or groups of assets are capitalised if their cost is greater than \$500. Where an asset is acquired at no or for a nominal cost it is recognised at fair value as at the date of acquisition.

The majority of capital expenditure will remain as work in progress for the duration of the project and is not depreciated until ready for service.

Disposals

Gains and losses are determined by comparing the proceeds with the carrying amount and are recognised in the surplus or deficit. Net gains and losses are only recognised when the significant risks and rewards or ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing involvement.

Depreciation

The depreciable amount of an asset is determined based on its useful life. Rates and methods of depreciation reflect the pattern in which the assets' future economic benefits are expected to be consumed by WWL.

Buildings	not applicable
Leasehold improvements	10%
Furniture and equipment	16% - 50%
Vehicles	20% - 30%
Dam (Capital WiP)	not applicable

Notes to the financial statements

After completion, depreciation of dam project components (including costs directly attributable to bringing them to the location and condition necessary to be capable of operating in the manner intended by management) will be provided on a straight line basis to write off the cost (or valuation) to estimated residual values, over their useful lives.

Land	not depreciated
Buildings (including fit out)	2-100 years
Bridges	100 years
Culverts, structures and fill (concrete, rock)	80-120 years
Earthworks and river stop banks	not depreciated
Rock and slope protection	80-120 years
Water pipes/valves/meters (manual)	15-80 years
Water pipes/valves/meters (automatic)	15-80 years

(j) Intangible assets

Software Acquisition and Development

Acquired computer software licences 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.

(k) Impairment of non-current assets

The carrying amounts of WWL's assets are reviewed at each annual balance date to determine whether there is any indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated.

If the estimated recoverable value amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount, and an impairment loss is recognised in the surplus or deficit.

The recoverable amount of an asset is the higher of the fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and discounting these to their present value using a pre-tax discount rate that reflects the current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised to the extent that an impairment loss for that asset was previously recognised in the surplus or deficit immediately.

(l) Other Financial Assets

Term investments over 90 days are classified as "other financial assets". They are initially measured at fair value, net of transaction costs. After initial recognition, financial assets in this category are measured at amortised cost using the effective investment method, less impairment. Gains and losses when the asset is impaired are recognised in the profit or loss.

(m) Share Capital

Ordinary shares are classified as equity. Direct costs of issuing shares are shown as a deduction from the proceeds of issue. At balance date some shares may have been issued but not called up.

(n) Interest Bearing Borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition or construction of a qualifying asset which is determined to be an asset that takes a period of greater than one year to get ready for its intended use are capitalised as part of the cost of the asset.

Notes to the financial statements

(o) Employee Entitlements

A liability for annual leave is accrued and recognised in the Statement of Financial Position. The liability is calculated on an actual entitlements basis at current rates of pay. These include salaries and wages accrued up to balance date, alternate days earned but not yet taken, and annual leave earned but not yet taken up to balance date.

(p) Revenue

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of WWL's activities, net of discounts, rebates and taxes. Revenue is recognised to the extent it is probable that the economic benefits will flow to WWL and the revenue can be reliably measured.

Interest income is recognised on an accrual basis using the effective interest method.

(q) Expenses

Financing Costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. They exclude qualifying costs that are capitalised.

Dividends

WWL operates on a cost recovery basis. Therefore no dividends are payable.

(r) 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 profit for the current year, plus any adjustments to the income tax payable in respect to 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 profit.

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 profits 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 an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

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 and other comprehensive revenue and expenses.

(s) Goods and Services 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 Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified within operating cash flow in the Statement of Cash Flows.

1 Water charges income

		6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
Water charges income - TDC		217	-	45
Water charges income - WIL		416	-	115
Total	21	633	-	160

Water charges recover finance costs of loans (refer Note 15) and operating costs. Finance costs to CIIL are recovered from WIL only. Other finance costs and all operating costs are shared between TDC and WIL.

2 Project construction costs

	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
<i>The following amounts attributable to the build were passed through operational accounts:</i>			
Pre-incorporation costs *	-	-	(330)
Dam construction costs	15,937	19,871	39,366
Project services	2,975	3,294	6,103
Borrowing costs capitalised	128	205	330
WWL operations	1,642	1,215	2,678
Transfer costs attributable to build to Capital WIP	(20,682)	(24,585)	(48,147)
Total	-	-	-

3 Depreciation, amortisation and impairment expenses

		6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
Depreciation of property, plant and equipment	11	7	7	16
Impairment *		27	29	594
Total		34	36	610

* Primarily of pre-incorporation costs and other costs incurred to investigate solutions not later adopted.

4 Other overhead and administrative expenses

	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
Professional fees	107	42	149
Office costs	54	37	80
Insurance	48	-	82
Legal fees	26	4	17
Dam operations	16	-	-
Accounting fees	6	6	15
Auditor remuneration	-	-	38
Total	257	89	382

5 Finance income and costs

	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
<i>Finance income</i>			
Interest income on bank deposits	153	8	34
<i>Finance costs</i>			
Interest expense	(937)	-	(160)
Bank fees	-	-	(1)
Total Finance costs	(937)	8	(161)

6 Share Capital

9,999 shares were authorised and issued on 21 Dec 2018.

2,607 shares have been issued since.

Ordinary shares - TDC

Ordinary shares - WIL

Non-voting shares - TDC

Non-voting shares - WIL

Shares at the end of the year

6 months Dec 2022	6 months Dec 2021	12 months Jun 2022
7,545	6,142	6,142
2,978	2,978	2,978
172	172	172
1,911	1,911	1,911
12,606	11,203	11,203

Ordinary shares have rights to vote, receive dividends, and participate in distribution on liquidation. Non-voting shares have no equivalent rights.

TDC ordinary shares have a par value of \$8,718.20.

TDC ordinary shares contribution*

TDC contribution per ordinary share.

\$65,783k	\$53,549k	\$53,549k
\$8,718.75	\$8,718.49	\$8,718.49

TDC ordinary shares issued and fully paid

TDC ordinary shares issued and not fully paid

TDC non-voting shares have a par value of \$8719.91.

WIL ordinary shares have a par value of \$8,719.51.

WIL ordinary shares contribution*

WIL contribution per ordinary share.

7,545	6,142	6,142
-	-	-
\$1,500k	\$1,500k	\$1,500k
\$25,967k	\$25,967k	\$25,967k
\$8,719.51	\$8,719.51	\$8,719.51

WIL ordinary shares issued and fully paid

WIL ordinary shares issued and not fully paid

WIL non-voting shares have a par value of \$0.01.

Total shares contribution

2,978	2,978	2,978
-	-	-
-	-	-
\$93,250k	\$81,016k	\$81,016k

* Contributions represent the total dollar value of shares paid up. Contribution movements are shown in Note 21. TDC contributions were primarily made to provide working capital to WWL. WIL contributions were made on agreed instalments.

TDC has committed to fund additional project costs. Shareholders have agreed part of the additional funding will be way of subscription for further shares with a par value of \$8,719.91. WWL will not authorise or issue further ordinary shares if it results in WIL holding less than 25% of total ordinary shares. Any additional project costs not funded by capital will be funded by loan, refer Note 15.

7 Cash and cash equivalents

	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
Cash at bank and in hand	22,158	10,350	9,337
Total	22,158	10,350	9,337

8 Receivables from exchange transactions

	Note	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
Related party receivables	21	356	-	163
Total		356	-	163

9 Receivables from non-exchange transactions

	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
GST receivable	836	590	838
Other prepayments / receivables	-	-	-
Total	836	590	838

10 Other financial assets

	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
<i>Held-to-maturity investments</i>			
Term deposits - current	-	-	-
Term deposits - non-current	-	-	-

11 Property, plant and equipment

	Capital WiP	Leasehold improvements	Furniture and office equip	Vehicles and site equip	Total
Note	\$000	\$000	\$000	\$000	\$000

Movements for each class of property, plant and equipment are as follows:

6 months
Dec 2022

Gross carrying amount

Opening	137,315	28	87	277	137,707
Additions	20,708	-	13	57	20,778
<u>Impairment</u>	(27)				(27)
Gross carrying amount	157,996	28	100	334	158,458

Accumulated depreciation and impairment

Opening	-	(8)	(57)	(145)	(210)
Depreciation - assets attributable to the build	-			(17)	(17)
<u>Depreciation - administration assets</u>	3	(1)	(6)	-	(7)
Accumulated depreciation and impairment	-	(9)	(63)	(162)	(234)

Carrying amount 31 December 2022

157,996	19	37	172	158,224
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12 months
Jun 2022

Gross carrying amount

Opening	89,168	28	76	278	89,550
Additions	48,741		11	(1)	48,751
<u>Impairment</u>	(594)				(594)
Gross carrying amount	137,315	28	87	277	137,707

Accumulated depreciation and impairment

Opening	-	(6)	(43)	(106)	(155)
Depreciation - assets attributable to the build				(39)	(39)
<u>Depreciation - administration assets</u>	-	(2)	(14)	-	(16)
Accumulated depreciation and impairment	-	(8)	(57)	(145)	(210)

Carrying amount 12 months Jun 2022

137,315	20	30	132	137,497
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12 Deferred tax

6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
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Deferred tax assets are only recognised when management consider it probable that future tax profits will be available against which these assets will be utilised.

Recognised deferred tax assets:

-	-	-
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Unrecognised deferred tax assets are based on:

Statement of Comprehensive Revenue and Expense	(689)	(440)	(1,513)
Temporary differences *	102	7	(53)
Temporary differences **	(128)	(100)	1,028
Taxable income (deficit)	(715)	(533)	(538)

Unrecognised deferred tax assets consist of:

Opening balance	1,026	876	876
Tax on taxable position above, at 28%	200	149	150
Total unrecognised deferred tax asset	1,226	1,025	1,026

* Primarily related to the deductibility of annual leave

** Primarily related to the deductibility of capitalised finance costs

13 Payables under exchange transactions

Note	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
Trade creditors	3,220	4,574	6,443
Related party payables	36	33	34
Non trade payables and accrued expenses ***	1,147	44	122
Total	4,403	4,651	6,599

*** Primarily accrual of finance costs on shareholder advances.

14 Employee entitlements

Annual leave entitlements

Total

6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
125	94	98
125	94	98

15 Loans and borrowings

Non-current - Secured loans - CIIL

Non-current - Secured loans - TDC

Total

Note	6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
	25,369	25,498	25,498
21	63,214	16,669	38,722
	88,583	42,167	64,220

WWL has financing arrangements with Crown Irrigation Investments Limited up to \$25,000,000 plus interest. Facilities were drawn down to fund project costs, and are secured by a general security over present and future assets. Facilities are provided subject to credit support from Tasman District Council ("TDC") plus guarantees from Waimea Irrigators Limited, and are repayable by 2034.

TDC has committed to fund additional project costs. WWL has financing arrangements with TDC up to \$69,454,000, secured by a second ranking general security over present and future assets.

WWL finance costs will be recovered from both shareholders.

At Balance Date \$63,214,447 has been drawn against those facilities. Remaining funds can be drawn quarterly to fund project costs. Facilities are repayable by 2058 or may be converted to equity.

16 Financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

	Held-to-maturity investments	Loans and receivables	Financial Liabilities at amortised cost	Total
	\$000	\$000	\$000	\$000
6 months Dec 2022				
<u>Financial assets</u>				
Cash and cash equivalents	-	22,158	-	22,158
Trade debtors and other receivables	-	356	-	356
Other financial assets	-	-	-	-
Total Financial assets	-	22,514	-	22,514
<u>Financial liabilities</u>				
Trade creditors and other payables	-	-	3,163	3,163
Loans and borrowings *	-	-	88,583	88,583
Total Financial liabilities	-	-	91,746	91,746
12 months Jun 2022				
<u>Financial assets</u>				
Cash and cash equivalents	-	9,337	-	9,337
Trade debtors and other receivables	-	163	-	163
Other financial assets	-	-	-	-
Total Financial assets	-	9,500	-	9,500
<u>Financial liabilities</u>				
Trade creditors and other payables	-	-	6,436	6,436
Loans and borrowings *	-	-	64,220	64,220
Total Financial liabilities	-	-	70,656	70,656
* Loans and borrowings				
	<u>6 months Dec 2022</u>		<u>12 months Jun 2022</u>	
Crown Irrigation Investments Limited	25,369		25,498	
Tasman District Council	63,214		38,722	
	88,583		64,220	

17 Commitments

6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
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Expenditure contracted for at the end of the reporting period but not yet incurred comprises unpaid contract values, and unpaid determined variations or unpaid purchase orders, for the Contractor and/or Damwatch.

Property, plant and equipment

16,748

29,261

14,624

Total

16,748

29,261

14,624

18 Contingent assets and contingent liabilities

The entity has no contingent assets or contingent liabilities.

19 Covid-19

Financial performance

Any costs of government mandated Level 4 lockdowns are included as an impairment expense in Note 3.

Any costs awarded to the Contractor for reduced productivity as a result of Covid-19 are included as Dam Construcion costs in Note 2.

Non-financial performance

Covid-19 has not affected the ability to report against performance indicators.

Future assumptions

The final schedule may be further affected and future costs higher than contemplated, however, any such costs are unknown.

20 Events after the reporting period

There were no significant events after the balance date that would require amounts recognised in these financial statements to be adjusted.

21 Related party transactions

WWL is jointly owned by Tasman District Council ("TDC" - 61.2% of issued shares) and Waimea Irrigators Limited ("WIL" - 38.8%). TDC and WIL are Joint Operators. WWL also has a related party relationship with its Directors and other management personnel. Key management personnel include the Board of Directors and members of Senior Management.

		6 months Dec 2022 \$000	6 months Dec 2021 \$000	12 months Jun 2022 \$000
<u>Purchase / reimbursement of services</u>				
Directors *		-	-	14
Shareholder services **		19	5	30
Total purchase		19	5	44
<u>Sale / reimbursement of services</u>				
Water charges ***	1	633	-	160
Total sale		633	-	160
<u>Share Capital contributions from Joint Operators</u>				
Tasman District Council Share Capital		12,234	1,500	10,499
Waimea Irrigators Limited Share Capital		-	-	-
Total contributions		12,234	1,500	10,499
<u>Loans and borrowings</u>				
TDC has committed to fund additional project costs.				
Non-current - Secured loans - TDC		63,086	16,607	38,450
Borrowing costs capitalised		128	62	272
Total loans	15	63,214	16,669	38,722
<u>Year end payable to related parties:</u>				
Directors		36	32	34
Shareholders		-	1	-
Total payables	13	36	33	34
<u>Year end receivable from related parties:</u>				
Shareholders ***	8	(356)	-	(163)
Total receivables		(356)	-	(163)
* Directors with engineering qualifications may perform independent peer review services in a normal supplier relationship on terms and conditions no more or less favourable than those it is reasonable to expect the entity would have adopted in dealing with the party at arm's length in the same circumstances.				
** TDC provides multiple services to WWL in the normal course of operating activities (e.g. resource consent fees).				
*** In FY2022 Water charges commenced.				
<u>Key management compensation</u>				
Salaries and other short-term employee benefits		374	542	941
Directors fees		113	126	252
Total		487	668	1,193
Persons recognised as key management personnel		9	11	11

Company Directory

Directors

David Wright (Chair)
Bruno Simpson (Deputy Chair)
Doug Hattersley
Julian Raine
Andrew Spittal
Margaret Devlin
Graeme Christie (appointed Dec 2022)

Registered Office

20 Oxford Street
Richmond 7020
New Zealand

Telephone: 027 544 0030
Email: info@waimeawater.nz

Chief Executive

Mike Scott

Management

Chief Financial Officer:	Dave Ashcroft
Engineering and Design Manager:	Iain Lonie
Environmental and Sustainability General Manager:	Alasdair Mawdsley

Auditor

Audit New Zealand on behalf of the Auditor-General

Accountant

Findex Ltd

Banker

ANZ Corporation

Lawyers

Anderson Lloyd
Duncan Cotterill
Pitt & Moore