

Waimea Water Ltd Quarterly Report

30 September 2023



Contents

1. Introduction	3
2. Health, Safety and Wellbeing	4
3. Construction	5
4. Operational Readiness.....	7
5. Environment	9
6. Biodiversity Management Plan.....	11
7. Public Affairs	12
8. Programme	13
9. Cost and Risk.....	14
10. Progress	15
11. Unaudited Financial Information	17



Figure 1: Reservoir level nearing spillway entrance, October 2023

1. Introduction

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

The purpose of this document is to provide shareholders with an unaudited report containing the following information relating to the Waimea Community Dam project for the three-month period ending 30 September 2023. It includes:

- Health, safety and wellbeing performance.
- Update on construction progress.
- Update on operational readiness.
- Update on public affairs activities.
- Update on expected cost and risk.
- Statement of comprehensive revenue and expense, disclosing actual and comparative figures.
- Statement of financial position at the end of the period.
- Statement of cashflows.
- A commentary on the results for the period.



Figure 2: Looking across the crest of the dam, September 2023.

2. Health, Safety and Wellbeing

WWL has a statutory obligation under the Health and Safety at Work Act 2015, and a duty of care for people it influences or directs, while delivering the Waimea Community Dam project.

WWL's Health, Safety and Wellbeing risks and obligations are managed through its Health, Safety and Wellbeing Management System and ongoing due diligence of the Contractor's construction health and safety management and performance for the dam site.

The project continues to have a high level of safety performance, including a rolling average at the end of the period of 0 injuries per million man-hours. A high potential incident was investigated during the quarter.

Opportunities for improvement and incidents are monitored and reviewed (see Figure 3).

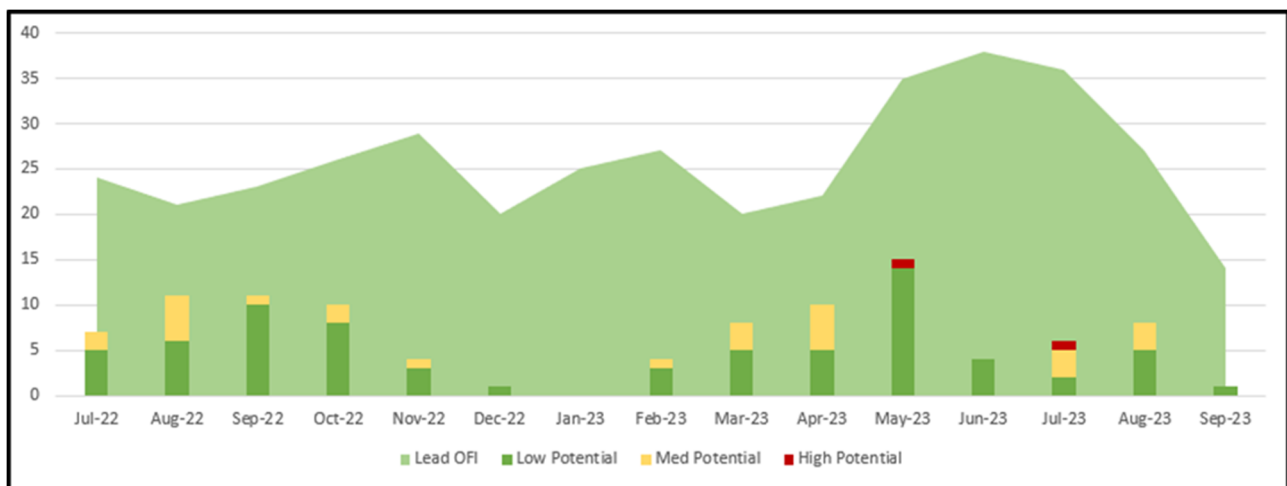


Figure 3: Opportunities for Improvement to 30 September 2023.

With project completion and operations imminent, WWL is preparing for dam operations by:

- Adjusting and updating its Health, Safety and Wellbeing Management System for operational risks.
- Operating its Emergency Action Plan (EAP).

3. Construction

At the end of the quarterly reporting period, the construction of the dam is 95% complete.

Construction highlights from the period include:

- Excavation of the downstream plunge pool area is 90% completed.
- The toe berm filling was completed.
- In the culvert, the right-hand side Lobsterback was installed and concrete plug was poured, the monorail was installed and the installation of pipework in the right-hand-side continued.
- Waterproofing and grouting of the upper spillway were completed, as well as on other structures such as the plinth and starter dam interface.
- The electrical works continue in the permanent electrical building and in the culvert.

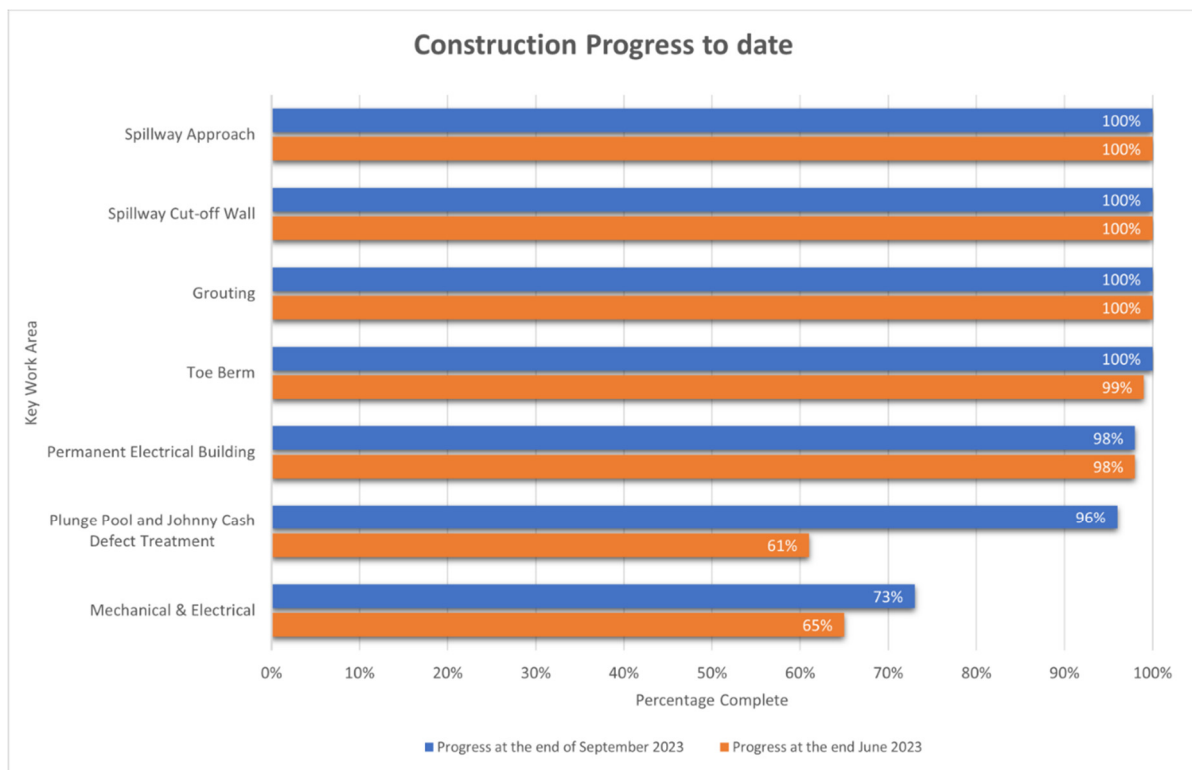


Figure 4: Construction progress in this reporting period.



Figures 5, 6, 7: Permanent pipework being installed in the culvert.

4. Operational Readiness

WWL is preparing for dam operations in early 2024, following replacement of the temporary facilities and commissioning of the permanent facilities.

During this reporting period, testing at the dam progressed, with the dam reservoir ready for filling in August. Over July and August, the reservoir was managed to a very low water level to allow the sealing concrete plug and isolating valve to be installed, before filling could continue in stages.

The water level was then held at hold points for extended periods to allow for testing and engineering measurements. When it rained, there were times when water was released through the temporary pipework to return the reservoir to a set level.

The dam has been designed for resilience (see Figure 7). As the dam becomes operational, resilience is managed through the implementation of a Dam Safety Management System, which meets the requirements of the new Dam Safety Regulations 2022 and international standards. There will be regular surveillance and inspection of the dam, and regular engineering reviews of the dam.

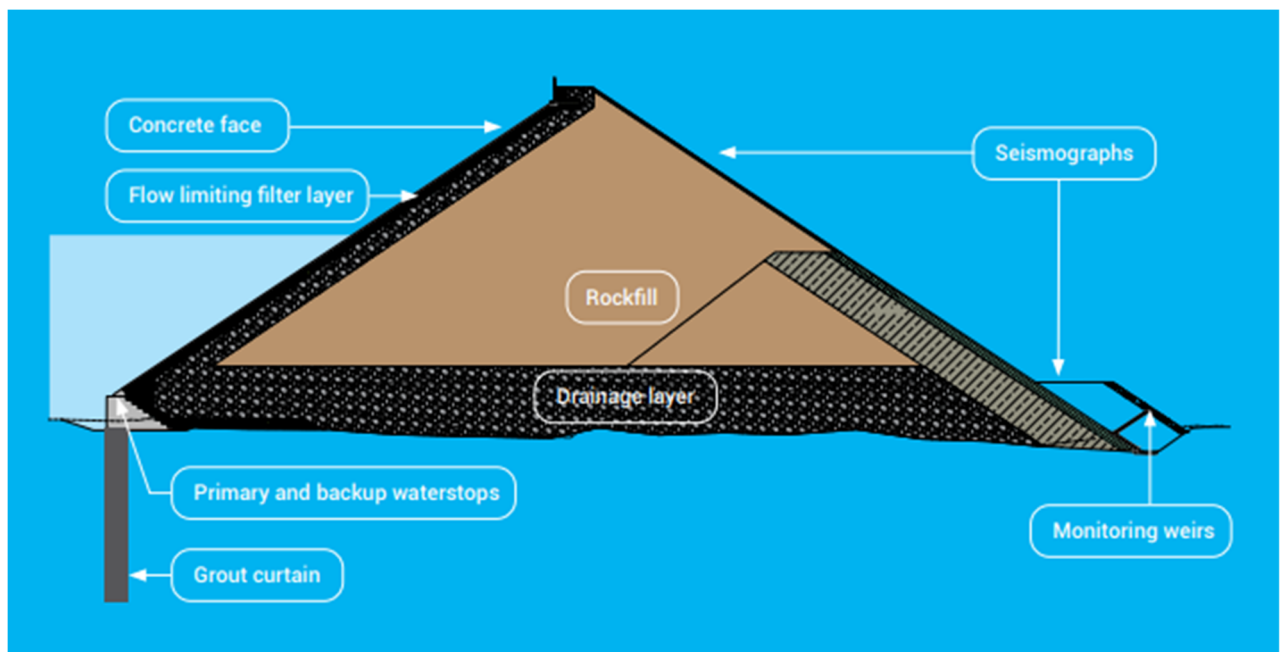


Figure 8: Cross section of dam design.



Figure 9: Upstream view prior to filling at the start of the period, July 2023.



Figure 10: Upstream view of reservoir filling at the end of the period, September 2023.

5. Environment

Progress on the environmental aspects of the project remain on track. Water quality continues to be high (Figures 13 and 14). The Quantitative Macroinvertebrate Community Index (QMCI) score continues to indicate excellent river health – a significant achievement over the four years of project construction. One instance of high deposited fine sediment was investigated and attributed to discharges from a neighbour's catchment.

Fish monitoring and bypass initiatives remain active with no reports of aquatic impact from construction.



Figure 11: Upstream macroinvertebrate sampling site.



Figure 12: Riverbed downstream of dam.

Lee River deposited fine sediments

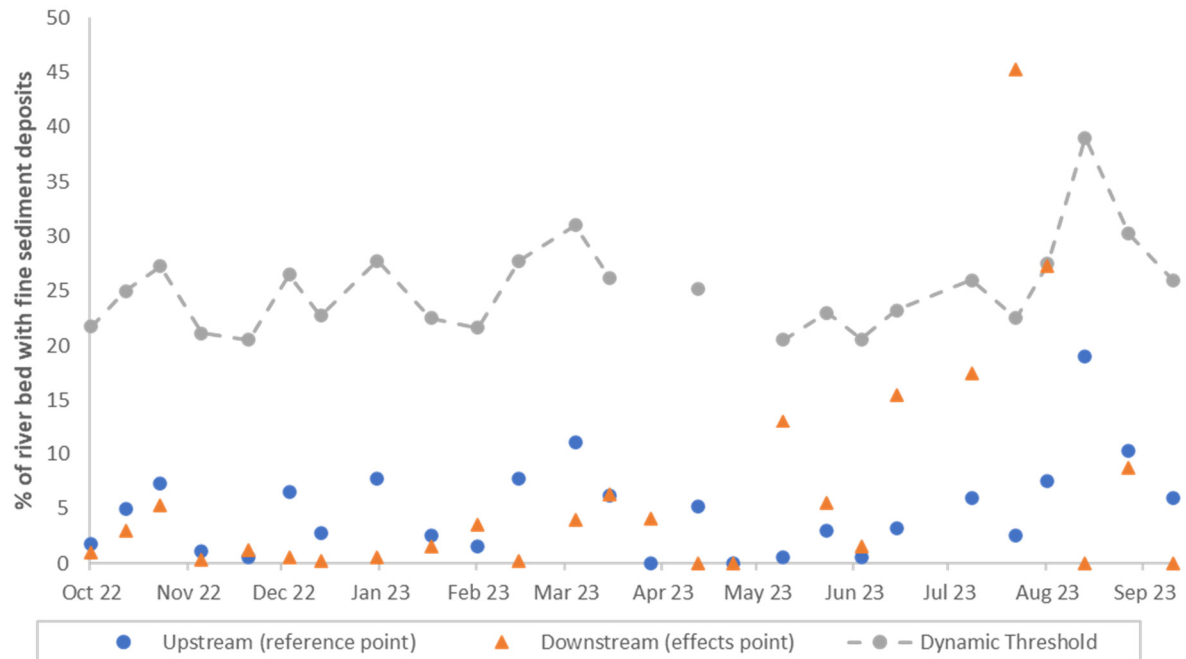


Figure 13: Lee River deposited fine sediments.

Lee River Quantitative Macroinvertebrate Community Index (QMCI) scores

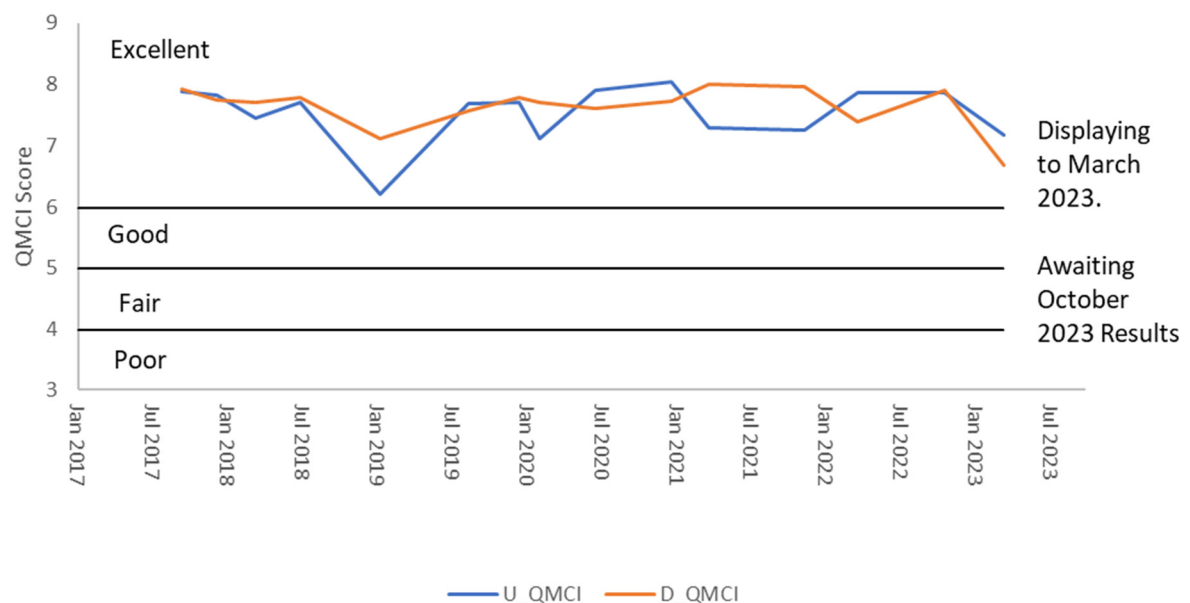


Figure 14: Lee River QMCI, recorded six-monthly.

6. Biodiversity Management Plan

This year's planting in the Waimea Bermlands finished during the period, with previous weed control efforts having been successful. A further 10,000 trees have been ordered for planting in 2024.

On-site planting was also completed during the period.

The Annual Biodiversity Report was submitted and the Ministry for the Environment Quarterly Report was approved.



Figure 15: Native plantings completed on site, September 2023.

7. Public Affairs

WWL organised another shop space in the Richmond Mall for the community to visit during the month of October. Previous drop-ins have been popular with the public, who enjoy the information displayed and the up-to-date photos and videos of the dam.

Signage has also been installed at the site, with the names of bridges and the reservoir gifted by Ngāti Koata.



Figure 16: Te Arawhiti o Mauriri upstream bridge.

8. Programme

Subsequent to the period, rainfall during October and November has been very low and well below historic averages. There is increasing risk of both the project and water service being delayed as a result of reservoir filling being slower than expected with prolonged dry weather.

The reservoir continues to be filled in stages and WWL expects to provide service to shareholders and the community through temporary pipework for the 2023 / 2024 summer season. The amended programme has completion now scheduled for February 2024, just over two years behind the original plan.



Figure 17: The reservoir filling, with the dam in the distance, September 2023.



Figure 18: The reservoir filling in stages, October 2023.

9. Cost and Risk

WWL provided shareholders and the public with a revised construction cost forecast of \$198.2M in February 2023. This forecast remains.

Residual Risks

With the project now more than 90% complete, physical risks, such as the geology, have now either been realised and included in the cost forecast or dissipated. Key significant residual risks, not valued, include:

1. Commercial risks associated with an unexpected outcome from the Contractor-initiated arbitration that is contrary to the decisions of the engineer and adjudication. WWL continues to prepare for arbitration.
2. Continued dry weather delaying filling of the reservoir and, therefore, subsequent completion of the project and availability of service.
3. Greater embankment settlement than expected could put the dam face mechanical systems out of alignment. Greater seepage than expected may also require post construction intervention. In such eventualities, WWL would plan to lower the reservoir after the 2023 / 2024 season and address any issues.



Figure 19: Concrete face of embankment, October 2023.

10. Progress

As at the end of the period, 30 September 2023, WWL has spent \$180.2M (91%) of the forecast cost of \$198.2M (Figures 20 and 21), with 95% of construction completed. Funding sources are indicated in Figure 22.

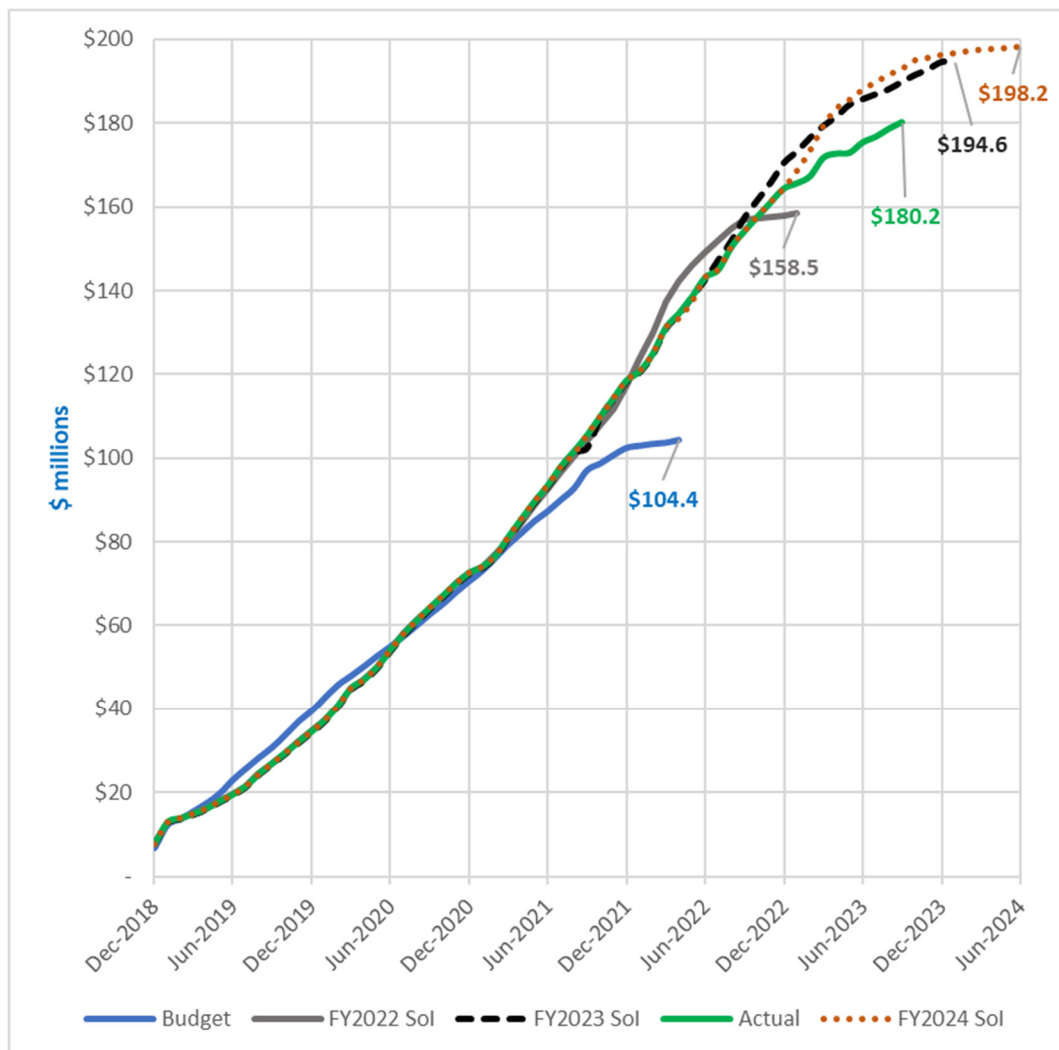


Figure 20: Project spend and cost forecast.

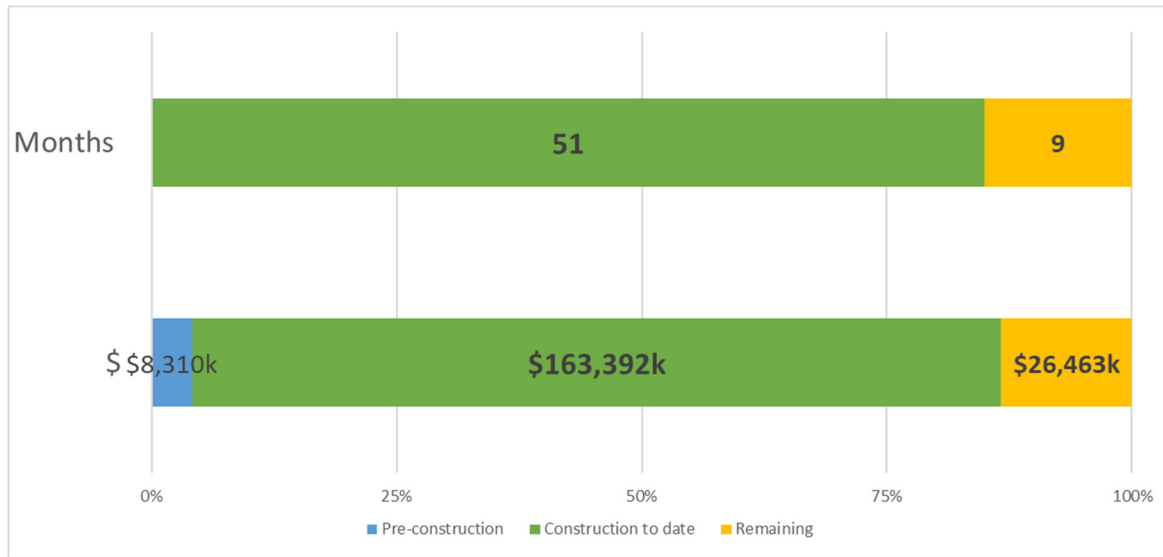


Figure 21: Progress by cost and schedule.

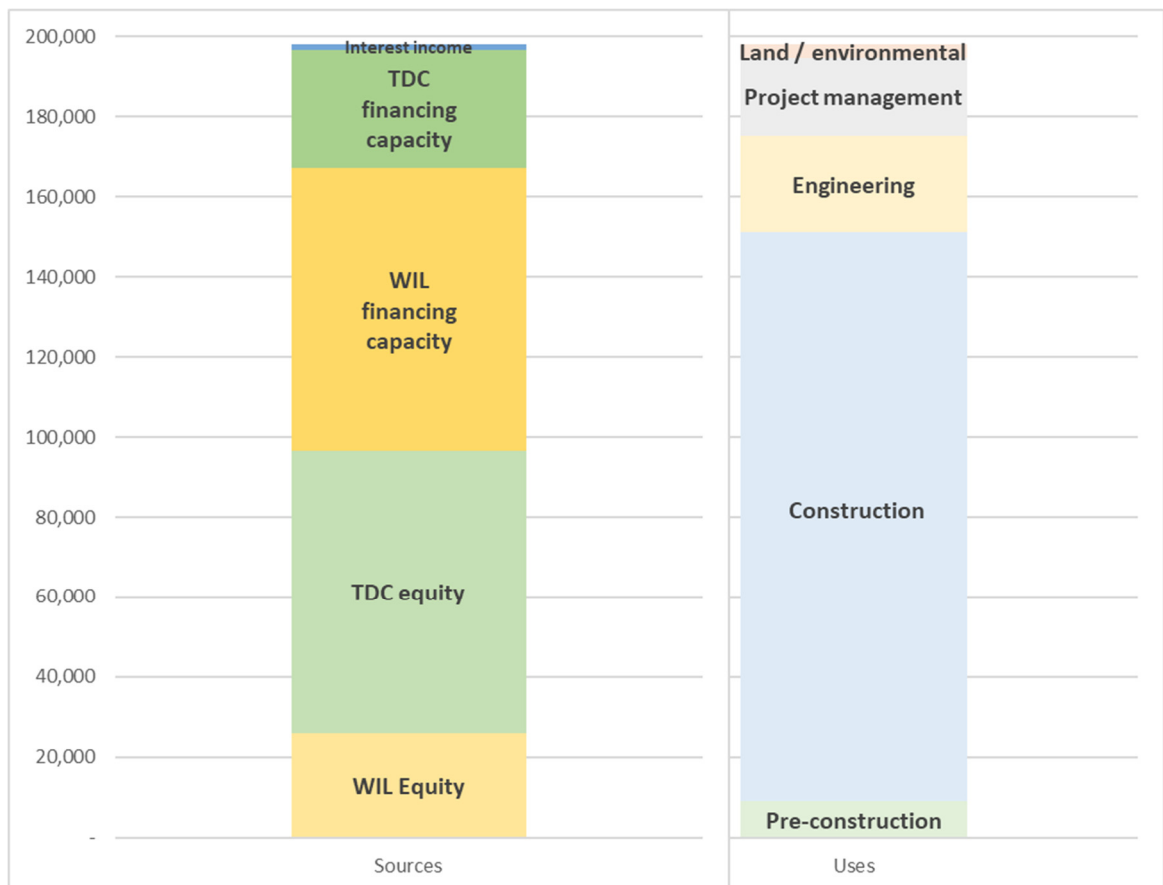


Figure 22: Funding sources and uses.

11. Unaudited Financial Information

Waimea Water Limited

Financial Statements
For the period ended 30 September 2023



unaudited 22 Nov 2023

Waimea Water Limited

Contents

	Page
Statement of Comprehensive Revenue and Expense	2
Statement of Changes in Net Assets	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 19
<i>Reporting entity, Basis of preparation, Accounting policies</i>	5
<i>Notes to the accounts</i>	9
<i>Additional notes</i>	16

unaudited 22 Nov 2023

Statement of Comprehensive Revenue and Expense

For the period ended 30 September 2023

	Note	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Water charges income	1	689	679	1,589
<i>Operating expenses</i>				
Project costs	2	-	-	-
Employee costs		118	106	490
Depreciation and impairment	3	4	3	73
Other administrative expenses	4	171	107	551
Operating expenses		293	216	1,114
Finance income	5	96	64	494
Finance costs	5	(604)	(213)	(1,709)
Surplus / (Deficit) for the period		(112)	314	(740)

Statement of Changes in Net Assets

For the period ended 30 September 2023

	Note	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Opening retained earnings		(4,838)	(4,099)	(4,099)
Total surplus (deficit) for the period		(112)	314	(740)
Retained earnings as at period end		(4,950)	(3,785)	(4,839)
Opening share capital		93,250	81,016	81,016
Movement for the period		-	8,136	12,234
Share capital as at period end	6	93,250	89,152	93,250
Closing equity at period end		88,300	85,367	88,411

Statement of Financial Position

As at 30 September 2023

		3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Assets				
<i>Current</i>				
Cash And Cash Equivalents	7	5,548	14,080	10,872
Receivables From Exchange Transactions	8	-	546	623
Receivables From Non-Exchange Transactions	9	220	546	252
Total Current Assets		5,768	15,172	11,747
<i>Non-Current</i>				
Property, Plant And Equipment	10	173,339	148,366	168,719
Deferred Tax Asset	11	-	-	-
Total Non-Current Assets		173,339	148,366	168,719
Total Assets		179,107	163,538	180,466
Liabilities				
<i>Current</i>				
Payables Under Exchange Transactions	12	2,309	4,483	3,493
Employee Entitlements	13	110	104	108
Total Current Liabilities		2,419	4,587	3,601
<i>Non-Current</i>				
Loans And Borrowings	14	88,388	73,584	88,454
Total Non-Current Liabilities		88,388	73,584	88,454
Total Liabilities		90,807	78,171	92,055
Net Assets		88,300	85,367	88,411
Equity				
Equity Contributions	6	93,250	89,152	93,250
Accumulated Funds		(4,950)	(3,785)	(4,839)
Total Equity		88,300	85,367	88,411

Statement of Cash Flows

For the period ended 30 September 2023

		3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
<i>Cash flow from operating activities</i>				
Water charges income		542	269	1,897
Payments to suppliers		(252)	(119)	(2,144)
Payments to employees		(101)	(95)	(428)
Net cash from/(used in) operating activities		188	55	(676)
<i>Cash flow from investing activities</i>				
Purchase of property, plant and equipment		(5,485)	(12,754)	(34,393)
Purchase of financial assets		-	-	-
Net cash from/(used in) investing activities		(5,485)	(12,754)	(34,393)
<i>Cash flow from financing activities</i>				
Proceeds from equity		-	8,136	12,234
Proceeds from sale of financial assets		-	-	-
Proceeds from borrowings		(65)	9,299	24,106
Interest received		96	64	495
Interest paid on borrowings		(58)	(58)	(231)
Net cash from/(used in) financing activities		(27)	17,441	36,604
Net increase/(decrease) in cash and cash equivalents		(5,324)	4,743	1,535
Cash and cash equivalents, beginning of the year		10,872	9,337	9,337
Cash and cash equivalents at end of the period	7	5,548	14,080	10,872

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. 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 financial statements will be authorised for issue by the Board of Directors on 22 November 2023.

B Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 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 recorded at the amount due, less any allowance for impairment measured using the simplified expected credit losses 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 an asset that takes a period of greater than one year to get ready for its intended use, but not recoverable as revenue, 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.

Revenue includes the recovery of both financing and operating costs.

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

		3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Water charges income - TDC		241	285	797
Water charges income - WIL		448	394	792
Total	19	689	679	1,589

Water charges recover finance costs of loans (refer Note 14) 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

	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
<i>The following amounts attributable to the build were passed through operational accounts:</i>			
Dam construction costs	2,593	8,500	21,513
Project services	1,145	1,459	6,197
Borrowing costs capitalised	-	64	128
WWL operations	887	803	3,305
Transfer costs attributable to build to Capital WiP	(4,625)	(10,826)	(31,143)
Total	-	-	-

3 Depreciation, amortisation and impairment expenses

		3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Depreciation of property, plant and equipment	10	4	3	17
Impairment *		-	-	56
Total		4	3	73

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

4 Other overhead and administrative expenses

	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Professional fees	43	66	174
Office costs	18	19	139
Insurance	-	-	104
Auditor remuneration	-	-	52
Legal fees	1	19	46
General insurance	13	-	-
Dam operations	93	0	20
Accounting fees	3	3	15
Total	171	107	551

5 Finance income and costs

	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
<i>Finance income</i>			
Interest income on bank deposits	96	64	494
<i>Finance costs</i>			
Interest expense *	(604)	(213)	(1,709)
Bank fees	-	-	-
Total Finance costs	(604)	(213)	(1,709)

* Interest expense on loans, recoverable within water charges.

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 period

3 months Sep 2023	3 months Sep 2022	12 months Jun 2023
7,545	7,075	7,545
2,978	2,978	2,978
172	172	172
1,911	1,911	1,911
12,606	12,136	12,606

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	\$61,685k	\$65,783k
\$8,718.75	\$8,718.67	\$8,718.75

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	7,075	7,545
-	-	-
\$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	\$89,152k	\$93,250k

* Contributions represent the total dollar value of shares paid up. Contribution movements are shown in Note 19. 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. At Balance Date WWL has authorised the issue of 742 additional ordinary 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 14.

7 Cash and cash equivalents

	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Cash at bank and in hand	5,548	14,080	10,872
Total	5,548	14,080	10,872

8 Receivables from exchange transactions

	Note	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Related party receivables	19	-	546	623
Total		-	546	623

9 Receivables from non-exchange transactions

	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
GST receivable	220	544	252
Other prepayments / receivables	-	2	-
Total	220	546	252

10 Property, plant and equipment

Note	Capital WiP \$000	Leasehold improvements \$000	Furniture and office equip \$000	Vehicles and site equip \$000	Total \$000
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Movements for each class of property, plant and equipment are as follows:

3 months
Sep 2023

Gross carrying amount

Opening	168,458	28	108	393	168,987
Additions	4,625	-	5	4	4,634
<u>Disposals</u>			(8)	-	(8)
Gross carrying amount	173,083	28	105	397	173,613

Accumulated depreciation and impairment

Opening	-	(10)	(72)	(186)	(268)
Depreciation - assets attributable to the build	-			(10)	(10)
Depreciation - administration assets	3	-	(4)	-	(4)
<u>Disposals</u>			8	-	8
Accumulated depreciation and impairment	-	(10)	(68)	(196)	(274)

Carrying amount 30 September 2023

173,083	18	37	201	173,339
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12 months
Jun 2023

Gross carrying amount

Opening	137,315	28	87	278	137,708
Additions	31,199		21	115	31,335
<u>Impairment</u>	(56)				(56)
Gross carrying amount	168,458	28	108	393	168,987

Accumulated depreciation and impairment

Opening	-	(8)	(57)	(145)	(210)
Depreciation - assets attributable to the build				(41)	(41)
Depreciation - administration assets	3	-	(2)	-	(17)
Accumulated depreciation and impairment	-	(10)	(72)	(186)	(268)

Carrying amount 12 months Jun 2023

168,458	18	36	207	168,719
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11 Deferred tax

3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$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	(112)	314	(740)
Temporary differences *	13	80	95
Temporary differences **	(113)	(64)	439
Taxable income (deficit)	(212)	330	(206)

Unrecognised deferred tax assets consist of:

Opening balance	1,084	1,026	1,026
Tax on taxable position above, at 28%	59	(92)	58
Total unrecognised deferred tax asset	1,143	934	1,084
Taxable loss carried forward	4,084	3,334	3,872

* Primarily related to the deductibility of annual leave

** Primarily related to the deductibility of capitalised finance costs

12 Payables under exchange transactions

Note	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
Trade creditors	2,268	4,347	2,762
Related party payables ***	32	68	717
Non trade payables and accrued expenses	9	68	14
Total	2,309	4,483	3,493

*** Primarily finance costs on shareholder advances.

13 Employee entitlements

Annual leave entitlements

Total

3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
110	104	108
110	104	108

14 Loans and borrowings

Non-current - Secured loans - CIIL

Non-current - Secured loans - TDC

Total

Note	3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
	25,174	25,434	25,240
19	63,214	48,150	63,214
	88,388	73,584	88,454

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 \$76,052,856, 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.

15 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
3 months Sep 2023				
<u>Financial assets</u>				
Cash and cash equivalents	-	5,548	-	5,548
Trade debtors and other receivables	-	-	-	-
Other financial assets	-	-	-	-
Total Financial assets	-	5,548	-	5,548
<u>Financial liabilities</u>				
Trade creditors and other payables	-	-	2,264	2,264
Loans and borrowings *	-	-	88,388	88,388
Total Financial liabilities	-	-	90,652	90,652
12 months Jun 2023				
<u>Financial assets</u>				
Cash and cash equivalents	-	10,872	-	10,872
Trade debtors and other receivables	-	382	-	382
Other financial assets	-	-	-	-
Total Financial assets	-	11,254	-	11,254
<u>Financial liabilities</u>				
Trade creditors and other payables	-	-	2,565	2,565
Loans and borrowings *	-	-	88,454	88,454
Total Financial liabilities	-	-	91,019	91,019
<div> <div>* Loans and borrowings</div> <div> <div>3 months Sep</div> <div>12 months</div> </div> <div> <div>2023</div> <div>Jun 2023</div> </div> <div> <div>Crown Irrigation Investments Limited</div> <div>25,174</div> <div>25,240</div> </div> <div> <div>Tasman District Council</div> <div>63,214</div> <div>63,214</div> </div> <div> <div>88,388</div> <div>88,454</div> </div> </div>				

16 Commitments

3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$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

13,117

11,603

15,411

Total

13,117

11,603

15,411

17 Contingent assets and contingent liabilities

The entity has no contingent assets or contingent liabilities.

18 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.

unaudited 22 Nov 2023

19 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.

		3 months Sep 2023 \$000	3 months Sep 2022 \$000	12 months Jun 2023 \$000
<u>Purchase / reimbursement of services</u>				
Directors *		-	-	14
Shareholder services *		79	1	30
Total purchase		79	1	44
<u>Sale / reimbursement of services</u>				
Water charges **	1	689	679	1,589
Total sale		689	679	1,589
<u>Share Capital contributions from Joint Operators</u>				
Tasman District Council Share Capital		-	8,136	22,733
Waimea Irrigators Limited Share Capital		-	-	-
Total contributions		-	8,136	22,733
<u>Loans and borrowings</u>				
TDC has committed to fund additional project costs.				
Non-current - Secured loans - TDC		62,814	47,814	62,814
Borrowing costs capitalised		400	336	400
Total loans	14	63,214	48,150	63,214
<u>Period end payable to related parties:</u>				
Directors		32	68	28
Shareholders		-	-	689
Total payables	12	32	68	717
<u>Period end receivable from related parties:</u>				
Shareholders **	8	-	546	623
Total receivables		-	546	623
* 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		81	148	941
Directors fees		63	55	226
Total		144	203	1,167
Persons recognised as key management personnel		8	8	11

Company Directory

Directors

David Wright (Chair)

Bruno Simpson (Deputy Chair)

Doug Hattersley

Julian Raine

Andrew Spittal

Margaret Devlin

Graeme Christie

Registered Office

20 Oxford Street

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New Zealand

Telephone: 027 544 0030

Email: info@waimeawater.nz

Chief Executive

Mike Scott

Management

Chief Financial Officer:

Dave Ashcroft

Operations 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