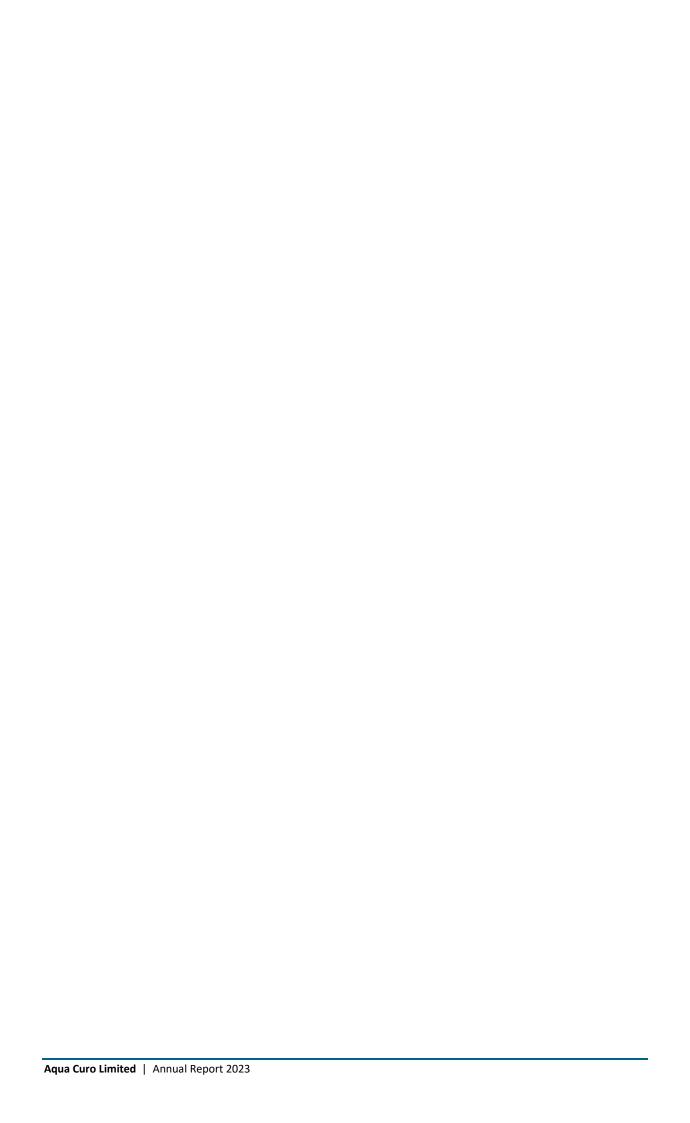


Annual Financial Statements For the year ended 30 June 2023





Aqua Curo Limited Directors' Declaration For the year ended 30 June 2023

Aqua Curo Limited was incorporated on 29th August 2018. 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 achieved most of the objectives set out in its Statement of Intent for the year ended 30 June 2023. Refer to Note 4 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.

Achievements

During the year the large-scale pilot plant at Te Puke continued testing until April 2023, when the plant was then decommissioned and dismantled.

The directors are pleased to present the financial statements of Aqua Curo Limited for the year ended 30 June 2023

For and on behalf of the Board of Directors:

	Su
Director	Director

Aqua Curo Limited For the year ended 30 June 2023

Contents	Page
Auditor's Report	4
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Financial Position	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Statutory Information	21
Directory	23

3



Independent Auditor's Report

To the readers of Aqua Curo Limited's financial statements and performance information for the year ended 30 June 2023

The Auditor-General is the auditor of Aqua Curo Limited (the Company). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 8 to 15 and pages 17 to 20, that
 comprise the statement of financial position as at 30 June 2023, the statement of
 comprehensive income, statement of changes in equity and statement of cash flows for the
 year ended on that date and the notes to the financial statements that include accounting
 policies and other explanatory information; and
- the performance information of the company on page 16.

In our opinion:

- the financial statements of the company on pages 8 to 15 and pages 17 to 20:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.; and
- the performance information of the company on page 16 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 23 August 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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

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

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

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

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

The Board of Directors' responsibilities arise from the Local Government Act 2002.

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Declaration on pages 1 to 3 and pages 21 to 23, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

Other than the audit, we have no relationship with, or interests in, the company.

Leon Pieterse

Audit New Zealand

On behalf of the Auditor-General

Tauranga, New Zealand

Aqua Curo Limited Statement of Comprehensive Income For the year ended 30 June 2023

	Note	30 June 2023 \$000	30 June 2022 \$000
Trading revenue		-	-
Expenses	5	(628)	(505)
Operating profit/(loss) before finance costs		(628)	(505)
Finance income		1	-
Net finance income		1	-
Profit/(loss) before income tax		(627)	(505)
Income tax benefit	6	23	97
Net loss for the period		(604)	(408)
Other comprehensive income		-	-
Total comprehensive income		(604)	(408)

Aqua Curo Limited Statement of Changes in Equity For the year ended 30 June 2023

	Share capital \$000	Retained earnings \$000	Total Equity \$000
Opening balance	1,000	(221)	779
Comprehensive income			
Loss for the period	-	(408)	(408)
Total comprehensive income	-	(408)	(408)
Balance at 30 June 2022	1,000	(629)	371
Opening balance Comprehensive income	1,000	(629)	371
Shareholder contribution	250	_	250
Loss for the period	-	(607)	(607)
Total comprehensive income	1,250	(607)	(357)
Balance at 30 June 2023	1,250	(1,236)	14

Aqua Curo Limited Statement of Financial Position For the year ended 30 June 2023

	Note	30 June 2023 \$000	30 June 2022 \$000
Current assets			
Cash and cash equivalents		112	114
Tax receivable		25	97
Prepayments		-	2
Total current assets		137	213
Non-current assets			
Property plant and equipment	8	-	276
Total non-current assets		-	276
Current liabilities			
Trade and other payables	9	30	25
Related party payables		94	93
Total current liabilities		124	118
Net assets		13	371
Equity			
Share capital		1,000	1,000
Shareholder Contribution – Quayside Holdings Ltd		250	-
Retained earnings		(1,237)	(629)
Total equity		13	371

These financial statements have been authorised for issue by the Board of Directors on 23 August 2023

155	
Director	Director

Aqua Curo Limited Statement of Cash Flows For the year ended 30 June 2023

	Note	30 June 2023 \$000	30 June 2022 \$000
Cash flows from operating activities			
Interest received		1	-
Tax benefit		94	-
Payments to suppliers		(346)	(288)
Net cash flows from operating activities		(251)	(288)
Cash flows from investing activities			
Disposal of property, plant and equipment		-	-
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Shareholder contribution		250	-
Net cash flows from financing activities		250	-
Net increase / (decrease) in cash and cash equivalents		(1)	(288)
Cash and cash equivalents at the beginning of the year		114	402
Cash and cash equivalents at the end of the year		113	114

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 trading 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. The diagram below illustrates the Quayside Group structure:

Group Ownership					
Parent				Type of Business	Ownership
Quayside Holdings Ltd (QHL)				Holding Company	100%
	Subsidiaries				
	Aqua Curo Limited			Aquaculture	100%
	Quayside Investment Trust (QIT) *			Trust	100%
	Quayside Securities Limited (QSL) *			Trust	100%
	Quayside Properties Limited (QPL)			Regional Benefit Investment	100%
	Real Asset Subsidiaries				
	Quayside Barnett Place Limited			Real Asset Investment	100%
	Quayside Mystery Valley Limited			Forestry	100%
	Quayside Portside Drive Limited			Real Asset Investment	100%
	Quayside Tauriko Limited			Real Asset Investment	100%
	Quayside Te Papa Tipu Limited			Real Asset Investment	100%
	Quayside The Vault Limited			Real Asset Investment	100%
	Joint Ventures				
	Huakiwi Services Limited			Horticulture (Kiwifruit)	50% 50%
	Tauranga Commercial Developments Ltd (TCD)			Commercial Property JV	50% 50%
	Lakes Commercial Developments Ltd (LCD) **			Commercial Property JV	50% 25% 25%
	HRL Property Limited			Real Asset Investment	63.7%
		Subsidiary			
	Quayside Unit Trust (QUT) *	Port of Tauranga Ltd		Parent company	
			Port of Tauranga Trustee Company Limited	Holding Company	
			Quality Marshalling Limited	Port operations	
			Timaru Container Terminal Limited	Port operations	
			Northport Limited	Port - Associate Company	
			Prime Port Timaru Limited	Port - Associate Company	
			Port Connect Limited	Port operations - Associate Company	
			Coda Group Limited	Port operations - Associate Company	
			Ruakura Inland Port LP	Port JV - Associate Company	
Other					
Toi Moana Trust*			Managed by QHL	Trust	

^{*} QSL is trustee of TMT, QUT and QIT ** LCD is 50% QPL and 25% QHL

Aqua Curo Limited | Annual Report 2023

2 Basis of preparation

Statement of compliance

The financial statements of the Company have been 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. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

NZ IFRS - reduced disclosure regime

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 financial statements were approved by the Board of Directors on 23 August 2023.

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.

Changes in accounting policies

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.

Management have made an assessment on the ability of the Company to continue as a going concern and have concluded that the going concern assumption is appropriate on the basis of the ongoing support from the parent company.

3 Significant accounting policies

Revenue

Revenue is measured at the fair value of the consideration received.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables

Trade and other receivables are measured at their cost less impairment losses.

Property, plant and equipment

Property, plant and equipment is initially measured at cost and subsequently stated at either fair value or cost, less depreciation and any impairment losses.

Subsequent expenditure that increases the economic benefits derived from the asset is capitalised.

Depreciation of property, plant and equipment is calculated on a straight line basis and expensed over their estimated useful lives.

Depreciation rate pilot plant: 50%

Depreciation rate computers: 40%

Trade and other payables

Trade and other payables are stated at cost.

Goods and services tax

Aqua Curo Limited is not registered for Goods and Services Tax (GST).

Income tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year. Current tax also includes adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

3 Significant accounting policies (continued)

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Non-derivative financial instruments

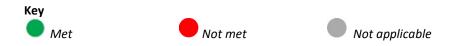
Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables. A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

4 Statement of Service Performance

Aqua Curo Limited is a Council Controlled Trading Organisation (CCTO) and is required to prepare a Statement of Intent (SOI). Aqua Curo Limited has been established to pursue opportunities in the aquaculture sector, primarily, the use of macroalgae for bioremediation purposes. Recorded below are the targets and results of the Aqua Curo Limited Statement of Intent categorised under the following portfolio activities.

	Performance target	Performance measure	2023 result	Status
1	ACL keeps the shareholder informed of all significant matters relating to it.	The ACL board will meet quarterly and will advise any material matters to the shareholder at the earliest opportunity.	Quarterly meetings held 8 August 2022, 14 February 2023, 18 May 2023. 11 November 2022 meeting cancelled - awaiting commercialisation workstream outcomes. Formal shareholder updates provided at every full QHL Board meeting.	•
2	The Te Puke WWTP site operates for 12 months continuously.	The Project Manager provides quarterly reports to the ACL Board.	Plant operated successfully for 24 months, ceasing April 2023. The Project Manager provided formal updates to the Board at each quarter. (2022: not applicable – this is a new measure in the 2023 year.	•
3	bioremediation of water	Advance commercial discussions with a minimum of one external party.	External consultant is managing commercialisation strategy and is in direct, advanced discussions with at least one party. (2022: not applicable – this is a new measure in the 2023 year.	•
4	Undertake a capital raise to support the achievement of the Company's objectives as outlined in the Strategic Plan.	Raise funds to a minimum of \$500,000 during the year.	Not achieved. (2022: not applicable – this is a new measure in the 2023 year.	

Objectives met: 2/4



5 Expenses

	30 June 2023 \$000	30 June 2022 \$000
it fees	12	11
ultants	273	160
eciation	276	277
	68	57
	630	505

6 Income tax

	30 June 2023 \$000	30 June 2022 \$000
Reconciliation of effective tax rate		
Profit/(loss) before tax for the period	(630)	(505)
Income tax for the period at 28%	176	141
Adjustments		
- Temporary differences relating to pilot plant	(64)	
- Unutilised tax losses (refer note 7)	(112)	(77)
- R&D tax receivable	(23)	96
Income tax benefit / (expense)	(23)	96
Income tax expense is represented by:		
Current tax expense		
Current tax for the year	23	96
Deferred tax benefit/(expense)		
Recognition of temporary differences (Refer note 7)	-	-
Income tax benefit / (expense)	23	96

In May 2023 the Company lodged for an R&D claim under the research and development tax incentive scheme. The management assessed that the realisation of the cash flow is relatively certain.

7 Deferred taxation

Unrecognised Tax Losses or Temporary Differences

At 30 June 2023, a deferred tax asset of \$112,369 (2022: \$77,341) has not been recognised in relation to tax losses of \$401,318 (2022: \$276,219). The deferred tax asset was not recognised as it is not probable that future taxable profit will be available against which the company can utilise the benefits therefrom.

8 Property, plant and equipment

	30 June 2023 \$000
Balance at 1 July 2021	553
Additions	552
Additions/(transfers) – work in progress at cost	(552)
Depreciation expense	(277)
Balance at 30 June 2022	276
Balance at 1 July 2022	276
Additions	-
Additions/(transfers) – work in progress at cost	-
Depreciation expense	(276)
Balance at 30 June 2023	-

The pilot plant asset was fully depreciated and dismantled during the 2023 financial year. Depreciation for the year (refer Note 5) was \$276,000.

9 Trade and other payables

	30 June 2023 \$000	30 June 2022 \$000
e payables - current	30	25
arty payables	94	93
ther Payables	124	118

Trade and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying value of trade and other payables approximates their fair value.

10 Capital

Share capital

	30 June 2023 \$000	30 June 2022 \$000
Number of ordinary shares		
Balance at 1 July	1,000	1,000
Balance at 30 June	1,000	1,000

The holders of the ordinary shares are entitled to dividends as declared from time to time and all shares have equal voting rights at meetings of the Company, and rank equally with regard to the Company's residual assets on wind up. 24,000 shares were issued for zero consideration, and 1,000,000 were issued at \$1 each.

11 Financial instruments

Categories of financial instruments

	30 June 2023 \$000	30 June 2022 \$000
Financial assets at amortised cost		
Cash and cash equivalents	112	114
Tax receivable	25	97
	137	211
Financial liabilities at amortised cost		
Trade and other payables	30	25

12 Related party transactions

Parent and ultimate controlling entity

The Parent entity of the Company is Quayside Holdings Limited, which is 100% owned by the Bay of Plenty Regional Council – refer to Note 1.

Key management personnel

The Company has a related party relationship with its directors. The Company does not have any employees.

Other related entities

Other related parties include subsidiaries in the Group – refer Note 1.

No related party debts have been written off or forgiven during the year.

Transactions with key management personnel

The Company does not provide any non-cash benefits to Directors in addition to their Directors' fees or salaries.

Related party transactions and balances

Transaction values and balances outstanding with related parties at 30 June 2023 include:

	30 June 2023 \$000	30 June 2022 \$000
Quayside Holdings Limited		
Capital paid in	250	-
Accounts payable	93	93

13 Capital commitments and contingencies

The Company has no commitments or contingencies at 30 June 2023 (2022: nil).

14 Subsequent events

There have been no events subsequent to balance date which would materially affect the financial statements.

Aqua Curo Limited Statutory information For the year ended 30 June 2023

Interests register

The Trust is required to maintain an Interests Register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests register for Quayside Securities Limited is available for inspection at the registered office. The directors of the Company have made general disclosures of interest in accordance with S140(2) of the Companies Act. Current interests and those which ceased during the year, are tabulated below. New disclosures advised since 1 July 2021 are italicised.

Director	Entity	Position
S Newbury	Aqua Curo Limited	Director
	Good Buzz	Chairman
	Hop Revolution Limited	Director
	HRL Property Limited	Director
	Lakes Commercial Developments Limited	Director
	Tauranga Commercial Developments Limited	Director
B Barnes	Aqua Curo Limited	Director
	TRG Pharmaceuticals Ltd (HoneyLab Limited)	Director Shareholder
	PF Olsen Group Holdings Limited (Appointed 25 March 2022)	Director
	SLC Ventures Management Limited	Director Shareholder
	Techion Holdings Limited	Director

Information used by directors

During the financial year 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.

Indemnification and insurance of directors and officers

The Company has arranged policies of Director' and Officers' Liability Insurance and separate Directors and Officers' defence costs insurance.

Donations

No donations were made by Aqua Curo Limited during the year ended 30 June 2023 (2022: nil).

Interests register (continued)

Remuneration of directors

The following directors of Aqua Curo Limited held office during the year ended 30 June 2023:

- B Barnes
- S Hamilton (until 30th September 2023)
- S Newbury

There was no director remuneration.

Loans

There were no loans by Aqua Curo Limited to directors.

Employees

Aqua Curo does not have any employees.

Auditor's remuneration

The following amount is payable to the auditors of the company for the year.

Audit NZ: Audit Fees \$13,800 (GST incl)

Aqua Curo Limited Directory 30 June 2023

Company number

6999395

Incorporation date

29th August 2018

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

