Central Plains Water Limited
Annual Report
For the year ended 30 June 2014

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Contents

	Page
Chairmans' review	2
Directors' report	3
Financial statements	
Statement of comprehensive income	4
Statement of changes in equity	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8 - 22
Auditors' report	23 - 24
Statutory information	25 - 28
Directory	29

Chairmans' review

The 2014 financial year has been a watershed year for the company. After over 20 years of effort we have finally commenced construction of the Central Plains Water Enhancement Scheme. The Prime Minister Rt. Hon. John Key, turned the first sod of Stage 1 Construction on 29 April 2014 at G & L King's property, near Hororata.

Our long serving Director and past Chairman Pat Morrison was in attendance at the sod turning, but succumbed to illness soon afterwards, and sadly passed away in May. On behalf of the company I wish to specially acknowledge Pat's leadership and personal dedication in helping get the scheme to this point.

Year in Review

The year has included a number of significant achievements and milestones surpassed:

In November 2013 the company successfully closed a share offer raising $38 million of capital from shareholders to part fund construction of Stage 1 of the scheme (including canal capacity to the level required to service the whole scheme), to fund ongoing overheads, and to progress design of subsequent stages of the scheme.

An intense period of construction contract tendering and negotiation followed, with funding banks ANZ and Westpac conducting due diligence in parallel. In April 2014 the project reached financial close. This comprised construction contracts being awarded to Fulton Hogan/John Holland joint venture for the construction and lining of the canal and civil engineering structures and to Downer NZ Limited for the construction of the water distribution network comprising underground pipes, pump stations, farm turn-outs and control systems. The ANZ and Westpac banks made available a $143 million construction facility enabling physical works to begin. Crown Irrigation Investments Limited have since confirmed a $6.5 million subordinated loan facility, completing the funding package required.

The period from April has been very busy with final design details being confirmed, access agreements for pipeline routes being negotiated, and all of the environmental and construction management plans to begin work in earnest being put in place.

Construction Progress

By 30 June 2014 we had spent the first $16.7 million on construction work in progress. Since balance date the rate of activity and spend continues to accelerate. At the date of writing, the headrace canal construction is well underway; Fulton Hogan have moved 1.5 million cubic meters of earth, the canal liner material has arrived on site and installation tests are underway, the foundations for the Rakaia river intake structures have been poured, and 12 farm and road bridges are under construction. Downer NZ Limited are finalising the reticulation system design, manufacturing pipes on site in Hororata, and on farm pipe-laying has commenced. There are now a large number of active worksites across the Te Pirita area.

Outlook

We are on track to commence the supply of water to Stage 1 in September 2015 as planned. Construction mobilisation and management activities have been very extensive, we are now however turning our attention to Stage 2/3, and Sheffield planning and design matters and Stage 1 operations.

A great deal of work has been undertaken to date to prepare expert evidence for Variation 1 to the Land and Water Regional Plan. This is the plan that sets the water quality and nitrogen discharge limits for the Selwyn Waihora Zone.

At the time of writing the hearing is underway and CPWL will be heard mid-October. While we understand the Variation 1 plan won't be operative until around the end of quarter one 2015, we hope to have a good sense of the outcome in relation to the scheme nitrogen allocation before Christmas.

Staff

My thanks to all of the CPW staff for their commitment and hard work throughout the year. The progress made has been truly impressive. A special thank you to Derek Crombie our CEO and the CPW staff, and to my fellow Directors for their support during an exciting and challenging period.

Shareholder Support

The Board continues to do our very best for our farmer shareholders. We thank you for your support and in particular the significant financial commitments made during late 2013 and 2014 that have allowed construction of the first stage of the scheme to commence.

Directors' report

The Board of Directors have pleasure in presenting the annual report of Central Plains Water Limited, incorporating the financial statements and the auditors' report, for the year ended 30 June 2014.

Results

The Company sustained a loss for the year.

	This Year	Last Year
Net surplus (deficit) for the year	(5,203,920)	(2,918,810)
Retained earnings (accumulated losses) as at 1 July 2013	(21,195,028)	(18,276,218)
Retained earnings (accumulated losses) as at 30 June 2014	(26,398,948)	(21,195,028)

Cash flow hedge

The Company has also recognised a "cash flow hedge reserve" of $(2,296,447) reflecting the revaluation of unrealised losses on interest rate hedges. The Company was required under the terms of its bank loans to fix 100% of interest rate risk for a five year period. The actual losses or gains realised will depend on movements in interest rates over the term of the interest rate hedges.

State of Affairs

The board of directors are of the opinion that the state of affairs of the company is satisfactory.

Dividend

No dividend was paid during the year.

Auditors

KPMG have indicated their willingness to continue in office in accordance with section 200 of the Companies Act 1993.

The Board of Directors of Central Plains Water Limited authorised these financial statements presented on pages 3 to 24 for issue on 8 October 2014.

For and on behalf of the Board.

D J Catherwood
Chairperson

8 October 2014

P J Munro
Director

8 October 2014

Statement of comprehensive income

For the year ended 30 June 2014

	Notes	2014 $	2013 $
IAF grants received	4	3,816,821	1,447,856
Interest received		147,014	13,825
Water licensing		89,400	60,600
		4,053,235	1,522,281
Depreciation and amortisation expense		(22,299)	(4,437)
Scheme design expenses		(5,543,673)	(2,202,779)
Directors expenses		(179,816)	(166,817)
Audit expenses		(17,075)	(19,765)
Other administration expenses		(2,850,787)	(1,297,438)
Finance costs - net	5	(643,505)	(749,855)
Total expenses		(9,257,155)	(4,441,091)
Loss before income tax		(5,203,920)	(2,918,810)
Income tax	7	-	-
Loss for the year		(5,203,920)	(2,918,810)
Other comprehensive income:			
Changes in fair value of cash flow hedges	17	(3,189,510)	-
Income tax benefit on fair value of cash flow hedges		893,063	-
Other comprehensive income for the year, net of tax		(2,296,447)	-
Total comprehensive income for the year		(7,500,367)	(2,918,810)

	Notes	Cents	Cents
Earnings per share attributable to the ordinary equity holders of the company during the year:			
Basic earnings per share	18	(6.63)	(3.71)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

KPMG ChCh Marked for Identification

Statement of changes in equity

For the year ended 30 June 2014

Consolidated	Notes	Share Capital $	Cash flow hedge reserve $	Retained earnings $	Total equity $
Balance as at 1 July 2012		7,682,312	-	(18,276,218)	(10,593,906)
Loss for the year		-	-	(2,918,810)	(2,918,810)
Proceeds from ordinary shares	18	400	-	-	400
Balance as at 30 June 2013		7,682,712	-	(21,195,028)	(13,512,316)
Balance as at 1 July 2013		7,682,712	-	(21,195,028)	(13,512,316)
Loss for the year		-	-	(5,203,920)	(5,203,920)
Other comprehensive income for the year	19	-	(2,296,447)	-	(2,296,447)
Purchase of ordinary shares	18	(32,000)	-	-	(32,000)
Proceeds from ordinary shares	18	1,200	-	-	1,200
Proceeds from construction shares issued	18	31,995,250	-	-	31,995,250
Proceeds from pre-construction shares issued	18	5,843,000	-	-	5,843,000
Balance as at 30 June 2014		45,490,162	(2,296,447)	(26,398,948)	16,794,767

		2014	2013
Number of shares on issue:			
Ordinary shares	18	**787,404**	787,404
Construction shares	18	**18,283**	-
Pre-construction shares	18	**29,215**	-

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CENTRAL PLAINS WATER

Statement of financial position

As at 30 June 2014

	Notes	Consolidated 2014 $	Consolidated 2013 $
ASSETS			
Current assets			
Cash and cash equivalents		2,439,231	183,034
Trade and other receivables	9	2,658,425	821,820
Share instalments receivable	9	18,083,220	-
Current tax receivables	10	20,356	8,967
Total current assets		23,201,232	1,013,821
Non-current assets			
Contingency reserve account	11	5,023,946	-
Construction work in progress	12	16,701,745	-
Freehold land	12	250,000	250,000
Fixtures and fittings	12	115,535	3,865
Motor vehicles	12	185,337	11,263
Deferred tax assets	13	893,063	-
Other investments	14	200	-
Total non-current assets		23,169,826	265,128
Total assets		46,371,058	1,278,949
LIABILITIES			
Current liabilities			
Trade and other payables	15	5,961,387	1,050,098
Non-current liabilities			
Interest bearing liabilities	16	20,425,394	13,741,167
Derivative financial instruments	17	3,189,510	-
Total liabilities		29,576,291	14,791,265
Net assets		16,794,767	(13,512,316)
EQUITY			
Contributed equity	18	45,490,162	7,682,712
Reserves	19	(2,296,447)	-
Retained earnings		(26,398,948)	(21,195,028)
Total equity		16,794,767	(13,512,316)

The above statement of financial position should be read in conjunction with the accompanying notes.

D J Catherwood
Chairperson

8 October 2014

P J Munro
Director

8 October 2014

KPMG ChCh
Marked for Identification

CENTRAL PLAINS WATER

Statement of cash flows

For the year ended 30 June 2014

	Notes	2014 $	2013 $
Cash flows from operating activities			
Interest received		**135,626**	16,531
Water licensing		**89,400**	60,600
MPI grant income		**4,739,052**	782,567
Payments to suppliers		**(10,819,784)**	(2,939,620)
Net cash inflow / (outflow) from operating activities	20	**(5,855,706)**	(2,079,922)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(308,242)**	(15,691)
Capital work in progress		**(12,964,365)**	-
Net cash inflow / (outflow) from investing activities		**(13,272,607)**	(15,691)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**1,200**	400
Proceeds from issuance of construction shares		**15,153,920**	-
Proceeds from issuance of pre-construction shares		**1,962,430**	-
Proceeds from bank borrowings		**20,425,394**	1,659,978
Contingency reserve account		**(5,023,946)**	-
Repayments of other borrowings		**(11,102,488)**	(34,389)
Purchase of ordinary shares		**(32,000)**	-
Net cash inflow / (outflow) from financing activities		**21,384,510**	1,625,989
Net increase (decrease) in cash and cash equivalents		**2,256,197**	(469,624)
Cash and cash equivalents at the beginning of the financial year		**183,034**	652,658
Cash and cash equivalents at end of year		**2,439,231**	183,034

CENTRAL PLAINS WATER

1 Reporting entity

These financial statements are for Central Plains Water Limited (the 'Company') and its subsidiary Te Pirita Irrigation Limited (non-trading) (together 'the Group').

Central Plains Water Limited's purpose is the establishment of an irrigation scheme.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as applicable for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards ('IFRS').

Statutory base

Central Plains Water Limited is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is an issuer for the purposes of the Financial Reporting Act 1993 and its financial statements comply with the Act.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Financial statements presentation

The Company has applied the revised NZ IAS 1 Presentation of Financial Statements which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the Company had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

(c) Segment reporting

The Company and Group operate in one industry, being the establishment of an irrigation scheme. The Board makes resource allocation decisions based on expected cash flows and results of the Company's operations as a whole and the Group therefore has one segment.

CENTRAL PLAINS WATER

2 Summary of significant accounting policies (continued)

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company and the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in New Zealand Dollars ($), which is the Company's presentation currency and rounded to the nearest dollar ($0).

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Interest income

Interest income received is stated inclusive of withholding tax and recorded as earned.

(ii) Water Licensing income

Water licensing income is recognised when it is probable the economic benefit will flow to the company.

(f) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

(g) Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(h) Goods and Services Tax (GST)

The profit and loss component of the statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(i) Trade and other receivables

Trade receivables are amounts due from customers for water licensing or grant income incurred in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2 Summary of significant accounting policies (continued)

(j) Investments and other financial assets

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(iii) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss component of the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(k) Derivatives

The Company enters into derivative financial instruments to manage its exposure to interest rate risk, using interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

(1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(2) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or

(3) hedges of a net investment in a foreign operation (net investment hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 17. Movements on the hedging reserve in other comprehensive income are shown in note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2 Summary of significant accounting policies (continued)

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss component of the statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Company only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the profit and loss component of the statement of comprehensive income within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the profit and loss component of the statement of comprehensive income within 'other gains/ (losses) – net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the profit and loss component of the statement of comprehensive income within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss component of the statement of comprehensive income within 'other gains/ (losses) – net'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the profit and loss component of the statement of comprehensive income within 'finance income/cost'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit and loss component of the statement of comprehensive income within 'other gains/ (losses) – net'.

(iii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the profit and loss component of the statement of comprehensive income. Gains and losses accumulated in equity are included in the profit and loss component of the statement of comprehensive income when the foreign operation is partially disposed of or sold.

(iv) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

2 Summary of significant accounting policies (continued)

(m) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation (note 12). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the diminishing value method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Vehicles	3-5 years
- Furniture, fittings and equipment	2-4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(n) Construction work in progress

Construction work in progress is stated at historical cost and includes all costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company. It excludes costs such as administration and other general overhead costs. Capitalisation of construction work in progress commences from the point the Company considers it probable that the project will go ahead. Construction work in progress includes design and project development costs from that point. All design and project development costs prior to the point at which the project becomes probable are expensed.

(o) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are stated at cost.

(p) Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss component of the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probably that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2 Summary of significant accounting policies (continued)

(r) Contributed Equity

Ordinary shares, construction shares and pre-construction shares are classified as equity.

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect is included in equity attributable to the Company's equity holders.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and assumptions.

Estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Going concern

These financial statements have been prepared under the going concern assumption. This relies on the successful completion and commissioning of the Stage 1 project. This work is continuing to plan, and commissioning of Stage 1 is expected by September 2015. On commissioning the Company will have water use agreements in place with all construction shareholders that provide the ability to recover the ongoing costs of operations. This enables the Company to have sufficient cash flow to meet loan repayment and liquidity requirements.

4 Government Grants

The company has entered into Funding Agreements with the Ministry for Primary Industries to the total value of $5,699,965 from the Irrigation Acceleration Fund. The funding agreements provide for reimbursement of 50% of qualifying expenditure on agreed pre-construction work programs required for the Stage 1 development to reach an investment ready state. The grant income must be matched or co-funded by the company. This funding has been fully drawn in August 2014.

5 Finance expenses

	2014 **$**	2013 $
Finance costs		
Bank loans	-	71,333
Loans from related parties	643,505	678,522
Total finance costs	643,505	749,855

CENTRAL PLAINS WATER

6 Financial risk management

(a) Market risk

(i) Interest rate risk

Group policy is to maintain 100% of its borrowings in fixed rate instruments.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

As at the reporting date, the Company had the following interest rate swap contracts outstanding:

	30 June 2014	
	Weighted average interest rate %	**Balance $'000**
Less than 1 year	**5.13%**	100,000
1 to 2 years	**5.25%**	26,000
2 to 3 years	**5.37%**	12,000
3 to 4 years	**5.40%**	12,000
4 to 5 years	**5.51%**	12,000

The above balances include forward start swap contracts for various periods and do not reflect the current active contracts held at any one point in time.

(ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial liabilities to interest rate risk.

Consolidated

		Interest rate risk			
		-1%		+1%	
30 June 2014	Carrying amount $'000	Profit / OCI $'000	Equity $'000	Profit / OCI $'000	Equity $'000
Financial liabilities					
Derivatives - cash flow hedges	(3,190)	-	(7,067)	-	6,577

(b) Credit risk

The company does not have any significant concentrations of credit risk. It does not require any collateral or security to support financial instruments as it only deposits with, or loans to, banks and other financial institutions with high credit ratings. It does not expect the non-performance of any obligations at balance date.

(c) Liquidity risk

Liquidity risk is the risk that the company may encounter difficulty in raising funds at short notice to meet its commitments.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2014

Liabilities	**Less than 2 months**	**Between 2 and 12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Interest rate swaps	(55,036)	(892,288)	(2,017,685)	(6,853,765)	(3,150,293)
Trade and other payables	(5,896,295)	(65,092)	-	-	-
Interest bearing liabilities	-	-	(20,425,394)	-	-
	(5,951,330)	**(957,380)**	**(22,443,079)**	**(6,853,765)**	**(3,150,283)**

KPMG ChCh Marked for Identification

CENTRAl PLAINS WATER

6 Financial risk management (continued)

(d) Capital risk management

The company's capital includes ordinary share capital, construction capital, pre-construction capital and retained earnings. The company is not subject to any externally imposed capital requirements. There have been no material changes in the company's management of capital during the period.

7 Income tax

	2014 $	2013 $
(a) Income tax expense		
Current tax:		
Current tax on profits for the year	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	(5,203,920)	(2,918,810)
Income tax @ 28%	(1,457,098)	(817,267)
Tax effects of:		
• Expenses not deductible for tax purposes	235,837	536,577
• Tax losses for which no deferred income tax asset was recognised	1,221,261	280,690
	-	-
(c) Unrecognised tax balances		
Losses brought forward	6,630,498	5,628,033
Deductible temporary differences		
Net tax deficit for the year	4,337,091	1,002,465
Unrecognised deferred tax balances	10,967,589	6,630,498

There is a possibility tax losses may be lost in the future before they are able to be used due to a possible change in shareholder continuity or change in business activity as the company has not yet commenced operations.

(d) Tax (charge)/credit relating to components of other comprehensive income

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	Before tax $	Tax (expense) / benefit $	After tax $
Consolidated			
30 June 2014			
Current tax	-	-	-
Deferred tax (note 13)	(3,189,510)	893,063	(2,296,447)
Other comprehensive income	(3,189,510)	893,063	(2,296,447)

CENTRAL PLAINS WATER

8 Imputation credits

	2014 $	2013 $
Imputation credit account		
Balance at beginning of year	5,063	9,990
Resident withholding tax paid	17,072	688
Tax payments, net of refunds	(5,063)	(5,615)
Balance at end of year	17,072	5,063

9 Trade and other receivables

	Consolidated 2014 $	2013 $
Trade receivables	415,376	726,382
Share instalments receivable	18,083,220	-
Prepaid loan fees	682,083	-
Net GST receivable	1,560,966	95,438
	20,741,645	821,820

As of 30 June 2014, trade receivables of $415,376 (2013: $726,382) were fully performing.

(a) Share instalments outstanding

This amount has arisen from transactions outside the usual operating activities of the Company. The Company issued construction and pre-construction shares on the 5 November 2013 with 50% payable on the allotment date with the balance payable during next year in two instalments (1 July 2014 and 30 November 2014). $1,800,000 has been paid early, including 3,419 construction shares at $525 per share and 75 pre-construction shares at $67 per share.

(b) Prepaid loan fees

This amount comprises loan fees incurred at the inception of the Construction Facility to be amortised over the expected life of the facility.

10 Current tax receivables

	Consolidated 2014 $	2013 $
Excess of tax paid for current period over amount due	20,356	8,967

11 Other receivables

	Consolidated 2014 $	2013 $
Cash restricted or pledged		
Contingency reserve account	5,023,946	-

The deposit has an interest rate of 3.0% and is the contingency reserve required under the Syndicated Facility Agreement for the period of stage 1 construction (2013: nil).

The deposit will mature on the commissioning of stage 1 of the scheme in September 2015 and is then applied as a repayment to the bank borrowings.

12 Property, plant and equipment

	Construction work in progress $	Freehold land $	Fixtures and fittings $	Motor vehicles $	Total $
Year ended 30 June 2013					
Opening net book amount	-	250,000	3,874	-	253,874
Additions	-	-	3,517	12,174	15,691
Depreciation charge (note 2(m))	-	-	(3,526)	(911)	(4,437)
Closing net book amount	-	250,000	3,865	11,263	265,128
At 30 June 2013					
Cost	-	250,000	9,908	12,174	272,082
Accumulated depreciation	-	-	(6,043)	(911)	(6,954)
Net book amount	-	250,000	3,865	11,263	265,128
Year ended 30 June 2014					
Opening net book amount	-	250,000	3,865	11,263	265,128
Additions	16,565,328	-	118,990	189,053	16,873,371
Depreciation charge (note 2(m))	-	-	(7,320)	(14,979)	(22,299)
Amortisation charge	136,417	-	-	-	136,417
Closing net book amount	16,701,745	250,000	115,535	185,337	17,252,617
At 30 June 2014					
Cost	16,701,745	250,000	128,897	201,228	17,281,870
Accumulated depreciation	-	-	(13,362)	(15,891)	(29,253)
Net book amount	16,701,745	250,000	115,535	185,337	17,252,617

(a) Construction work in progress

Construction work in progress as at 30 June 2014 comprises expenditure on stage 1 of the irrigation scheme including the headrace from the Rakaia river to Leaches Road.

(b) Capitalised borrowing costs

During the year, the Company has capitalised borrowing costs amounting to $734,733 (2013: nil) on construction work in progress.

13 Deferred tax assets

	Consolidated 2014 $	2013 $
The balance comprises temporary differences attributable to:		
Cash flow hedges (note 19)	893,063	-
Total deferred tax assets	893,063	-

14 Shares

	Consolidated 2014 $	2013 $
Farmlands Co-operative Society shares	200	-

15 Trade and other payables

	Consolidated 2014 $	2013 $
Trade payables	5,671,881	443,190
Accrued expenses	289,506	606,908
	5,961,387	1,050,098

16 Interest bearing liabilities

	Consolidated 2014 $	2013 $
Bank loans	20,425,394	-
Other loans	-	13,741,167
Total non-current interest bearing borrowings	20,425,394	13,741,167

* Further information relating to loans from related parties is set out in note 24.

(a) Bank borrowings

The Company has total borrowings of $20,425,394 provided from a Syndicated Facility totalling $142,600,000 from ANZ and Westpac Banks to repay previous borrowings and fund the construction work in progress. Bank borrowings are secured over the assets of the company.

The first drawdown of the Construction Facility was made on 9 April 2014, and this facility will expire on either the earlier of the Project Completion Date or the Sunset Date (31 December 2015). The Construction Facility will be refinanced by a Term Facility with a maturity date no later than 9 April 2019.

The average interest rate to 30 June 2014 on the Construction Facility is 5.44%, it excludes line fees and swaps.

The Company has the following undrawn borrowing facilities:

	$
Construction facility	117,074,606
Bridge facility	5,100,000
	122,174,606

(b) Other loans

All other loans of $15,495,597 have been repaid during the year and replaced with bank borrowings (2013: $13,741,167).

Crown Irrigation Investments Limited

The company has an undrawn subordinated facility of $6,500,000 available with the first drawdown to be made in September 2014.

17 Derivative financial instruments

	Consolidated	
	2014	2013
	$	$
Interest rate swaps - cash flow hedges (note 2(k))	**3,189,510**	-
Total non-current derivative financial instrument liabilities	**3,189,510**	-

Instruments used by the Company

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

Interest rate swaps

At 30 June 2014, the fixed interest rates vary from 4.69% to 5.51% (2013: nil), and the main floating rate is the New Zealand 90 Day Bank Bill Rate or 90 Day BKBM. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 30 June 2014 will be continuously released to the income statement within finance cost until the repayment of the bank borrowings.

18 Contributed equity

	2014 Shares	2013 Shares	**2014 $**	2013 $
(a) Ordinary shares				
Fully paid (no par value)	**787,404**	787,404	**7,682,712**	7,682,312
Purchase of shares	**(3,011)**	-	**(32,000)**	-
Proceeds from issuance of shares	**-**	-	**1,200**	400
	784,393	787,404	**7,651,912**	7,682,712

All ordinary shares share equally in dividends on surplus and on winding up. The ordinary shares hold equal voting rights. The company holds 3,011 shares in Central Plains Water Limited.

Each ordinary share confers a pro-rata right to take the Scheme's water, estimated on 4 September 2014 to be approximately 500m3 of water per Irrigation Season.

Based on the pro-rata allocation, the Company has previously estimated that the average Shareholder would require 13.13 Ordinary Shares per hectare of their land within the Scheme Area, which would give the Shareholder rights to up to 6,565m3 (656.6mm) of Scheme water per hectare per Irrigation Season, subject to other conditions.

(b) Construction shares

	2014	2013
Issues of construction shares during the year		
First instalment on allotment	**15,997,625**	-
Second instalment due 1 July 2014	**9,598,575**	-
Third instalment due 30 November 2014	**6,399,050**	-
Closing balance of construction shares issued	**31,995,250**	-

Construction shares confer on the holder a right to use Scheme Infrastructure to the extent necessary to apply 0.6 litres of water per second to Stage 1 Land. However, each Shareholder's right to Scheme water is limited by the number of Ordinary Shares they hold (as set out above).

On 6 November 2013, 18,283 shares were issued at the subscription price of $1,750 payable in three instalments, (i) $875 on allotment, (ii) $525 on 1 July 2014, and (iii) $350 on 30 November 2014.

CENTRAL PLAINS WATER

18 Contributed equity (continued)

(c) Pre-construction shares

	2014	2013
Issues of pre-construction shares during the year		
First instalment on allotment	1,957,405	-
Second instalment due 1 July 2014	1,957,405	-
Third instalment due 30 November 2014	1,928,190	-
Closing balance of pre-construction shares issued	5,843,000	-

Pre-construction shares confer on the holder a right to participate on a one-for-one basis, in any subsequent offers by the Company of Stage 2+ Construction Shares. It is anticipated that Stage 2+ Construction Shares will be issued on the same basis as Stage 1 Construction Shares and will confer equivalent rights to use the Stage 1 Infrastructure and Stage 2+ Infrastructure to the extent necessary to irrigate the relevant Shareholder's Stage 2+ Land.

On 6 November 2013, 29,215 shares were issued at the subscription price of $200 payable in three instalments, (i) $67 on allotment, (ii) $67 on 1 July 2014, and (iii) $66 on 30 November 2014.

Total contributed equity	45,490,162	7,682,712

19 Cash flow hedge reserve

	Consolidated	
	2014	2013
	$	$
Balance 1 July	-	-
Fair value gains/(losses) in year	(3,189,510)	-
Deferred tax	893,063	-
Balance 30 June	(2,296,447)	-

Nature and purpose of cash flow hedging reserves

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge. The amounts are recognised in the profit and loss component of comprehensive income when the associated hedge transactions affect profit and loss (note 2(k)).

20 Reconciliation of profit after income tax to net cash inflow from operating activities

	2014	2013
	$	$
Profit for the year	(5,203,920)	(2,918,810)
Depreciation and amortisation	22,299	4,437
Change in operating assets and liabilities		
(Increase) in trade debtors	(1,154,522)	(787,715)
(Increase) in future income tax benefit	(11,388)	4,927
Increase (decrease) in trade creditors	491,825	867,384
Net cash inflow from operating activities	(5,855,706)	(2,079,922)

CENTRAL PLAINS WATER

21 Events occurring after the reporting period

(a) Equity transactions

On 5 November 2013, the Company issued 18,283 construction shares at the subscription price of $1,750 payable in three instalments. The second instalment of $525 is payable on 1 July 2014, this was paid in full. The final instalment of $350 is payable on 30 November 2014.

On 5 November 2013, the Company also issued 29,215 pre-construction shares at the subscription price of $200 payable in three instalments. The second instalment of $67 is payable on 1 July 2014, only $13,400 (200 shares) remain outstanding. The final instalment of $66 is payable on 30 November 2014.

(b) No events occurring subsequent to reporting period

There were no events occurring subsequent to balance date which require adjustment to or disclosure in the financial statements.

22 Contingencies

As at 30 June 2014 the Company had no contingent liabilities or assets (2013: nil).

23 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	Consolidated	
	2014	2013
	$	$
Up to 1 year	**123,046,375**	-
1 to 5 years	**4,662,818**	-
	127,709,193	-

The Company's contractual commitments to construct the irrigation scheme as at 30 June 2014 are estimated to be $127.7 million (2013: nil).
The above balances have been committed in relation to future expenditure on capital projects. Amounts already spent have been included as construction work in progress (refer to note 12).

(b) Guarantees

	Consolidated	
	2014	2013
	$	$
Bonds issued in favour of consenting authorities.	**3,000,000**	-

24 Related party transactions

(a) Central Plains Water Trust

Central Plains Water Trust is an associate of the Christchurch City Council and Selwyn District Council. The trust provided services and assistance to the company to the value of $91,190 (2013: $30,536).

The following director and chair of the company is a trustee of the Trust.

Mr D J Catherwood

(b) Directors

The names of persons who were directors of the company at any time during the financial year are as follows: D J Catherwood; G K Stevenson; R B MacGeorge; P G Morrison; P J Munro; W J Palmer; J W Donkers; D L Summerfield and G R Wilson. In addition, R B MacGeorge held office as a director until his resignation on 18 March 2014 and P G Morrison held office as a director until his death on 25 May 2014.

Mr W J Palmer, a director of the company, is a partner in Buddle Findlay. During the reporting period the company entered into normal commercial transactions with Buddle Findlay. These transactions totalled $1,413,084 (2013: $219,850). The amount owed by the company at 30 June 2014 was $78,820 (2013: $77,201).

Mr P J Munro, a director of the company, is a partner in Deloitte. During the reporting period the company entered into normal commercial transactions with Deloitte. These transactions totalled $108,743 (2013: $55,488). The amount owed by the company at 30 June 2014 was nil (2013: $1,375).

(c) Transactions with other related parties

The following transactions occurred with related parties other than key management personnel or entities related to them:

	2014 **$**	2013 $
Loan balances:		
CDEF Trustee Limited (formerly CDC)	-	627,606
Selwyn District Council (2004 Loans) (Shareholder)	-	2,527,522
Selwyn District Council (2012 Facility) (Shareholder)	-	1,708,994
Sheffield Water Limited (D L Summerfield - Director, W J Palmer - Shareholder)	-	1,351,474
Fonterra (Shareholder)	-	3,137,384
Dairy Holdings Limited (Shareholder)	-	2,874,148
Synlait Farms Limited (Shareholder)	-	781,480
Tui Company Limited (Shareholder)	-	148,078
Canterbury Pastoral Limited (Shareholder)	-	147,612
Plains Holding Limited (Shareholder)	-	143,123
Clovernook Farm Limited (G S Stevenson - Director & Shareholder)	-	74,107
Carlow Farm Limited (D J Catherwood - Director & Shareholder)	-	71,562
Wilsden Farm Limited (J W Donkers - Director)	-	65,154
Praire Farm Limited (J W Donkers - Director & Shareholder)	-	44,423
Chiswick Farm Limited (J W Donkers - Director & Shareholder)	-	38,500
	-	13,741,167

All amounts were fully repaid during the year.

25 Group entities

In 2009 the Company incorporated Te Pirita Irrigation Limited as a wholly owned subsidiary. There were no transactions in Te Pirita Irrigation Limited during the year. Te Pirita Irrigation Limited has been formed to construct, commission and operate the Te Pirita scheme of 6,000 hectares. If the construction of the company scheme headrace has not commenced by 2020 then all the shares in Te Pirita Irrigation Limited vest in the users of the Te Pirita Scheme.

Independent auditor's report

To the shareholders of Central Plains Water Limited

Report on the financial statements

We have audited the accompanying financial statements of Central Plains Water Limited ("the company") on pages 4 to 22. The financial statements comprise the statement of financial position as at 30 June 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and International Financial Reporting Standards that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view of the matters to which they relate 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

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

Opinion

In our opinion the financial statements on pages 4 to 22:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of the company as at 30 June 2014 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Central Plains Water Limited as far as appears from our examination of those records.

KPMG

15 October 2014
Christchurch

Statutory Information

Shares on issue

As at 30 June 2014 the Company had 788,004 ordinary shares issued to 354 holders, 18,283 construction shares issued to 75 holders and 29,215 pre-construction shares issued to 173 holders.

Top 10 Ordinary Shareholders

Rank	Name	Units at 30 June 2014	% of Units
1.	Synlait Farms Limited	41,380	5.25
2.	WJ Thomas & AA Thomas	29,114	3.69
3.	Canterbury Pastoral Limited	15,600	1.98
4.	Lynton Dairy Limited	12,400	1.57
5.	Willsden Farm Limited	10,284	1.31
6.	Fonterra Co-operative Group Limited	10,000	1.27
7.	Canterbury Grasslands Limited	9,406	1.19
8.	GD Gillanders & Sons Limited	8,800	1.12
9.	P & E Limited	8,400	1.07
10.	Haglea Farm Limited	8,244	1.05
Totals: Top 10 holders of Ordinary Shares		153,628	19.50
Total Remaining Holders Balance		634,376	80.50

Directors' Remuneration

The total remuneration and other benefits to Directors (and past Directors) for services for the year ended 30 June 2014 were:

Director	Position	Ceased	Total Remuneration ($)
D J Catherwood	Chairman		30,000
G K Stevenson	Deputy Chairman		15,000
R B MacGeorge		18 March 2014	10,726
P G Morrison		25 May 2014	13,548
P J Munro			15,000
W J Palmer			15,000
J W Donkers			15,000
D L Summerfield			15,000
G R Wilson			15,000
			144,274

Statutory Information (continued)

Directors' Interests

The following general disclosures of interests have been given by directors' of the company pursuant to Section 140(2) of the Companies Act 1993.

Douglas Catherwood

Carlow Farm Limited

Te Pirita Irrigation Limited

Carlow 1 Limited

Geoff Stevenson

Clovernook Farm Limited

Lowes Road Holdings Limited

Harptree Farm Limited

Te Pirita Irrigation limited

Paul Munro

Deloitte Limited

Fine Foods Holdings Limited

Deloitte Partnership

Orion New Zealand Limited

William Palmer

Budfin Nominees Limited

Palmer Family Trust

Waddington Farm Limited

Otarama Investments 2011 Limited

Sheffield Water Limited

John Donkers

Alto Holdings Limited

Baycity Dairy Limited

Camden Diary Farms Limited

Chiswick Farm Limited

Dunsandel Groundwater Users Association Incorporated

Irrigation NZ Incorporated

My Farmside Limited

Regional Committee of Canterbury Water Management Strategy

Team Talk Limited

Willsden Farm Limited

Baycity Communications Limited

Baycity Technologies Limited

Camtelco Limited

Dairy Farm Management Services Limited

INZ Accreditation Limited

Marvlos Investments Limited

Praire Farm Limited

Solvam Corporation Limited

Wigram Brewing Company Limited

Damon Summerfield

Plains Food Limited

Summerfield Farming Co Limited

Sheffield Water Limited

Summerfield Finance Limited

Gary Wilson

Bealey Developments Limited

Kahautara Farm

Howe Spraying Limited

Statutory Information (continued)

Directors' Shareholding in Central Plains Water

The Directors' respective shareholdings in Central Plains Water as at 30 June 2014 is as follows:

	# Held
Doug Catherwood together with associated persons	3,200
Patrick Morrison	4,000
Gary Wilson together with associated persons	3,200
William Palmer – beneficiary and trustee of Palmer Family Trust	1,700
Geoff Stevenson	
• Harptree Farm Limited (director and shareholder)	1,800
• Clovernook Farm Limited (director and shareholder)	5,454
John Donkers	
• Willsden Farm Limited (director)	10,284
• Chiswick Farm Limited (director and shareholder)	6,318
• Praire Farm Limited (director and shareholder)	6.906
• Burnham Farm Limited (director and shareholder)	4.560
Damon Summerfield – director and shareholder of Summerfield Farming Co Limited	2,776

The directors have declared that they do not have any other interest in transactions with the company, apart from those disclosed in Note 24 to the Financial Statements.

Statutory Information (continued)

Specific Disclosures:

There are no specific disclosures of interest which have been given by directors of the company pursuant to Section 140(1) of the Companies Act 1993.

Subsidiary Company Directors

The following Companies were subsidiaries of Central Plains Water Limited as at 30 June 2014.

Te Pirita Irrigation Limited

Directors: Doug Catherwood, Colin Glass, Geoff Stevenson, Gareth Van Der Heyden

Employee Remuneration

During the year ended 30 June 2014 the following employees and former employees received individual remuneration over $100,000;

Remuneration range	Number of employees
$120,000 - $130,000	1
$140,000 - $150,000	1
$210,000 - $220,000	1
$220,000 - $230,000	1

Donations

There were no donations during the 2014 financial year.

Directors' Liability Insurance

In accordance with section 162 of the Companies Act 1993 we indemnify and insure Directors' against liability to other parties that may arise from their position. This is through the Company and the Directors' entering into Deeds of Access, Insurance and Indemnity. This cover does not apply to any liabilities arising from criminal or reckless acts by our Directors.

Currency

Within this Annual Report, all amounts are in New Zealand dollars unless otherwise specified.

Credit Rating

We do not have a credit rating.

Annual Shareholder Meeting

Our annual shareholder meeting is expected to be held on Thursday 30 October 2014 in Darfield. We will confirm the details of the time and place by notice to all our shareholders nearer to the date.

Annual Report

Our Annual Report is available on our website at www.cpwl.co.nz/communications/company-documents/annual-report/ and will be emailed out to shareholders if requested. We prefer to communicate with our shareholders promptly by email, but any shareholder who does request a hard copy of our Annual Report will be sent one in the regular post.

Directory

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Level 1, 15 Show Place
Addington
Christchurch 8024
Telephone: +64 3 982 4267
Facsimile: +64 3 281 8557
Email: admin@cpwl.co.nz

Registered Office

Deloitte
50 Hazeldean Road
Christchurch 8024

Board of Directors

D J Catherwood (Chair of the Board)
G K Stevenson
P J Munro – Independent Director
W J Palmer
J W Donkers
D L Summerfield
G R Wilson
R B MacGeorge (Ceased 18 March 2014)
P G Morrison (Ceased 25 May 2014)

Senior Management

Derek Crombie	– Chief Executive
Warren Maslin	– General Manager Commercial
Susan Goodfellow	– General Manager Environmental
Michael Grey	– General Manager Headrace
Rene Bakx	– General Manager Distribution
James Hay	– General Manager Operations
Mark McKenzie	– Programme Manager

Auditor

KPMG
Level 3, 62 Worcester Boulevard
Christchurch 8013

Lawyers

Buddle Findlay
83 Victoria Street
Christchurch 8013

Bankers

ANZ Bank New Zealand Limited
Westpac Banking Corporation

Share Registrar

Link Market Services Limited
138 Tancred Street
Ashburton 7740

Other Information

Please visit us at our website www.cpwl.co.nz