



SECURING OUR REGION'S FUTURE

WAIMEA WATER LTD | ANNUAL REPORT 2026



Waimea
Water



Spillway flow and water release, 2 June 2026.

Contents

About Waimea Water	2
Our Mission	
Background	
Regional Benefits	
Chair Foreword	3
2026 Achievements	4-8
Dam Operations	
Dam Resilience	
Corporate Activities	
Water Management	
Biodiversity Programmes	
Performance Against Statement of Intent	9
Governance	10
Operations Team	11
Glossary	11
Financial Statements	12-30
Company Directory	31
Independent Auditor's Report	32-35

About Waimea Water

Our Mission

Operate a safe, reliable, sustainable and efficient dam for the benefit of the Tasman region.

Background

Waimea Water Ltd (WWL) is a Council-Controlled Organisation established in November 2018 to manage the construction, operation and maintenance of the Waimea Community Dam (dam).

The completed dam is significant regional infrastructure, securing water supply for the Nelson Tasman region for the next 100+ years.

As a joint venture project between Tasman District Council (TDC) and Waimea Irrigators Ltd (WIL), the dam realises the vision, and many years of work by groups and individuals, to provide greater water security for the Waimea Plains and wider community.



Dam at practical completion, August 2024.

Regional benefits of the dam are:

- Providing the community with water security and supporting a growing population, particularly in the face of a changing climate.
- Healthy Lee and Waimea rivers for swimming, fishing and other recreational activities.
- Healthier rivers for aquatic life to thrive.
- A robust and more resilient economy strengthened by the success of horticulture and farming industries and the subsequent growth of associated secondary and tertiary industries.
- Enabling residential, commercial and industrial investment and development, which brings jobs to the region and associated economic activity now and for future generations.

Chair Foreword



This year marks twelve full months of Waimea Water Ltd (WWL) operating wholly with an operations team in place following completion of the dam's construction during the previous year.

To ensure the appropriate skills for the company, WWL retained some team members from the construction period to provide continuity, while also welcoming additional specialists in asset management and infrastructure — General Manager Kelly Norris and Dam Operator Alasdair MacDonald — who both joined in June 2025.

The result has been a successful year of operational delivery with the dam performing as it was designed and engineered to, and our team carrying out the year's operational programme without incident. This is despite a year characterised by climate extremes.

In late June and July communities on the Waimea Plains and adjacent areas were subjected to devastating floods, which saw the Tasman District Council declare a State of Emergency. The dam and spillway handled the storm flow without issue because,

despite the severe impact on the region, the floods at the dam site were small compared to what the dam is designed to handle.

The rain early in the 2025/26 summer kept the dam's reservoir levels high. Then, by February and into early autumn, the region experienced hot, dry weather. Through this dry period, WWL augmented water flows to ensure healthy river levels and aquifers downstream of the dam.

In February, while restrictions for urban water users on a council water supply and affiliated dam consent holders were avoided because of the water releases, Tasman's Dry Weather Taskforce applied water restrictions to unaffiliated consent holders.

In a stark contrast to the dry start to 2026, over King's Birthday weekend in June, the region again experienced a severe winter storm with heavy rains. This time the rainfall was heavier in the dam catchment compared to the 2025 storm. The dam was able to safely manage this extremely high rainfall well within the significant margin of safety it was engineered to provide for significant storms.

As outlined further on page six, how the dam performed during each of the year's weather events was reassuring.

As part of our biodiversity programme, the WWL team delivered a hugely successful trap-and-transfer activity, assisting more than 4,470 fish and eels to move upstream in a genuine act of team innovation.

On behalf of the Board, I want to thank the WWL team for the professionalism and innovation shown in what was in many ways a proving year for the dam and for the people running it.

It was also a year of continuity and stability at Board level. Four of WWL's existing Directors have remained on the Board — Waimea Irrigators Ltd-appointed Directors, Julian Raine and Bruno Simpson, continued as Directors, and Doug Hattersley and I were both reappointed by TDC after the expiry of our terms. I would like to welcome Mark Loveard who joined the Board in October 2025. Mark brings extensive experience in corporate governance and finance. Thank you to all the Directors for your expert oversight and support.

Looking ahead to the 2027 financial year, WWL will continue to exercise operational excellence and financial efficiency as the dam works to deliver healthy rivers and water supply to the region.

Finally, thank you to our shareholders for your continued support, guidance and partnership. Your confidence in WWL has been, and remains, fundamental to what this project delivers for the region.

Ngā mihi nui,

David Wright

Chair, Waimea Water Limited

2026 ACHIEVEMENTS:

12 months of operations to June 2026.

Dam Operations

WWL operates and maintains the dam in accordance with Dam Safety Regulations (2022) and New Zealand Society of Large Dams (NZSOLD) guidelines. The Tasman Resource Management Plan ‘with dam’ framework outlines the operational rules for water management at the dam, enabling managed water releases to support regional water security and environmental flows.

During the year, the dam managed two significant rainfall events. The first was the severe storm in late June and early July 2025. The second was a storm over King’s Birthday weekend 2026. Despite the 2025 storm causing devastating floods for many properties in Tasman, the 2025 rainfall was less heavy at the dam site than the 2026 storm.

Over King’s Birthday 2026, 313 mm of rainfall fell at the dam site and 419.5 mm at Trig F, the dam’s upper catchment monitoring station. Based on the total volume of water that passed through the dam, it was estimated that the average rainfall across the entire catchment was 500–600 mm.

Peak inflow to the reservoir reached an estimated 348 cumecs, with the spillway peaking at 332 cumecs. This was a new high for the dam, surpassing the previous high of 285 cumecs. Notably, the dam is designed for a probable maximum flood (PMF) of 1,094 cumecs, which is much larger than a 1:100 year flood of 375 cumecs.

The dam structure was monitored continuously during and after both weather events and instrumentation performed as expected, providing significant reassurance about the dam’s safety.



The spillway peaked at 332 cumecs during the King’s Birthday weekend storm, 2 June 2026.

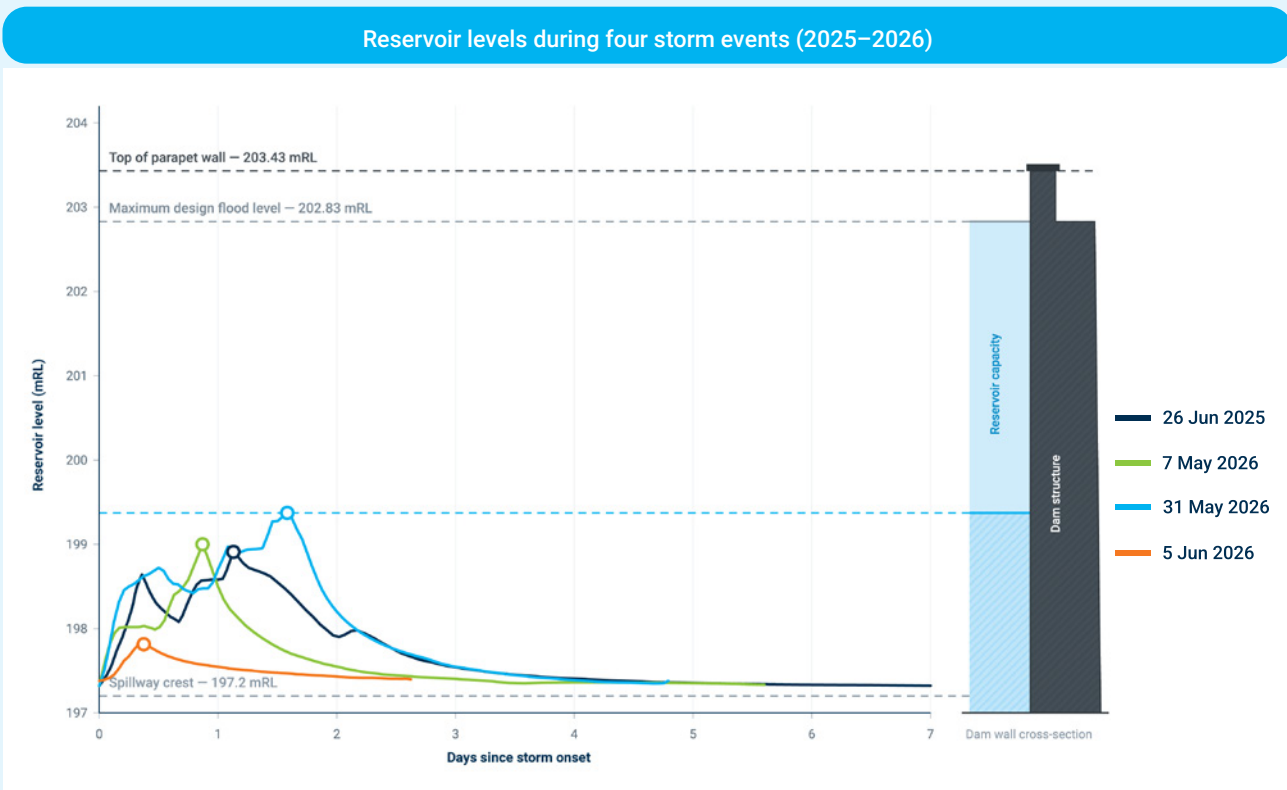
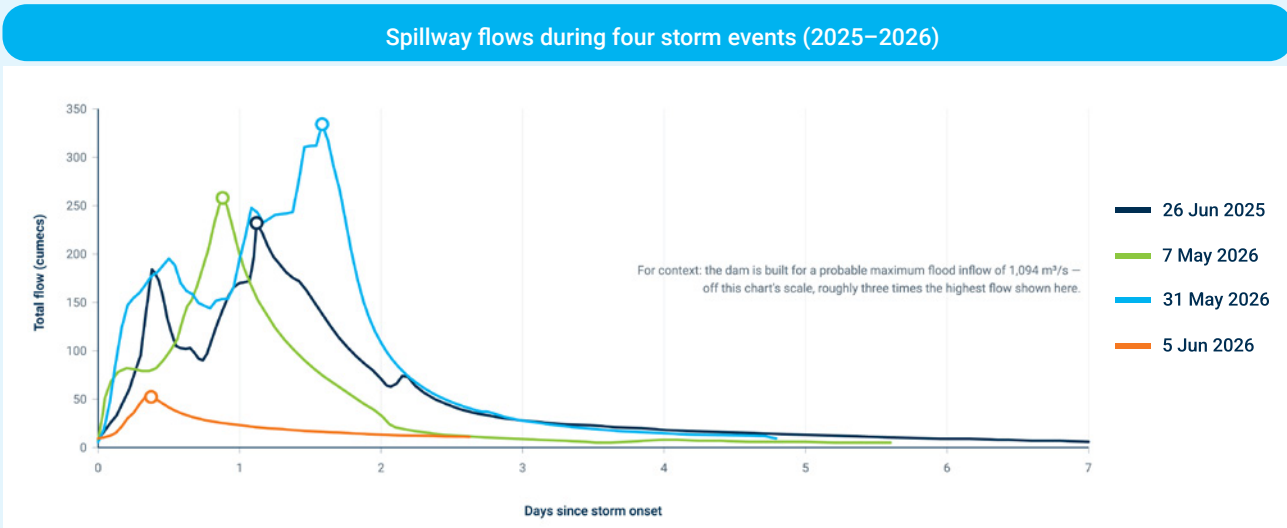


The flipbucket dispersing the water’s energy from the rapid flow down the spillway, 2 June 2026.

As shown below, the weather events were well below the capacity peaks that the dam is designed to manage.

DAM STRUCTURE	DAM CAPACITY	JUNE–JULY 2025 STORM PEAKS	JUNE 2026 STORM PEAKS
The dam – peak inflow	1,094 cumecs	240 cumecs	348 cumecs
Spillway	1,060 cumecs	237 cumecs	332 cumecs
Reservoir (199.37 metres high at full storage)	4.77 metres above normal full storage	1.8 metres above normal full storage	2.17 metres above normal full storage

The two largest storm events during the financial year measured against the dam’s capacity.



The graphs above illustrate the different reservoir levels and flow rates during the year’s four weather events.

The 2026 King’s Birthday weekend event was the most significant at the dam site.

Dam Resilience

The dam’s peer-reviewed design is to the appropriate, high international design standards under New Zealand and international Dam Safety Guidelines. The Dam Safety Management System was completed and externally reviewed by Damwatch, with no issues identified during the year.

WWL undertook routine annual maintenance checks as part of the dam's asset management programme. In April, the reservoir level was lowered in order to expose the spillway for inspection and planned maintenance work to be completed.

During the year, the contractual defects notification period finished, with only two minor defects identified: superficial flaking of paint on the outlet works chimney, and a minor vibration in one of the moving components within the outlet works. With no impacts on the operation, safety or performance of the dam, this outcome reflects the quality of the original design and construction.

Corporate Activities

During the year, WWL complied with all funding agreement obligations, met its statutory reporting deadlines and operated in line with its risk management framework. There were zero lost time injuries sustained.

The dam won the Best Public Works Project over \$5m and the Excellence in Water Project awards at the IPWEA Aotearoa New Zealand Public Works Excellence Awards in May 2026.

Water Management

WWL monitored reservoir and river water quality in compliance with consents and managed water releases from the reservoir in accordance with the Reservoir Release Water Management Plan.

This year, as dry conditions drove water restrictions for non-affiliated consent holders across much of the Tasman region in March 2026, WWL released water from the reservoir to maintain river health, while ensuring affiliated shareholders could continue to irrigate.

This is the first drought event since commissioning where the dam has been called on to perform this dual role, and it did so successfully.

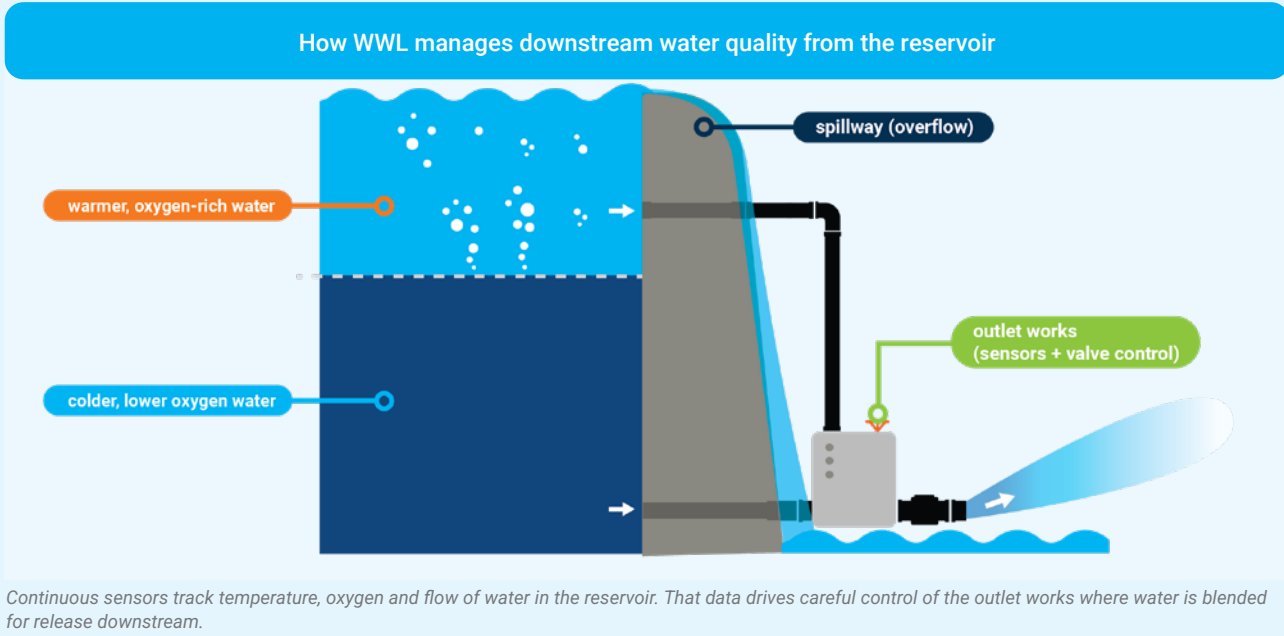


Water quality flow testing, August 2025.

The reservoir environment continues to settle following construction and filling, alongside the influence of upstream forestry activity. WWL is now in the third year since filling and is optimising controls and monitoring year two of a five-year water quality programme carefully as the ecosystem adjusts to the new infrastructure. This detailed monitoring information will be used to review environmental triggers and performance at the end of the first five years.

Throughout the year, WWL implemented different water release regimes across its three points of control – the upper intake, lower intake, and spillway – to evaluate how to best optimise water temperature and oxygen levels for the health of the river downstream. This ongoing work continues to inform how WWL manages the balance between reservoir and river health.

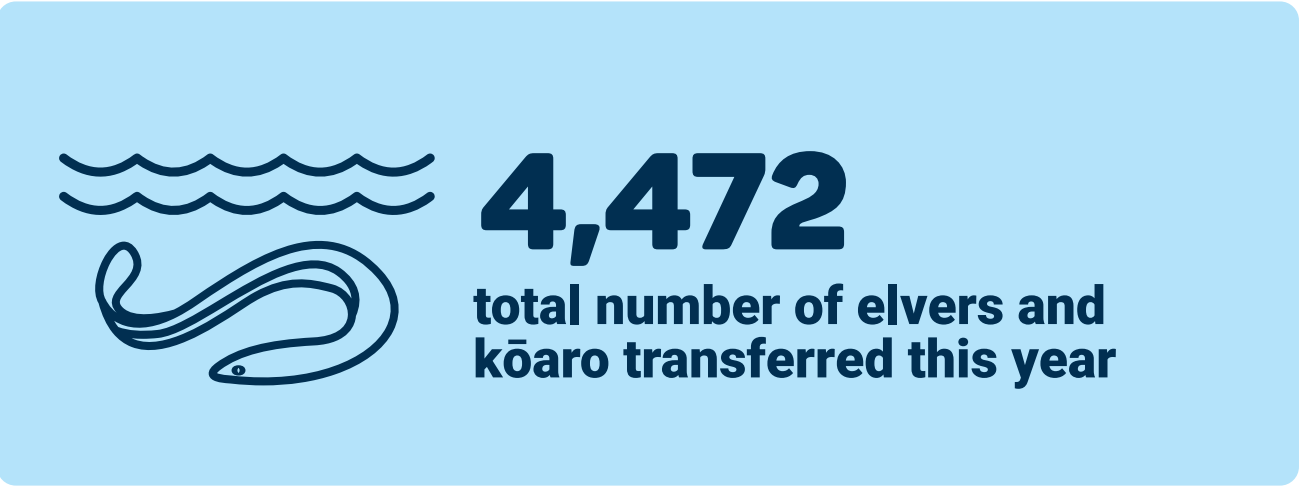
For example, following the 2026 King’s Birthday storm, to improve water clarity, water was continually moved in the top and bottom of the reservoir to ensure the entire water column is as fresh as possible going into the 2026/27 summer.



Continuous sensors track temperature, oxygen and flow of water in the reservoir. That data drives careful control of the outlet works where water is blended for release downstream.



The spillway’s flow and a managed release from the outtakes, June 2026.



Biodiversity Programmes

WWL continued its biodiversity management activities, including the ongoing protection of protected species and ecological monitoring. Work on tree planting, monitoring and replanting continue as part of the biodiversity programme.

The standout achievement of the year was the success of WWL’s fish trap and transfer programme. To ensure fish were still able to move upstream past the dam, early designs had considered a permanent physical fish passage built into the embankment. Once it became clear this approach would not be effective, WWL committed to develop a trap-and-transfer solution. In the past year, WWL’s operations team developed and tested its own prototype solution in-house, using simple, low-cost materials to allow juvenile fish (mostly elvers) to pass the dam safely.

This year’s trap-and-transfer programme saw an estimated 4,472 fish (4,456 elvers and 14 kōaro) transferred from downstream to the reservoir upstream, which was exceptional. Prior to the dam’s construction the total number of fish transferred using other systems had ranged 300–400.

This year’s operation was overseen by an independent ecologist, with WWL’s staff also obtaining certification from the Ministry for Primary Industries to carry out trap and transfer work individually and as a company. The programme continues in 2026 with further testing and refinement of the prototype trap and monitoring systems.



Elvers caught downstream for transfer upstream, 2025.



Elvers to be released in the upper reservoir, 2025

Performance Against Statement of Intent*

Construction and reporting

Outstanding capital works were deferred for reasons outside control of WWL. Those final works will be completed so that the dam can operate as intended.

- Complete commissioning of onsite power systems.
 ✔ *Systems under review (FY25 Expected Oct 2025)*
- Commission final access arrangement (including Anslow's Bridge).
 ✔ *Commissioning completed (FY25 Expected Sept 2025)*

Defects period

The Contractor has responsibilities to remedy defects. The period to implement fixes is referred to as 'the defects period'.

- Defects identified and addressed.
 ✔ *Only minor fixes pending (FY25 same)*

Fish trap-and-transfer

Trap-and-transfer processes are being developed and infrastructure for long-term trap-and-transfer system will be tested.

- Long-term infrastructure tested.
 ✔ *Testing successful: 4,472 fish transferred (FY25 n/a)*

Dam safety compliance

WWL must operate and maintain the dam in accordance with Dam Safety Regulations (2022) and NZSOLD guidelines.

- DSMS complied with.
 ✔ *Complied with (FY25 approved and complied with)*
- Annual Dam Compliance Certificate submitted.
 ✔ *Submitted Dec 2025 (FY25 submitted Dec 2024)*

Dam operations plans

Beyond dam safety, WWL must have systems in place to operate and maintain the dam in general, events, including in accordance with NZSOLD guidelines. WWL must operate and maintain the dam in accordance with the resource consent.

- HSWMS reviewed.
 ✔ *System reviewed (FY25 same)*

- HSWMS compliance verified.
 ✔ *System complied with (FY25 same n/a)*
- CMMS implemented + OMM complied with.
 ✔ *System implemented (FY25 n/a)*
 ✔ *Manual complied with (FY25 computerised system implemented and underway)*
- BMP complied with.
 ✔ *Compliance Annual Report submitted (FY25 plan complied with same)*

Water management

WWL is committed to working with shareholders on water augmentation, minimising its impact on the environment, taking steps to improve river water quality and complying with resource consents.

- RRWMP complied with.
 ✔ *Plan complied with (FY25 same)*
- Reservoir WQP complied with.
 ✔ *Plan complied with (FY25 same n/a)*
- River WQP complied with.
 ✔ *8/9 measures fully complied with, clarity 90% (FY25 same)*

Corporate activities

WWL will maintain a tight focus on financial management and minimising cost, and will operate all corporate functions to best practice proportionate to organisation scale, without compromising safety, reliability, sustainability and efficiency.

- Funding agreements being complied with.
 ✔ *Agreements complied with (FY25 same)*
- Shareholder reporting 100% on time.
 ✔ *Reporting on time (FY25 same)*
- Unqualified audit opinion received.
 ✔ *Received (FY25 same)*
- CRMS being complied with.
 ✔ *System complied with (FY25 same)*

* Refer glossary on page 11

GOVERNANCE

The WWL Board is committed to a high standard of corporate governance and regulatory compliance carrying out its responsibilities in accordance with legislation, with Directors complying with their obligations under the Companies Act 1993, the Local Government Act 2002 and other relevant legislation.

As WWL completed its transition from construction to operations, the board also transitioned to a governance structure appropriate for an operational organisation. The number of board meetings has reduced from the higher meeting frequency required during construction, while maintaining the oversight appropriate for infrastructure of this scale and importance.

Board of Directors



David Wright, Chair



Julian Raine



Bruno Simpson



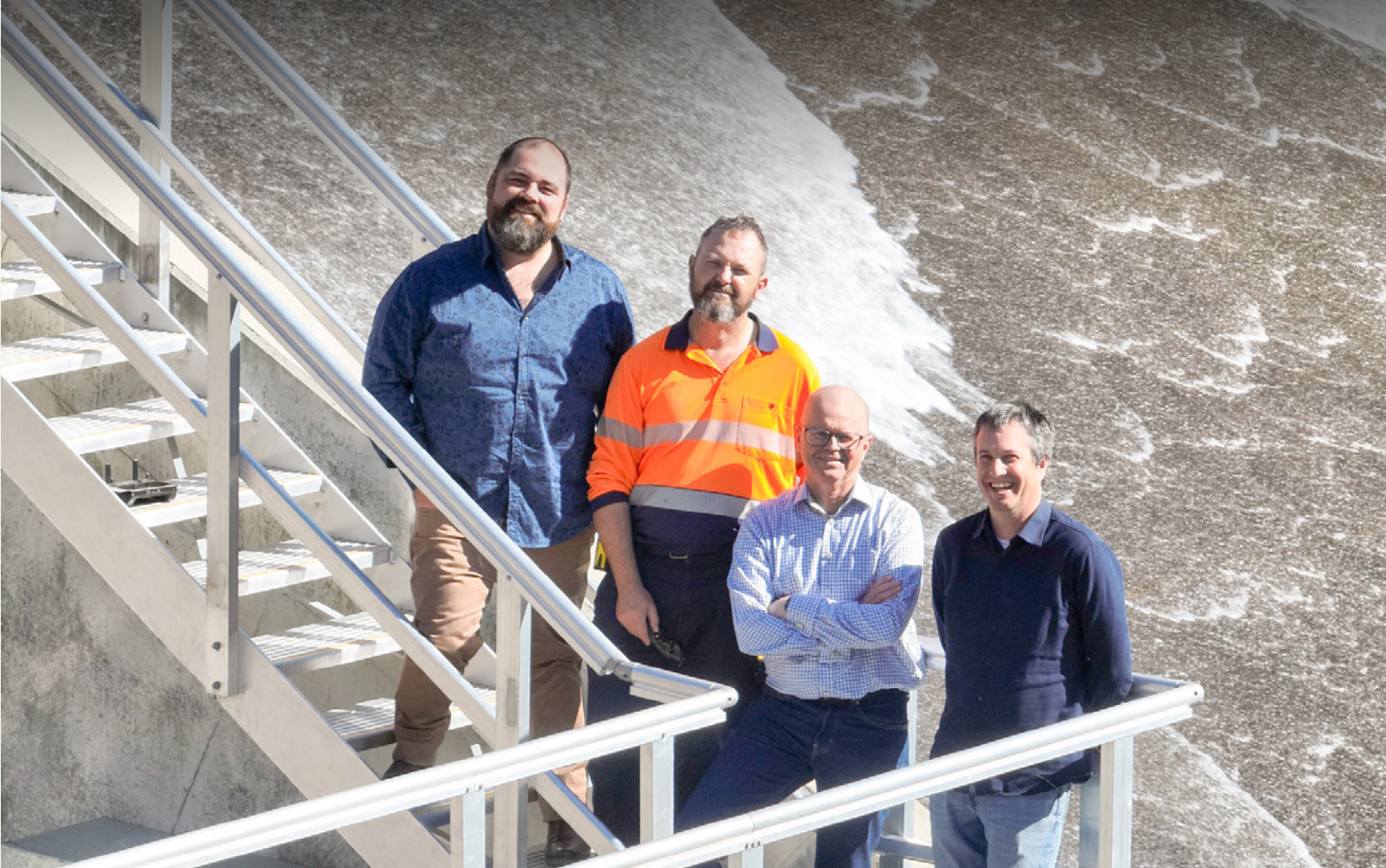
Doug Hattersley



Mark Loveard



Corporate structure for operations.



The Waimea Water Ltd operations team.

Operations Team

WWL has retained some team members from the construction period to provide continuity of skills and expertise and has added new specialist expertise in asset management and infrastructure. The team implemented the required operational functions during 2026.

Glossary

BMP Biodiversity Management Plan	EAP Emergency Action Plan	RRWMP River Release Water Management Plan
CMMS Computerised Maintenance Management System	HSWMS Health, Safety and Wellbeing Management System	TDC Tasman District Council
CRMS Corporate Risk Management System	NZSOLD New Zealand Society of Large Dams	TRMP Tasman Resource Management Plan
DSMS Dam Safety Management System	OMM Operations and Maintenance Manual	WQP Water Quality Plan

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026



Annual Report

FOR THE YEAR ENDED 30 JUNE 2026

The Directors have pleasure in presenting to the shareholders this Annual Report and audited financial statements for the year ended 30 June 2026.

Nature of business

Manage operation and maintenance of the Waimea Community Dam.

Our commitment

Waimea Water Limited is committed to operating a safe, reliable and efficient dam for the benefit of the region.

Board Attendance

Board attendance levels during the year were as follows:

Director	Position	Tenure during year	Meetings attended	Of a possible	Directors' fees	
					FY2026	FY2025
D Wright	Chair	Full year	7	7	\$66.8k	\$66.8k
B Simpson*	Director	Six months	3	7	\$16.7k	\$27.8k
D Hattersley	Director	Full year	7	7	\$33.4k	\$33.4k
J Raine	Director	Full year	5	7	\$33.4k	\$30.6k
A Spittal**	Director		-	-	-	\$30.6k
G Christie**	Director		-	-	-	\$22.3k
M Loveard***	Director	Nine months	5	5	\$25.0k	-
					\$175.3k	\$211.5k

*On leave of absence Jul-Dec 2025.

** Resigned FY2025.

*** Appointed Oct 2025.

Amount paid to the auditor

The Audit Office was paid \$34,980 during the current period for the prior year audit. The Audit Office was paid \$0 during the current period for the current year audit. \$48,829 is expected to remain payable for the current year audit.

Donations

The value of donations for the year ended 30 June 2026 was \$0 (2025 \$0).

For and on behalf of the Board,

D Wright
Chair

J Raine
Director

Directors’ Register of Interests During the Financial Year:

David Wright

David Wright Ltd (Director)
Tervuren Trust (Trustee)
Waikato District Council Waters Governance Board (Chair)
Central Air Ambulance Rescue Ltd (Chair)
Search and Rescue Services Ltd (Chair)
SRSL Assets Ltd (Director)
Solomon Islands Airport Corporation Ltd (Chair)
Tokelau Renewables Energy Steering Committee (Chair)
Hāpi Brewing Success (Chair)
Unrealised Potential (Independent Chair)
Waimea Community Dam Ltd (Director)

Doug Hattersley

Stanley Douglas Hattersley (Consultant)
Hattersley Family Trust (Trustee)
Tukituki Water Security Limited (Director)
Waimea Community Dam Ltd (Director)

Julian Raine

Raine Group Ltd (Managing Director)
Raine Farms Ltd (Director)
Raine Estate “Oaklands” Ltd (Director)
NZ Boysenberry Council Ltd (Director)
Boysenberry New Zealand Ltd (Executive Chairman)
Oaklands Milk Ltd (Director/Shareholder)
Wai West Horticulture Ltd (including subsidiary companies Wai West Investment Ltd and Wai West Farms Ltd) (Director)
Saxton Fruit Ltd (Director)
Jarar Holdings Ltd (Director)
New Zealand Dairy Desserts Company Ltd (Chairman)
Waimea Community Dam Ltd (Director)
Aunt Jeans Ltd (Director)
Motupiko Dairy Farm Ltd (Director)
Waimea Irrigators Ltd (Director and Shareholder)
Massey Lincoln Agricultural Industry Trust (Trustee)
Heatham Trust (Trustee)

Wairua Hop Garden GP Ltd (Director)
Fresh Fruit Company of Nelson Ltd (Director)
Turley Farms Ltd (Director)
Saxton Ventures Ltd (Director)
Zespri Director Remuneration Committee (Committee Member)
Little Island Ltd (Director)

Bruno Simpson

Waimea Group Ltd (CEO and Managing Director)
Waimea Group Properties Ltd (Executive Director)
Waimea Nurseries Ltd (Executive Director)
Waimea Variety Management Ltd (Executive Director)
Waimea Plant Propagation Ltd (Executive Director)
WNW Ltd (Executive Director)
Century Water Ltd (Director)
International New Varieties Network LLC (Chairman/ President)
Custom Mix 2024 Ltd (Executive Director)
Harley Trustee Company No.33 Ltd (Director and Shareholder)
B S Family Trust (Trustee)
Waimea Plant Laboratories Ltd (Executive Director)
Hoult Valley Limited (CEO – of Waimea Group Properties)
The Suter Art Gallery Te Aratoi o Whakatū Trust (Trustee)
Waimea Community Dam Ltd (Director)

Mark Loveard

TPT Group Holdings (NZ) Limited (Chair)
Victoria Link Limited (Chair)
Clinical Advisory Services Aotearoa Limited (Director)
Infrastructure Holdings Limited (Executive Officer)
Strategy2Results Limited (Director and Shareholder)
Waimea Community Dam Limited (Director)

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2026

		FY2026	FY2026 Budget	FY2025
	Note	\$000	\$000	\$000
Water charges income	1	7,089	7,181	6,760
Operating expenses				
Project costs	2	-	-	-
Dam operations	3	907	1,323	727
Employee costs and director fees		884	884	945
Depreciation and impairment	4	3,374	3,406	3,277
Other administrative expenses	5	1,355	1,405	1,637
Operating expenses		6,520	7,018	6,586
Finance income	6	16	15	44
Finance costs	6	(3,775)	(3,285)	(4,236)
Surplus / (Deficit) before taxation		(3,190)	(3,107)	(4,018)
Income tax expense	13	-	-	-
Surplus / (Deficit) after tax		(3,190)	(3,107)	(4,018)

Statement of Changes in Net Assets

FOR THE YEAR ENDED 30 JUNE 2026

		FY2026	FY2026 Budget	FY2025
	Note	\$000	\$000	\$000
Opening retained earnings		(7,923)	(8,817)	(3,905)
Total surplus (deficit) for the period		(3,190)	(3,107)	(4,018)
Retained earnings as at year end		(11,113)	(11,924)	(7,923)
Equity contributed for low interest rate loans		5,579	-	5,579
Opening share capital		102,763	108,342	97,209
Movement for the period		-	-	5,554
Share capital as at year end	7	102,763	108,342	102,763
Closing equity at year end		97,229	96,418	100,419

Statement of Financial Position

AS AT 30 JUNE 2026

		FY2026	FY2026 Budget	FY2025
	Note	\$000	\$000	\$000
Assets				
<i>Current</i>				
Cash And Cash Equivalents	8	1,905	1,186	800
Receivables From Exchange Transactions	9	515	628	614
Receivables From Non-Exchange Transactions	10	19	-	89
Total Current Assets		2,439	1,814	1,503
<i>Non-Current</i>				
Receivables From Exchange Transactions	11	1,520	2,324	130
Property, Plant And Equipment	12	196,495	196,709	199,641
Deferred Tax Asset	13	-	-	-
Total Non-Current Assets		198,015	199,033	199,771
Total Assets		200,454	200,847	201,274
Liabilities				
<i>Current</i>				
Payables Under Exchange Transactions	14	1,487	1,550	907
Provisions		-	240	-
Employee Entitlements	15	27	65	29
Total Current Liabilities		1,514	1,855	936
<i>Non-Current</i>				
Loans And Borrowings	18	101,711	102,574	99,919
Total Non-Current Liabilities		101,711	102,574	99,919
Total Liabilities		103,225	104,428	100,855
Net Assets		97,229	96,418	100,419
Equity				
Equity Contributions	7	102,763	102,763	102,763
Equity contributed for low interest rate loans		5,579	5,579	5,579
Accumulated Funds		(11,113)	(11,924)	(7,923)
Total Equity		97,229	96,418	100,419

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

		FY2026	FY2026 Budget	FY2025
	Note	\$000	\$000	\$000
<i>Cash flow from operating activities</i>				
Water charges income receipts		5,654	7,181	7,494
Payments to suppliers		(2,191)	(2,917)	(3,870)
Payments to employees and directors		(803)	(855)	(1,189)
Other		-	-	-
Net cash from / (used in) operating activities		2,660	3,409	2,435
<i>Cash flow from investing activities</i>				
Purchase of property, plant and equipment		(283)	-	(17,240)
Purchase of financial assets		-	-	-
Net cash from / (used in) investing activities		(283)	-	(17,240)
<i>Cash flow from financing activities</i>				
Proceeds from equity		-	-	5,555
Proceeds from sale of financial assets		-	-	-
Proceeds from borrowings		1,370	-	9,965
Repayments of borrowings		(298)	(298)	(290)
Interest received		16	15	44
Interest paid on borrowings		(2,360)	(3,169)	(4,161)
Net cash from / (used in) financing activities		(1,272)	(3,452)	11,113
Net increase / (decrease) in cash and cash equivalents		1,105	(43)	(3,692)
Cash and cash equivalents, beginning of the year		800	1,229	4,492
Cash and cash equivalents at end of the year	8	1,905	1,186	800

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 was established to manage the construction, operation and maintenance of the Waimea Community Dam.

These financial statements were authorised for issue by the Board of Directors on 29 September 2026.

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

The comparative financial period is the prior financial year. Comparatives may have been reclassified from that reported in earlier financial statements where appropriate to ensure consistency with the 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 areas of judgement in financial statements for the period are described in sections (i), (j) and (m) overleaf.

(f) Cash and Cash Equivalents

Cash and cash equivalents include 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.

(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.

Notes to the Financial Statements

(i) Property, Plant & 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 PPE 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 PPE are recognised in the surplus or deficit as incurred.

The cost of an item of PPE 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.

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.

Depreciation of dam project components is provided on a straight line (SL) basis to write off the cost (or valuation) to estimated residual values, over their useful lives.

Depreciation of other assets is provided on a diminishing value (DV) basis to write off the cost (or valuation) to estimated residual values, over their useful lives.

Dam project components	
Land	not depreciated
Buildings (including fit out)	2 - 100 years (SL)
Bridges	100 years (SL)
Culverts, structures and fill (concrete, rock)	80 - 120 years (SL)
Earthworks and river stopbanks	not depreciated
Rock and slope protection	80 - 120 years (SL)
Water pipes/valves/meters (manual)	15 - 80 years (SL)
Water pipes/valves/meters (automatic)	15 - 80 years (SL)
Access control solutions	2% - 7% (SL)
Capital WiP	not applicable
Other assets	
Leasehold improvements	10% (DV)
Furniture and equipment	8% - 67% (DV)
Vehicles	20% - 30% (DV)

Notes to the Financial Statements

(j) 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.

(k) Other financial assets

Term investments and interest bearing loans received 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.

(l) 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.

(m) 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. Fair value is measured using a market equivalent rate taking into account the terms of the relevant drawdowns. Borrowing costs directly attributable to the acquisition or construction of an asset that takes 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.

(n) 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 taken, and annual leave earned but not yet taken up to balance date.

(o) 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. Income includes the recovery of both financing and operating costs. Water charges income is recognised on an accrual basis in proportion that costs expensed to date bear to the estimated total costs of the transaction.

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

Notes to the Financial Statements

(p) 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.

Insurance

Insurance costs paid in advance for services to be received in the future are initially recorded as assets and their value is expensed over time onto the Statement of Comprehensive Revenue and Expense.

(q) 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.

(r) 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

		FY2026	FY2025
	Note	\$000	\$000
Water charges recover finance costs of loans (refer Note 18) 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. Water charges can include provision for building sufficient working capital and appropriate financial reserves to meet upcoming capital and cyclical maintenance requirements.			
Water charges income - TDC		3,063	2,687
Water charges income - WIL		4,026	4,073
Total	20	7,089	6,760

2 Project construction costs

		FY2026	FY2025
	Note	\$000	\$000
The following amounts attributable to the build were passed through operational accounts:			
Dam construction costs		185	4,362
Project services		-	1,436
WWL operations		79	2,176
Transfer costs to Capital WIP / Dam assets	12	(264)	(7,974)
Total		-	-

3 Dam operations

		FY2026	FY2025
		\$000	\$000
Dam operations costs are being incurred as the project transitions from construction to operations:			
Dam operations		320	218
Environmental monitoring		316	309
Dam safety		271	200
Total		907	727

4 Depreciation, amortisation and impairment expenses

		FY2026	FY2025
	Note	\$000	\$000
Depreciation of property, plant and equipment	12	3,374	3,277
Total		3,374	3,277

5 Other overhead and administrative expenses

	FY2026	FY2025
	\$000	\$000
Insurance	778	772
Rates	343	327
Office costs	82	114
Professional fees	60	210
Auditor remuneration*	49	104
Facilities costs	35	43
Legal fees	8	67
Total	1,355	1,637

* FY25 remuneration includes FY25 fees and additional FY24 fees.

6 Finance income and costs

	FY2026	FY2025
	\$000	\$000
Finance income		
Interest income on cash and bank deposits	16	44
Total Finance income	16	44
Finance costs		
Interest expense*	(3,055)	(3,461)
Non-cash effective interest method expense**	(720)	(775)
Bank fees	-	-
Total Finance costs	(3,775)	(4,236)

* Interest expense on loans, recoverable within water charges, partially funded by TDC / WIL loan - refer Note 18.

** Adjustments required to recognise effective interest on below market rate loans.

7 Share Capital

	FY2026	FY2025
9,999 shares were authorised and issued on 21 Dec 2018.		
3,698 shares have been issued since.		
Ordinary shares - TDC	8,636	8,636
Ordinary shares - WIL	2,978	2,978
Non-voting shares - TDC	172	172
Non-voting shares - WIL	1,911	1,911
Shares at the end of the year	13,697	13,697
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*	\$75,296k	\$75,296k
TDC contribution per ordinary share.	\$8,718.90	\$8,718.90
TDC ordinary shares issued and fully paid	8,636	8,636
TDC ordinary shares issued and not fully paid	-	-

TDC non-voting shares have a par value of \$8,719.91

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

WIL ordinary shares contribution*

WIL contribution per ordinary share.

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

\$1,500k	\$1,500k
\$25,967k	\$25,967k
\$8,719.51	\$8,719.51
2,978	2,978
-	-
-	-
\$102,763k	\$102,763k

* Contributions represent the total dollar value of shares paid up. Contribution movements are shown in Note 20. TDC contributions were primarily made to provide working capital to WWL. WIL contributions were made on agreed instalments.

8 Cash and cash equivalents

	FY2026	FY2025
	\$000	\$000
Cash at bank and in hand	1,905	800
Total	1,905	800

9 Receivables from exchange transactions - current

	Note	FY2026	FY2025
		\$000	\$000
Related party receivables	20	-	-
Other prepayments / receivables*		515	614
Total		515	614

* Primarily related to prepaid insurance premium.

10 Receivables from non-exchange transactions - current

	Note	FY2026	FY2025
		\$000	\$000
Trade debtors		-	-
Related party receivables	20	-	-
GST receivable		19	89
Total		19	89

11 Receivables from exchange transactions - non current

	Note	FY2026	FY2025
		\$000	\$000
Related party receivables	20	1,520	130
Total		1,520	130

12 Property, plant and equipment

	Note	Capital WiP	Dam assets	Leasehold improve- ments	Furniture and office equip	Vehicles and site equip	Total
		\$000	\$000	\$000	\$000	\$000	\$000
<i>Movements for each class of property, plant and equipment are as follows:</i>							
FY2026							
Gross carrying amount							
Opening		802	202,053	11	144	395	203,405
Additions		139	121	-	3	32	295
Transfers		(659)	618	-	-	41	-
Disposals		-	-	-	(33)	(76)	(109)
Gross carrying amount		282	202,792	11	114	392	203,591
Accumulated depreciation and impairment							
Opening		-	(3,481)	-	(93)	(190)	(3,764)
Depreciation - attributable to the build		-	-	-	-	(5)	(5)
Depreciation	4	-	(3,339)	(1)	(20)	(14)	(3,374)
Disposals		-	-	-	25	22	47
Accumulated depreciation and impairment		-	(6,820)	(1)	(88)	(187)	(7,096)
Carrying amount 30 June 2026		282	195,972	10	26	205	196,495
FY2025							
Gross carrying amount							
Opening		260	194,621	28	117	414	195,440
Additions		663	7,311	11	28	105	8,118
Transfers		(121)	121	-	-	-	-
Disposals		-	-	(28)	(1)	(124)	(153)
Gross carrying amount		802	202,053	11	144	395	203,405
Accumulated depreciation and impairment							
Opening		-	(252)	(12)	(80)	(234)	(578)
Depreciation	4	-	(3,229)	(16)	(14)	(18)	(3,277)
Disposals		-	-	28	1	62	91
Accumulated depreciation and impairment		-	(3,481)	-	(93)	(190)	(3,764)
Carrying amount 30 June 2025		802	198,572	11	51	205	199,641

13 Taxation

	FY2026	FY2025
	\$000	\$000
Income tax expense	-	-
Recognised deferred tax assets:	-	-
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.		
Unrecognised deferred tax assets are based on:		
Statement of Comprehensive Revenue and Expense	(3,190)	(4,018)
Temporary differences	747	579
Taxable income (deficit)	(2,443)	(3,439)
Unrecognised deferred tax assets consist of:		
Opening balance	(2,361)	(1,398)
Tax on taxable income (deficit) above, at 28%	(684)	(963)
Total unrecognised deferred tax asset	(3,045)	(2,361)
Taxable loss carried forward	(10,874)	(8,431)

14 Payables under exchange transactions

		FY2026	FY2025
	Note	\$000	\$000
Trade creditors		141	224
Related party payables*	20	1,293	635
GST payable		-	-
Non trade payables and accrued expenses		53	48
Total		1,487	907

* Primarily finance costs on shareholder advances, insurance collected in advance, and Director fees.

15 Employee entitlements

	FY2026	FY2025
	\$000	\$000
Payroll entitlements	27	29
Total	27	29

Employee remuneration

Four employees received remuneration and other benefits of \$100,000 or more for the year ended 30 June 2026. (FY2025, five employees).

Remuneration	Number of employees	
\$100,001 - \$110,000	1	-
\$150,001 - \$160,000	1	-
\$160,001 - \$170,000	-	1
\$170,001 - \$180,000	1	-
\$200,001 - \$210,000	-	1
\$210,001 - \$220,000	1	1
\$220,001 - \$230,000	-	1
\$390, 001 - \$400,000	-	1

16 Commitments

The entity has no commitments contracted for at the end of the reporting period but not yet incurred.

17 Contingent assets and contingent liabilities

The entity has no contingent assets or contingent liabilities.

18 Loans and borrowings

	CIIL ^a	TDC ^b	TDC CIIL ^{b,c}	TDC WIL ^b	WIL DSR ^d	Subtotal
	\$000	\$000	\$000	\$000	\$000	\$000
FY2026						
Opening Nominal value	24,685	20,961	18,000	43,081	-	106,727
New loans / advances	-	2,299	-	3,571	-	5,870
<u>Repayments</u>	(298)	-	(4,500)	-	-	(4,798)
Closing Nominal Value	24,387	23,260	13,500	46,652	-	107,799
Opening effective interest rate adjustments	(2,771)	-	(4,037)	-	-	(6,808)
<u>Effective interest adjustments</u>	324	-	396	-	-	720
Closing effective interest rate adjustments	(2,447)	-	(3,641)	-	-	(6,088)
Closing Carrying Value	21,940	23,260	9,859	46,652	-	101,711
FY2025						
Opening Nominal value	24,976	18,840	18,000	35,236	350	97,402
New loans / advances	-	2,121	-	7,845	-	9,966
<u>Repayments</u>	(291)	-	-	-	(350)	(641)
Closing Nominal Value	24,685	20,961	18,000	43,081	-	106,727
Opening effective interest rate adjustments	(3,094)	-	(4,489)	-	-	(7,583)
<u>Effective interest adjustments</u>	323	-	452	-	-	775
Closing effective interest rate adjustments	(2,771)	-	(4,037)	-	-	(6,808)
Closing Carrying Value	21,914	20,961	13,963	43,081	-	99,919

^a WWL has financing arrangements with Crown Irrigation Investments Ltd (CIIL) up to \$25,000,000 plus interest. Facilities were drawn to fund project costs, secured by a general security over present and future assets. Facilities have credit support from Tasman District Council (TDC) plus guarantees from Waimea Irrigators Ltd (WIL), and are repayable by 2034. Repayments have commenced. Some facilities have been provided at interest rates lower than what a market participant would pay, consistent with CIIL's investment mandate. WWL recognises the loans at fair value on initial recognition with the difference reflected as revenue and subsequent movements as amortised cost.

^b WWL has financing arrangements with TDC up to \$86,541,669, secured by a second ranking general security over present and future assets. Finance costs are recovered in line with capacity. At Balance Date \$83,411,669 has been drawn against those facilities. Remaining funds can be drawn to fund water charges payments. Facilities are repayable by 2030 or 2058 or may be converted to equity.

^c Some loan facilities have been provided by shareholders at interest rates lower than what a market participant would pay, consistent with CIIL's investment mandate. WWL recognises the loans at fair value on initial recognition with the difference reflected as shareholder equity contribution and subsequent movements as amortised cost.

^d WIL committed to CIIL to fund \$350,000 for WWL's Debt Service Reserve commitment to CIIL. In FY24 this was funded by WIL directly. In FY25, funding was transferred to a WIL loan.

The fair value at initial recognition is sensitive to changes in the discount rate used, a 0.25% increase would result in a decrease in fair value of \$4 million.

19 Financial instruments

The carrying amounts presented in the Statement of Financial Position relate to the following categories of financial assets and liabilities.

	Financial assets at amortised cost \$000	Financial liabilities at amortised cost \$000	Total \$000
FY2026			
<i>Financial assets</i>			
Cash and cash equivalents	1,905	-	1,905
Trade debtors and other receivables	1,520	-	1,520
Total Financial assets	3,425	-	3,425
<i>Financial liabilities</i>			
Trade creditors and other payables	-	132	132
Loans and borrowings*	-	101,711	101,711
Total Financial liabilities	-	101,843	101,843
FY2025			
<i>Financial assets</i>			
Cash and cash equivalents	800	-	800
Trade debtors and other receivables	130	-	130
Total Financial assets	930	-	930
<i>Financial liabilities</i>			
Trade creditors and other payables	-	171	171
Loans and borrowings*	-	99,919	99,919
Total Financial liabilities	-	100,090	100,090

* Loans and borrowings.

	FY2026	FY2025
<i>Crown Irrigation Investments Limited</i>	21,940	21,914
<i>Tasman District Council</i>	79,771	78,005
Total loans and borrowings	101,711	99,919

20 Related party transactions

WWL is jointly owned by Tasman District Council ("TDC" - Ordinary shares - TDC of issued shares) and Waimea Irrigators Limited ("WIL" - Ordinary shares - WIL. TDC and WIL are Joint Operators. WWL also has a related party relationship with key management personnel; Directors and members of Management.

	Note	FY2026 \$000	FY2025 \$000
Purchase / reimbursement of services			
Shareholder services*		343	338
Interest on loans**		2,716	3,129
Total purchases		3,059	3,467
Sale / reimbursement of services			
Water charges	1	7,089	6,760
Total sales		7,089	6,760
Share Capital contributions from Joint Operators			
Tasman District Council Share Capital		-	5,554
Waimea Irrigators Limited Share Capital		-	-
Total contributions		-	5,554
Loans and borrowings			
Non-current - Secured loans - TDC - Council capacity		32,719	34,524
Borrowing costs capitalised - TDC		400	400
Total TDC	18	33,119	34,924
Non-current - Secured loans - TDC - Irrigator capacity	18	46,652	43,081
Total loans		79,771	78,005
Period end payable to related parties:			
Directors / other key management personnel		11	5
Tasman District Council*, **		995	321
Waimea Irrigators Limited		287	309
Total payables	14	1,293	635
Period end receivable from related parties:			
Shareholders, current	9, 10	-	-
Waimea Irrigators Limited, non-current***	11	1,520	130
Total receivables		1,520	130
<i>* TDC provides services in the normal course of operating activities (e.g. resource consent fees, rates).</i>			
<i>** Including interest costs passed through from TDC on loans from the LGFA.</i>			
<i>*** Deferred water charges payments.</i>			
Key management compensation			
Salaries and other short-term employee benefits		175	326
Directors' fees		175	211
Total		350	537
Persons recognised as key management personnel		6	7

Company Directory

Directors

David Wright (Chair)
Bruno Simpson
Doug Hattersley
Julian Raine
Mark Loveard*

*Appointed Oct 2025.

Registered Office

20 Oxford Street
Richmond 7020
New Zealand
Telephone: 027 544 0030
Email: info@waimeawater.nz

Management

General Manager:	Kelly Norris
Chief Financial Officer:	Dave Ashcroft
Operations Manager:	Alasdair Mawdsley

Auditor

The Audit Office

Accountant

Findex Ltd

Banker

ANZ Corporation

Lawyers

Duncan Cotterill. Anderson Lloyd



Independent Auditor's Report

To the shareholders of Waimea Water Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Waimea Water Limited (the Company). The Auditor-General has appointed me, Yvonne Yang, using the staff and resources of The Audit Office, to carry out the audit of the financial statements and performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 15 to 30; and
- the performance information, (referred as "performance against statement of intent") that consists of the statement of service performance for the year ended 30 June 2026 on page 9.

In our opinion:

- the financial statements of the Company present fairly, in all material respects its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information contained in the statement of service performance of the Company in accordance with the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Act.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and performance information.

For the budget information reported in the audited information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and performance information consisting of statement of service performance, and our auditor's report thereon.

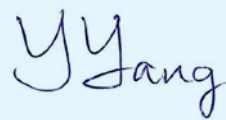
Our opinion on the financial statements and performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and performance information or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.



Yvonne Yang
The Audit Office
On behalf of the Auditor-General
Christchurch, New Zealand

29 September 2026



Waimea
Water

SECURING OUR REGION'S FUTURE