Sustainable Water Growing Our World

ANNUAL REPORT 2022

Central Plains Water Limited

Contents

Integrity
Reliability
Sustainability

We provide reliable and cost-effective water to the Canterbury Plains, while creating sustainable value for our shareholders, local communities and the environment.

Chair's Report

2021 - 2022

Grant Miller
Chair CPWL

2022 was a year of consolidation and solid performance for Central Plains Water Limited (CPWL).

The Board has focused strongly on driving operational and structural efficiency over the past year. As part of this drive, we have been in negotiations with our Banking syndicate to optimise our biggest cost which is debt servicing. Our goal as always is to ensure the most effective use of our cash resources.

The Board of CPWL seeks to maintain Water Use Charge stability and predictability for our shareholders. The hedge positions that we maintain are effectively managing interest rate risk in the current inflationary environment. These provisions have enabled CPWL to keep the increases in Water Use Charges to 3.6% for the current season.

Capital structure modelling is ongoing as we focus on delivering a fit for future purpose capital structure which enables company and shareholder flexibility.

Despite COVID 19 mandated restraints, an unseasonably wet summer and several flood events, the CPWL team delivered excellent operational performance. I thank the team for their commitment during these challenging times.

High Rainfall

The high level of rainfall experienced in the scheme area was reflected in our water use during the 2022 season. A total of 112Mm^3 was used compared to 192Mm^3 in the 2021 season. This equates to a 58% reduction in water use. Despite this challenging year, CPWL is reporting a profit after tax of $5.8M. This is an extremely positive result for the company and represents the first year that the company has recorded a profit.

Sustainable Water Growing Our World

VI

Embedding The Strategy

We continue to work hard to embed our strategy in our operations. "Sustainable Water Growing our World" drives our direction, activities and operations. While we still have some way to go on this journey, some great progress has already been made.

Thank you to the environment team and shareholders for the continuous improvement and adherence to a raft of new regulatory requirements such as 190N and Winter Grazing rules. Whilst these requirements are challenging, CPWL has proactively implemented these requirements and engaged with key stakeholders to enable workable solutions that meet regulatory demands.

The Company is committed to deeper engagement with Ngāi Tahu and Ngā Rūnanga (Arowhenua, Te Taumutu Rūnanga, Te Ngāi Tūāhuriri, Wairewa) as we jointly seek to maximise the Community, Cultural and Environmental improvements from scheme operations.

Retention and enhancement of our Social Licence to operate is ongoing. The great work you do on your farms will increasingly be partnered with off farm initiatives within our catchment that enhance our community both economically and environmentally. You may have seen that CPWL has now distributed over $1M through the Environmental Management Fund (EMF). These grants have gone to a wide range of projects within our catchment that make a difference to our communities and the environment. I look forward to seeing further progress in this space and the outcomes of some of those contributions.

CPWL welcomed new Director, Simon Le Heron, and Developing Director Jenny Geddes to the Board this year. They bring valuable perspective and energy to the company and I look forward to their contribution.

Damon Summerfield retired at the last election. Damon was a committed Director who advocated strongly on behalf of shareholders and made a valued contribution to the company. I thank him for that contribution.

Leadership

I wrote to you in March advising of the decision of Mark Pizey to retire as CEO at the end of 2022. Mark has been highly successful in transitioning CPWL from a construction Company to an operational Infrastructure business. This has at times been challenging and Mark has displayed exemplary leadership and professionalism in achieving the company goals. On a personal note, I thank Mark for his assistance and friendship in my role as Chair and on behalf of staff and shareholders wish him well for his retirement at the end of this year.

In September 2022 we announced that Susan Goodfellow had been appointed CEO.

This appointment followed a rigorous recruitment process where Susan excelled as a candidate. She has extensive experience in the delivery of infrastructure for the primary sector with specific irrigation scheme expertise. She was CPWL General Manager of Environment for a period of six years from 2011 to 2017. During her time with CPWL Susan worked with the executive team to execute investment-ready requirements for Stage 1, Stage 2, and Sheffield pre-construction, construction, and operations of the CPWL Scheme. Susan has also worked with the former Wairarapa Water Ltd, and Waimakariri Irrigation Ltd.

Susan is currently a consultant with Leftfield Innovation Ltd, which she co-founded, and has a focus on building a sustainable future, through growth of sustainable crops that are better for the land and customers, and that create significantly higher returns for the grower.

Shareholders

Thank you to the shareholders, management and staff who continue to show outstanding support for the company, our stakeholders and the community.

The Board is excited by future opportunities that will enable us to focus on the delivery of shareholder and community prosperity alongside great environmental outcomes.

Grant Miller
Chair CPWL

Members of CPWL Board
(L-R) Stuart Wright, Simon Le Heron, Grant Miller (Chair), Bruce Gemmell, Willie Palmer, Pete Morrison, Jenny Geddes (Developing Director), John Donkers, Tony Coltman

CEO Report

2021 - 2022

Mark Pizey
Chief Executive Officer

Operations

The CPWL 2021-2022 irrigation season has been atypical in comparison to the past six years. The delivery of only 56% of the water delivered in the 2020/21 season, with nearly 50% of that being stored water, is evidence of the very wet year we experienced on the Plains, with relatively little rainfall in the hills to maintain river flows.

From an operational perspective, CPWL managed the extraordinary demands placed on it by COVID 19 restrictions very well. There was minimum impact on staff availability and no significant impact on the availability or supply of water. However other factors did come into play in terms of water supply.

During the season we were forced to shut the Scheme down on three occasions due to flooding in the Rakaia River. Each shutdown lasted a duration of between two and five days. On Christmas Eve we were also forced to instigate a 24-hour shut down when a coupling pin in the main intake gate on the Rakaia sheared and had to be replaced. Other, shorter duration shutdowns and normally localised, were experienced because of power outages due to scheduled events or high wind events.

CPWL makes the health, safety and wellbeing of our staff and contractors our highest priority. Each year CPWL staff collectively travel nearly 300,000kms as they work to keep the scheme in operation. This travel represents the largest risk to staff health and safety and to minimise that risk, all operational staff receive advanced driver training. We also constantly monitor the location of staff when travelling. Significant investment has occurred in the past 12 months on improving access to some of the scheme infrastructure to minimise the risk of harm arising while team members are undertaking their normal activities. In addition, all work carried out on a day-to-day basis is subject to an appropriate risk assessment to ensure the necessary risk controls are in place. As a result of these efforts, I am pleased to report that we recorded zero lost time injuries during the 2021/22 season.

Over the past twelve months, we initiated a mental health and wellbeing programme for staff and have held several workshops and introduced new options all aimed at improving staff wellbeing.

CPWL is committed to the professional training and development of our staff and we routinely invest in training necessary for the role and development of each individual. An example of this commitment has been the support for Conan Moynihan who applied for, and was accepted onto, the Kellogg Rural Leadership Programme. This programme is designed to develop future Leaders for the agricultural and agri-business sectors and requires attendance at residential courses as well as the completion of an in-depth report which is presented at the conclusion of the course.

It speaks well of Conan's commitment to both his role with CPWL and his personal development goals that he was able to successfully complete this course whilst still employed full time. We all look forward to watching Conan's career development.

Like many businesses, CPWL has experienced a higher than usual turnover of staff in the past twelve months. The reasons for this range from health issues and career aspirations, through to COVID 19 related matters. Whilst this has, at times, placed a strain on the business, what has been very encouraging is our ability to attract good candidates for the vacancies created.

Strategy

It cannot have escaped the notice of shareholders that the reality of climate change is being seen across the globe with some disturbing accounts of heatwaves, fires and flooding in Europe, Asia and North America. New Zealand is not immune to this impact, and closer to home the incidence of severe flooding seems to have increased. While we may not have seen a great deal of change here in Canterbury to date, the science tells us that we will be subject to changes that are now beyond our control. CPWL will need to be flexible in our approach to the security of supply of water when faced with these future challenges. Strengthening our relationship with Manawa Energy (previously Trustpower) will be central to the ongoing security of water storage at Lake Coleridge. The identification and planning for alternative storage opportunities must also be ongoing.

Maintaining our Social Licence to operate is essential and to achieve this we have a task ahead of us to increase the general public's awareness of the CPWL Scheme and the benefits it brings to Shareholders and the wider community. To achieve this, we are expanding our communications to share some of our stories with local newspapers and community newsletters. In addition, we are supporting an education initiative developed by the Central Plains Water Trust that will bring members of the wider community on site to learn first-hand how the scheme operates and the contribution it makes to the Central Plains area and our community.

The second largest annual cost for CPWL is the electricity used in the various pumping stations that supply the scheme. In addition to the cost of power, 94% of our carbon footprint is from the use of that electricity. Over the past year we have undertaken a series of studies that demonstrate the economic viability of CPWL building a solar generating facility to meet approximately 20% of scheme demand as well as supplying the grid during the off season or when demand is low. Over the next twelve months this study will be finalised and a detailed proposal developed to enable the Board to consider future investment.

Conclusion

Over my term as CEO, I have got to know many of our shareholders well which has given me the opportunity to gain a deeper understanding of the agricultural sector. The sector has been the focus of much unjustified negative attention in the media of late. If the public were able to appreciate the pressures the sector comes under, its adaptability, the adoption of innovative practices, its environmental guardianship, its resilience and above all its desire to create an enduring contribution to New Zealand, the sector would be viewed in a far better light by those who believe only the "truth" of social, and to a degree, mainstream media.

Finally, whilst I will be still working for CPWL for a period after this Annual Report is published, this is one of the last opportunities I will have to address all the shareholders and staff before I retire at the end of the year. I have worked for CPWL for five years and I can confidently say it has been one of the most challenging but rewarding roles I have ever filled. Thank you to you all, but especially to my staff who have supported me through some interesting times and have done so with a smile (most of the time....).

Mark Pizey
Chief Executive Officer

Meet The Team

Our staff in the field

Operations
(L-R) Jason Cole, Mark McKenzie, Cass Flutey

Operations
(L-R) David Gibson, John Arenas and Robin Lobez

Environment
(L-R) Glenn Rutter, Fiona Crombie, Kim Van Den Beuken, Conan Moynihan

Operations
(L-R) Andrew Broughton, David Hynam

Environment
(L-R) Glenn Rutter, Kim Van Den Beuken

(L-R) Karen Ridgen, Conan Moynihan

(L-R) Mark Vermeeren and Glenn Rutter

(L-R) Kim Van Den Beken, Nikki Webb, Fiona Crombie

Our Year At A Glance

2022

Delivery

Total Water delivered by scheme:
112.2 million m^3
Stored water included in above: 47 million m^3

Construction Shareholders

Stage 1	95
Stage 2	139
Sheffield	33
Total:	**267**

Infrastructure Assets

Book Value	$323M
Replacement Cost *(Estimated)*	$446M

Cash/Short Term Deposit

$12.5M

Environment

128 shareholders completed Farm Environment Plan Audits with a 98% pass rate

Revenue

$37.3M

Debt Repaid

$3.8M

Profit After Tax

$5.8M

Environmental

CPWL has a strong commitment to effective management of environmental issues. The following graphs and icons show how we are managing environmental measurements.

This year CPWL has aligned its reporting of the outcomes of its work with the United Nations Sustainable Development Goals. Where appropriate these are identified for each relevant metric reported.

EMF Funds Dispersal 2016 – 2022

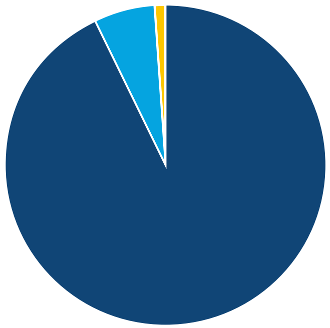
Native Planting $482,607

Wetland/SNA Protection: $85,699

Research: $9,217

Other: $50,000

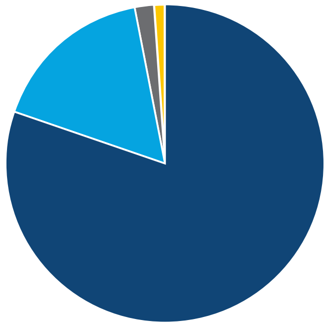
Carbon Footprint tC0^{2}e 2021 – 2022



- Electricity: 93%
- Vehicles: 6%
- Flights: 0%
- Waste: 0%
- Other: 1%

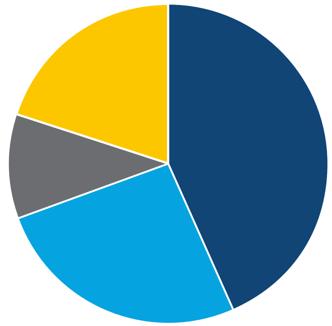
Total: 1,214 tC0^{2}e

FEP Grades 2021 – 2022 Season



- Grade A: 83%
- Grade B: 14%
- Grade C: 2%
- Grade D: 1%

Environmental Initiatives To Date

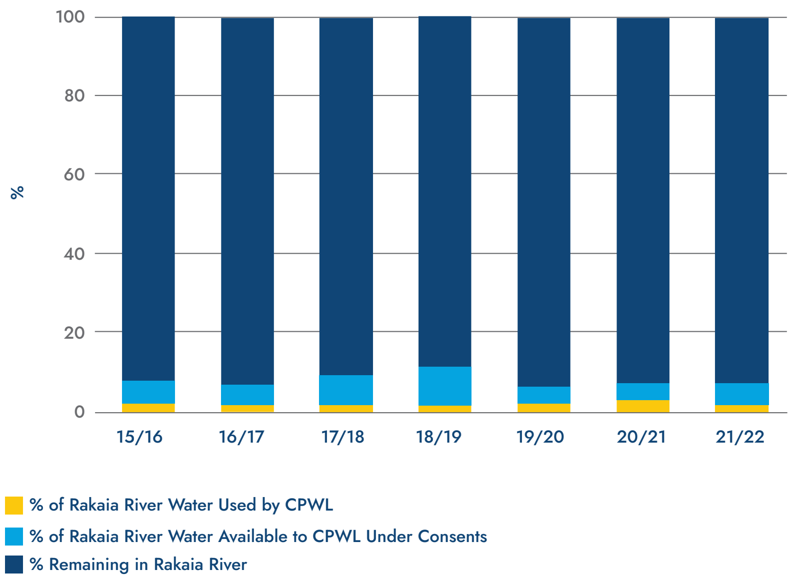


- CPWL Environmental Management Fund: $627,524
- Te Waihora Environmental Management Fund: $373,851
- Te Waihora Lake Opening: $151,579
- CPWL Funded Projects: $287,754

Total: $1,440,708

Environment

Percentage of Rakaia River Water Taken by CPWL



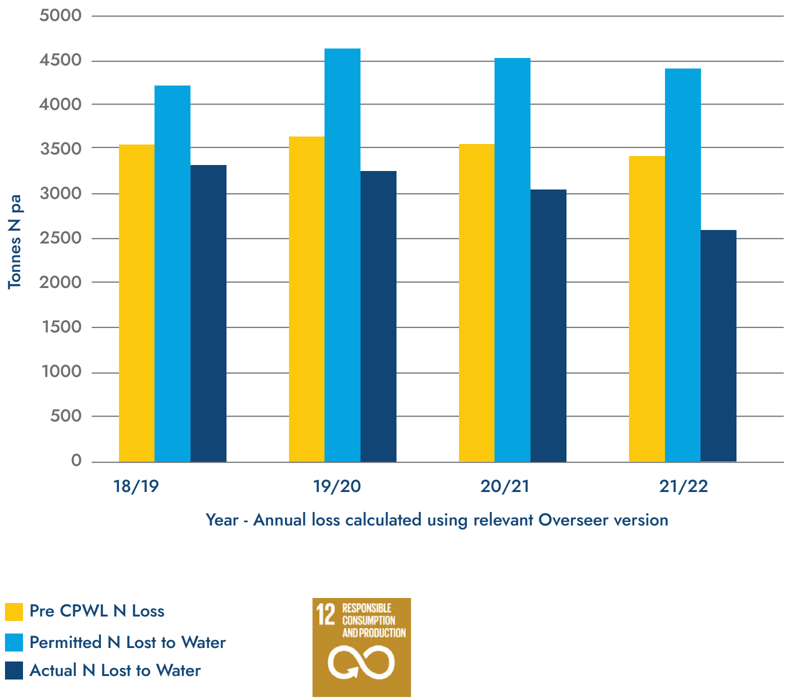
Percentage of Waimakariri River Water Taken by CPWL

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Waimakariri River Annual Flow (million cubic metres)	337.79	368.25	399.95	376.28	288.30
% of Waimakariri Available to CPWL Under Consents	1.91%	3.07%	2.78%	2.51%	2.77%
% of Waimakariri Water Used by CPWL	0.25%	0.14%	0.31%	0.25%	0.18%

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Nitrogen Loss since 2018/2019

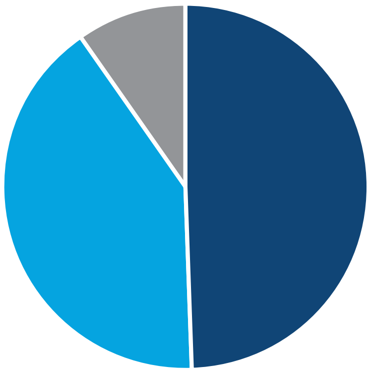
The following graph shows Permitted N Loss vs Actual N Loss



Operations

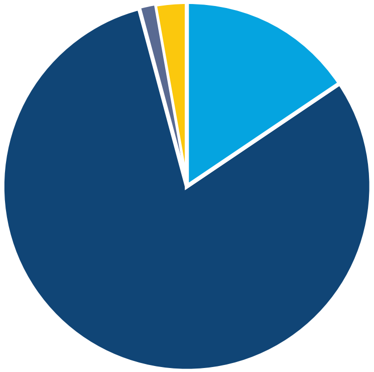
The following infographics provide a high level view of selected CPWL operational measures over the previous financial year.

Hectares Irrigated at 30 June 2022



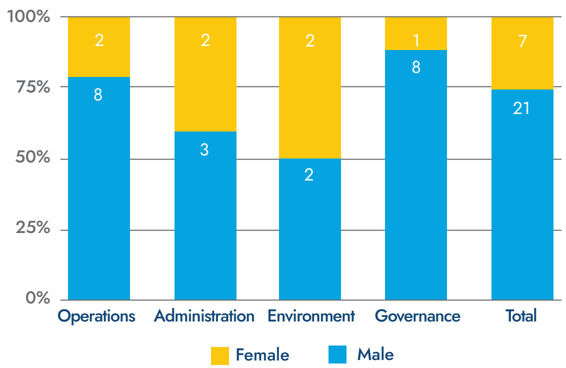
- Stage 1: 22,500
- Stage 2: 18,500
- Sheffield: 4,400

Training Hours Completed



- Operational: 2
- Environmental: 119
- Professional: 618
- First Aid: 12
- Shareholder: 20

Gender Distribution



Power

Power used 2021/22:
9,616 MWh

Volumes supplied 21/22 Season

Vol ex Waimakariri:
6.8Mm³

Vol ex Rakaia:
104.6Mm³

No of shares sold in 2021-22

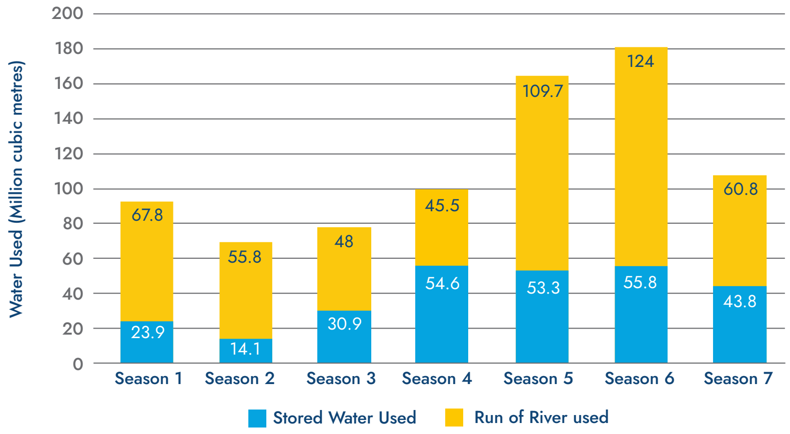
Shares sold to date:
S1: 18,291
S2: 17,545
S3: 4,300

In the last year shares sold:
S1: Nil
S2: 246
S3: 10

CPWL Water Usage

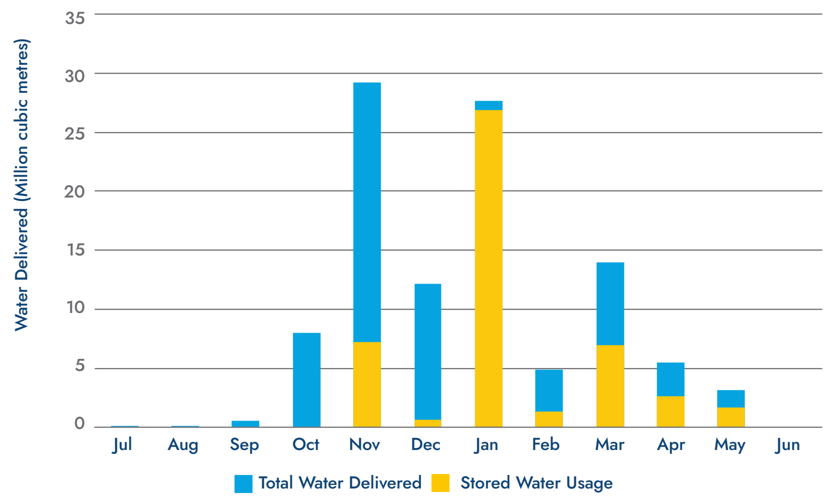
Rakaia Water Used by Season

The following graph shows total Scheme usage and stored water usage from the Rakaia over the previous seven seasons.



Rakaia Season 7 Water Usage by month

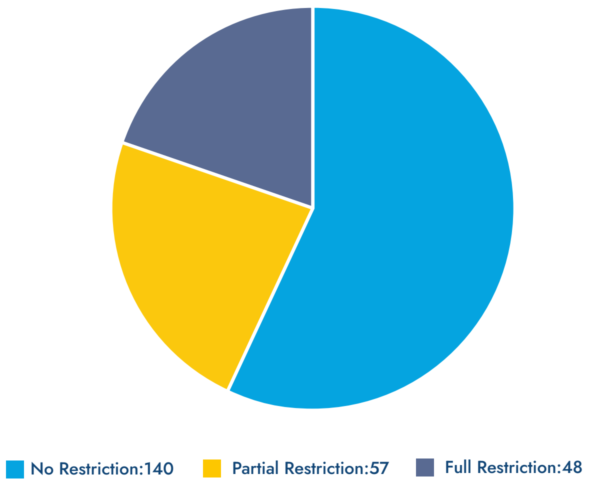
The following graph shows monthly total water delivered and stored water used from the Rakaia during the 2022 season.



CPWL Water Usage

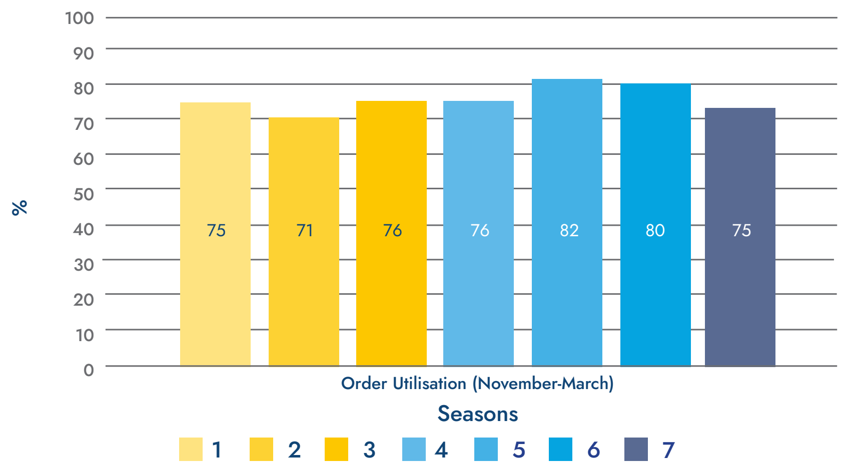
Rakaia Season 7 Restrictions

The following graph shows the days during season six when restrictions applied to use of water from the Rakaia.



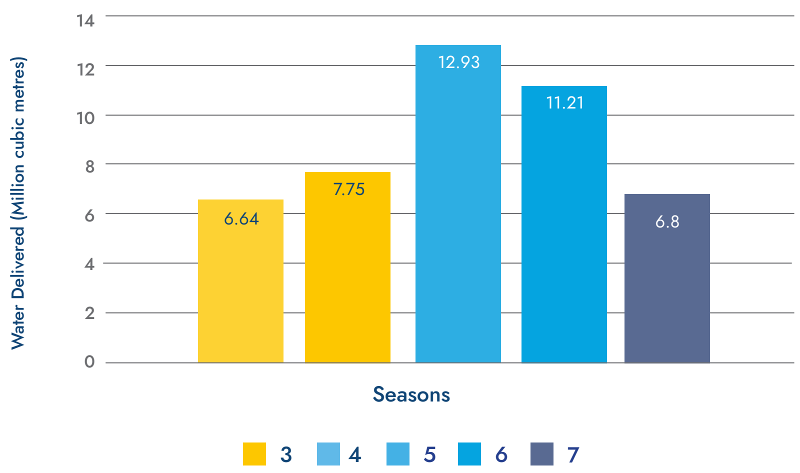
Peak Season Order Utilisation

% of ordered water taken.



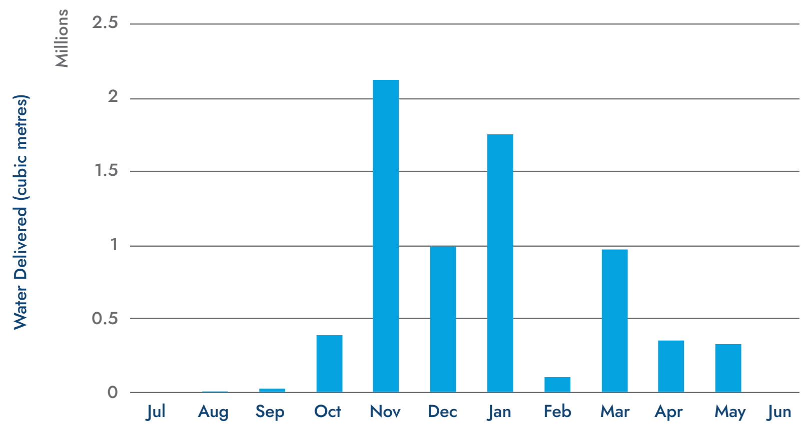
Sheffield Season 7 total water delivered by season

The following graph shows the total water delivered from the Sheffield Scheme during the five seasons of operation (Season 3-7).



Sheffield Season 7 total water delivered by month

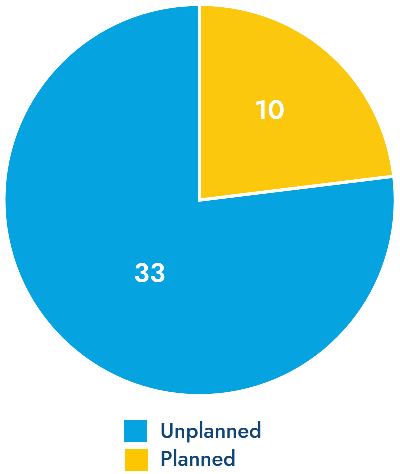
The following graph shows total water delivered each month from the Sheffield Scheme during the 2021/2022 season.



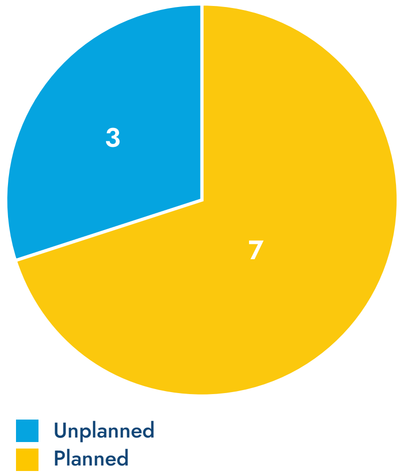
Scheme Outages

The following graphs show the number of scheme outages for both Rakaia and Sheffield during season seven.

Rakaia Outages



Sheffield Outages



53 (95)
All Outages

17 (14)
Planned Outages

36 (81)
Unplanned Outages

1100 (718)
Downtime Hours

77091 (5845)
Turnout Hours Downtime

Note: Figures in brackets are 2020/2021 values
NB: A turnout hour downtime is equal to 1 turnout being without water for one hour.
(**NB:** Outgage figures include flood outages)

Flood Outages

Event	Start	End	Downtime Hours	Turnout Downtime Hours
Flood 1	8.00am 15th December	10.00am 17th December	46	13,708
Flood 2	8.00am 12th February	8.00am 15th February	72	21,456
Flood 3	8.00am 2nd February	8.00am 7th February	108	32,184
TOTAL			**226**	**67,348**

Financial Reports 2022

Financial Summary

2022

The Company is reporting a profit after tax of $5.8M and a loss before income tax of $4.7M. It should be noted that this result does not represent a cash loss, as it includes a non-cash depreciation charge of $12.5M relating to our infrastructure.

A reduction in operational expenses (that is, expenses excluding depreciation and funding costs) this year of approximately $1M reflects the significant decrease in the Company's electricity cost, resulting from the year's relatively wet season and its consequence of a reduced need to pump water.

The Company had two main sources of cashflow for the year. It received a net amount of $8.3M in cash from its operating activities and a further $0.6M from the sale and issue of construction shares.

This strong cashflow enabled the Company to readily meet both its operating and financing cost obligations. Furthermore, it also allowed us to fund this year's capital investment in infrastructure without having to take on further debt.

Over the course of the year the Company repaid $3.8M of debt.

The effect of rising interest rates over the course of the year was mitigated by the Company's use of interest rate swaps. These effectively convert the floating rate portion of our debt into a fixed rate, with the result that the Company was insulated against the recent and significant funding cost increases.

Another pleasing effect of the movement in interest rates is that for the first time in the Company's history it is showing a positive equity position of $20.2M.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The Board of Directors have pleasure in presenting the annual report of Central Plains Water Limited, ('the Company') incorporating the financial statements and the auditor's report for the year ended 30 June 2022.

Results

	This year	Last year
Profit / (Loss) for the period	5,755,454	(7,474,572)
Retained earnings / (accumulated losses) as at 1 July	(91,773,950)	(84,299,378)
Retained earnings / (accumulated losses) as at 30 June	(86,018,495)	(91,773,950)

State of affairs
The Board of Directors are of the opinion that the state of affairs of the Company is satisfactory.

Dividends
No dividend was paid during the year.

Auditors
KPMG have indicated their willingness to continue in the 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 - 41 for issue on 11th October 2022.

For and on behalf of the Board

GS Miller
Chairperson

11th October 2022

B Gemmell
Director

11th October 2022

CONTENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $	2021 $
Revenue	A1	36,695,225	36,209,584
Interest and other Income		604,406	150,382
Other gains (losses) - net		-	6,171
Total Income		37,299,631	36,366,137
Operating Expenses		(8,413,998)	(10,152,356)
Depreciation and Amortisation Expense	B1, B2, B3	(12,456,311)	(12,956,401)
Directors Expenses		(366,331)	(368,194)
Employment Expenses		(2,185,498)	(1,651,655)
Audit Expenses		(47,500)	(39,795)
Other administration expenses		(1,480,412)	(1,286,218)
Finance Costs	A2	(17,070,229)	(24,663,537)
Total Expenses		(42,020,278)	(51,118,155)
Profit /(Loss) before income tax		(4,720,647)	(14,752,019)
Income tax benefit / (expense)	A3	10,476,101	7,277,447
Profit / (Loss) for the period		5,755,454	(7,474,572)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges - effective portion of changes in fair value	C6	23,374,551	10,235,295
Cash flow hedges - reclassified from cash flow hedge reserve to profit or loss	C6	14,040,096	14,692,694
Related tax effect on fair value of cash flow hedges	C6	(10,476,101)	(6,979,837)
Other comprehensive income for the year, net of tax		26,938,546	17,948,152
Total comprehensive income / (expense) for the year		32,694,000	10,473,580

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

KPMG Christchurch Marked for Identification

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Share Capital	Other reserves	Retained earnings	Total Equity
Balance as at 1 July 2020		92,292,348	(32,252,833)	(84,299,378)	(24,259,863)
Comprehensive income					
Profit / (loss) for the year		-	-	(7,474,572)	(7,474,572)
Other comprehensive income for the year	C6	-	17,948,152	-	17,948,152
Stage 2 Construction Shares issued	C5	339,534	-	-	339,534
Sheffield Construction Shares issued	C5	398,700	-	-	398,700
Balance as at 30 June 2021		93,030,581	(14,304,681)	(91,773,950)	(13,048,049)
Balance as at 1 July 2021		93,030,581	(14,304,681)	(91,773,950)	(13,048,049)
Comprehensive income					
Profit / (loss) for the year		-	-	5,755,455	5,755,455
Other comprehensive income for the year	C6	-	26,938,546	-	26,938,546
Transactions with equity holders in their capacity as equity holders					
Preconstruction Shares issued	C5	-	-	-	-
Stage 2 Construction Shares issued	C5	551,466	-	-	551,466
Sheffield Construction Shares issued	C5	48,400	-	-	48,400
Balance as at 30 June 2022		93,630,447	12,633,865	(86,018,495)	20,245,817

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

KPMG Christchurch Marked for Identification

CENTRAL PLAINS WATER LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 $	2021 $
ASSETS			
Current assets			
Cash and Cash Equivalents	C2, C3	8,003,758	3,786,426
Restricted Cash	C2, C3	4,505,046	4,502,918
Trade and Other Receivables	C2	116,864	291,294
Derivative financial instruments	C2	705,994	-
Total current assets		13,331,662	8,580,638
Non current assets			
Property, plant and equipment	B1	322,809,606	334,262,933
Intangible Assets	B2	999,970	1,090,567
Deferred tax assets	A3	-	-
Right of use assets	B3	253,501	394,851
Derivative financial instruments	C2	4,085,711	-
Total non current assets		328,148,788	335,748,351
Total Assets		341,480,450	344,328,989
LIABILITIES			
Current liabilities			
Trade and other payables	C2	1,438,942	1,143,159
Interest bearing liabilities	C4	3,188,000	3,188,000
Derivative financial instruments	C2	-	6,621,493
Lease liability		158,176	139,572
Total current liabilities		4,785,117	11,092,224
Non current liabilities			
Interest bearing liabilities	C4	316,339,407	319,530,557
Derivative financial instruments	C2	-	26,485,972
Deferred tax liability	A3	-	-
Lease liability		110,110	268,286
Total non current liabilities		316,449,516	346,284,815
Total liabilities		321,234,634	357,377,039
Net Assets / (Liabilities)		20,245,816	(13,048,050)
EQUITY			
Contributed Equity	C5	93,630,447	93,030,581
Reserves	C6	12,633,864	(14,304,681)
Retained Earnings		(86,018,495)	(91,773,950)
Total Equity		20,245,816	(13,048,050)

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

KPMG Christchurch Marked for Identification

CENTRAL PLAINS WATER LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Interest received		19,669	2,259
Receipts from customers		37,441,058	36,550,730
Payments to suppliers		(11,605,951)	(14,177,125)
Interest Paid		(17,554,753)	(17,724,245)
Net cash inflow / (outflow) from operating activities	A4	8,300,023	4,651,619
Cash flows from investing activities			
Purchases of property, plant and equipment		(771,036)	(2,477,793)
Proceeds from sale of property, plant and equipment		-	23,478
Increase in contingency reserve account		(2,128)	-
Net cash inflow / (outflow) from investing activities		(773,164)	(2,454,314)
Cash flows from financing activities	C5		
Proceeds from issuance of construction shares		613,199	764,901
Repayment of bank borrowings		(3,783,154)	(2,999,877)
Lease principal and interest paid	B5	(139,572)	(128,543)
Net cash inflow / (outflow) from financing activities		(3,309,527)	(2,363,519)
Net increase / (decrease) in cash and cash equivalents		4,217,332	(166,215)
Cash and cash equivalents at the beginning of the financial year		3,786,426	3,952,641
Cash and cash equivalents at end of year		8,003,758	3,786,426

GS Miller
Chairperson

11th October 2022

B Gemmell
Director

11th October 2022

KPMG
Christchurch
Marked for Identification

The above statement of cash flows should be read in conjunction with the accompanying notes.

ABOUT THIS REPORT

IN THIS SECTION
In this section the notes to the financial statements include information which is considered relevant and material to assist the reader in understanding the financial performance and position of Central Plains Water Limited. Information is considered relevant if :
- the amount is significant because of its size and nature;
- it is important for understanding the results of Central Plains Water Limited;
- it helps to explain changes in Central Plains Water Limited's business; or
- it relates to an aspect of Central Plains Water Limited's operations that is important to future performance.

Reporting entity
Central Plains Water Limited is a company registered under the Companies Act 1993. The financial statements as at and for the year ended 30 June 2022 are for Central Plains Water Limited (the 'Company').

Central Plains Water Limited's purpose is the establishment and operation of an irrigation scheme in the central area of Canterbury, New Zealand.

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 for profit-oriented entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

Goods and Services Tax (GST)
The profit and loss components 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.

Functional and presentation currency
Items included in the financial statements of the company and the Company 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 ($), which is the Company's presentation currency and rounded to the nearest dollar ($).

Financial Markets Conduct Act 2013 (the FMC Act).
Central Plains Water Limited is an issuer of a regulated financial product and therefore is defined as a Financial Markets Conduct reporting entity under the FMC Act.

ABOUT THIS REPORT (Continued)

Significant 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. The preparation of the 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.
Company wide judgements and estimates which are considered significant to understanding the performance of Central Plains Water Limited are as follows:

(i) Going concern

The directors have prepared projected cash flow information for the 3 years from the date of approval of these financial statements . These forecasts indicate that Central Plains Water Limited is expected to continue to operate, with headroom, within available cash levels and the terms of its debt facilities.

In addition the directors considered the following matters when determining the going concern status of the business:

Borrowing maturity, supplier support, operating cashflow, financial ratios, condition of assets, ability to pay creditors, ability to comply with bank covenants, intention to liquidate, loss of key management, market position, labour supply, competition, solvency, legislation and insurance.

The directors remain focused on the Company's liquidity, and expect to manage business operations in the forecast period whilst maintaining adequate liquidity through the execution of:

- Water use agreements in place with all construction shareholders that provide the ability to recover the ongoing cost of operations.
- A contingency reserve fund of $4.5m to meet any unexpected costs.
- Sufficient insurance cover.
- Access to a $1m overdraft facility.
- Access to $5m of undrawn debt facility.

Based on these considerations, the directors are unaware of any material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern, and therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

ABOUT THIS REPORT (Continued)

(ii) Impairment of non financial assets

The Board made the following judgements and assumptions regarding possible impairment of non financial assets:

Significant non-financial assets include the Scheme infrastructure. The nature and condition of the asset was reviewed and considered by the Operations manager and the CEO, with further consideration of their assessment made by the board. Management and the board considered the following matters in determining that the asset is not impaired.

Management and the board do not consider there is any impairment in the value of the Scheme infrastructure assets (“Assets”). There have not been, nor are expected, any adverse effects of technological, market, economic and legal environments in which the Company operates. An increase in interest rates will not materially decrease the Asset’s value as any interest rate increase would be offset by an increase in water use charge cash flows. The carrying amount of the net assets does not exceed the value of the economic value of the enterprise. There is no evidence of obsolescence or physical damage of the Assets, which are subject to regular maintenance. There are no plans to discontinue, dispose of or otherwise curtail the expected use of the Assets over their intended life. All asset monitoring is in accordance with the anticipated life and performance criteria for such plant and equipment and monitoring has identified nothing to indicate worse than expected performance. Actual costs, revenues and cashflows have historically been close to or better than budget. Cashflow from operations is historically positive and forecasts show this to remain the case into the future. Nothing suggests that cashflow will be adversely affected.

As the Company has historically made losses, management considered it appropriate to prepare an impairment assessment to consider the recoverable amount of the Scheme Assets. This was prepared on a fair value less costs of disposal basis (“FVLCD”). This assessment concluded that there was no impairment at 30 June 2022 but is dependent on the key assumption that resource consent renewals are achieved and is most sensitive to changes in the Weighted Average Costs of Capital (“WACC”). Refer to note B1.

KPMG Christchurch Marked for Identification

ABOUT THIS REPORT (Continued)

(iii) Deferred Tax Assets
Deferred tax assets are recognised to the extent they do not exceed deferred tax liabilities. Deferred tax assets beyond this have not been recognised on the basis that there is insufficient probable future taxable profit (or reversing deductible temporary differences), against which to apply the tax losses as a result of the expectation that Central Plains Water Limited will be in a loss-making position for the foreseeable future. The deferred tax assets arise from unrealised hedge position and, with the passing of time, will reduce. It is therefore assumed that deferred tax assets will not exceed deferred tax liabilities and that deferred tax will continue to be reported on a net liability basis.

(v) COVID-19
Management has determined that the COVID-19 pandemic has not significantly impacted the estimates and judgements used on the statement of financial position as at 30 June 2022, nor has it had any impact on the recoverability of assets reported at 30 June 2022 or management's going concern assessment (refer to Page 9). Management will continue to monitor and assess the impacts of future developments of COVID-19, which are highly uncertain and cannot be predicted, on its judgements and estimates There has been no impact on the areas of the Company's financial statements that the Directors have identified as being most susceptible, either directly or indirectly, to COVID-19, which comprise: collectability of receivables, impairment of assets, and going concern.

Investments and other financial assets

Classification
The Company classifies its financial assets in the following categories: amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Compny measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

KPMG Christchurch Marked for Identification

ABOUT THIS REPORT (Continued)

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 for financial instruments traded in active markets 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 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.

Measurement base

The financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value as noted under fair value estimation.

Accounting policies

Accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provide throughout the notes to the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated. These policies are designated by a light grey shading.

New standards and interpretations

There are no new standards that have a material effect on the Company's financial statements.

IFRS17 related to Insurance contracts has not been applied because the Company is a policyholder and does not issue insurance contracts.

A. FINANCIAL PERFORMANCE

IN THIS SECTION
This section explains the financial performance of Central Plains Water Limited, providing additional information about individual items in the statement of comprehensive income, including: a) Accounting policies, judgements and estimates that are relevant for understanding items and b) Analysis of Central Plains Water Limited's performance for the year by reference to key areas including: revenue, expenses and taxation.

A1. Revenue Measurement and Recognition

(i) Revenue from contracts with customers

Central Plains Water Limited runs on a co-operative philosophy and provides water to shareholders within its irrigation scheme command area. The amount of water a shareholder can take and the rate at which it can be taken are determined by the number of shares held by the shareholder. The different share classes and the rights attaching to them are set out in note C5. Ordinary shares determine the volume of water a shareholder is entitled to and the construction shares determine the flow rate at which the water entitlement can be taken. Central Plains Water Limited revenue comes from two primary sources, those being a charge to access the scheme infrastructure during the year and a charge for stored water.

Revenue from providing access to the Company's infrastructure is collected by way of an annual water user charge. This is a fixed charge per construction share calculated each year, and is collected and recognised in equal monthly instalments throughout the course of the year. Spreading the charge over the year matches the availability of the scheme access and the ongoing provision of regular scheme maintenance. The annual water use charge is set for the financial year.

Revenue from providing stored water is based on a fixed dollar amount per cubic metre applied for or supplied. For contracted stored water, which is guaranteed, the revenue is based on the volume of water contracted for (on a take or pay basis) and is collected in equal monthly instalments over the irrigation season. For additional stored water, which is not guaranteed, the revenue is based on the volume of additional water supplied and is billed each month additional stored water is taken. Billing in this way closely matches the timing of the transfer of water to the shareholder.

Central Plains Water Limited consider itself to be the Principal, rather, than the Agent with respect to the provision of stored water from Trustpower.
This view is taken after considering the following :
The shareholders have no contractual relationship with Trustpower and it is Central Plains Water Limited who is primarily responsible for getting the water to its customers.
Central Plains Water Limited, through its infrastructure, has control of the water before it is delivered to its customer and also has some small inventory risk.
Central Plains Water Limited also have the ability to set the price charged for stored water, and this is typically based on recovering the price set by Trustpower.

For both sources of revenue payment terms are monthly throughout the year and there is no provision for refunds.

The Company's performance obligation is satisfied when it provides access to its irrigation infrastructure. The Company has determined that this performance obligation is met on an ongoing basis over time after a water use agreement is entered into which provides the customer the right to take water from the scheme. The contract is on a take or pay basis which means that water use charges are contractually due regardless of whether water is taken or not.

(ii) Other Income
Other income is recognised when received or when receipt is highly probable and can be measured reliably.

A. FINANCIAL PERFORMANCE (Continued)

Revenue by type

	2022 $	2021 $
Revenue from contracts with customers		
Water use charges	32,275,621	31,242,834
Contracted Stored Water Income	2,717,625	2,597,305
Additional Stored Water Income	1,658,939	2,343,105
Total Revenue from contracts with customers	36,652,185	36,183,244
Other Revenue	43,040	26,340
Total Revenue	36,695,225	36,209,584

KPMG
Christchurch
Marked for
Identification

A. FINANCIAL PERFORMANCE (Continued)

A2. Finance Income and Expenses

The Company's finance income and finance costs include:

-interest income
-interest expense
-hedge ineffectiveness recognised in profit or loss
-the reclassification of net gains and losses previously recognised in Other Comprehensive Income on cash flow hedges of interest rate risk for borrowings

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

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to :
-the gross carrying amount of the financial asset; or
-the amortised cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the underlying asset or liability.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take longer than 12 months 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 Profit or Loss and Other Comprehensive Income in the period in which they are incurred.

Finance costs	2022 $	2021 $
Interest on Bank syndicate loan	7,350,075	6,005,520
Interest on Accident Compensation Corporation loan	4,128,909	4,215,817
Interest on interest rate swaps	6,057,165	7,478,798
Cash flow hedge ineffectiveness	(8,467,455)	(274,603)
Cash flow hedges - reclassified from cash flow hedge reserve to profit or loss	7,982,931	7,213,896
Interest on lease liabilities	18,604	24,109
Total finance cost	17,070,229	24,663,537

KPMG Christchurch Marked for Identification

A. FINANCIAL PERFORMANCE (Continued)

A3. Taxation

Accounting policy

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent 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 law enacted or substantively enacted at the balance sheet date.

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.

Deferred tax assets are recognised to the extent they do not exceed deferred tax liabilities. Deferred tax assets beyond this have not been recognised on the basis that there is insufficient probable future taxable profit (or reversing deductible temporary differences), against which to apply the tax losses as a result of the expectation that Central Plains Water Limited will be in a loss-making position for the foreseeable future. The deferred tax assets arise from unrealised hedge position and, with the passing of time will reduce. It is therefore assumed that deferred tax assets will not exceed deferred tax liabilities and that deferred tax will continue to be reported on a net liability basis.

(a) Income tax expense	2022 $	2021 $
Current tax- current period	-	-
Deferred tax - current period	(1,839,203)	(2,434,804)
Deferred tax - tax losses for which a deferred tax asset was recognised	12,316,014	9,492,146
Deferred tax - prior year adjustment deferred tax liability on right of use asset	-	(110,498)
Deferred tax - prior year adjustment on previously unrecognised deferred tax assets	-	330,603
Deferred tax - prior period adjustment	(709)	-
Total income tax (expense) / benefit	10,476,101	7,277,447

(b) Numerical reconciliation of income tax expense to prima facie tax payable	2022 $	2021 $
Loss from continuing operations before income tax expense	(4,720,647)	(14,752,019)
Income tax @28%	(1,321,781)	(4,130,565)
Tax effects of:		
• Expenses not deductible /(capitalised amounts deductible) for tax purposes	(1,838,133)	(2,434,182)
• Prior year expenses not deductible /(capitalised amounts deductible) for tax purposes	-	(12)
• Tax losses for which no deferred income tax asset is recognised	3,159,914	6,564,759
• Rounding in calculation		-
Current period tax expense / (benefit)	-	-

KPMG Christchurch Marked for Identification

A. FINANCIAL PERFORMANCE (Continued)

(c) 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 $
30 June 2022			
Current tax	-	-	-
Deferred tax	37,414,648	(10,476,101)	26,938,546
Other comprehensive income	37,414,648	(10,476,101)	26,938,546
30 June 2021			
Current tax	-	-	-
Deferred tax	24,927,989	(6,979,837)	17,948,152
Other comprehensive income	24,927,989	(6,979,837)	17,948,152

(d) Movement in Deferred Tax Balance:

Deferred Tax 30 June 2021	Derivatives	Property Plant & Equipment	Tax Losses	Other temporary differences	Total
Balance 1 July 2020	13,625,354	(13,922,964)	-	-	(297,610)
Recognised in P&L	-	(1,524,594)	9,492,146	(690,105)	7,277,447
Recognised in Other Comprehensive Income	(6,979,837)	-	-	-	(6,979,837)
Balance 30 June 2021	6,645,517	(15,447,558)	9,492,146	(690,105)	-
Deferred Tax 30 June 2022					
Balance 1 July 2021	6,645,517	(15,447,558)	9,492,146	(690,105)	-
Recognised in P&L	-	(2,068,410)	12,316,014	228,497	10,476,102
Recognised in Other Comprehensive Income	(10,476,102)	-	-	-	(10,476,102)
Balance 30 June 2022	(3,830,585)	(17,515,968)	21,808,160	(461,608)	-

	2022 $	2021 $
Deferred tax asset	21,808,160	16,137,663
Deferred tax liability	(21,808,160)	(16,137,663)
Total	-	-

KPMG Christchurch Marked for Identification

A. FINANCIAL PERFORMANCE (Continued)

Unrecognised tax losses	2022 $	2021 $
Losses brought forward	124,590,432	101,144,941
Adjustments recognised in the current year in relation to the current tax of prior periods	2,531	(34)
Net tax deficit for the year	11,285,409	23,445,525
Unrecognised deferred tax losses	135,878,372	124,590,432

Central Plains Water Limited are eligible to carry forward prior period losses to offset for tax purposes on the basis there have been no shareholder continuity breaches, additionally there has been no "Major Change" in business activities for the continuity period either which would allow the losses to be brought forward and offset even if there had been a shareholder continuity breach.

Unrecognised tax balances	2022 $	2021 $
Unrecognised deferred tax balances on losses	16,237,785	25,393,175
Total unrecognised deferred tax asset	16,237,785	25,393,175

No deferred tax asset has been recognised in respect of unused tax losses of $57,992,089 (2021: $90,689,912) to the extent it is not considered probable that there will be future taxable profits available. Accordingly, a deferred tax asset on losses has been recognised in Note A3(d) only to the extent of qualifying taxable temporary differences.
Losses may be carried forward indefinitely subject to meeting shareholder continuity requirements or satisfaction of the business continuity test for tax purposes.

KPMG Christchurch Marked for Identification

A. FINANCIAL PERFORMANCE (Continued)

A4. Reconciliation of profit after income tax to net cash inflow from operating activities

Reconciliation of profit after income tax to net cash inflow from operating activities	**2022 $**	**2021 $**
Profit / (Loss) for the year	5,755,454	(7,474,572)
Items not involving cash flows		
Depreciation and amortisation	12,456,311	12,956,401
Deferred tax expense	(10,476,101)	(7,277,447)
Derivative financial instrument movement taken to P/L		
Cash flow hedge ineffectiveness and cash flow hedge reclassified from reserve	(484,524)	6,939,293
	1,495,686	12,618,247
Change in operating assets and liabilities		
(Increase) / decrease in trade debtors	161,096	192,697
Increase / (decrease) in trade creditors	887,787	(678,582)
	1,048,883	(485,885)
Items relating to financing		
Interest paid	-	-
Prepaid loan establishment fee	-	-
	-	-
Items relating to investments and fixed assets		
(Gain) / Loss on disposal of fixed assets	-	(6,171)
	-	(6,171)
Net cash inflow from operating activities	8,300,023	4,651,619

KPMG Christchurch Marked for Identification

B. KEY OPERATING ASSETS

IN THIS SECTION

This section shows assets Central Plains Water Limited uses to generate operating revenues including:

a) Property, plant and equipment
b) Intangible assets
c) Right of use assets

B1. Non-current assets - property, plant and equipment

	Work in Progress	Office equipment	Motor Vehicles	Other plant & equipment	Scheme Infrastructure	Total
Net Book Amount						
Balance 1 July 2020	-	46,483	106,306	126,930	344,234,681	344,514,400
Additions	-	24,472	-	25,683	2,427,638	2,477,793
Disposals	-	-	(17,308)	-	-	(17,308)
Transfers	-	-	-	-	-	-
Depreciation charge	-	(16,897)	(17,599)	(22,197)	(12,655,259)	(12,711,952)
Balance 30 June 2021	-	54,058	71,399	130,416	334,007,060	334,262,933
As at 30 June 2021						
Cost	-	300,767	200,836	220,418	385,302,328	386,024,349
Accumulated Depreciation	-	(246,708)	(129,437)	(90,002)	(51,295,268)	(51,761,416)
Net book amount	-	54,058	71,399	130,417	334,007,060	334,262,933
Net Book Amount						
Balance 1 July 2021	-	54,058	71,399	130,417	334,007,060	334,262,933
Additions	35,942	77,290	-	5,739	652,066	771,036
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Depreciation charge	-	(25,283)	(14,280)	(19,832)	(12,164,970)	(12,224,364)
Balance 30 June 2022	35,942	106,065	57,119	116,324	322,494,156	322,809,606
As at 30 June 2022						
Cost	35,942	378,057	200,836	226,157	385,954,394	386,795,386
Accumulated Depreciation	-	(271,991)	(143,717)	(109,833)	(63,460,238)	(63,985,780)
Net book amount	35,942	106,065	57,119	116,324	322,494,156	322,809,606

A general security agreement supporting debt detailed in note C4 applies over all of the Company's assets. The carrying value of assets subject to this security is $341,480,450.
No borrowing costs have been capitalised during the period (2021: Nil).

KPMG Christchurch Marked for Identification

B. KEY OPERATING ASSETS (Continued)

Measurement and recognition
All property, plant and equipment is stated at historical cost less depreciation. 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 items 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.

Key judgements and estimates useful lives

-Motor vehicles	10 years
-Office equipment	3-20 years
-Plant and equipment	4-20 years
- Scheme infrastructure	7-80 years

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

KPMG Christchurch Marked for Identification

B. KEY OPERATING ASSETS (Continued)

Impairment

The carrying value of Central Plains Water Limited non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Any impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

For impairment asset testing, assets are grouped together into cash generating units (CGU) which are the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cashflows of other assets or CGUs.

The recoverable amount of the asset or CGU is the greater of its value in use or its fair value less cost of disposal. Value in use is based on the estimated future cashflows discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value money and the risks specific to the asset or CGU.

Impairment losses are recognised in the Statement of Profit or Loss and Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount would have been determined had no impairment loss been recognised.

A fair value model was prepared to assess the recoverable amount of the Company's Infrastructure Scheme Assets ("Assets") at 30 June 2022. This was considered the appropriate CGU as it represents the lowest level at which cash flows are generated independently of other assets. The model is on a discounted cash flow basis over the remaining design life of the Assets (77 years), which reflects the long-life nature of the Assets. Allowances were made for capex to maintain the Assets, working capital, resource consent renewal costs, disposal costs, and modest growth in water volumes within available capacity. Long term inflationary increases in costs and water user charges were assumed to be 2.5%. The most critical assumptions are the WACC (6.84%) and renewal of resource consents. The Directors forsee no circumstances wherby consent renewals could be reasonably withheld given the integration of the Central Plains Water Limited Scheme into the management of water use within the Command Area. The Board have confidence that the renewal of consents granted for the take, use and discharge of water will be successful. Following this assessment, no impairment was identified.

The model outcome is most sensitive to changes in the WACC rate however, to offset this, Directors could increase water usage charges (WUC) to achieve an appropriate return.

The WACC has been determined using the Brennan-Lally capital asset pricing model with a tax-adjusted market risk premium of 7.5% and an asset beta referenced to comparable infrastructure assets. Over a range of WACCs and inflationary 2.5% (2021 : 2.0%) per annum increases in WUC, the FVLCD of the Assets exceeds the book value of the Scheme's Assets of $323 million (2021: $334 million). An increase (decrease) in the pre-tax WACC by 0.5% negatively (positively) impacts the value of the Assets by approximately $27-$30 million (2021: $27-$46 million).

If WUC charges were to increase by between 1% and 3% over and above the long term inflation rate of 2.5% for a period of 5 years and thereafter revert to the long term inflation rate, the value of the Assets under the FVLCD would significantly increase

For the year ended 30 June 2022, the Directors did not consider there to be impairment.
For further information, refer to significant accounting estimates and judgements section of this report pertaining to impairment of non-financial assets.

B. KEY OPERATING ASSETS (Continued)

B2. Intangible Assets

	Water Consents
Net Book Amount	
Balance As at 1 July 2020	1,201,116
Additions	-
Amortisation charge	(110,549)
Balance As at 30 June 2021	1,090,567
As at 30 June 2021	
Cost	1,540,000
Accumulated amortisation	(449,434)
Net book amount	1,090,567
Net Book Amount	
Balance As at 1 July 2021	1,090,567
Additions	-
Amortisation charge	(90,597)
Balance As at 30 June 2022	999,970
As at 30 June 2022	
Cost	1,540,000
Accumulated amortisation	(540,031)
Net book amount	999,970

Recognition and measurement
Water Consents have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment cost.
Amortisation is calculated to write off the cost of the intangible assets less their estimated residual values using the straight line method over their estimated useful live and is recognised in profit or loss.

The estimated lives for current and comparative periods are as follows:

Water consents	12 - 22 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

B. KEY OPERATING ASSETS (Continued)

B3. Leases

(a) Amounts recognised in the Statement of financial position

The Statement of financial position shows the following amounts relating to leases:

	2022 $	2021 $
Right-of-use assets net book value		
Lease of Property	201,345	297,990
Lease of Vehicles	52,156	96,861
	253,501	394,851

(b) amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income shows the following amounts relating to leases :

Depreciation charge of right of use assets	141,350	133,900
Interest expense (included in finance cost)	18,604	24,109
	159,954	158,009

The depreciation charge relating to right-of -use assets is included within the depreciation and amortisation expense line in the statement of comprehensive income. At date of adoption of NZ IFRS 16 the company had no significant operating leases. Therefore no reconciliation is produced in respect of operating leases.

The total cash flow for leases in the year ended 2022 was $139,572 (2021: $128,543.)

(i) Measurement basis

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date,
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

KPMG
Christchurch
Marked for
Identification

C. RISK MANAGEMENT AND FUNDING

IN THIS SECTION

This section explains the financial risks Central Plains Water Limited faces, how these risks affect Central Plains Water Limited's financial position and performance. In addition, this section explains how Central Plains Water Limited manages its capital structure, working capital and the various funding sources. In this section of the notes there is information about:

a) Capital Management
b) Central Plains Water Limited's approach to financial risk management
c) Net debt
d) Cash and Receivables
e) Equity

C1. Capital Management
Central Plains Water Limited capital includes share capital, reserves and retained earnings. Central Plains Water Limited's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

Central Plains Water Limited's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes in Central Plains Water Limited's management of capital during the period. Central Plains Water Limited is subject to external banking covenants. These relate to the proportion of overdue debtors and the debt service cover ratio.

There have not been any breaches of Central Plains Water Limited’s banking covenants in the year.

C2. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit and Risk Committee which is responsible for developing a risk management programme and monitoring the Company's risks. The committee reports regularly to the board on its activities.

The Audit and Risk Committee is tasked with the following:
- ensuring that management has established a risk management framework to effectively identify, treat and monitor principal business risks.
- reviewing the Company's risk management programme and business continuity plans.
- evaluating the effectiveness of the Company's risk management programme.
- reviewing the Company's risk profile.
- reviewing the Company's insurance cover.
- reviewing compliance with applicable laws.

Derivative financial instruments and hedge accounting
The Company holds derivative financial instruments to hedge its floating interest rate exposures, using interest rate swaps. Derivatives are initially measured at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable transactions arising from changes in interest rates.

At inception, each designated hedging relationship is formalised in hedged documentation. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional par amounts.

KPMG
Christchurch
Marked for
Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

Instruments used by the Company

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.

Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective part of the changes in fair value of the hedging derivative is deferred in other comprehensive income and is transferred to the income statement when the hedged item affects the income statement. Any gain or loss relating to the ineffective portion of the hedging instrument in cash flow hedge relationships is recognised in the income statement.

If the hedge no longer meets criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedge reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss.

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effectiveness assesments to ensure that an economic relationship exists between the hedged item and hedging instrument.

As the Company typically enters into interest rate swaps with similar critical terms, the Company performs a qualitative assessment of whether the derivative is expected to be, or has been, effective in offsetting the changes in cash flows of the hedged item. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

In the Company's current hedging relationships the main sources of ineffectiveness are:
-the effect of the counterparty's and the Company's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged item; and
-differences in repricing dates between the swaps and the borrowings.

In 2020 the Company refinanced its interest rate swaps. As a result, the amount held in the cashflow reserve relating to those swaps was no longer in an effective hedging relationship, but could be amortised to profit or loss over the original term to maturity under NZ IFRS9 because the forecast exposure (variable interest payments) was still highly probable.
$6.3m has been amortised to finance costs in the year. $19.9m (net of tax) is unamortised and remains within the cashflow hedge reserve at 30 June 2022 (2021: $26.2m).
The outstanding balance will be amortised over the original maturity of the hedging instruments with the longest on expiring in 2028.

Derivative stated at fair value	**2022 $**	**2021 $**
Current derivative assets		
Interest rate swaps - cash flow hedges	705,994	-
Non Current derivative assets		
Interest rate swaps - cash flow hedges	4,085,711	-
Total derivative financial instrument assets at fair value	4,791,705	-
Current derivative liabilities		
Interest rate swaps - cash flow hedges	-	6,621,493
Non Current derivative liabilities		
Interest rate swaps - cash flow hedges	-	26,485,972
Total derivative financial instrument liabilities at fair value	-	33,107,465

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

Interest rate swaps held by the Company

Swaps currently in place cover approximately 99.0% (2021: 98.7%) of the variable loan principal outstanding.
At 30 June 2022 the fixed interest rates of interest rate swaps entered into by the Company vary from 2.31% to 4.84% (2021: 3.45% to 4.84%) and the main floating rate is the New Zealand 30 Day Bank Bill Rate or 30 day BKBM for the underlying interest rate payable on the Company's interest bearing liabilities.
The swap contracts require settlement of net interest receivable or payable every 30 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.
Gains and losses recognised in the hedging reserve in other comprehesive income for the effective component of interest rate swap contracts as of 30 June 2022 will be reclassified to the statement of comprehensive income within the finance cost as each interest rate swap matures.

(a) Market risk

(i) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. Banking covenants require the Company to maintain 90-105% of its borrowings for the upcoming five years of operations in fixed rate instruments. This is achieved partly by entering into fixed rate instruments and partly by borrowing at floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in reference interest rates.
Beyond year 5, the Company policy is to maintain a declining profile between 0-95% of its borrowings in fixed rate instruments over a period of up to 15 years.

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

	Nominal Amount 30 June 2022 $	Nominal Amount 30 June 2021 $
Fixed Rate Instruments		
Interest bearing liabilities	85,900,101	87,776,362
Effect of Interest Rate Swaps	233,487,770	234,750,354
	319,387,871	322,526,716
Variable Rate Instruments		
Interest bearing liabilities	235,855,305	237,762,199
Effect of Interest Rate Swaps	(233,487,770)	(234,750,354)
	2,367,535	3,011,845
% Under Hedged / (Over Hedged)	0.7%	0.9%

The relationship between floating rate debt and interest rate swaps is detailed below expressed in nominal values.

	30 June 2022 $			30 June 2021 $		
	Floating Rate Interest Bearing Liabilities $	Swaps $	Average Fixed Swap	Floating Rate Interest Bearing Liabilities $	Swaps $	Average Fixed Swap
1 year	237,505,493	231,506,124	3.45%	239,522,000	233,487,000	3.45%
2 Years	235,372,760	229,412,542	3.45%	237,505,000	231,506,000	3.45%
3 Years	233,189,624	227,204,800	3.68%	235,532,000	229,412,000	3.45%
4 Years	231,093,823	224,852,158	4.15%	233,189,000	227,204,000	3.68%
5 Years and beyond	228,859,183	221,185,958	4.18%	231,093,823	224,852,158	4.15%

Exposure of interest rate risk is primarily measured through the analysis of repricing maturities of the Company's liabilities at exposure. The above table summarises the maturities of the financial liabilities at exposure at each repricing date. Exposure to interest rate is also measured, managed and monitored through interest rate sensitivity (disclosed on next page).

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

Cash flow hedges
The amounts at the reporting date relating to items designated as hedged items were as follows:

30 June 2021	Cash flow hedge reserve from cash flow hedge relationships	Balance remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied	Cash flow hedge reserve
Interest Rate risk			
Interest bearing liabilities - variable rates	9,084,286	(26,172,758)	(17,088,472)
30 June 2022			
Interest bearing liabilities - variable rates	28,039,901	(18,189,827)	9,850,074

Cash flow hedges
The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	As at June 30					For the year ended June 30				
30 June 2021	Nominal Amount	Hedge Ratio	Carrying Amount Derivative Assets / (Liabilities)	Line item in the statement of financial position where the hedging instrument is included	Change in fair value of hedging instruments Since 1 July	Change in fair value of hedged item use to determine hedge effectiveness	Hedge ineffectiveness recognised in profit or (loss)	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedge reserve to profit or (loss)	Line item in profit or loss affected by the reclassification
Interest rate risk										
Interest rate swaps	234,750,354	1:1	(33,107,465)	Derivative financial instruments current and non current	17,988,696	17,714,093	274,603	Finance Costs	(7,478,798)	Finance Costs
30 June 2022										
Interest rate risk										
Interest rate swaps	268,830,660	1:1	4,791,705	Derivative financial instruments current and non current	37,899,170	29,431,715	8,467,455	Finance Costs	(6,057,165)	Finance Costs

C. RISK MANAGEMENT AND FUNDING (Continued)

The following tables summarise the sensitivity of the Company's financial derivatives to interest rate risk.

		Interest rate risk			
		-1%		+1%	
Fair value	Carrying amount $	Profit $	Equity net of tax $	Profit $	Equity net of tax $
30 June 2021					
Financial Liabilities					
Derivatives - cash flow hedges	(33,107,465)	(2,790,216)	(11,801,597)	792,014	10,583,490
Total increase / (decrease)	(33,107,465)	(2,790,216)	(11,801,597)	792,014	10,583,490
30 June 2022					
Financial assets					
Derivatives - cash flow hedges	4,791,705	(219,550)	(10,299,975)	3,338,835	6,443,947
Financial Liabilities					
Derivatives - cash flow hedges	-	-	-	-	-
Total increase / (decrease)	4,791,705	(219,550)	(10,299,975)	3,338,835	6,443,947

Key assumptions used in the interest rate sensitivity analysis include the following:
- Effect on profit after tax and effect on equity is based on net floating rate debt as at 30 June 2022 of $235.9 million (2021:$237.8 million) Interest rate movements of plus and minus 1% have been applied to this floating rate debt to demonstrate the sensitivity to interest rate movements.
- Effect on equity is the movement in the valuation of derivatives that are designated as cash flow hedges due to an increase or decrease in interest rates. All derivatives that are effective as at 30 June 2022 are assumed to remain effective until maturity. Therefore, any movements in these derivative valuations are taken to the cash flow hedge reserve within equity and they will reverse entirely by maturity date.

C. RISK MANAGEMENT AND FUNDING (Continued)

Cash flow sensitivity analysisfor variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and surplus by the amounts shown below.

The surplus or (deficit) movement in the table belowshows the effect on the company's cashflows resulting from a 1% increase or decrease in interest rates applied to our average debt over the next 12 months.

The effect on equity resulting form a 1% increase or decrease in interest rates at June 2022 reflects the change in valuation of the interest rate swaps that would arise form such a change in interest rates. The increased and decreased interest rate is applied across the remaining life of the derviative instruments (Interest Rate Swaps) to determine the resulting change in swap value.

	Surplus or (deficit)			Equity, net of tax	
	100 bp Increase $	**100 bp Decrease $**		**100 bp Increase $**	**100 bp Decrease $**
30 June 2022					
Variable rate instruments	(2,348,545)	2,348,545			
Interest rate swaps	2,323,319	(2,323,319)		6,443,947	(10,299,975)
Cash flow sensitivity (net)	(25,226)	25,226		6,443,947	(10,299,975)
30 June 2021					
Variable rate instruments	(2,365,125)	2,365,125			
Interest rate swaps	2,305,864	(2,305,864)		10,583,490	(11,801,597)
Cash flow sensitivity (net)	(59,261)	59,261		10,583,490	(11,801,597)

(b) Credit risk

Central Plains Water Limited is exposed to credit risk from the possibility that a customer contract will result in a financial loss to Central Plains Water Limited, or that a counterparty will fail to perform their obligations. Central Plains Water Limited's exposure to credit risk is mainly influenced by its customer base and banking counterparties.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one month for individual and corporate customers. Central Plains Water Limited also carries out a feasibility review of each prospective customer prior to allotting shares and providing access to the scheme. Credit risk mitigated through most customers also being shareholders of Central Plains Water Limited as their share capital may be utilised in cases of default . Central Plains Water Limited’s customer base is primarily concentrated in the agriculture sector. Investments and derivatives are only made with reputable financial institutions or banks with a minimum short-term credit rating of “A-1” and long-term credit rating of at least “A” (S&P, or equivalent Fitch or Moody’s rating).

The carrying amount of financial assets represents Central Plains Water Limited ’s maximum credit exposure. Central Plains Water Limited does not have any material credit risk concentrations. Central Plains Water Limited has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

C. RISK MANAGEMENT AND FUNDING (Continued)

Trade and other Receivables	**30 June 2022 $**	**30 June 2021 $**
Not past due	62,290	71,749
Past due 1 -30 days	72,579	151,427
Past due more than 30 days	48,461	121,251
Less provision for impairment in receivables	(80,000)	(80,000)
Trade debtors	103,330	264,427
Other	13,534	26,867
Total trade and other receivables	116,864	291,294

The comparative balances in the above table have been restated to align with current year presentation.

Trade receivables are amounts due from customers for water licensing incurred in the ordinary course of business. If collection is expected in one year of 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.

Trade receivables without a significant financing component are initially measured at the transaction price. Subsequently these are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

A provision for the impairment of receivables is established using the expected credit losses model, which is based on forward-looking analysis taking into account historical provision rates and relevant macroeconomic factors. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's objective in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its financial liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risk damage to the Company's reputation.

Management of liquidity risk:
The Company has a policy of holding the level of its cash or cash equivalents at an amount at least that of expected average cash outflows for a 2-3 month period.
The Company has access to a $1m bank overdraft facility if needed.
The Company utilises interest rate swaps to ensure there are no unexpected significant adverse movement in its cash interest expense.
The Company also has access to an undrawn $5m line of credit to meet any obligations pertaining to the acquisition and payment of capital items.

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 2022	**Less than 2 months**	**Between 2-12 months**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Trade and other payables	1,042,533	-	-	-	-
Interest bearing liabilities	3,231,165	18,846,482	23,054,974	260,640,669	99,207,324
Interest rate swaps	307,715	(1,152,145)	(1,821,909)	(73,473)	(56,121)
Lease Liabilities	26,362	131,814	115,523	229,167	-
Total	4,607,775	17,826,152	21,348,588	260,796,363	99,151,203
30 June 2021					
Trade and other payables	1,143,159	-	-	-	-
Interest bearing liabilities	2,285,937	11,941,505	15,617,453	261,887,763	95,147,000
Interest rate swaps	1,241,927	5,692,142	5,540,404	13,605,405	10,009,343
Lease Liabilities	26,362	131,814	158,176	115,523	9,167
Total	4,697,385	17,765,461	21,316,032	275,608,691	105,165,510

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 payables are initially measured at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

	2022	**2021**
	$	**$**
	1,243,953	757,518
Accrued Expenses and GST	194,989	385,641
Accrued Expenses		
	1,438,942	1,143,159

KPMG
Christchurch
Marked for
Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement 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 pries at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset of liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

Specific valuation techniques used to value financial instruments include:
- for interest rate swaps, the present value of the estimate future cash flows based on observable yield curves.

30 June 2022	Level1 $	Level 2 $	Level 3 $
`			
Financial assets at fair value through profit or loss			
Interest rate swaps	-	4,791,705	-
Total financial assets at fair value through profit or loss	-	4,791,705	-
Financial liabilities at fair value through profit or loss			
Interest rate swaps	-	-	-
Total financial liabilities at fair value through profit or loss	-	-	-
30 June 2021			
Financial liabilities at fair value through profit or loss			
Interest rate swaps	-	33,107,465	-
Total financial liabilities at fair value through profit or loss	-	33,107,465	-

The comparative balances in the above table have been restated to align with current year presentation.

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

Financial assets as per balance sheet	Classification	2022 Carrying value $	2022 Fair value $	2021 Carrying value $	2021 Fair value $
Interest rate swaps -cash flow hedge	Fair Value	4,791,705	4,791,705	-	-
Trade Receivables		116,864	116,864	291,294	291,294
Financial Assets		4,908,570	4,908,570	291,294	291,294
Financial liabilities as per balance sheet					
Trade and other Payables	Amortised cost	1,438,942	1,438,942	1,143,159	1,143,159
Interest bearing liabilities	Amortised cost	319,527,407	319,527,407	322,718,557	322,718,557
Interest rate swaps -cash flow hedge	Fair Value	-	-	33,107,465	33,107,465
Financial Liabilities		320,966,348	320,966,348	356,969,181	356,969,181

The fair value of borrowings in the above table is considered to approximate the amortised value.

C3. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

	2022 $	2021 $
Restricted Cash		
Contingency Reserve Account	4,505,046	4,502,918
Total	4,505,046	4,502,918

The Contingency reserve account is required under the funding agreement. It can only be used if unforeseen circumstances occur which result in insufficient funds in the Company's general bank account to meet the Company's ongoing operating and financing costs.

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

C4. Interest bearing liabilities

	2022 $	2021 $
Secured		
Bank loans - Current	1,904,000	1,904,000
Accident Compensation Corporation loan - Current	1,876,000	1,876,000
Total secured current interest bearing loans	3,780,000	3,780,000
Less:		
Unamortised loan establishment fees - Current	(592,000)	(592,000)
Total current interest bearing borrowings	3,188,000	3,188,000
Secured		
Bank loans - Non current	233,951,305	235,858,199
Accident Compensation Corporation loan - Non current	84,024,101	85,900,362
Total secured current interest bearing loans	317,975,407	321,758,561
Less:		
Unamortised loan establishment fees - Non current	(1,636,000)	(2,228,004)
Total Non current interest bearing borrowings	316,339,407	319,530,557
Total interest bearing liabilities	321,755,407	325,538,561
Less unamortised loan establishment fees	(2,228,000)	(2,820,004)
Total interest bearing liabilities per balance sheet	319,527,407	322,718,557

As at 30 June 2022 interest rates (including margins) on the Company's borrowings averaged 5.4% (2021: 5.4%).
Daily commitment fees are also payable on the undrawn construction facilities.

Terms and maturity schedule

	Nominal Interest Rate at inception	Year of Maturity	2022 $ Face Value	2022 $ Carrying Amount	2021 $ Face Value	2021 $ Carrying Amount
Banking Syndicate	5.65%	2025	235,855,305	234,392,305	237,762,199	235,767,197
Accident Compensation Corporation	4.75%	2035	85,900,101	85,135,101	87,776,362	86,951,360
Total Interest bearing liabilities			321,755,407	319,527,407	325,538,561	322,718,557

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

Interest bearing liabilities are recognised initially at fair value, net of 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 possible that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown 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.

C. RISK MANAGEMENT AND FUNDING (Continued)

(a) Security

Bank borrowings are secured over the assets of the Company. A General Security Agreement applies over all of Central Plains Water Limited's assets and mortgages in favour of ANZ (as Security Trustee) over all land interests held by Central Plains Water Limited (including easement rights).

The carrying value of assets securing the loans is $341,480,450 (2021: $344,328,989).
Banking syndicate members and ACC all rank equally in the security. The Company has the following undrawn facilities.

(b) Capex Facility	**2022 $**	**2021 $**
Undrawn Scheme facility	5,000,000	5,000,000

(c) Reconciliation of movements in liabilities to cashflows arising from financing activities	**Bank Borrowings**	**Lease Liability**	**Total**
Opening balance 1 July 2021	325,718,433	402,285	326,120,719
Repayment of bank borrowings	(2,999,877)	-	(2,999,877)
New Leases during year	-	134,116	134,116
Lease payments	-	(128,543)	(128,543)
Closing balance as at 30 June 2021	322,718,557	407,858	323,126,415
Opening balance 1 July 2022	322,718,557	407,858	323,126,415
Repayment of bank borrowings	(3,783,154)	-	(3,783,154)
Prepaid loan establishment fees recognised	592,004	-	592,004
Lease payments	-	(139,572)	(139,572)
Closing balance as at 30 June 2022	319,527,407	268,286	319,795,693

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

C5. Contributed equity

(a) Capital ordinary shares	2022 Shares	2021 Shares	2022 $	2021 $
Fully paid (no par value)	799,398	799,398	7,991,912	7,991,912

All ordinary shares share equally in dividends on surplus and on winding up. The ordinary shares hold equal voting rights.

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 (656.5mm) of Scheme water per hectare per Irrigation Season, subject to other conditions.

Construction shares

Those shares categorised as construction shares below are the basis on which the annual water use charge is levied as per Note A1.

(b) Stage 1 Construction Shares	2022 Shares	2021 Shares	2022 $	2021 $
Closing balance of construction shares issued	18,291	18,291	32,009,250	32,009,250

Stage 1 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).

(c) Pre-construction Shares	2022 Shares	2021 Shares	2022 $	2021 $
Opening Balance	29,179	29,179	5,805,840	5,805,840
Reallocation of unpaid shares	-	-		
Closing balance of shares issued	29,179	29,179	5,805,840	5,805,840

Pre-construction shares confer the holder the right to participate on a one for one basis, in any subsequent offers by the company of Stage 2 Construction Shares.

(d) Stage 2 construction shares	2022 Shares	2021 Shares	2022 $	2021 $
Opening Balance	17,299	17,140	34,602,772	34,263,238
Issues of construction shares during the year	246	159	551,466	339,534
Closing balance of shares issued	17,545	17,299	35,154,238	34,602,772

Stage 2 construction shares confer on the holder a right to use Scheme Infrastructure to the extent necessary to apply 0.52 litre of water per second to Stage 2 Land. However each shareholder's right to Scheme water is limited by the number of Ordinary Shares they hold (as set out above).

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

(e) Sheffield construction shares	2022 Shares	2021 Shares	2022 $	2021 $
Opening Balance	4,290	4,165	12,620,808	12,222,108
Issues of construction shares during the year	10	125	48,400	398,700
Closing balance of shares issued	4,300	4,290	12,669,208	12,620,808

Sheffield construction shares confer on the holder a right to use Scheme Infrastructure to the extent necessary to apply 0.46 litre of water per second to Sheffield Land. However each shareholder's right to Scheme water is limited by the number of Ordinary Shares they hold (as set out above).

	2022 $	2021 $
Total contributed equity	93,630,447	93,030,581

Ordinary shares, construction shares and pre construction shares are classified as equity.
Where any 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

Share Classes:

Ordinary Shares: issued pursuant to the 2004 Prospectus and the 2010 Prospectus. Each Ordinary Share confers on the holder a pro-rata right to take the Scheme's water, estimated at the time of the 2013 Prospectus to be approximately 500m3 water per Ordinary Share per Irrigation Season.

Stage 1 Construction Shares: issued pursuant to the 2013 Prospectus.

Pre-Construction Shares (PCS): issued pursuant to the 2013 Prospectus and the Product Disclosure Statement dated 3 May 2016 (PDS).

Stage 2 Constructions Shares: issued pursuant to the PDS and subsequent IM.

Sheffield Construction Shares: issued pursuant to the Sheffield Information Memorandum dated 01 September 2016 (SIM).

Rights attaching to each share class:

Ordinary Shares: rank equally in all respects with each other and carry equal rights to:
(i) Vote (one vote per share) on a resolution of Shareholders.
(ii) Receive any dividend; and
(iii) Participate in a liquidation of the company and for this purpose Ordinary Shares will be valued at $10.25 per Ordinary Share.

Stage 1 Construction Shares, Pre Construction Shares, Stage 2 Construction Shares and Sheffield Construction Shares confer on the holder an equal right to participate in the surplus assets of Central Plains Water Limited in a liquidation together with other shares. For this purpose, all Construction Shares and Pre-Construction shares will be valued at their issue price. Construction Shares do NOT carry: (i) Rights to receive any dividends. (ii) Voting rights; or (iii) Rights to water volume. All of which are conferred by Ordinary Shares.

There are no classes of shares that are redeemable for cash or other financial assets.

KPMG Christchurch Marked for Identification

C. RISK MANAGEMENT AND FUNDING (Continued)

C6. Other Reserves

	2022 $	2021 $
Cash flow hedge reserve	9,850,073	(17,088,472)
Land acquisition reserves	2,503,791	2,503,791
Capital contribution reserves	280,000	280,000
	12,633,864	(14,304,681)

(a) Cash flow hedge reserve

	2022 $	2021 $
Opening balance	(17,088,472)	(35,036,624)
Changes in fair value of hedging instrument in cash flow hedge reserve	23,374,551	10,235,295
Coupon payments recognised in Profit or Loss	6,057,165	7,478,798
Reclassified from cash flow hedge reserve to Profit and Loss from relationships for which hedge accounting no longer applies	7,982,931	7,213,896
Deferred Tax	(10,476,101)	(6,979,837)
Movement	26,938,546	17,948,152
Balance 30 June	9,850,074	(17,088,472)

Nature and purpose of Hedging reserve - cash flow hedges

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending to subsequent recognition in profit or loss.

D. OTHER INFORMATION

IN THIS SECTION
This section includes the remaining information relating to Central Plains Water Limited's financial statements which is required to comply with NZ IFRS

D1. Related party transactions

A related party is a person or entity that is related to the reporting entity. A person or a close member of that person's family is related to a reporting entity if that person has significant influence over the reporting entity. Close members of the family of the person include spouses, children and domestic partners.

(a) Directors

The names of persons who were directors of the company at any time during the financial year are as follows : J W Donkers, G S Miller, W J Palmer, A S Wright, P Morrison,A Coltman, B Gemmell, S Le Heron and D Summerfield.

Mr W J Palmer, a director of the company, and Susan Rowe are a partners in Buddle Findlay. During the reporting period the Company entered into normal commercial transactions with Buddle Findlay. These transactions totalled $143,443 (2021: $122,565). The amount owed by the Company at 30 June 2022 was $30,767. (2021: $1,329)

(b) Directors Interests

The following directors of the Company had a controlling interest in an entity that the company supplied irrigation to during the financial year to the value below:

		2022 $	2021 $
John Donkers	Burnham Farm Limited	89,935	440,886
	Chiswick Farm Limited	275,545	271,701
	Highbury Farm Limited	254,736	252,425
	Prairie Farm Limited	312,444	308,039
	Wilsden Farm Limited	440,781	438,086
Damon Summerfield (To October2021)	Summerfield Farming Co Limited	53,239	155,365
William Palmer	Palmer Family Trust (To April 2021)	-	43,470
Stuart Wright & Simon Wright	Annat Farms Limited (up to January 2022)	127,146	217,350
	Annat Trust (from February 2022)	61,851	-
Peter Morrison and Elizabeth Nattrass	P&E Limited	605,592	340,860
Peter Morrison	Pauri Bank Farm Holdings Limited (From November 2020)	131,531	90,574
Antony Coltman	Canlac Holdings 2014 Limited (From April 2021)	360,440	84,123
Simon Le Heron	Grasslands Limited (from November 2021)	485,620	-

Please refer to page 48 for discolsure of Director Remuneration

KPMG Christchurch Marked for Identification

D. OTHER INFORMATION (Continued)

D2. Contingencies

As at 30 June 2022 the Company had the following contingent liabilities or assets (2021: nil)

- The adequacy and efficacy of the fish screens that are located at the intakes on both the Waimakariri and Rakaia Rivers, is subject to a review by the Canterbury Regional Council in terms of the screen's meeting required performance standards. In the event that the current fish screens do not meet the Council's requirements, Central Plains Water Limited would be required to invest in new technology to address this.

- Central Plains Water Limited are currently undertaking declaratory proceedings to determine the status of existing consents will commence in the Environment Court in relation to the recently imposed National Environmental Standards. Should the declaratory proceedings proceed but then fail, then Central Plains Water Limited may be required to meet legal costs. These are estimated to be in the order of $75,000

D3. Guarantees

	2022	2021
	$	$
Stage 1 Operations;	275,000	275,000
Sheffield Operations;	410,000	410,000
Stage 2 Operations;	160,000	160,000
Stage 2 Construction.	3,000,000	3,000,000
	3,845,000	3,845,000

The Company is required to place bank bonds with Selwyn District Council and Environment Canterbury to protect them in the event of non-compliance with resource consents for the construction, operations and termination phase.

D4. Events occurring after the reporting period

No events occurring subsequent to reporting period that require disclosure

KPMG Christchurch Marked for Identification

KPMG

Independent Auditor's Report

To the shareholders of Central Plains Water Limited

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Central Plains Water Limited (the 'company') on pages 3 to 41:

i. present fairly in all material respects the company's financial position as at 30 June 2022 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 June 2022;
- the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with 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 and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at $2 million determined with reference to a benchmark of company total assets. We chose the benchmark because, in our view, this is a key measure of the company's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements.

The key audit matter	How the matter was addressed in our audit
Hedge accounting and derivative financial instruments ($9.9 million and $4.8 million) – refer note C2	
The company has significant interest-bearing debt and manages its interest rate and liquidity risks through hedge accounting with Interest Rate Swaps (IRS). Under hedge accounting, changes in the value of IRS for either gains or losses are initially recognised in equity rather than profit or loss. A refinancing of debt and IRS occurred in 2020, and losses previously recognised in the cash flow hedge reserve for the related IRS are amortised over the original term. The valuation of IRS requires specialist knowledge to determine fair value, calculate the amortisation of the previous IRS losses, and the extent of any hedge ineffectiveness to be recognised in profit or loss. Due to these factors, and the magnitude of the balances, we consider derivative financial instruments and the related application of hedge accounting to be a key audit matter.	Our audit procedures included, amongst others: — Comparing details of IRS used in valuation calculations to supporting documentation at 30 June 2022. — Assessing the competence, objectivity, and integrity of the treasury expert engaged by the company. — Engaging our treasury specialists to: • Challenge management's expert's valuation of IRS at 30 June 2022. • Assess the application of hedge accounting against the requirements of relevant accounting standards, including checking the calculation of amounts recognised in profit or loss. • Evaluating the appropriateness of the methodology applied to value the IRS. • Checking that the cash flow hedge reserve reconciles to the closing position for the related IRS and unamortised losses. — Assessing the adequacy of the related disclosures in the consolidated financial statements. **Our findings** Following the completion of our procedures, certain adjustments were identified, and these have been reflected in the consolidated financial statements.
Recoverability of Scheme Infrastructure Assets ($322.5 million) – refer note B1	
The company has made a significant investment in its long-lived Scheme Infrastructure Assets, which have a net book value of $334 million. Due to the loss-making and negative equity position of the company, and the current objective of only charging water usage	Our audit procedures included, amongst others: — Challenging management's identification of the relevant cash-generating unit ("CGU") for which the impairment test applied. — Engaging a corporate finance specialist to:

The key audit matter	How the matter was addressed in our audit
charges to the extent of cash operating and financing costs, an assessment of the Assets' recoverable amount was prepared by management on a fair value less costs of disposal basis. Such an assessment requires significant judgment and estimation, and for that reason, we considered this to be a key audit matter.	• Challenge and evaluate the methodology applied to determine the recoverable amount of the CGU. • Evaluate the methodologies, data and assumptions used in the valuation model. • Challenge management's cash flow assumptions, including projected earnings and terminal cashflows based on historical performance. • Check the mechanical accuracy of the model. • Perform sensitivity analyses on the key assumptions used in the impairment model. — Checking verifiable data to accounting records and verifying assumptions against appropriate supporting evidence. — Assessing the adequacy of the related disclosures in the consolidated financial statements. **Our results** We found the company's conclusion of no impairment of its infrastructure assets to be acceptable (2021: acceptable).

Other information

The Directors, on behalf of the company, are responsible for the other information included in the entity's Annual Report. Other information includes the Chair's Report, CEO Report, Environmental, Operations and Financials information, Our Year at a Glance, Directors' Report, and Statutory Information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, 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.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Matt Kinraid.

For and on behalf of

KPMG

KPMG
Christchurch

11 October 2022

As at 30 June 2022 the entity had 799,398 ordinary shares issued to 400 holders, 18291 stage 1 constuction shares issued to 95 holders, 29,179 pre-construction shares issued to 228 holders, 17,545 stage 2 construction shares issued to 139 holders, and 4,300 Sheffield construction shares issued to 33 holders.

Top 10 Ordinary Shareholders

Rank & Name	**Units at 30 June 2022**	**% of Units**
1. Theland Purata Farm Group Limited	41,380	5.18
2. Canterbury Grasslands Limited	17,863	2.23
3. P & E Limited	10,164	1.27
4. Minerva Farms Limited	9,665	1.21
5. Fonterra Co Operative Group Limited	9,640	1.21
6. Grasslands Hazlehurst Limited	9,121	1.14
7. J & A Gray Family	8,901	1.11
8. G D Gillanders & Sons Limited	8,800	1.10
9. Thomas Family Toropuke	8,740	1.09
10. Plains Farming NZ Limited	8,190	1.02
Total Top 10 Shareholders	132,464	16.57
Total remaining Shareholders	666,934	83.43

The total remuneration and other benefits to Directors (and past Directors) for services for the year ended 30 June 2022 was:	**2022 $**
W J Palmer	36,000
J W Donkers	36,000
D L Summerfield (ceased October 2021)	12,000
G Miller (Chairman)	72,000
A S Wright	39,000
P Morrison	36,000
A Coltman	36,000
B Gemmell	42,000
S Le Heron (from November 2021)	24,000
	333,000

STATUTORY INFORMATION AS AT 30 JUNE 2022 (Continued)

Directors' interests

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

Grant Miller
Porahui Farms Limited
St Laurence Trust
Selwyn District Council
Transwaste Canterbury Limited
Burwood Resource Recovery Park Ltd

John Donkers
Aylesbury Grazing Limited
Band 4 Water Limited
Bray Street Holdings Limited
Burnham Farm Limited
Camden Dairy Farms Limited
Camden Group Services Limited
Chiswick Farm Limited
Craigmore Dairy II GP Limited
Craigmore Farming GP Limited
Craigmore Permanent Crops GP Limited
Dairy Farm Management Services Limited
Dunsandel Groundwater Users Association
Free Range Pastures Limited
Highbury Farm Limited
Highveld Pastures Limited (HVP owns shares in Ashburton Lyndhurst Irrigation Co.)
INZ Accreditation Limited
J D Consulting Limited
John Donkers Family Trust
Prairie Farm Limited
Ribbonwood Farms Trustee Limited
Solvam Corporation Limited
Wigram Brewing Group Limited
Wilsden Farm Limited
Woolomee Dairies Limited
Woolomee Farm Limited
Totara Forestry GP Limited

Peter Morrison
P & E Limited
Kahu Trust
Pauri Bank Trust
Pauri Bank Farm Limited
Ester Onlite Limited
Humphreys Mining Limited
Rocklands Limited
Friedman Spraying Limited
Viare Limited
The Buzz Club Limited
Darfield Service Station Limited
Wilbee Honey Limited

Simon Le Heron
Base One Limited
Canterbury Grasslands Limited
Pecole Property Limited
Ridgevale Farm Limited
Spindle Limited
Whai Hua Farm Limited

Bruce Gemmell
Lincoln University
The Gemmell Group Limited
The Highlanders GP Limited
Miramar Limited
The Second Little Pig Was Right Limited
Orion New Zealand Limited
The ATT Family Trust
BD and KL Gemmell Family Trust
P Cuthbert's and B Loader's Family Trusts
Planz Consultants Ltd
ATT Trustee Limited
Lincoln Agritech Limited
Lincoln University Centennial Trust
Lincoln University Foundation Trust
Gemmell Finance Limited
Nitrolabs Global Limited
Nitrolabs Limited
Buller Electricity Limited
Electro Services Limited
BEL Investments NZ Limited
PRT Limited
Nexia Christchurch Limited

William Palmer
Budfin Nominees Limited
Otarama Investments 2011 Limited
Palmer Family Trust
Montreal Trustees 2015 Limited
Montreal Trustees 2016 Limited
Montreal Trustees 2017 Limited
Montreal Trustees 2018 Limited
Montreal Trustees 2021 Limited
Montreal Trustees 2022 Limited

Tony Coltman
Datona Limited
Canlac Holdings 2014 Limited
Rahi Partnership Limited
Ruralco NZ Limited
Ashburton Trading Society
ATS Fuel
Pro-Active NZ Limited
Integra Investments 2013 Limited
Global Farming Trust - Trustee

Stuart Wright
Annat Farms Limited
Otarama investments 2011 Limited
Potatoes New Zealand Incorporated

STATUTORY INFORMATION AS AT 30 JUNE 2022 (Continued)

Directors' interests

Retired Central Plains Water Limited Directors

Damon Summerfield - Retired Director from 28 October 2021

Sheffield Water Limited
Summerfield Farming Co Limited
Kildonan farm Trust

STATUTORY INFORMATION AS AT 30 JUNE 2022 (Continued)

Directors' shareholding in Central Plains Water

The Directors's respective ordinary shareholdings in Central Plains Water as at 30 June 2022 is as follows:

	# Held
John Donkers	
Burnham Farm Limited (directory and shareholder)	3,605
Chiswick Farm Limited (directory and shareholder)	3,528
Highbury Farm Limited (directory and shareholder)	3,360
Prairie Farm Limited (directory and shareholder)	3,920
Willsden Farm Limited (Director)	5,866
Stuart Wright - Annat farms Limited (director and shareholder)	3,600
Peter Morrison	
P&E Limited	10,164
Pauri bank farm Holdings Limited	1,896
Tony Coltman	
Canlac Holdings 2014 Limited	5,400
Simon Le Heron	
Canterbury Grasslands Limited (CEO)	17,863

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.

Employee remuneration

During the year ended 30 June 2022: the following employees and former employees received individual remuneration over $100,000;

Remuneration Range	Number of employees
$100.000 - $110.000	2
$150,000-$160,000	1
$200,000-$210,000	2
$290,000-$300,000	1

Donations

There were no donations during the 2022 financial year

STATUTORY INFORMATION AS AT 30 JUNE 2022 (Continued)

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 achieved 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.

Credit rating

Central Plains Water Limited does not have a credit rating.

Annual shareholder meeting

Central Plains Water Limited's annual shareholder meeting is expected to be held on 22nd November 2022. We will confirm the details of the time and place by notice to all our shareholders nearer to the date.

Annual Report

Central Plains Water Limited's Annual Report is available on our website at https://www.cpwl.co.nz/companydocuments/ 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 by regular post.

DIRECTORY

Office

PO Box 9424
Tower Junction
Christchurch 8149
Unit A, 14 Nga Mahi Road
Sockburn
Christchurch 8042
Telephone: +64 3 982 4267
Facsimile: +61 3 281 8557
Email: admin@cpwl.co.nz

Board of Directors

G S Miller (Chair of the Board)
W J Palmer
J W Donkers
A S Wright
B Gemmell
P Morrison
A Coltman
S Le Heron

Senior Management

M Pizey - Chief Executive Officer
M McKenzie - Manager Operations
M Vermeeren - Chief Financial Officer
F Crombie - Environmental Manager
R Fitchett - Legal Advisor
A Broughton - Engineering Manager

Registered Office

Unit A, 14 Nga Mahi Road
Sockburn
Christchurch 8042

Share Register

Link Market Services Limited
138 Tancreds Street
Ashburton 7740

Auditor

KPMG
Level 5, 79 Cashel Street
Christchurch 8013

Lawyers

Buddle Findlay
83 Victoria Street
Christchurch 8013

Bankers

ANZ Bank New Zealand Limited
Westpac Banking Corporation
China Construction Bank
Rabobank
Accident Compensation Corporation

Other information

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

CENTRAL PLAINS WATER

WWW.CPWL.CO.NZ