



Interim Report

Aqua Curo Limited

For the six months to 31 December 2020

Aqua Curo Limited

Background

For the six months ended 31 December 2020

These are the unaudited interim financial statements of Aqua Curo Limited (“the Company”).

Aqua Curo Limited was incorporated on 29th August 2018. Aqua Curo Limited is a Council Controlled Trading Organisation as defined by Section 6 of the Local Government Act 2002. Aqua Curo Limited is part of the ‘Quayside Group’. The Group’s Statement of Intent, prepared in accordance with the Local Government Act 2002, covers prudent financial management and risk management. Aqua Curo Limited is making progress against the objectives set out in its Statement of Intent for the year ended 30 June 2021. Refer to the notes for further information.

The performance of Aqua Curo Limited in undertaking its monitoring and advisory functions will be assessed with respect to:

- The quality of financial and other analysis.
- The robustness and accuracy of the information relied upon in providing advice.
- The clarity, timeliness and materiality of advice.
- Compliance with the shareholder’s expectation that there should be “no surprises” arising from the company.
- Compliance with the shareholder’s expectation for optimal commercial performance from the company.

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Aqua Curo Limited
Statement of Comprehensive Income
For the six months ended 31 December 2020

	Note	Unaudited six months Dec 2020 \$000	Unaudited six months Dec 2019 \$000	Audited full year June 2020 \$000
Trading revenue		-	-	-
Expenses		(85)	-	(34)
Loss before income tax		(85)	-	(34)
Income tax benefit		-	-	-
Net loss for the period		(85)	-	(34)
Other comprehensive income		-	-	-
Total comprehensive income		(85)	-	(34)

Aqua Curo Limited
Statement of Changes in Equity
For the six months ending 31 December 2020

	Share capital \$000	Retained earnings \$000	Total Equity \$000
Opening balance	-	-	-
Comprehensive income			
Loss for the period	-	-	-
Total comprehensive income	-	-	-
Ordinary shares issued	1,000	-	1,000
Total transactions with owners	1,000	-	1,000
Balance at 31 December 2019	1,000	-	1,000
Opening balance	1,000	-	1,000
Comprehensive income			
Loss for the period	-	(34)	(34)
Total comprehensive income	-	(34)	(34)
Ordinary shares issued	-	-	-
Total transactions with owners	-	-	-
Balance at 30 June 2020	1,000	(34)	966
Opening balance	1,000	(34)	966
Comprehensive income			
Loss for the period	-	(85)	(85)
Total comprehensive income	-	(85)	(85)
Ordinary shares issued	-	-	-
Total transactions with owners	-	-	-
Balance at 31 December 2020	1,000	(119)	(881)

Aqua Curo Limited
Statement of Financial Position
As at 31 December 2020

	Note	Unaudited six months Dec 2020 \$000	Unaudited six months Dec 2019 \$000	Audited full year June 2020 \$000
Current assets				
Cash and cash equivalents		654	1,000	977
Total current assets		654	1,000	977
Non-current assets				
Property plant and equipment		2	-	2
Capital work in progress		235	-	-
Deferred tax asset		-	-	-
Total non-current assets		237	-	2
Current liabilities				
Trade and other payables		10	-	13
Total current liabilities		10	-	13
Net assets		881	1,000	966
Equity				
Share capital		1,000	1,000	1,000
Retained earnings		(119)	-	(34)
Total equity		881	1,000	966

Aqua Curo Limited
Statement of Cash Flows
For the six months ended 31 December 2020

	Note	Unaudited six months Dec 2020 \$000	Unaudited six months Dec 2019 \$000	Audited full year June 2020 \$000
Cash flows from operating activities				
Cash outflows		(323)	-	(23)
Net cash flows from operating activities		(323)	-	(23)
Cash flows from investing activities				
Net cash flows from investing activities		-	-	-
Cash flows from financing activities				
Cash inflows		-	1,000	1,000
Net cash flows from financing activities		-	1,000	1,000
Net increase / (decrease) in cash and cash equivalents		(323)	1,000	977
Cash and cash equivalents at the beginning of the year		977	-	-
Cash and cash equivalents at the end of the year		654	1,000	977

Aqua Curo Limited

Notes to the Financial Statements

For the six months ended 31 December 2020

1 Reporting Entity

Aqua Curo Limited is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Parent is Quayside Holdings Limited and the ultimate controlling entity is the Bay of Plenty Regional Council. The Company is a council-controlled organisation as defined under Section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Quayside Holdings Limited.

The primary purpose of the Company is involvement with macroalgae for bioremediation purposes in the Bay of Plenty region. The Company is a for-profit entity.

2 Basis of preparation

Statement of compliance

These are the unaudited interim financial statements of the Company for the six months ended 31 December 2020.

The interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice as appropriate for Tier 2 for-profit entities. The Company applies External Reporting Board Standard A1 'Accounting Standards Framework (For-profit Entities Update)' ('XRB A1'). For the purposes of complying with NZ GAAP, the Company is eligible to apply Tier 2 For-profit Accounting Standards (NZ IFRS RDR) on the basis that it is not a large for-profit public sector entity.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the company's annual financial statements as at 30 June 2020.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

Presentation currency

These financial statements are presented in New Zealand dollars (\$), and where presented, rounded to the nearest thousand.

Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 30 June 2020. There were no changes in accounting policies during the period.

Use of estimates and judgements

The preparation of financial statements 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.

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

3 Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.

4 Statement of Service Performance

Aqua Curo Limited is a Council Controlled Organisation (CCO) and is required to prepare a Statement of Intent (SOI). Recorded below are the targets and results of the *Aqua Curo Limited* Statement of Intent categorised under the following portfolio activities.

Governance

	Performance measure	Performance target	Performance to date
1	ACL maintains a strategic direction that is consistent with that of a 100% shareholder of QHL and Council	Target 1 - ACL will submit a draft SOI for 2021/22 for approval to QLH and Council by 1 March 2021.	The draft SOI is currently underway.
2	ACL keeps shareholders informed of all significant matters relating to it.	Target 2 - ACL will meet and provide updates to its shareholders quarterly on new opportunities and key works programmes. ACL will advise any major matters of urgency to its shareholders at the earliest opportunity.	Quayside management includes updates from ACL at every board meeting via the investment portfolio reporting paper of the board pack. QHL has also received three ACL specific papers as updates.
3	Corporate governance procedures are appropriate, documented and reflect best practice.	Target 3 - The Board will maintain an appropriate and thorough set of corporate governance policies and procedures which will be reviewed at least every two years.	Policies have been reviewed appropriately.

Key initiatives

	Performance measure	Performance target	Performance to date
1	To work with strategic partners to progress bioremediation research project	Target 4 - Work with the University of Waikato and Western Bay of Plenty District Council to successfully design and construct a large scale pilot plant at the Te Puke site. Target 5 - Carry out 12 months of trials on the performance of key technology. Target 6 - obtain external funding for the project through existing grant schemes to leverage the resources of Aquacuro for the benefit of the research project.	The Pilot Plant has been designed and construction has begun at the Te Puke Site. Construction is approximately 90% complete and due to achieve practical completion in March. Trials are forecast to begin in March 2021 – this represents approximately a 5-month. ACL has engaged a specialist consultant to assist with applying for funding from the SFFF. The application process is underway.
2	To identify, assess and develop technologies for bioremediation of water.	Target 7 - Review additional opportunities for investment and research of bioremediation of water. Target 8 - Advisory board to meet a minimum of 6 times during the calendar year in order to provide strategic advice and direction on new opportunities for ACL.	ACL has identified the need for additional trial sites to open additional investment / commercial opportunities. ACL advisory board has met twice. More meetings are organised upon completion of pilot plant.
3	Commercialize research and opportunities to provide financial return.	Target 9 - Develop a pipeline of commercial opportunities for ACL to pursue including fee for service business models and product development.	ACL is yet to formally develop its pipeline of opportunities but will commence this work at the completion of the pilot plant construction.

Performance measure	Performance target	Performance to date
	<p>Target 10 - Ensure appropriate resources are in place to pursue and develop commercial opportunities and pipeline.</p> <p>Target 11 - Initiate key discussions on the development of a commercial scale facility WBOPDC.</p>	This will include ensuring an appropriate resource is in place and opening discussions with WBOPDC.

Financial and operational objectives

Performance measure	Performance target	Performance to date
1 Meet the financial targets contained within this SOI.	Target 7 – Budgeted key performance indicators are met or exceeded.	Financial results are generally in line with the budget..

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Statutory information

For the six months ended 31 December 2020

Information used by directors

During the period there were no notices from directors of Aqua Curo Limited requesting to use information received in their capacity as a director which would not otherwise have been available to them.

Donations

No donations were made by Aqua Curo Limited during the period.

Remuneration of directors

The following directors of Aqua Curo Limited held office during the period:

- S Hamilton
- B Barnes

There was no director remuneration.

Loans

There were no loans by Aqua Curo Limited to directors.

Employees

Aqua Curo does not have any employees.

Aqua Curo Limited Directory 31 December 2020

Registered office

41 The Strand
Tauranga 3110
Ph: (07) 579 5925

Postal address

PO Box 13564
Tauranga 3141

Auditors

Audit New Zealand
On behalf of the Auditor-General
745 Cameron Road
PO Box 621
Tauranga 3144
New Zealand

Solicitor

Cooney Lees Morgan
PO Box 143
Tauranga 3110