



# Statement of Intent

Aqua Curo Limited

For the year to 30 June 2022

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## Introduction

This statement of intent (SOI) is prepared in accordance with section 64(1) of the Local Government Act 2002 (the **Act**).

The SOI sets out the purpose, strategic objectives, nature and scope of the activities to be undertaken by Aqua Curo Limited (ACL) and the measures by which the performance of ACL may be judged in relation to its objectives.

ACL is a council-controlled trading organisation (CCTO) for the purposes of the Act.

## Purpose and objectives

ACL has been incorporated to pursue opportunities in the aquaculture sector, primarily, the use of macroalgae for bioremediation purposes.

The Board of ACL (the Board) have defined the company's objectives:

- To enter key strategic partnerships to assist with researching, developing and commercialising the bioremediation of water.
- To evaluate and assess opportunities to develop multiple technologies to bioremediate water and develop environmentally sustainable products.
- To generate long term sustainable financial returns for its shareholder.

### Nature and scope of activities

ACL was established in August 2018. It is a wholly owned subsidiary of Quayside Holdings Limited (QHL) which in turn is wholly owned by the Bay of Plenty Regional Council (Council).

ACL’s core activities for 2022-2024 include:

- Conducting research into environmentally sustainable technologies for the purpose of bio remediating water.
- Efficiently managing a key pilot plant facility located at the Te Puke Wastewater Treatment Plant.
- Engaging with industry experts and research bodies to ensure the shareholder of ACL has access to the appropriate levels of expertise.
- Commercialising key research and strategic opportunities to deliver a financial return to its shareholder.

### Performance targets

ACL has agreed the following specific objectives and performance targets for the next 3 years, which are updated annually:

#### Governance

	Objective	Performance targets
1	ACL maintains a strategic direction that is consistent with that of its immediate shareholder.	<b>Target 1</b> ACL will submit a draft SOI for comment to QHL and Council by 1 March annually.
2	ACL keeps shareholders informed of all significant matters relating to it.	<b>Target 2</b> ACL will meet and provide updates to its shareholders quarterly on new opportunities and key work programmes. ACL will advise any major matters of urgency to its shareholders at the earliest opportunity.
3	Corporate governance procedures are appropriate, documented and reflect best practice.	<b>Target 3</b> The Board will maintain an appropriate and thorough set of corporate governance policies and procedures which will be reviewed at least every two years.

### Key initiatives

	Objective	Performance targets
1	To work with strategic partners to progress bioremediation research project	<p><b>Target 4</b> Work with partners to operate the large-scale pilot plant at the Te Puke site.</p> <p><b>Target 5</b> Carry out trials on the performance of key technology.</p> <p><b>Target 6</b> explore external funding opportunities to assist in funding the research project.</p>
2	To identify, assess and develop technologies for bioremediation of water	<p><b>Target 7</b> ACL advisory board to meet a minimum of 6 times during the calendar year to provide strategic advice and direction on new opportunities for ACL.</p>
3	Commercialise research and opportunities to provide financial return	<p><b>Target 8</b> Develop a pipeline of commercial opportunities for ACL to pursue.</p> <p><b>Target 9</b> Ensure appropriate resources are in place to pursue and develop commercial opportunities and pipeline.</p> <p><b>Target 10</b> Initiate key discussions on the development of a commercial scale facility WBOPDC.</p>

### Financial and operational objectives

	Objective	Performance targets
1	Work within an annual budget to deliver on the broad corporate objectives of this SOI	<p><b>Target 11</b> Budgeted key performance indicators are met or exceeded.</p>

Target measures will be assessed in full on or after 30 June.

### Accounting policies

The financial statements of ACL are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards – Reduced Disclosure Regime (“NZ IFRS RDR”) and other applicable Financial Reporting Standards as appropriate to for-profit entities. ACL is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

ACL 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. A full set of accounting policies are available on request.

#### Ratio of shareholder funds to total assets

Financial year	2022	2023	2024
Assets (\$)	649,800	389,600	179,400
Liabilities (\$)	0	0	0
Shareholder funds (\$)	649,800	389,600	179,400
Shareholder funds to assets	100%	100%	100%

*\*There is a drop in net assets in 2024 as there are no grants forecast to be received and prior monies received are used to fund plant operational expenditure.*

#### Distributions

As ACL is currently in a growth cycle, distributions are not intended to be paid to shareholders within the next three years.

#### Commercial valuation of investment

Financial year	2022 \$000	2023 \$000	2024 \$000
Quayside Holdings investment	649,800	389,600	179,400

The figures above are all reflective of estimated 30 June positions for their respective years. These will be reassessed annually at 30 June.

## Governance

ACL is a limited liability company. ACL is managed by two directors. The current directors are:

**Scott Hamilton:** Scott is the Chief Executive Officer of Quayside Holdings Limited and subsidiaries. Scott is a member of the Institute of Directors.

**Brendon Barnes:** Brendon is the Chief Investment Officer of Quayside Holdings Limited. Brendon is a member of the Institute of Directors.

The directors of ACL are selected for their commercial expertise and other skill sets in accordance with the Quayside Group policy for appointment of directors to subsidiaries and investee companies. The Board will meet quarterly and more often when required.

The performance targets included in this SOI give an overview of ACL's main governance practices adopted and followed by the ACL board. The board strives to achieve best practice governance for ACL.

## Committees and policies

The board of directors are responsible for all delegations and subsequent operations of the business. The Quayside Holdings Limited Investment Manager, Sam Newbury also has limited expenditure delegation as per the Delegated Authority policy amendment approved November 2020. No subcommittees of the Board exist. ACL has no employees and one contractor.

ACL has approved the adoption of the Quayside Group health and safety and fraud policies, and the Group Procurement Strategy.

A delegated authority policy provides for the management of the day to day activities of ACL.

## Reporting to shareholders

ACL provides its shareholders and the Council with half yearly and year-end financial reports in accordance with sections 65 to 72 of the Act.

## Activities for which compensation is sought

There are no activities for which compensation is sought by ACL from the Council.