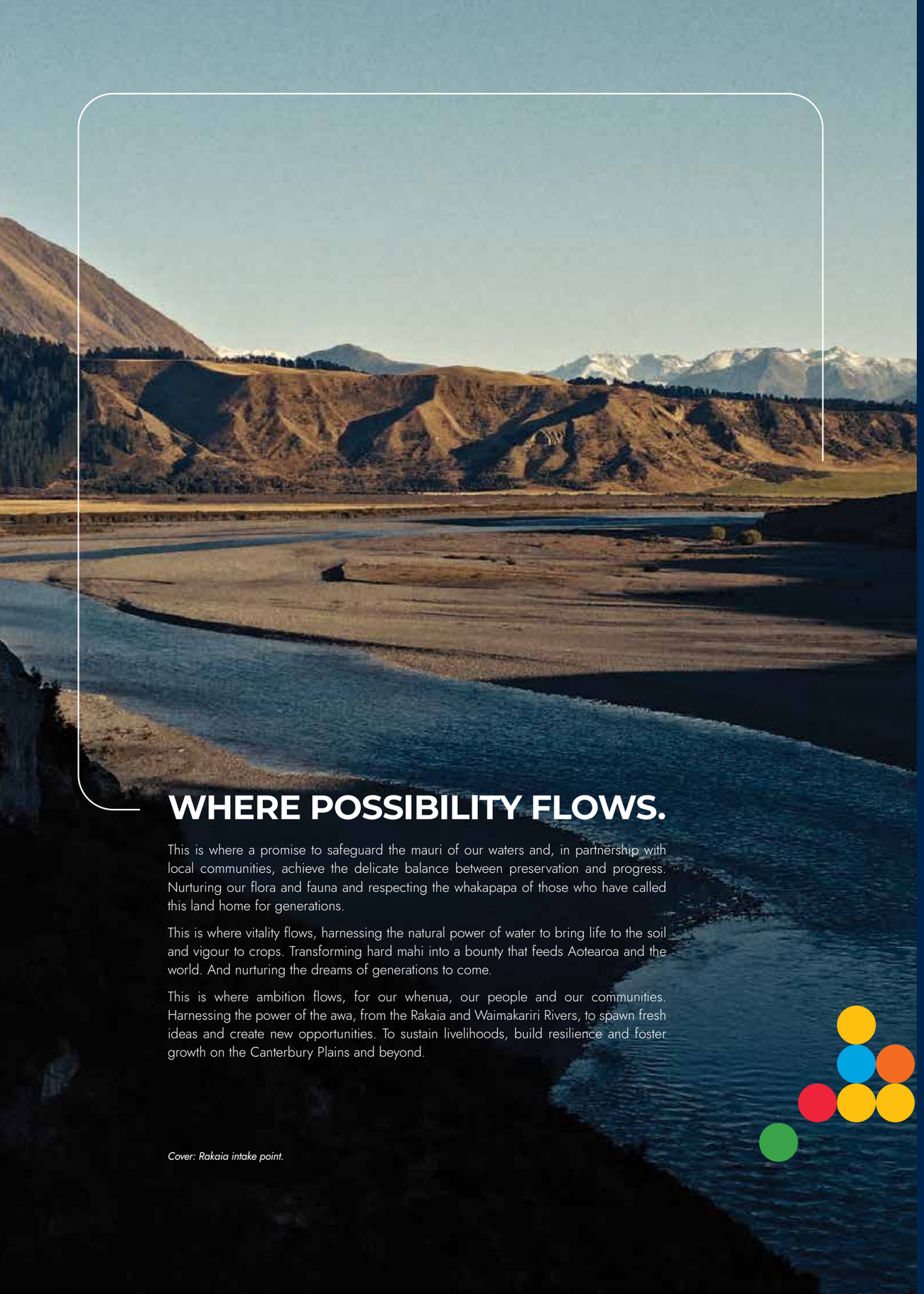
ANNUAL REPORT.

2024

CENTRAL PLAINS **WATER** LTD

Sustainable water growing our world.

Mā te tauwhiro wai ka tipu tō tātou ao.



WHERE POSSIBILITY FLOWS.

This is where a promise to safeguard the mauri of our waters and, in partnership with local communities, achieve the delicate balance between preservation and progress. Nurturing our flora and fauna and respecting the whakapapa of those who have called this land home for generations.

This is where vitality flows, harnessing the natural power of water to bring life to the soil and vigour to crops. Transforming hard mahi into a bounty that feeds Aotearoa and the world. And nurturing the dreams of generations to come.

This is where ambition flows, for our whenua, our people and our communities. Harnessing the power of the awa, from the Rakaia and Waimakariri Rivers, to spawn fresh ideas and create new opportunities. To sustain livelihoods, build resilience and foster growth on the Canterbury Plains and beyond.

Cover: Rakaia intake point.

CONTENTS.

Rapeseed field, Sheffield.

ABOUT THIS REPORT.

This Central Plains Water Limited (CPWL) Annual Report is for the financial year to 30 June 2024.

CPWL is committed to providing exceptional environmental stewardship of our natural resources, ensuring we manage their sustainability for the long term.

The 2024 Annual Report provides an integrated overview of our social and environmental performance. Our 100-year strategy, governance, and activities continue to create value for shareholders while delivering lasting environmental benefits.

In 2023, we launched our long-term approach to the United Nations Sustainable Development Goals we report on the progress we have made.

CPWL remains committed to strengthening and enhancing relationships with key stakeholders including Papatipu Rūnanga members from Ngāi Tahu including Te Rūnanga o Arowhenua, Te Taumutu Rūnanga, Te Ngāi Tūāhuriri and Wairewa Rūnanga.

Māori words used in this report include: awa – river or stream; he tāngata – the people; kaitiakitanga – stewardship, guardanship or trustee; ki uta ki tai – from the mountains to the sea; mahi – work; mahinga kai – natural habitats, and places where food or resources are, or were, gathered; mauri – lifeforce; mihi – greeting, acknowledgement or tribute; whakapapa – genealogy, linage or descent; whenua – land.

ABOUT CENTRAL PLAINS WATER LIMITED.

CPWL supplies sustainable water that our shareholders use to support agriculture, cropping and seed production, which in turn drives growth that benefits our region, people and the environment.

We operate the largest irrigation system in the South Island, Aotearoa New Zealand. Our irrigation network currently supplies water to 45,000 hectares of Canterbury farmland.

Our irrigation scheme increased the reliability of water flowing to the food-producing farms of the Canterbury Plains. Reliable water not only extends the growing season but enables CPWL shareholder farmers to grow more food and increase the types of crops and animals that they farm.

We work hard to be excellent environmental stewards of the Waimakariri and Rakaia rivers that supply the irrigation scheme, monitoring water take every 15 minutes of every day. We transparently report our results and ensure we comply with all resource consents. Working closely with local district and city councils, our farmers adhere to stringent environmental standards and take a long-term, multigenerational approach to water management.

CPWL is a limited liability company operating under a co-operative philosophy. In 2024, the scheme directly and indirectly contributed a total of $364 million to Canterbury's GDP, generated 2045 jobs for the Canterbury region, and supported many local community projects.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT.

2024

Grant Miller
Chairman and Independent Director

Susan Goodfellow
Chief Executive Officer

Welcome to the twenty-first Annual Report of Central Plains Water Limited. As we look to the future it is appropriate we also take time to reflect on our achievements in designing, consenting, funding, constructing and operating the largest irrigation scheme of its type in New Zealand. What was visionary in its inception has now been brought to reality with the scheme now fully functional and delivering quality outcomes for our shareholders, our community and the environment.

At the heart of our organisation lies a deep awareness of the intergenerational nature of the scheme. The people involved today – our dedicated staff and committed shareholders – recognise the responsibility of creating and maintaining a legacy for the next generation.

Our staff have been an integral part of our journey as we strive to achieve both our near and long-term goals. CPWL prioritises the safety and wellbeing of our people and acknowledges their crucial role in our success.

We endeavour to create and maintain strong stakeholder relationships. Active engagement allows us to develop an understanding of diverse views, identify common ground, and work together from governance to implementation.

CPWL remains committed to delivering operational excellence, stewarding the resources we use, protecting and nurturing them for the next generation.

This enduring legacy is built on the dedication and hard work of those who share our vision and values. Thank you to everyone who has contributed to our journey – your efforts are the foundation of our continued success.

OUR 100-YEAR PLAN.

We are just beginning our journey as a scheme. Our 100-plus-year asset has completed its ninth season of operations, and, as it was developed in stages, it is the sixth season the scheme has been fully operational.

Keeping our eyes toward the future and thinking long term is crucial for CPWL. We will be here to serve our shareholders and community, providing sustainable water for climate-resilient food and fibre production to feed our communities for years to come. With this comes the responsibility to continuously examine what is possible, and how we can further add value to our shareholders and communities.

The Board has developed a 100-year vision and strategy to enable us to develop implementation plans to keep us at the forefront of delivering sustainable water and improving environmental outcomes for the Selwyn Waihora district.

The Central Plains Water Enhancement Scheme was originally established to deliver water enhancement outcomes for the Selwyn Waihora catchment, and irrigation was a part of that solution. In the short time we have been operating, it is rewarding to see that CPWL is on track to deliver these outcomes.

Key issues identified during the Selwyn Waihora community engagement process that informed the Land and Water Regional Plan ten years ago were: degraded water quality, the overallocated state of aquifers, and loss of biodiversity and mahinga kai food gathering opportunities.

As awareness grows, behaviours, attitudes and actions change. In the past twenty years, increased monitoring has led to a deeper understanding of the ways that communities have sustained lives and livelihoods has impacted on our natural resources.

As a result of the community engagement process for the Selwyn Waihora Zone Plan, the aspiration for the Waihora catchment was 'to restore the mauri of Te Waihora while maintaining the prosperous land-based economy and thriving communities'. Supporting this aspiration are nine priority outcomes. CPWL has a key role in delivering these desired outcomes. Ten years has rolled around quickly, and we are now entering the review process, which sees the drafting of a refreshed Regional Policy Statement. We will be actively involved in this process again.

WATER STEWARDSHIP.

WATER QUANTITY.

With CPWL's provision of a sustainable run-of-river water source, farmers have ceased abstracting 50–70 million m^3 of groundwater annually from central Canterbury aquifers, equivalent to over 20,000 Olympic swimming pools. This reduction has led to more consistent flows in lowland streams, enhancing in-stream ecology.

WATER QUALITY.

Decades of land use have impacted groundwater quality, but CPWL shareholders are making strides to improve this. We supply run-of-river water to 45,000 hectares, with approximately half previously irrigated by groundwater. Additionally, CPWL's environmental team manages compliance reporting for 71,000 hectares of shareholders' land through Farm Environment Plans (FEPs). This year, 99% of the 144 independently audited FEPs received an A or B grade, demonstrating their commitment to sustainable land management. That's an outstanding effort.

Nitrate levels in groundwater remain a concern within the upper central Canterbury aquifers, especially in drinking water sources. Since 2013, CPWL has monitored nitrate levels across 20 dedicated bores and 29 surface water sites. While some nitrate levels have increased, others have decreased. We appreciate we need to be patient given we know nitrate levels were expected to increase because of the nitrates 'in the post' from many years ago. Nitrogen loss below the root zone across our FEP management area has reduced by 29% since 2015, demonstrating the positive impact of land management at scale.

BIODIVERSITY.

CPWL adopts a 'from the mountains to the sea ki uta ki tai' approach, focusing on transforming ecosystems across the catchment. Through collaboration with passionate stakeholders, we aim to create a healthy, biodiverse ecosystem. Our Environmental Management Fund (EMF) supports this goal, with $1.6 million invested to date.

At the farm level, shareholders have made significant progress by planting native trees and shrubs and protecting wetlands and streams with riparian planting. We've mapped these projects across the catchment, showcasing them in the Our Impact section of our new website and on the Impact Map in this report.

Site visits with Rūnanga in Q1 and Q2 deepened our understanding of their goals, particularly the importance of mahinga kai. We are now looking to incorporate more opportunities for mahinga kai into our biodiversity programme.

COMPLIANCE AND CONTINUAL IMPROVEMENT.

With so much at stake, our operational compliance remains paramount. We have invested in additional telemetering for all the subservient consent takes located on the Rakaia River. We have also invested in the development of software that will enable us to track all water takes in relation to river flow restrictions which Environment Canterbury will have access to and can monitor. Increasing access to all take data is crucial to ensure compliance is easy to monitor for us and the regulator.

We are continuing to review compliance to make it as user friendly as possible whilst maintaining the good management practice that our scheme consents rely on.

RESILIENCE AND SUSTAINABILITY.

A key focus for CPWL over the past 12 months has been on resilience and sustainability. Providing reliable, sustainable water to shareholders during Rakaia River flood events can be challenging and result in the need to shut down our intake to protect the infrastructure from damage. This means that shareholders have no water during these events and any remediation time after.

CPWL has developed a resilience strategy using a labyrinth weir concept to increase the spill capacity at the Rakaia River intake. This will increase the ability to withstand 3000 cumec flood flows, up from 1200 cumecs, which is our usual shutdown threshold. Modelling shows that this upgrade will potentially reduce outage probability from thirty-two outages in eight years to four outages in eight years.

The concept was announced at the AGM in October 2023, and was constructed during winter 2024, achieving our CPWL mantra of 'on time, on budget'. We showcase the finished labyrinth infrastructure in this report, and highlight the excellent collaboration between the CPWL team, designers and contractors.

We are continuing to explore opportunities for renewable energy to be incorporated into our business and have expanded our review of options to include both solar and small-scale hydro generation.

As you will see in this report, our journey to report our impact through the United Nations Sustainable Development Goals sets a strong foundation for our reporting as we transition to climate disclosure reporting in the coming years.

WATER DELIVERY.

The 2023/2024 summer has been very dry, with a distinct lack of spring and autumn rainfall on the plains and in the Alps. For the Rakaia River supply area, we delivered 166 million m^3 of water this season, of which 66 million m^3 was stored water. This is the second highest season of stored water use on record. The Waimakariri River supply area delivered 13 million m^3 of water. During April, the Waimakariri River was on restriction for an extended period which resulted in the Sheffield Pond reaching an all-time low of 21% of capacity.

Despite these challenging conditions, our run of river scheme is continuing to provide high reliability irrigation water to shareholders.

WATER-USE CHARGE STABILITY.

The cost of water is a constant consideration for the board and the team. A breakdown of the water-use charge shows that 92% of the charge is made up of mandatory or unavoidable expenses. This is largely due to finance costs and operating costs. The remaining 8% of the charge is carefully managed to achieve impact and value for shareholders. This year we have focused on strategic projects and communications that are centred around using the data we have obtained over our nine years of operation. We have received very positive feedback from shareholders, stakeholders and our business partners on this work.

CAPITAL RESTRUCTURE.

Our capital-restructure programme has been progressed over the past 12 months with management and the board dedicating substantial time to evaluating various models to identify the most suitable strategy. We shared the plans with shareholders in September, including an engagement programme to support individuals' understanding of the proposal.

REFINANCING.

As part of our regular financial management, we undertake the refinancing of our bank syndicated loan every five years. We are currently preparing for this process and began discussions with the syndicate in August, aiming to complete the refinance by April next year.

OUR GOVERNANCE.

CPWL Board members (left to right).

Willie Palmer	*Independent Director, Audit and Risk Committee.*
Nicole Godber	*Developing Director.*
Simon Le Heron	*Shareholder Director, Audit and Risk Committee.*
Bruce Gemmell	*Independent Director, Audit and Risk Committee Chairman.*
Grant Miller	*Independent Director and Chairman, Audit and Risk Committee, and REM and Appointments Committee.*
Tim Cookson	*Shareholder Director, Audit and Risk Committee.*
Jenny Geddes	*Shareholder Director, REM and Appointments Committee.*
Stuart Wright	*Shareholder Director, REM and Appointments Committee Chairman.*
Tony Coltman	*Shareholder Director, REM and Appointments Committee.*

SAFETY.

The health and safety (H&S) of our team remains CPWL's top priority. This year, we have dedicated significant efforts to refreshing our H&S programme to ensure it meets the highest standards. We have implemented comprehensive training sessions aimed at increasing staff awareness and engagement in safety practices. By fostering a culture of safety and proactive risk management, we are committed to providing a secure and supportive working environment for all employees. Our enhanced H&S programme protects our team and drives operational excellence.

A FINAL WORD.

We extend our deepest gratitude to our team. Your unwavering dedication, enthusiasm and hard work have enabled our success this year. To our staff, who consistently go above and beyond, and to our shareholders, who support our vision, thank you. Your commitment to our goals and values is instrumental in shaping the future for CPWL. Together, we are building a legacy that will endure for generations to come. Thank you for your invaluable contributions and continued support.

Grant Miller
Chairman and Independent Director.

Susan Goodfellow
Chief Executive Officer.

Rakaia intake point.

CHIEF FINANCIAL OFFICER'S REPORT.

CPWL is reporting a loss after tax of $7.95 milion and a loss before tax of $7.92 million. As in previous years, the reported loss arises from the significant ongoing depreciation charge of $11.3 million associated with such a high value base infrastructure. This loss does not represent a cash deficit as evidenced by the positive cashflow from operations of $6.7 million.

The strong cashflow enabled CPWL to readily fund both its operating and financing cost obligations. Furthermore, it also allowed CPWL to fund the construction of this year's flagship project, the labyrinth weir, without having to take on additional debt. The labyrinth weir is the largest single addition to the infrastructure since the scheme became fully operational and significantly adds to the scheme's level of resilience and reliability of supply.

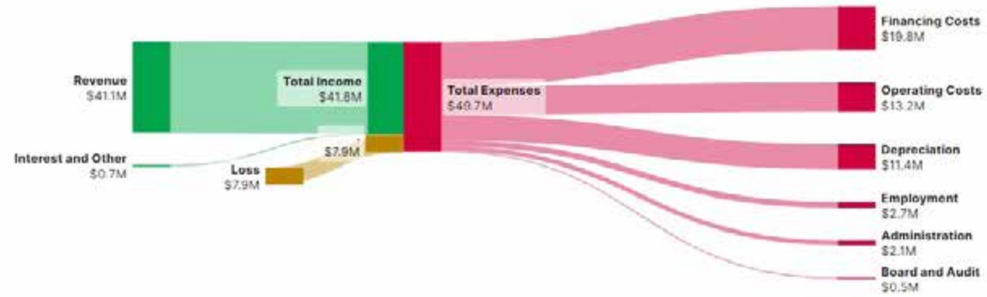
An increase in reported operating expenses reflects the effect of a very dry season. This resulted in additional pumping causing CPWL's electricity cost to increase by over $1 million compared to last year. The dry season also resulted in higher level of stored water demand creating an additional $1.3 million of cost.

Over the course of the year CPWL repaid $4.2 million of debt. CPWL's current funding facility matures in April 2025 and work has begun on this upcoming refinance opportunity. All indications are positive with lenders demonstrating a willingness to continue to support the CPWL into the future.

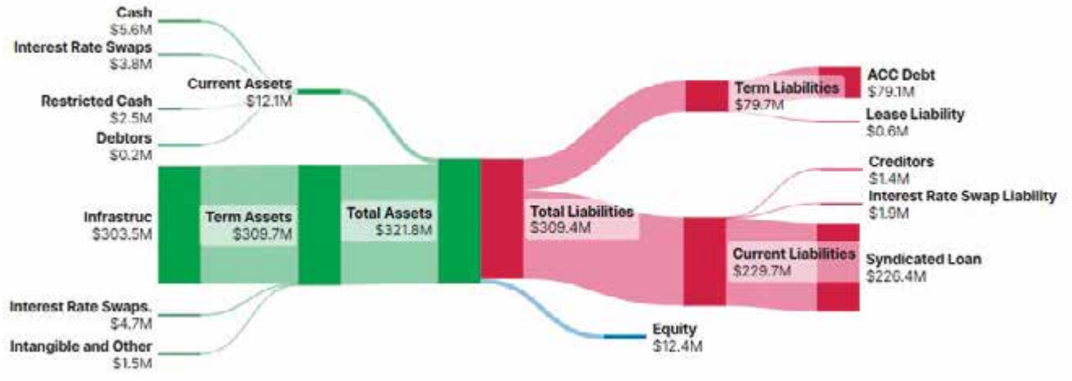
Shareholders were again insulated against the high interest rate environment during the financial year through the use of interest rates swaps which effectively converted CPWL's floating rate debt into a fixed rate borrowing averaging an all-up interest rate of 5.4% which is a more favourable rate than in the absence of hedging.

Mark Vermeeren
Chief Financial Officer.

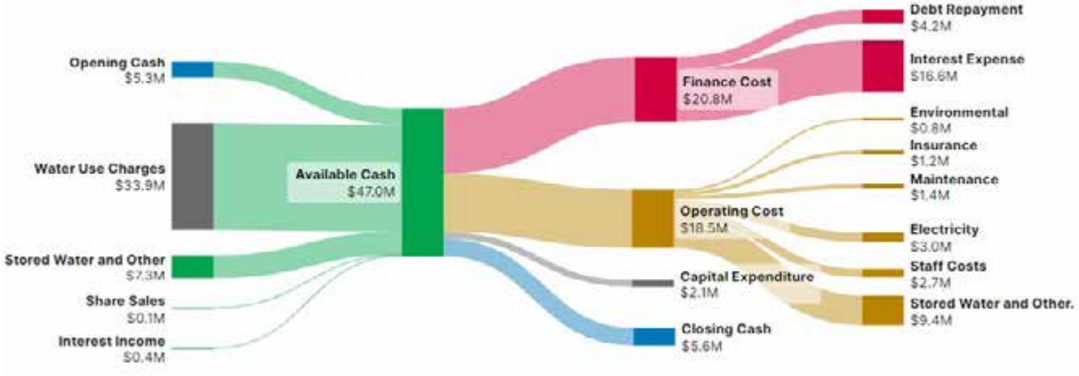
CPWL FY24 INCOME STATEMENT.



CPWL FY24 BALANCE SHEET.



CPWL FY24 CASH FLOW STATEMENT.



2024 KEY NUMBERS.

OUR PERFORMANCE IN THE 12 MONTHS TO 30 JUNE 2024.

$41 MILLION
ANNUAL RECEIPTS
From shareholders.

$12 MILLION
EQUITY.

$4.2 MILLION
DEBT REPAID.

$303 MILLION
SCHEME BOOK VALUE.

$342 MILLION
DIRECT EXPENDITURE*
From CPWL and shareholders.

$364 MILLION
CONTRIBUTION TO GDP*.

2,045 FULL-TIME
EQUIVALENT JOBS*.

45 THOUSAND
HECTARES OF LAND IRRIGATED.

71 THOUSAND
HECTARES OF LAND MANAGED VIA CPWL FARM ENVIRONMENT PLANS.

29% LESS NITROGEN
LOST BELOW THE ROOT ZONE COMPARED TO PRE-SCHEME.

179 MILLION M³
WATER DELIVERED
SEASON 9.

LABYRINTH WEIR CONSTRUCTION ADVANCED
Delivered for season 10.

317 WATER-MONITORING SAMPLES TAKEN.

99.3% AUDIT GRADE
A OR B GRADE INDEPENDENTLY AUDITED FARM ENVIRONMENT PLANS ON CPWL FARMS.

144 FARM ENVIRONMENT PLAN
AUDITS COMPLETED.

100% OF CPWL SHAREHOLDER FARMS ACHIEVING THEIR NITROGEN LOSS REDUCTION.

*Figures from the CPWL Business and Economic Research Limited Report (BERL) 2024.

DELIVERING ON OUR 100-YEAR STRATEGY.

As a business, we seek to collaborate and engage with stakeholders to explore ideas and achieve vibrant, respected and sustainable solutions.

PURPOSE.

To create collaborative catchment and community-based solutions that transform lives and livelihoods while maintaining and enhancing natural resources for future generations.

VISION.

Sustainable water growing our world.
Mā te tauwhiro wai ka tipu tō tātou ao.

MISSION.

To supply sustainable water for agriculture, enhance value for our shareholders, and support farming communities and the environment.

STRATEGIC PRIORITIES.

- Secure scheme reliability.
- Climate adaptation.
- Mountains to the sea ki uta ki tai.

PEOPLE.

- Focused on operational excellence.
- Global expertise delivered locally.
- Striving for growth and innovation.
- Driven by purpose and values.

VALUES.

- We do what is right.
- We do what we say we will do.
- We interact with the environment in a way that ensures future generations can flourish.

HOW WE ADD VALUE.

We deliver value by fostering sustainable economic growth, enhancing community and cultural connections, and safeguarding environmental resources. Our commitment to social responsibility and innovation ensures long-term returns, aligning with our core values of integrity and reliability.

RANGATIRATANGA OVER FRESHWATER.

Enhance partnerships with Papatipu Rūnanga through mindful stewardship and cultural awareness for lasting collaborative success.

COLLABORATION AND PARTNERSHIPS.

Foster resilient decision-making, embracing a catchment approach, prioritising reputation and shareholder satisfaction.

PEOPLE AND PROTECTION.

Cultivate a culture where people thrive and are driven by a shared passion for co-created outcomes.

GROWTH AND DIVERSIFICATION.

We contribute to community resilience and prosperity by delivering value, managing risks effectively, and embracing an agile approach.

INTERGENERATIONAL INFRASTRUCTURE.

We build and sustain resilient intergenerational infrastructure striving for efficiencies, leveraging data for continuous improvement.

SUSTAINABILITY.

We raise the bar by driving continuous climate resilience and best practice to deliver environmental benefits and enhancement.

INNOVATION AND ADAPTATION.

A future-focused, world-class business leading the way across sustainability, diversity, operational practice and technology.

THESE SEVEN TENETS UNDERPIN THE DELIVERY OF OUR 100-YEAR STRATEGY.

PROGRESS ON THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS.

Our vision for sustainable development is consistent with the spirit of the United Nations 2030 Agenda, which outlines a shared blueprint for peace and prosperity for people and the planet, now and into the future.

The United Nations' 2030 Agenda for Sustainable Development serves as a collective blueprint for achieving a better and more sustainable future for all. It challenges us to deliver integrated and balanced social, economic and environmental outcomes.

CPWL contributes to achieving 11 of the 17 Sustainable Development Goals (SDGs) most relevant to New Zealand. Our action plan is structured around our seven intergenerational tenets. The actions listed below are either underway or have been completed this year.

RANGATIRATANGA OVER FRESHWATER.

Enhance partnerships with Papatipu Rūnanga through mindful stewardship and cultural awareness for lasting collaborative success.

Cultural awareness.

We are open and engaged in the world and are developing our awareness of cultural values across social, environmental and business aspects.

- **Te Reo Māori Cultural Confidence programme and language lessons.**
- **Engagement with Papatipu Rūnanga.**

See Our People section.

Stewardship.

We are looking to help positively transform ecosystems within our catchment. Our core aim is to build collaborative connections and inspire action to create a healthy ecosystem with biodiversity restored.

- **Improving water use efficiency on farms through soil moisture monitoring programme.**
- **Near River Recharge project. See cpwl.co.nz/case-studies.**
- **EMF funding to increase indigenous planting and the presence of threatened species.**

See Our Place section.

Strategic partnerships.

Stakeholders share a vision to 'restore the mauri of Lake Ellesmere, Te Waihora, while maintaining a prosperous community'.

- **Lake Ellesmere, Te Waihora Environmental Management Fund and sea openings required to keep Lake Ellesmere, Te Waihora, connected to the sea, enabling mahinga kai.**
- **Ngāi Tūāhuriri and Te Taumutu Rūnanga on-site visits to build shared understanding.**

See Our Place section.

COLLABORATION AND PARTNERSHIPS.

Foster resilient decision-making, embracing a catchment approach, prioritising reputation and shareholder satisfaction.

Catchment approach.

We are committed to stakeholder collaboration to improve outcomes for the Selwyn Waihora catchment.

- **Engaged with catchment groups to form a coordinated approach to achieving environmental outcomes.**
- **Twelve-year catchment-wide water monitoring to track changes.**

See Our Place section.

Shareholder satisfaction.

Supplying cost-effective water while enhancing outcomes.

- **Delivering shareholder water ordering training.**
- **Supporting shareholders preparedness for FEP audits.**

Reputation.

Our communication strategies and tools enable transparent, data-informed reporting.

- **Communication tools created to provide transparent reporting on annual outcomes through our website, compliance reports and operating data.**

PEOPLE AND PROTECTION.

Cultivate a culture where people thrive and are driven by a shared passion for co-created outcomes.

Culture.

To further develop our equality, diversity and inclusion roadmap to build an internal and external culture that embodies diversity, values empathetic leadership and modern work practices.

- **We're committed to Creating an environment that maximises our team's potential and aligns with our long-term values.**
- **Engage transparently with stakeholders to achieve 'sustainable water growing our world' outcomes collaboratively.**

See Our People section.

Unleashing capability.

Implementation of a personal-development roadmap to create a workplace that enhances capabilities across our team.

- **Cultivate an environment where every team member feels empowered to grow, innovate, and position CPWL as a world leader in sustainable water management.**

See Our People section.

Safety and wellbeing.

A proactive safety culture roadmap is underway to facilitate continuous improvement in health and safety practices and behaviours.

- **We have redoubled our efforts to cultivate a robust health and safety culture, undertaking a full external review of our top ten critical risks, plans, processes and policies.**
- **Annual well-being survey completed.**

See Our People section.

GROWTH AND DIVERSIFICATION.

We contribute to community resilience and prosperity by delivering value, managing risks effectively and embracing an agile approach.

Value.

CPWL has a significant role to play in food security.

- **Our infrastructure ensures water supply reliability for agricultural production, which drives higher yields and maintains Canterbury's food production and exports.**

See page 20.

Risk.

CPWL adopts an evidence-based approach to sustainable farming practices that align with local and national government regulations.

- **100% of CPWL farms have an independently audited FEP.**
- **144 FEP audits achieved 99.3% A & B grades.**
- **Ballance MitiGator Maps offer shareholders a valuable tool.**

See Our Place section.

Agile.

CPWL identifies risk and rapidly acts to implement mitigation strategies.

- **Climate resilience initiative – labyrinth weir project, concept to completion.**

See page 22.

PROGRESS ON THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS CONTINUED.

INTERGENERATIONAL INFRASTRUCTURE.

We build and sustain resilient intergenerational infrastructure striving for efficiencies, leveraging data for continuous improvement.

Reliability.

Ongoing evaluation to enhance reliability opportunities.

- **Investigating renewable energy to decarbonise supply and mitigate price risks.**
- **Labyrinth weir significantly improves scheme reliability, supporting the region's economy and food security.**

See page 22.

Climate resilience.

Our climate resilience strategy addresses infrastructure, weather, emergency preparedness, and habitat modification.

- **We've advanced our resilience strategy by developing flood modelling.**

See Our Place section.

Infrastructure safety.

We implement our asset management strategy to optimise asset lifecycle and safety.

- **Upgrades to CPWL infrastructure enhance staff safety, including installing stiles for safe farm access.**
- **Automation of canal siphons allows for remote operation.**

See Our People section.

SUSTAINABILITY.

We raise the bar by driving continuous climate resilience and best practices to deliver environmental benefits and enhancements.

Benefits.

Sustainability weaves economic, social and environmental factors into our 100-year strategy.

- **From mountains to the sea ki uta ki tai, our multi-stakeholder catchment approach invites the entire community to join us in fostering environmental benefits and thriving ecosystems.**

See Impact Map page 26.

Performance.

The operations of CPWL have a profound impact on the wider Canterbury economy.

- **The 2024 economic performance of CPWL shareholders delivered $364 million to Canterbury's GDP, generated 2,045 jobs for the region and supported many community projects (per 2024 BERL report).**

See Year at a glance on page 10.

Enhancements.

CPWL invests in strategic asset and environmental enhancement intiatives:

- **Lincoln Agritech Food and Fibre Futures project.**
- **Improving the functional resilience of infrastructure through knowledge transfer and asset maintenance programme.**
- **Quantify investment in catchment biodiversity enhancements.**
- **Case studies on projects awarded EMF funding.**

See Our Place section.

INNOVATION AND ADAPTATION.

A future-focused, world-class business leading the way across sustainability, diversity, operational practice and technology.

System resilience.

Strengthening the scheme's resilience to adapt to environmental changes and integrating technology and new thinking that prioritises sustainable practices to ensure long-term operational excellence and secure water delivery for future generations.

- **CPWL has supported Lincoln Agritech's application to the Sustainable Food and Fibre Future project. This project entails installing soil moisture sensors on centre-pivot irrigators to record the soil moisture as the centre-pivot moves.**

See Our Place section.

Efficiencies.

Driving operational efficiencies that maximise shareholder value while minimising costs, CPWL leverages innovation to ensure sustainable water use and deliver long-term economic and environmental returns.

- **Automation of processes to achieve operational efficiencies.**
- **Internal knowledge transfer within CPWL team.**

Data insights.

Utilising data insights to refine operations CPWL enhances water management accuracy, reduces overheads, and supports informed decisions, driving sustainable growth and delivering measurable benefits to shareholders.

- **Data insights project underway.**
- **Digital initiatives launched to enhance communication and oversight of shareholder water use and utilisation.**

See Our Product section.

OUR CARBON FOOTPRINT.

CPWL has a goal of lowering our emissions, which is reflected in our 100-year strategy.

As we work towards reducing emissions, it is critical the right environmental and investment decisions are made. Our focus areas to deliver on our emissions reduction goal in the near-term are to: investigate renewable electricity source(s) to reduce emissions and provide long-term price certainty.

CARBON FOOTPRINT 2023/2024 tCO2e.

TOTAL: 1333.02 tCO2e.

SOLAR ENERGY AT TURNOUTS.

Each of our 319 farm turnouts is powered by solar energy with battery storage, reducing energy consumption at scale. These turnouts efficiently connect farm irrigation systems to our scheme, ensuring sustainable water delivery.

IMPACT OF CPWL WATER ON AGRICULTURE.

As New Zealand's largest agricultural region, Canterbury's success is driven by abundant farmland, a conducive climate and a reliable water supply, supported by innovative, sustainable, world-class farming.

CPWL AND CLIMATE ADAPTATION.

CPWL is central to Canterbury's climate adaptation strategy. Our delivery of a reliable, sustainable water supply helps to ensure agriculture thrives despite changing conditions, fostering the long-term resilience of the region.

IMPACT OF CPWL WATER ON AGRICULTURE.

CPWL's water supply has transformed central Canterbury's agricultural landscape. Previously, 21,436 hectares relied on pumping water from the aquifers for irrigation. Converting to CPWL surface water has reduced the impact on aquifers, improved energy efficiency while maintaining crop yields.

The 23,564 hectares that was dry-land and dependent on rain, is now irrigated via the CPWL scheme. Production from this now irrigated land is significant and contributes to meeting the needs of a growing population and boosting the region's economy.

The 2023/2024 season was dry and despite the green paddocks, Canterbury is in a 'green drought'. National Institute of Water and Atmospheric Research (NIWA) data indicates central Canterbury had soil deficits of up to 110mm of rain.

IMPACT ACROSS 23,564 HECTARES OF FORMER DRYLAND.

To showcase the impact of reliable water, the AgriBusiness Group Ltd calculated production metrics for the 23,564 hectares of former dryland, comparing '**with**' and '**without**' CPWL water. The results show substantial yield increases directly attributed to the availability of CPWL water.

WITHOUT CPWL WATER.	WITH CPWL WATER.	NET GAIN FROM CPWL SCHEME.
33.89 million litres **MILK.**	**475.46** million litres **MILK.**	**441.57** million litres **MILK.**
0.86 million kilograms **BEEF.**	**2.08** million kilograms **BEEF.**	**1.22** million kilograms **BEEF.**
9.41 million loaves **BREAD.**	**12.29** million loaves **BREAD.**	**2.88** million loaves **BREAD.**

Source: The AgriBusiness Group Ltd.

RESILIENT FLOOD MANAGEMENT WITH INNOVATIVE DESIGN.

THE RAKAIA INTAKE LABYRINTH WEIR.

The labyrinth weir is a multi-generational asset that significantly increases the resilience of the scheme in times of flood.

OVERVIEW.

Since becoming operational, the Rakaia intake has faced several flood events which have impacted our ability to deliver water. During these events, the fuse plug (a gravel embankment) is engineered to blow and release floodwater back into the river to protect the scheme's infrastructure. However, this process has historically led to some extended disruptions in water delivery, as we are required to wait for floodwaters to recede before we can safely reinstate the fuse plug.

The first in-river labyrinth weir of its kind in New Zealand was constructed during the off-season of 2023/2024. The goal of the multi-generational weir is to increase the resilience of the scheme by reducing the frequency and duration of flood events impacting operations. The weir will increase the scheme's ability to withstand floods from approximately 1200 cumecs up to 3000 cumecs in a controlled manner and return the water safely back into the river.

CONSTRUCTION AND DESIGN EXCELLENCE.

Labyrinth weirs are complex hydraulic structures widely used by water schemes around the world to handle high-flow events. The $1.7 million engineering project faced tight timelines from design to completion, with commissioning required before the start of the irrigation season in the first week of September 2024.

A key factor in the success of this project was the seamless collaboration between multidisciplinary teams. Designers, contractors and the CPWL team worked closely to ensure the project's innovation potential, sustainability and constructability were fully optimised. By leveraging the significant experience and capability of our CPWL team in managing large construction projects, we ensured that all procurement, project risks, quality and construction issues were managed successfully, resulting in the project being delivered safely and ahead of schedule.

Engineers meticulously designed the labyrinth weir to meet the site's specific requirements, determining the optimal size, shape and number of labyrinth cycles needed to effectively manage water flow. Continuous communication and knowledge-sharing among the teams facilitated problem-solving and adaptive strategies, crucial for overcoming challenges. Monitoring weather conditions and flood risk during construction was essential, as any flood could disrupt the site. Pre-casting 80% of the structural elements offsite minimised the risk and achieved higher quality control, allowing the concrete components to cure under ideal conditions. This strategy not only reduced on-site construction time but also reduced environmental impact.

The labyrinth weir's angled or zigzagging weir panels provide a greater weir length within the channel and therefore greater spill capacity than a straight weir.

Located upstream from the Rakaia intake, the labyrinth weir spills excess water back into the Rakaia River.

Winter provided a short timeframe for placement and finishing of the structure.

CPWL Board visit to the site in June 2024.

HEALTH AND SAFETY.

Safety initiatives were implemented in all phases of the project, including mandatory risk workshops and stringent contractor health and safety management requirements. The project was completed with zero serious harm incidents throughout construction.

ADDRESSING CLIMATE CHANGE.

The labyrinth weir is engineered to withstand changing weather patterns, reducing the frequency of potential scheme outages for floods of less than 3000 cumecs. This ensures operational reliability and supports the long-term sustainability of regional agriculture.

SUSTAINABILITY AND THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS.

Sustainability was at the heart of construction, with environmental planning and consultation a core tenet of the project. Sustainable infrastructure provides low-carbon productivity gains by working to provide critical water, enabling the production of food and fibre. By integrating sustainable design, the labyrinth weir will contribute to achieving the United Nations Sustainable Development Goals, delivering long-term benefits to society and the environment.

LABYRINTH WEIR IN NUMBERS.

11 MONTHS
FROM BOARD APPROVAL TO COMPLETION.

$1.7 MILLION
TOTAL PROJECT COST.

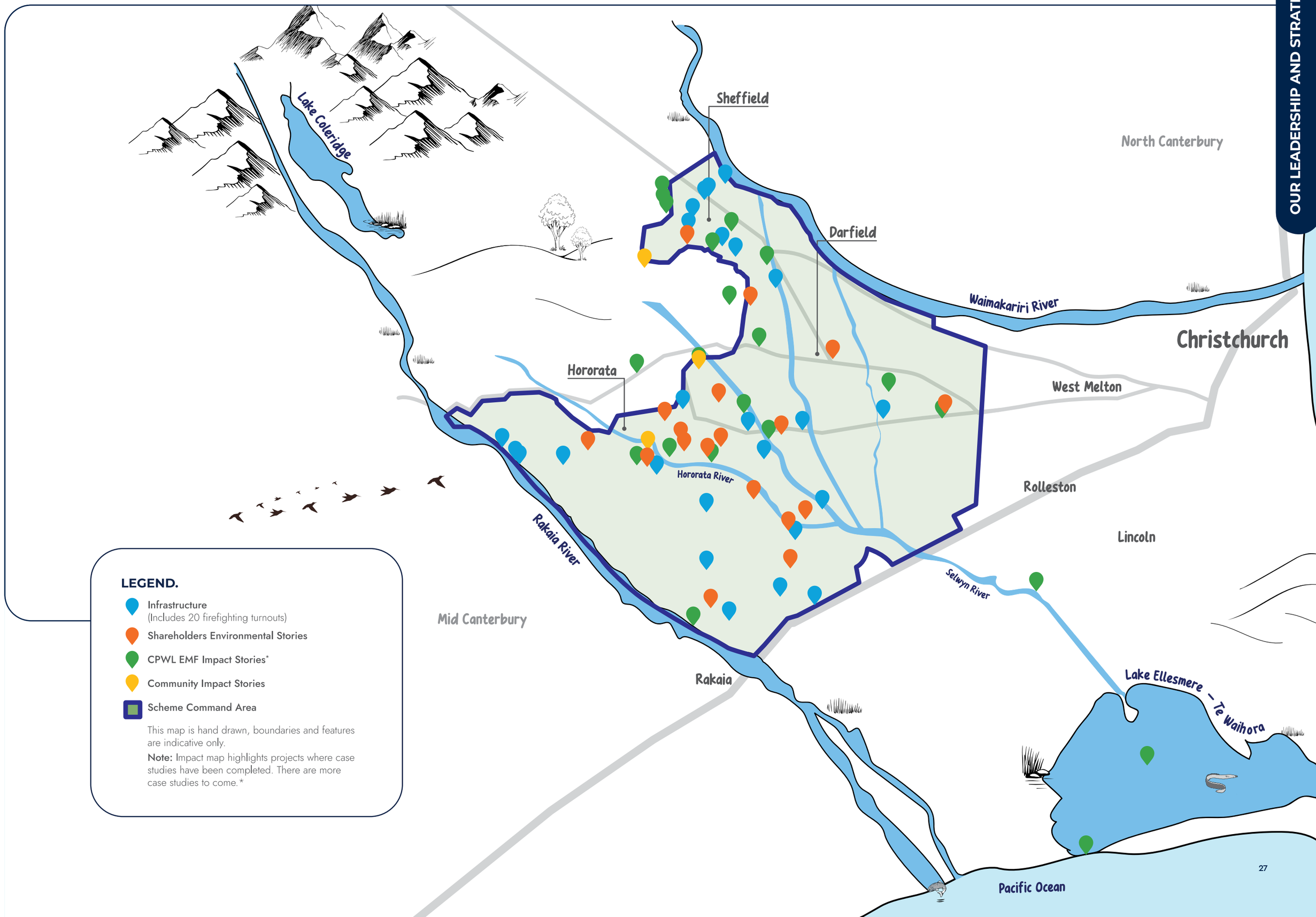
100% COMPLIANT
WITH CPWL'S CONSENTS.

28 PRE-CAST PANELS.

250 METRES LONG
IF STRETCHED IN A STRAIGHT LINE.

CPWL PROJECT PARTNERS.

Hamish Tait Projects Ltd — Project Manager.
Riley Consultants Ltd — Design Engineers.
Taylors Contracting Co Ltd — Contractor.
Smith Crane & Construction Ltd — Subcontractor, concrete prefabrication.



LEGEND.

- Infrastructure
  (Includes 20 firefighting turnouts)
- Shareholders Environmental Stories
- CPWL EMF Impact Stories*
- Community Impact Stories
- Scheme Command Area

This map is hand drawn, boundaries and features are indicative only.

Note: Impact map highlights projects where case studies have been completed. There are more case studies to come.*

OUR PEOPLE.

> Our future is bright, and our strategic priorities are clear – the commitment and expertise of our people will ensure our success as we look forward to the year ahead with confidence.
>
> *– Susan Goodfellow, CEO*

OUR PEOPLE HE TĀNGATA.

A PROUD, SAFE AND MOTIVATED WORKFORCE.

As a multigenerational enterprise, we embody a long-term vision in all that we do. Our commitment is clear: to provide reliable and efficient water across the scheme while adhering to environmental standards, to preserve the lasting value of our assets, and to create meaningful value for our community. This isn't just our business; it's a legacy we're building for future generations.

We play to the strengths of our high-performing and diverse team. We are creating a work environment at CPWL that brings out the best in all our people and ensures alignment with our 100-year strategy and values.

We are committed to working for the good of our people, our environment, our communities and our shareholders. We have a high-calibre, diverse workforce with a variety of skills, perspectives and capabilities, and the health and safety of all people who interact with the scheme is paramount.

Our people seek to deliver our four key strategic aspirations:

- **driven by purpose and values.**
- **focused on operational excellence.**
- **global expertise delivered locally.**
- **striving for growth and innovation.**

To efficiently supply sustainable, reliable and cost-effective water for food and fibre production while continuing to explore how we can deliver greater and more diverse value to our shareholders and local communities.

> CPWL is powered by its people. Their combined hard work, ideas and energy enable our organisation to thrive. It's our responsibility to ensure that people who work for us and with us are kept safe and supported, and are valued at all times.
>
> *– Andrew Broughton, Engineering Manager*

COMMITTED TO HEALTH AND SAFETY.

CPWL's people are its greatest strength and maintaining a safe workplace underpins everything we do. This year, we have redoubled our efforts to cultivate a robust health and safety culture that ensures high engagement across our team.

Creating a safe working environment is a non-negotiable responsibility shared by all team members, at all levels of the business, always. This culture of personal safety is fostered by taking ownership and responsibility, developing the right behaviours and building appropriate procedures, policies and systems.

HOME SAFE AND WELL EVERY DAY.

The critical importance of operational safety is embedded throughout our business, and underlies our genuine care for our team and our understanding of the long-term impacts that critical incidents can have on our operations.

Over the past year, we have continued improving our work, focusing on improving critical risk management. Examples of specific initiatives undertaken include:

Critical risks review.

This year we undertook a full external review of our top ten critical risks and the management plans, processes, procedures and policies we have in place to manage those risks. This review has led to several operational improvements as well as the development of longer-term safety improvements.

Defensive driver training.

Driving is one of our critical risks. Our team travel in vehicles every day, throughout the scheme and in all weather. This year, we updated our vehicle and driver policies to improve driver safety, and our team took part in a Safe Driving workshop followed by one-on-one practical driving assessments to better understand risks when driving.

Hazardous substances management.

We have reviewed our hazardous substances management risks, processes and procedures. Our maintenance technicians have completed task-specific training, including Growsafe chemical handling and mask respirator training.

Confined space management.

Our confined space critical risk has been fully reviewed. We have revised our operating policies and procedures around confined space management and confined space entry across our all our infrastructure.

Toolbox talks.

Our regular toolbox talks are short safety meetings. They provide a way for the team to communicate with each other about any safety concerns and can help to identify potential hazards. Forty-one toolbox talks were held during the year, covering topics from driving safety to working in challenging weather and site-specific hazards. The toolbox meetings also give the team the opportunity to raise questions and to share technical expertise with the wider group.

Operations staff on site.

For our people working in the field, we have streamlined our health and safety systems to enable more efficient pre-work safety reviews and better reporting to supervisors, management and health and safety governance. We continue to improve these systems as opportunities for better ways of working are identified.

Fish being returned into the Rakaia River.

WELLBEING.

The annual irrigation season from 1 September to 31 May always brings additional pressure for our business. During this busy time, we have remained vigilant in our commitment to the wellbeing of our team.

We continue to make improvements to the way we work. This year, these have included:

- **improved after-hours alarm and callout monitoring and reporting for maintenance technicians to better manage fatigue.**
- **simplifying our health and safety software, with personal pre-start check-ins to help us ensure the health, safety and wellbeing of our team the moment they start the day.**
- **ensuring people are rested, that leave is being used and a range of bespoke support is available as required.**

Wellbeing initiatives available include:

- **wellbeing assessments and 'check-ins' on devices before starting work.**
- **active fatigue-indicator reporting for staff undertaking after-hours callouts.**
- **Employee Assistance Programme services.**
- **wellbeing days.**
- **flu vaccinations.**

DEVELOPMENT DISCUSSIONS.

This year we successfully conducted development discussions with all staff, incorporating 360-degree feedback. This comprehensive approach provides a well-rounded view of each employee's performance, highlighting both strengths and areas for development and fostering a culture of continuous improvement, as well as empowering them with clear, actionable insights to enhance their professional growth.

TE REO MĀORI.

With the foundation built through our Te Reo Māori Cultural Confidence programme, we are continuing our journey by offering further development in te reo Māori to our people. This supports our team in their engagement with stakeholders and the community. Activities have included learning sessions both in-person and online for our team to create and practise their mihi, sharing te reo Māori translations of placenames and key phrases, and learning about Māori culture and heritage.

CAREER PATHWAYS.

CPWL adopts a progressive approach to upskilling and team development. Our in-house expertise enables an agile approach to operations.

JOHN ARENAS.

Environment Monitoring Specialist.

John joined CPWL as a Maintenance Technician in 2022, working a 24/7 roster within the maintenance and engineering team, ensuring that the water was flowing to shareholders during the irrigation season. Throughout John's career as a dairy farm manager, he developed a passion for the environment, which led to the farms he managed having exceptionally good outcomes with their farm environmental audits.

Twelve months after joining CPWL, an opportunity arose for John to follow his passion for the environment and compliance in the agricultural industry, and he took a role with our environmental team as Environmental Monitoring Specialist. In this role, John works across the CPWL teams, contractors and suppliers to ensure that all activities are compliant with our consents and that CPWL protects the environment in which we operate.

This is a crucial role that tightly integrates the environmental, consenting and compliance functions of CPWL within the Water Delivery, Engineering, Asset Management and Maintenance teams.

NICK WILSON.

Maintenance Technician.

Nick joined the CPWL team as a Maintenance Technician in 2023. Growing up on an extensive sheep and beef farm in Otago and going on to live and work on Canterbury farms, Nick has extensive knowledge of using irrigation and water ordering on the farm.

Nick plays a key role in ensuring our irrigation and our winter maintenance work programme runs smoothly, safely and on time. Nick brings a practical, pragmatic and farmer-focused approach to his work, and often draws on his rural upbringing. Many of the CPWL team have a rural heritage which is inherent in the way we operate and work with our shareholders, and this knowledge helps CPWL to better understand the challenges our shareholders face.

Since joining CPWL Nick has enjoyed working with the team to ensure the scheme is delivering in all areas, including water delivery and environmental monitoring. This includes looking for ways to improve water efficiency and reliability and to help extend the life expectancy of the scheme's infrastructure.

KIM VAN DEN BEUKEN.

Environmental Advisor.

Kim joined CPWL in 2019 as an Environmental Intern while completing a Bachelor of Environment and Society degree at Lincoln University, majoring in Environmental Management and Water Management. This hands-on experience gave Kim an insight into where her degree could lead, and an appreciation of the environmental requirements faced by our farmers.

After completing her degree, Kim joined the CPWL environmental team as Business Support and Environmental Administrator, and in 2022 she progressed into the role of Environmental Advisor. Kim's main focus is assisting shareholders and farm managers with on-farm environmental compliance such as nutrient management and keeping up with new rules and regulations, and supporting shareholder farmers to put their best foot forward for their FEP audits.

Kim relishes getting out on the farm and learning about each individual farm business. She sees it as a real privilege to be able to see all the farmers' innovation and initiatives first hand.

OUR PEOPLE – 2024 KEY NUMBERS.

IN THE 12 MONTHS TO 30 JUNE 2024.

TEAM GENDER SPLIT.

39% FEMALE.
61% MALE.

21
TOTAL EMPLOYEES.

LEADERSHIP TEAM GENDER SPLIT.

57% FEMALE.
43% MALE.

2
EMPLOYEES
HAVE WORKED FOR CPWL FOR OVER 10 YEARS.

514
HOURS
CAREER DEVELOPMENT, ENVIRONMENT, SUSTAINABILITY AND SHAREHOLDER TRAINING.

180
HOURS
HEALTH AND SAFETY TRAINING.

694
TOTAL TRAINING HOURS
REDUCING CPWL'S RELIANCE ON EXTERNAL CONTRACTORS.

WE'RE NOTHING WITHOUT OUR PEOPLE.

WE'VE ASSEMBLED A DIVERSE, TALENTED AND PASSIONATE WORKFORCE WITH THE BEST KNOWLEDGE AND SKILLS TO DRIVE OUR BUSINESS FORWARD.

> I knew the water would make a difference, but I can't believe how much of a difference it has made.
>
> *– Stuart Wright, Shareholder, CPWL*

OUR PRODUCT.

WATER DELIVERY.

WHERE POSSIBILITY FLOWS.

Our operations are driven by our dedicated water delivery, engineering and maintenance teams, who ensure that CPWL's water delivery system operates smoothly and efficiently, adhering to compliance standards throughout the year. This ongoing commitment also allows us to undertake critical maintenance to ensure CPWL's water delivery operates reliably. Our continuous improvement approach to operations positions us well to identify and undertake upgrades to our assets, systems and processes that further support our shareholders in their business operations.

Our operations approach is aligned with our core values and focuses on:

- **mitigating risks and ensuring the safety and reliability of infrastructure in the short, medium and long term.**
- **providing a reliable supply of sustainably sourced water to shareholders.**
- **ensuring adherence to resource consents and monitoring all water takes.**

The core values guiding our operations are:

- **Safety:** Undertaking all our work in a way that ensures the safety of our people, contractors, shareholders, farmers and the public.
- **Integrity:** Committing to ethical and responsible actions and decisions.
- **Reliability:** Delivering on our promises. We do what we say we will do.
- **Sustainability:** Engaging in practices that promote long-term ecological balance and conservation for future generations to flourish.

Our approach to water delivery is informed by our core values and our licence to operate and is governed by individual Water Use Agreements with our shareholders.

SEASON NINE WATER DELIVERY.

CPWL plays a critical role in the delivery of sustainable irrigation water to 45,000 hectares of farmland.

The summer 2023/2024 growing season in Canterbury faced significant challenges due to adverse weather conditions. The irrigation season was marked by a lack of spring and autumn rainfall across the plains and in the Alps, and the ninth hottest summer since records began resulted in river restrictions impacting on our ability to take run-of-river water. The highly variable temperatures were exacerbated by an increase in norwest winds, which led to lower-than-usual soil moisture levels. The higher demand for irrigation water under the 'take and use' water consents reinforced the importance of our ability to access stored water from Lake Coleridge when the Rakaia River is on restriction.

This season, CPWL delivered 179 million m^3 of reliable water for agriculture, cropping and seed production, which in turn has driven growth that benefits our region, people and the environment.

STORED WATER MANAGEMENT.

The CPWL scheme relies on run-of-river water, which is on average approximately 65% reliable. To make the scheme economically viable, it is crucial to have water storage available to increase reliability to at least 98%. As an irrigation company without in-scheme water storage in the Rakaia supply area, CPWL depends on Lake Coleridge, owned and operated by Manawa Energy Ltd (MEL), for stored water.

CPWL has an agreement with MEL to store water in Lake Coleridge and release it back to the river based on CPWL's aggregated orders from shareholders. The water is released into the Rakaia River through the Coleridge Power Station, generating electricity as it travels from the lake to the river. From there, it flows down the Rakaia River to the CPWL diversion intake. Shareholders pay for this contracted water, and daily monitoring of river flows and restrictions set by Environment Canterbury ensures efficient and reliable access to water for CPWL shareholders. This supports agriculture, cropping and seed production in the Canterbury region while also allowing MEL to generate renewable electricity. During the 2023/2024 irrigation season, 66 million m^3 of stored water was delivered from Lake Coleridge.

SHEFFIELD STORAGE POND.

The Waimakariri supply area is approximately 4,300 hectares and uses water from the Waimakariri River. The water is stored in the Sheffield storage pond, which covers a footprint of approximately 20 hectares and holds 2 million m^3 of water.

During April, the Waimakariri River was on restriction for an extended period, which resulted in the Sheffield storage pond lowering to 21% of capacity, a first for the scheme.

Sheffield storage pond.

SEASON NINE – KEY NUMBERS.

IN THE 12 MONTHS TO 30 JUNE 2024.

166 MILLION M^3
RAKAIA.
INCLUDES STORED WATER (LAKE COLERIDGE) 66 MILLION M^3

13 MILLION M^3
WAIMAKARIRI.

179 MILLION M^3
TOTAL.

239
TOTAL IRRIGATION DAYS
SEASON 9.

157
RAKAIA RIVER RESTRICTION DAYS
48 FULL DAYS,
109 PARTIAL DAYS.

87
WAIMAKARIRI RIVER RESTRICTION DAYS
56 FULL DAYS,
31 PARTIAL DAYS.

THE EFFECT OF THE WAIMAKARIRI RIVER RESTRICTIONS RESULTED IN THE SHEFFIELD POND LOWERING TO 21% OF ITS CAPACITY, THE LOWEST PERCENTAGE TO DATE.

Annual water take is regulated by:

- **Consent limits: The total volume accessible under CPWL's consents.**
- **Daily restrictions: Set by Environment Canterbury to ensure rivers remain above their minimum flows, and mandated by the Water Conservation Order (Rakaia River).**

We strictly adhere to our consented water allowances, only taking what is necessary for daily scheme demands. If rainfall reduces demand and rivers are high, the water available under consents is not taken, ensuring sustainable and responsible water use.

Rakaia headrace control gate.

Flooding at Rakaia intake point.

FOCUSED ON THE FUTURE.

> **During the irrigation season, the operations team at CPWL is on call 24 hours a day, seven days a week, in all weather, to ensure that water delivery is maintained.**
>
> ***– Andrew Broughton, Engineering Manager, CPWL***

We take our role in the economic sustainability of our region seriously and are committed to making sure we maintain our intergenerational infrastructure. Continual upgrades in infrastructure are fundamental to CPWL's long-term strategy, and as such we continue to undertake infrastructure upgrades to deliver short-term and long-term solutions.

With no in-scheme water storage to support the Rakaia supply area of the scheme, any outage impacts our shareholders' ability to produce crops. It was therefore crucial to improve our resilience to the frequency and duration of Rakaia River floods. The CPWL team turned their attention to solving this challenge through a dedicated review of CPWL's resilience strategy, and identified a labyrinth weir would enable the intake to withstand floods up to 3,000 cumecs without a significant outage. Designed and delivered within 11 months, this has been the biggest infrastructure project in our nine seasons of operations and was undertaken in parallel with maintaining other infrastructure across the scheme.

CPWL holds resource consents for all infrastructure. We are committed to meeting consent requirements while delivering value to our shareholders, our community and our environment.

INFRASTRUCTURE CONSTRUCTED BY CPWL.

- 319 turnouts.
- 29 pump stations.
- 9 pressure reduction stations.
- 359 kilometres of subterranean pipeline.
- 17 kilometres of canal.
- 2 sediment retention ponds.
- 1 x 2 million m^3 storage pond (Sheffield).
- 5 weirs (2 Rakaia, 3 Sheffield).
- 2 river diversions (Rakaia, Sheffield).
- 1 header pond.
- 1 header gate.
- 4 head race control gates.
- 13 bridges.
- 2 fish screens.
- 20 firefighting turnouts.

FLOOD MODELLING.

> **Flood modelling is vital to make sure the scheme functions as intended, minimising risk to the water supply during the growing season.**
>
> ***– Mark McKenzie, Operations Manager, CPWL***

This year, to further enhance our resilience strategy, the operations team continued the development of flood-modelling software.

Alpine rainfall can lead to in-river floods, causing river intake outages, restricted water supply capabilities, and dam safety concerns. Equally, rainfall on the plains can reduce the scheme demand and lead to potential overland flood flows into the Rakaia canal, also posing dam safety management issues.

Utilising real-time weather forecasting, rainfall and river-flow monitoring software allows us to determine the likelihood of rain in the Southern Alps and on the plains. Rainfall intensity and river base-flow data are recorded and integrated into the CPWL flood prediction model, which estimates peak river flood flows. These estimates are then assessed against our Trigger Action Response Plan (TARP) for each river intake. Each TARP, developed in collaboration with our intake maintenance contractor, aligns with our Dam Safety Management system's operating parameters.

Depending on the threat level, the team initiates preventative measures, including increased monitoring frequency, customer notifications, and placing teams on standby to respond.

During a flood event, intakes are continuously monitored via the scheme control system, which includes water levels, cameras and alarms, ensuring assets are maintained and protected.

By proactively managing these risks and using advanced predictive modelling, we aim to ensure a reliable water supply and robust infrastructure, even in the face of climatic changes.

INTELLIGENT DATA UTILISATION.

This year we continued to develop our data collection tools to deliver innovative solutions, improve efficiency and enhance resilience. Accurate, accessible data and the right technological solutions drive scheme efficiency, reduce costs and add value for our shareholders. By focusing on critical data, we can measure water use, outages and environmental impacts, reduce downtime and enhance operational safety and sustainability. This data-driven approach ensures we continue to increase efficiency and deliver valuable innovations to our shareholders and region.

SOWING SEEDS OF CHANGE.

ALLAN PYE'S LEGACY.

CPWL shareholder Allan John Pye passed away peacefully on 16 March 2024. Allan could smell when the rain was coming and knew a thing or two about potatoes. In preparation for the CPWL Annual Report, we met with Allan to prepare this story, and are publishing it with Allan's family's blessings.

Growing up in Temuka, South Canterbury, Allan Pye knows how to grow things — not just carrots and potatoes but successful companies as well. His legacy spans dairying, vegetables, cropping, grazing, contracting and transport.

ALLAN JOHN PYE.

THE EARLY YEARS.

Growing up on his family's small acreage, from his earliest years Allan remembers working hard, farming, growing and learning about the land. Not long after leaving school, Allan spotted an opportunity to grow potatoes on an acre of land he leased from his father.

The project was so successful that the then-15-year-old doubled his acreage the following year, systematically reinvesting his profits to scale up the business. And there it was: Allan had recognised that the fertile soils of South Canterbury had the potential for mixed-crop farming — and if done well, the land would provide for his family for many generations to come.

THE MAGIC INGREDIENT.

Working to his strengths, potatoes seemed a good place to start. Potatoes need plenty of sunlight, free-draining soil and one magic ingredient — water. 'I knew from an early age that water isn't a nice-to-have; it is a case of no water, no crops,' he says, adding, 'It is simple — water makes things grow, and lack of water has a huge impact on production.'

Water is a vital resource that plays a role in helping New Zealand secure its place as a world-leading food producer. It is essential to sustaining, growing and maintaining production for domestic consumption — including staple vegetables like the potato.

NEW ZEALANDERS AND POTATOES.

Potatoes are an important element of New Zealand's food security, and Kiwis love them too. In the past year alone, approximately 94% of the 525,000 tonnes of potatoes grown here were destined for the domestic market. Potatoes are a low-cost, nutrient-rich delight that have found a permanent place on our plates.

The food journey doesn't stop at domestic consumption. In 1991 New Zealand entered the global market for processed potatoes, primarily French fries and crisps. A success story for our primary industries, this global demand illustrates the world's trust in New Zealand-grown food.

A TURNING POINT IN AGRICULTURE.

Allan soon realised the challenges of traditional farming methods. 'Farming is hard work, and getting precious water onto crops is even harder. Shifting pipes every few hours, day and night, had no future,' he reflects. This revelation became evident during a research trip to the USA, where he encountered the game-changing innovation of pivot irrigation.

Allan immediately saw the potential of pivot irrigation to enable smart farming, water efficiency and control and sustainability, which all play a part in significantly higher yields. Bringing this innovation back to New Zealand was an obvious decision.

Today, pivot irrigators punctuate the New Zealand farming and agricultural landscape, ensuring that present-day crops thrive without compromising the needs of tomorrow.

CENTRAL PLAINS WATER.

Allan championed the cause of CPWL from day one, despite having access to plenty of water himself. 'It was a given that they had to get the scheme over the line. CPWL ensured that everyone had an opportunity to access water and create a sustainable future.'

He asserts, 'You do what is right. If you can, you make things happen. It was clear the shareholders were motivated to secure the future of agriculture in the district and were desperate to overcome major challenges.'

AN INSTRUMENTAL MOMENT.

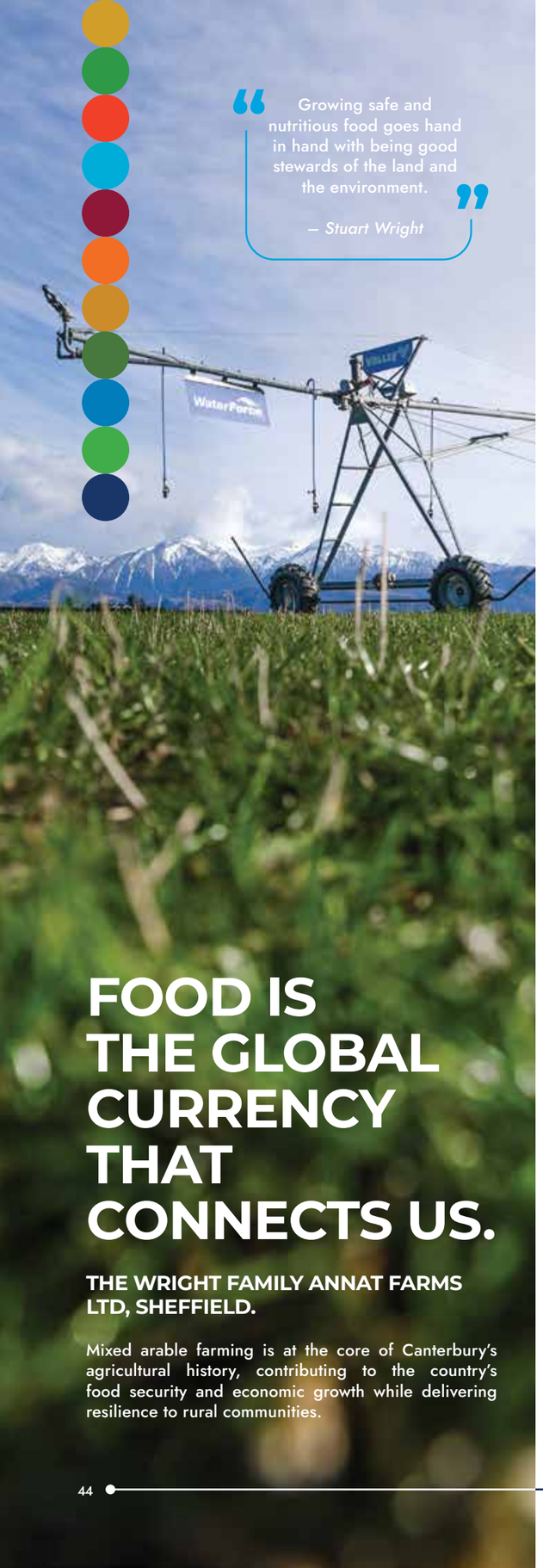
A critical turning point for CPWL emerged amidst a long and often controversial journey. The initial prospectus for Stage 1 set a minimum share threshold, and the scheme faced uncertainty as funding dwindled. Motivated CPWL shareholders held firm, but two days before the funding deadline, CPWL still found themselves short.

Despite approaching larger shareholders, including Allan, CPWL still needed a number of shares to be sold. A breakthrough came when Fonterra agreed to acquire some of the shares, prioritising reselling. With a shortfall of shares still to be sold as the clock ticked to the deadline, Allan stepped in, committing to purchase the remaining shares without land to utilise them, incurring annual charges for years.

RELIABLE WATER FOR THE REGION.

When asked why, Allan didn't hesitate to answer. 'I had confidence in the project. It was clear the shareholders were desperate to overcome major challenges. There is nothing like a challenge to unite people.'

The reality is that without the support of a few key shareholders, including Allan, to purchase those final shares, CPWL would have been shelved, resulting in a very different landscape and economic reality for Canterbury today.



> Growing safe and nutritious food goes hand in hand with being good stewards of the land and the environment.
>
> *– Stuart Wright*

FOOD IS THE GLOBAL CURRENCY THAT CONNECTS US.

THE WRIGHT FAMILY ANNAT FARMS LTD, SHEFFIELD.

Mixed arable farming is at the core of Canterbury's agricultural history, contributing to the country's food security and economic growth while delivering resilience to rural communities.

Father and son farmers Stuart and Simon Wright farm 435 hectares on the western Canterbury Plains at Sheffield, on the southern bank of the Waimakariri River under the shadow of the Southern Alps. With fertile soil, a temperate climate and now irrigation, this intergenerational farming family grows arable crops, finishes lambs, grazes dairy cows and produces seed potatoes for New Zealand and overseas markets.

RESILIENCE ON FARM.

In 2017, the Wright family joined the CPWL irrigation scheme. 'Irrigation not only improved our yield reliability but enabled us to transition towards crops that have a higher economic value,' says Stuart. 'The added bonus was that with more certainty of yield, we were able to lower our environmental footprint as our inputs closely matched our expected production. That's the certainty water gave us.'

Simon adds, 'Just as importantly, the potential increased yield from irrigated land unlocked growing contracts for crops which were not available to us as dryland farmers, resulting in a more sustainable farm income.'

BEST PRACTICE ON FARM.

From the outset, Stuart and Simon have been proactive in implementing best practices in on-farm management. A lot of planning goes into crop rotation — managing which crops are grown where and when — and where livestock fit in.

Stuart explains, 'The land never stays still for too long. With water, we can grow crops successfully without the ongoing worry about when rain may arrive. We grow staple cereal crops like wheat, barley and vining peas, and seed crops such as ryegrass, carrots, radish, mustard and white clover. We also produce seed potatoes for the New Zealand market, and export some to Fiji as well. For animal-consumption feed, we grow kale and oats and graze our ryegrass crops both pre and post-harvest. Much of our straw is baled for feed on the farm, or sold.'

SUSTAINABILITY ON FARM

Dual-purpose crops, such as white clover, play a crucial role in crop rotation and soil nitrogen correction on the farm. White clover fixes nitrogen in the soil, enhancing total pasture production by improving soil fertility while minimising the need for synthetic fertilisers. Other crops serve similar purposes, maximising resource efficiency and promoting soil health in a circular, sustainable system.

GROWING SAFE, NUTRITIOUS FOOD.

Stock are crucial to the business and are incorporated into the arable rotation. Up to 6,000 lambs are grazed through the winter, and dairy cows are grazed in June and July. The animals contribute to improving soil quality through adding organic matter (via manure and urine) and recycling harvested straw back onto paddocks. These vital nutrients help the crops to grow and support microbial organisms that keep the soil healthy.

Successful wintering systems require thought and planning, and good management practices are needed to reduce the risk of nitrate leaching through animal urine. Stuart explains: 'Wheat is normally planted after kale crops when the stock has moved on. Wheat can access nitrogen via its root systems to over one metre in depth. Deep-soil nitrogen tests quantify the amount of nitrogen in the soil available to the plant and we then make a simple calculation of potential target yield, available soil nitrogen, available water via irrigation and any extra synthetic nitrogen needed to reach that target.'

NATURAL ECOSYSTEMS.

When the pivot irrigators were installed on the farm, Simon took the opportunity to remove all the pine shelter belts on the farm. His efforts to increase wildlife biodiversity through an abundance of insect pollinators in shelter-belt plantings have certainly paid off, with over 8,000 mixed native plantings in place across the farm. 'We have created areas that are rich in beneficial insects, and we've seen an increase in native birds on the farm — fantails pīwakawaka, grey warblers riroriro, bellbirds korimako, and silver eyes tauhou are regular visitors, and we occasionally see white-faced heron matuku moana and hear shining cuckoo pipiwharauroa'.

The farm is part of a Canterbury-wide project to provide native plant corridors from the mountains to the sea, through an increase in native biodiversity plantings. Part of the funding for this has been provided through access to the CPWL EMF grants.

A NOD TO PAST GENERATIONS.

The Sheffield community marked 100 years since the end of World War One by planting an oak tree for each of the 20 soldiers from the Sheffield area who lost their lives in the war. The oaks were grown from acorns collected from Christchurch's 'Gallipoli Oak', which was grown from an acorn sent home from the Gallipoli battlefield by local soldier Lieutenant Douglas Deans in 1918.

Stuart recalls, 'Dad's uncle was killed at Gallipoli, so we purchased oak trees from the Gallipoli Oak project and planted them on a lane on the farm. We are pretty happy to have them there.'

A CHANGING LANDSCAPE.

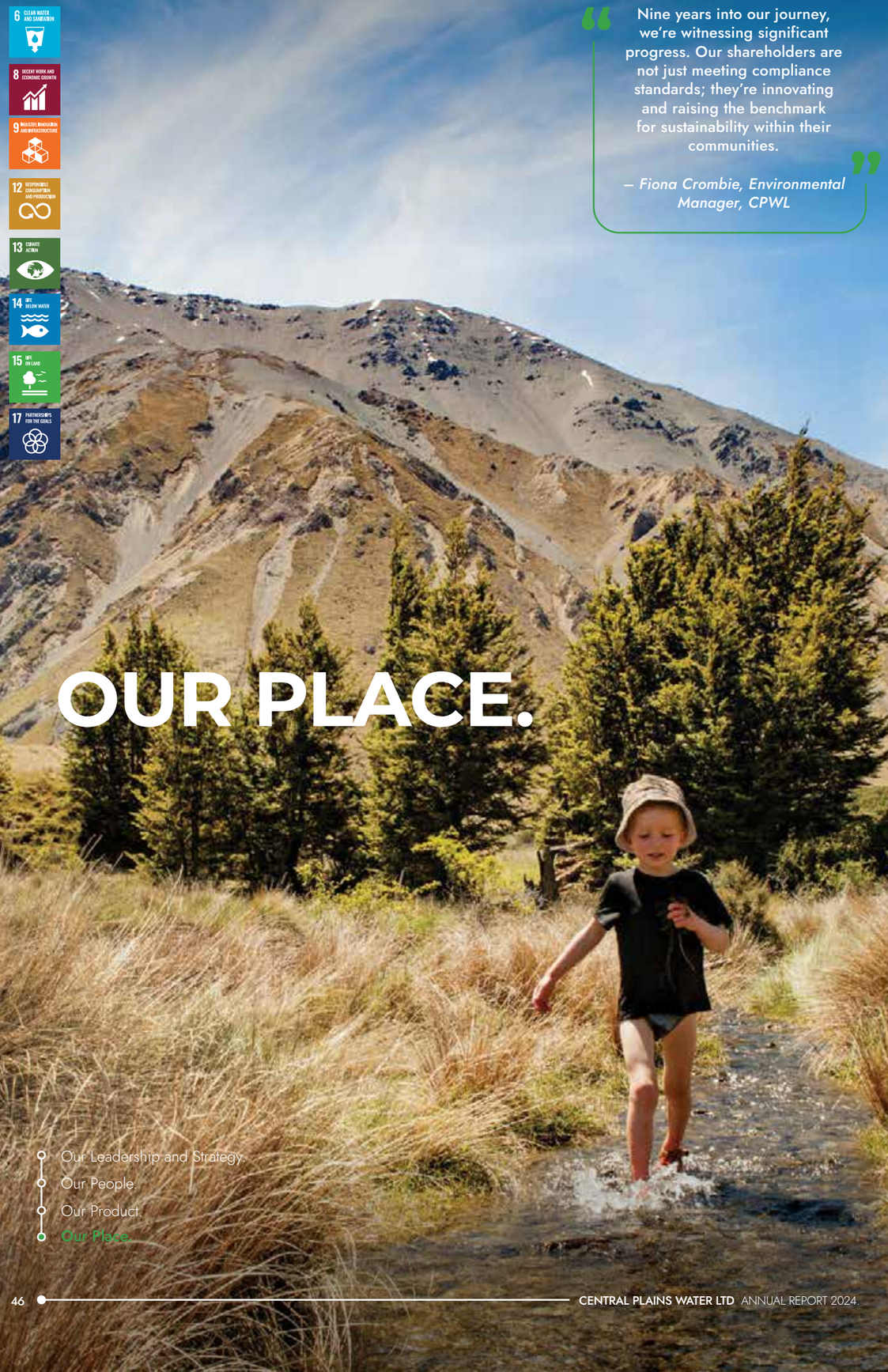
Seed-potato production on the farm produces high-quality seed potatoes for New Zealand commercial growers for the fresh market and crisping sectors.

'Producing high-quality seed potatoes is integral to the New Zealand potato industry,' says Stuart. 'Production starts with significant upfront costs to produce a product that is virus free and has plenty of seed vigour. The Sheffield area has traditionally been known for producing quality seed, but escalating production costs have prompted many growers to move out of seed production. There are now only four growers operating in our area, and they all use irrigation.' He adds, 'The potato is the third most important food crop after rice and wheat in terms of human consumption, and global demand for processed food the market of fresh potatoes, chips and crisps is only growing.'

THE COST OF FARMING.

In a nutshell, farmers are facing ever-increasing challenges and there is a growing disconnect between farming and the food we buy. Supporting farmers means more than just buying local produce — it means recognising the importance of the vital role they play in society by ensuring New Zealand's food security.

Stuart, Simon, their families and their team have worked hard to future-proof the farm, continuing the legacy of earlier generations. The Wrights tread lightly on the land, employ locals, and turn up for their community. It's a brilliant story to tell. As Stuart says, ' I knew water would make a difference, but I can't believe how much of a difference it has made.'



> Nine years into our journey, we're witnessing significant progress. Our shareholders are not just meeting compliance standards; they're innovating and raising the benchmark for sustainability within their communities.
>
> *– Fiona Crombie, Environmental Manager, CPWL*

OUR PLACE.

SUSTAINABLE IMPACT.

REFLECTING ON OUR PAST, SHAPING OUR FUTURE.

Sustainability is embedded into the core of our 100-year strategy in a way that integrates economic, social and environmental considerations, such as:

- **influencing a connected and healthy environment from the mountains to the sea ki uta ki tai.**
- **interacting with the environment to ensure future generations flourish.**
- **protecting and restoring water-related ecosystems.**

CPWL is a farmer-owned company operating under a co-operative philosophy. We are actively committed to implementing transformative irrigation management practices within each farm system to protect ground and surface water and have a positive effect on our environment and our natural resources.

We evaluate our progress by measuring:

- **improved ground and surface water quality.**
- **reduced groundwater abstraction.**
- **sustainable and responsible water use.**
- **continually improved farm practices.**

As a company that plays an important part in regional growth and prosperity, we are focused on taking an evidence-based approach that aligns with local government regulations. By leading and influencing better outcomes we enable growth without compromising a more sustainable future for all.

2024 KEY ENVIRONMENTAL NUMBERS.

IN THE 12 MONTHS TO 30 JUNE 2024.

50-70%
REDUCTION
IN ABSTRACTION OF GROUNDWATER BY CPWL'S SHAREHOLDERS.*

29%
LESS NITROGEN.
DISCHARGED BELOW THE PLANT ROOT ZONE FROM SHAREHOLDERS' FARMS COMPARED TO LEVELS MEASURED BEFORE THE SCHEME BEGAN OPERATING.

99.3%
AUDIT GRADE
A OR B GRADE INDEPENDENTLY AUDITED FEP ON CPWL FARMS.

100%
FARM ENVIRONMENT PLANS.
ALL CPWL SHAREHOLDERS' FARMS HAVE AN FEP TO DRIVE SUSTAINABILITY AT SCALE.

PERCENTAGE OF WATER TAKEN.

RAKAIA RIVER
3.8% of the water that flowed in the Rakaia River was utilised by CPWL shareholder to grow food and fibre.

WAIMAKARIRI RIVER
0.48% of the water that flowed in the Waimakariri River was utilised by CPWL shareholders to grow food and fibre.

$1.6 MILLION
TOTAL
CPWL ENVIRONMENTAL MANAGEMENT FUND TO RESTORE BIODIVERSITY IN THE SELWYN WAIHORA CATCHMENT.

*The scheme became fully operational in September 2018, and since that time switching off farm bores and replacing with run of river water has resulted in replenishment of the aquifers by reducing abstraction. As a result, lowland streams began flowing again, a key outcome sought for the catchment.

White heron kōtuku.

BIRD MONITORING.

The irrigation scheme is located between two alpine braided rivers, the Rakaia and the Waimakariri, and we play our part to protect the local biodiversity of this natural environment. We work closely with an expert avifauna ecologist from September to February each year to undertake bird surveys in CPWL's Rakaia River and Waimakariri River intake areas.

Bird surveys record numbers of breeding birds, nesting colonies, and chicks of any bird species that is listed as 'nationally threatened' or 'at risk' under the New Zealand Threat Classification System. The species and location (including GPS coordinates), date and time of the sighting, the number of individuals, habitat, and breeding behaviour or stage are recorded for each sighting.

Description and location of breeding birds are mapped, risks are identified, and setbacks are established to ensure the birds are not disturbed. Additional monitoring of black-backed gulls showed a population increase in the area this year.

Our bird surveys record sightings of the following species: South Island pied oystercatcher, black stilt, piped stilt, wrybill, branded dotterel, black-fronted dotterel, spur-winged plover, paradise shelduck, grey duck, New Zealand shoveler, grey teal, white heron, New Zealand scaup, black-billed gull, red-billed gull, Caspian tern, white fronted tern, black-fronted tern, white-winged black tern, Australasian bittern, marsh crake, spotless crake and cormorant/shag colonies.

FRESHWATER FISH PROTECTION, SALVAGE, AND RECOVERY PLAN.

Throughout the summer months, irrigation plays a critical role in the production of food and fibre. However, in autumn, when the irrigation season ends, there is no need to divert water into the schemes' intake channels as the scheme shuts down for winter maintenance.

CPWL's operations play a significant role in sustaining economic growth locally and nationally. Effective resource management balances the relationship between societal development and the conservation of the natural environment.

The CPWL freshwater fish recovery plan covers the exclusion and protection of freshwater fish at the scheme intakes on both the Rakaia and Waimakariri Rivers. Fish exclusion incorporates structures, such as fish screens or bunds, and fish bypass channels, which have been designed to accommodate known freshwater fish behaviours. These measures have the fundamental purpose of preventing freshwater fish from entering or taking up habitat in the intake areas and minimising the exposure of freshwater fish to physical harm or predation.

Before winter maintenance can begin, the intakes on both rivers are shut down, in a process we call 'dewatering'. This involves a gradual reduction in water flow as dewatering begins at each intake. This gradual process allows most of the remaining freshwater fish in the channels to migrate naturally with the water's flow, minimising stress to the fish by funnelling them back into the river through a fish bypass channel.

As water levels in the intake channels continue to lower, any fish that have not returned with the water flow back to the river are captured by nets and manually returned to the flowing river braids. Fish species data is collected and recorded before the fish are returned.

The final step of this rescue work uses a technique called 'electrofishing', where the fish are temporarily stunned with an electric charge in the water before being netted and safely returned to the river. Data is again collected throughout the process.

Fish being returned to a stable braid on the Rakaia River.

FRESHWATER FISH RECOVERY PLAN.

All CPWL protocols for freshwater fish salvage and recovery have been developed in consultation with NIWA, including assessment to identify and implement the most appropriate methodologies. CPWL also has a specialist staff member trained in electrofishing who is supported during fish recovery events by CPWL's operations team. This helps the team to learn and better understand fish behaviour and to incorporate this knowledge into their general intake operations work.

FISH SALVAGE AND RECOVERY RAKAIA INTAKE

TOTAL 673.

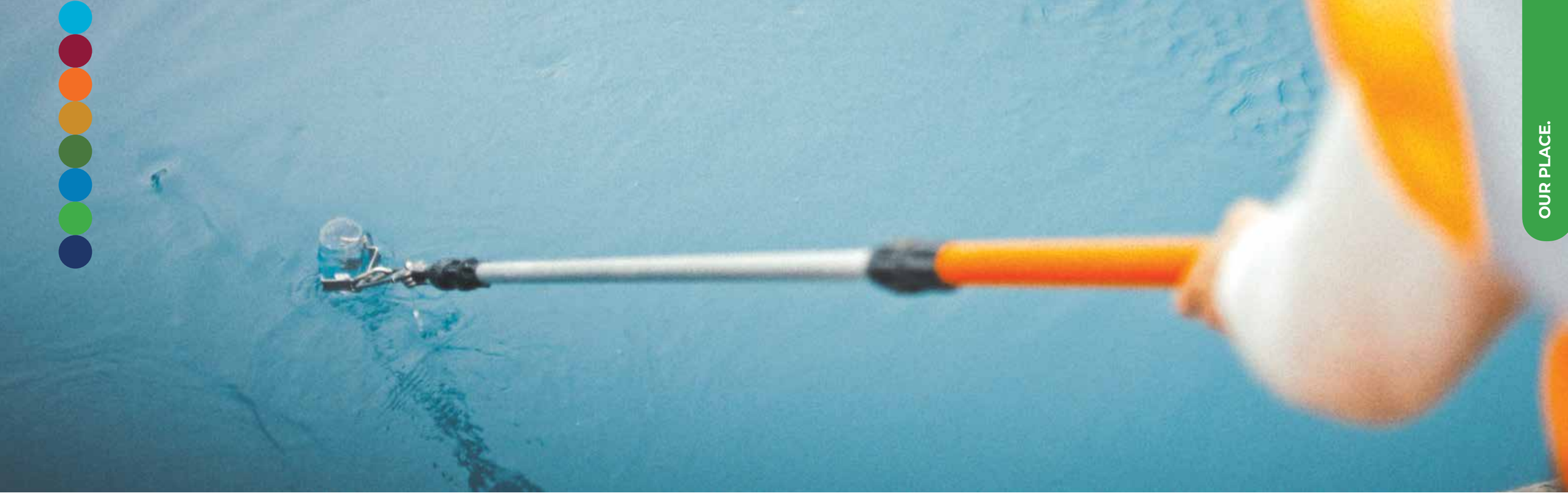
Torrentfish Panoko, (*Cheimarrichthys fosteri*)	309
Common Bully Toitoi (*Gobiomorphus cotidianus*)	214
Longfin Eel Ōrea (*Anguilla dieffenbachii*)	36
Shortfin Eel hikumutu (*Anguilla australis*)	2
Unidentified Eel	7
Kōaro (*Galaxias brevipinnis*)	1
Lamprey Kanakana (*Geotria australis*)	1
Brown Trout	60
Rainbow Trout	2
Salmon	41

FISH SALVAGE AND RECOVERY WAIMAKARIRI INTAKE

TOTAL 73.

Upland Bully (*Gobiomorphus breviceps*)	4
Unidentified Bully	36
Longfin Eel Ōrea (*Anguilla dieffenbachii*)	9
Unidentified Eel	17
Lamprey Kanakana (*Geotria australis*)	1
Brown Trout	2
Salmon	4

Sheffield Intake fish bund (screen).



Water sample, Rakaia intake.

WATER STEWARDSHIP.

Since the start of operations, CPWL has taken a highly accountable approach to its actions and compliance requirements. This includes water-take compliance data, which is collected in 15-minute stamped increments every hour of every day of the year – even in winter when the scheme is not operating. All data is provided to Environment Canterbury as part of CPWL's annual compliance reporting requirements.

In nine years of operation, there has been one 15-minute increment of non-compliance for a six-minute window. The event occurred in November 2018. CPWL immediately implemented measures to prevent non-compliance reoccuring.

GROUNDWATER RECHARGE.

Leaving groundwater in the aquifers helps to improve lowland stream flows. It also helps to support the integrity of riparian planting and strengthens the resilience of ecosystems against shifting environmental conditions.

Prior to CPWL's implementation, the Selwyn Waihora catchment's groundwater aquifers were overallocated by approximately 130–140%, primarily due to escalating demands for irrigation. This overallocation was the primary stressor on these vital water resources.

As a result of our shareholders converting from groundwater to surface water, 50 to 70 million m^3 of groundwater is now retained in the aquifers annually.

GROUNDWATER MONITORING.

In 2013, two years prior to commencing operations, CPWL implemented 20 groundwater monitoring bores, along with a comprehensive water quality and quantity monitoring programme that included 29 surface water sites. This extensive data collection, spanning 12 years, is crucial for assessing the scheme's impact on water quality and supply.

The catchment features several aquifers, such as the shallow gravels (lower catchment) and the deeper artesian aquifers (upper catchment including the CPWL command area). The quality of water in these aquifers can vary. The groundwater aquifers in Central Canterbury flow from the mountains to the sea, and the aquifers to the north of Christchurch city are influenced by the Waimakariri River.

The CPWL scheme command area excludes the West Melton zone, which influences the Christchurch city groundwater aquifers.

In 11 of the shallower monitoring bores, CPWL has also installed continuous nitrate sensors which provide real-time data of nitrate-level fluctuations.

SURFACE WATER MONITORING.

A goal of the Selwyn Waihora Zone Implementation Plan is to improve groundwater flows in the lowland spring-fed streams that enter Lake Ellesmere Te Waihora. The cumulative impact of groundwater abstraction impacts the lowland flow, adversely affecting ecological and cultural values.

Irrigation from the scheme helps to introduce more groundwater recharge into the aquifers, which, coupled with the decreased groundwater abstraction, results in improving lowland stream flows.

Monitoring of the lowland stream flows and groundwater levels across the Selwyn Waihora area help to show the extent to which scheme is achieving the anticipated groundwater level improvements. It is still early days, but there are very promising indications of the increased stream flows.

CPWL monitors water quality in rivers and streams at a total of 25 sites located upstream, within and downstream of the CPWL area for contaminants such as E. coli and nitrates. Experts have confirmed that nitrate attenuation from the soil through the ground into aquifers can take varying lengths of time, up to decades. The annual loss of nitrogen from the root zone to groundwater on CPWL shareholders' farms has reduced by 29% compared to before the scheme's commencement. We appreciate that it may take some time before we see any firm trends showing improvements to groundwater quality.

SINCE SCHEME COMMENCEMENT.

1599 SURFACE WATER SAMPLES.

759 GROUNDWATER SAMPLES.

2023/2024 IRRIGATION SEASON.

232 SURFACE WATER SAMPLES.

85 GROUNDWATER SAMPLES.

ENVIRONMENTAL INITIATIVES.

CPWL HAS UNDERTAKEN SEVEN KEY ENVIRONMENTAL INITIATIVES OVER THE LAST YEAR, TOTALLING

$126,600.

These initiatives are in addition to CPWL's EMF and Te Waihora Lake Ellesmere projects, and have included:

JOLLIES BROOK FEASIBILITY ASSESSMENT.

CPWL contributed to Stage 2 of the Ellesmere Sustainable Agriculture Incorporated project investigating the feasibility of connecting Jollies Brook to the Rakaia River Lagoon to improve fish passage.

NATIVE PLANTINGS.

CPWL has provided shareholders with approximately 4,000 native plantings, and has a healthy supply of more plants to distribute in the future.

SOIL COMPACTION: SUSTAINABLE FOOD AND FIBRES FUTURES PROJECT.

CPWL is supporting research to develop new management practices to minimise soil compaction under pastoral irrigation by identifying the appropriate 'wait times' between irrigation and grazing. The longer soil is left to drain following irrigation, the lower the water content will be at the soil surface (until field capacity is reached), lowering the risk of compaction under grazing.

NITRATE MONITORING.

CPWL has purchased an adroit surface water sensor for nitrates. The sensor will be installed at the top of the catchment to improve understanding of the level of nitrates coming into the catchment.

LIZARD HABITATS AND WEED CONTROL.

CPWL's 2.7 hectare Stage 1 lizard habitat area hosts populations and habitats for two lizards species — Waitaha or Canterbury gecko *(Woodworthia cf. Brunnea)* and common skink *(Oligosoma aff. polychroma Clade 4 or 5)*. Both of these species are classified as At Risk–Declining. Eight large rock stacks have been constructed in the Rakaia River Terrace area. Weed control was undertaken on the rank grass and exotic woody pest plants to try to keep the rock stacks largely clear and open to sunlight.

WAIMAKARIRI RIVER WEED CONTROL.

CPWL's Waimakariri River intake is located in the middle of a wetland. CPWL has undertaken significant weed control this year, as part of efforts to re-establish the wetland and its ecology.

LINCOLN AGRITECH LIMITED SUSTAINABLE FOOD AND FIBRE FUTURES PROJECT.

CPWL has supported Lincoln Agritech's application to the Sustainable Food and Fibre Futures project. The project entails installing soil moisture sensors on centre-pivot irrigators that record the soil moisture as the centre-pivot moves. This enables a wide segment of the paddocks soil moisture to be tracked, and enables feedback on what irrigation is required for multiple crops within a paddock. The technology has been installed on one farm with a plan to roll out to two other farms.

FARM ENVIRONMENT PLANS.

Since 2015, CPWL has actively promoted sustainable farming practices through independently audited Farm Environment Plans (FEPs) that guide shareholder farms towards a sustainable and successful future that everyone can benefit from. FEPs are unique to each property, and identify risks to manage around soil, irrigation, nutrients, pasture, waterways, effluent, farm rubbish, silage pits and stock, and provide a holistic view of the entire farm system.

To achieve an A grade in an FEP audit, the independent auditor must have a high level of confidence that the farm is implementing good management practices.

CPWL shareholders irrigate 45,000 hectares of land, and the CPWL environmental team actively manages FEPs across 71,000 hectares of farmland, which includes a further 26,000 hectares of associated dryland or groundwater irrigated land owned by CPWL shareholder farms. This catchment-wide approach ensures improved environmental outcomes at a meaningful scale.

NUTRIENT BUDGETS.

A nutrient budget is a modelled calculation of a farm's nitrogen losses. Nutrient budgets are updated each year to show a trend and to understand how each farm's nitrogen loss has changed compared with nitrogen losses for the period 2009–2013 (or when the farm commenced irrigating, if later).

As part of the Canterbury Land and Water Regional Plan (Plan Change 1), the Selwyn Waihora Water Zone Committee, with input from the community, developed a package of actions including restricting the agricultural nitrogen load losses from the catchment. For farms in the Selwyn Waihora catchment, further reductions were required from 1 January 2022.

The amount a farm must reduce their nitrogen loss by is based on their land use. In total, CPWL shareholders have reduced nitrogen loss below the root zone by 29% compared to pre-scheme nitrogen loss. A wide range of farming practices have been implemented to enable this reduction.

The most significant impact comes from good management practices such as:

- **reducing fertiliser use.**
- **improving effluent management.**
- **improving irrigation practices.**

29%

LESS NITROGEN LOST BELOW THE ROOT ZONE COMPARED TO PRE-SCHEME.

100%

OF CPWL SHAREHOLDER FARMS ACHIEVING THEIR NITROGEN LOSS REDUCTION TARGET.

KEY ENVIRONMENTAL MANAGEMENT FUND NUMBERS.

MOUNTAINS TO THE SEA KI UTA KI TAI.

Established as part of consenting requirements, the CPWL EMF, Lake Ellesmere Te Waihora Environmental Management Fund, and Lake Ellesmere Te Waihora Sea Openings Fund have played a pivotal role in creating intergenerational gains from the mountains to the sea ki uta ki tai.

$1.6 MILLION

TOTAL ACROSS THREE FUNDS.

$805,000

EMF SINCE 2016.

$81,000

EMF FY 2024.

$575,000

LAKE ELLESMERE TE WAIHORA EMF SINCE 2016.

$125,000

LAKE ELLESMERE TE WAIHORA EMF FY 2024.

$219,000

LAKE ELLESMERE TE WAIHORA SEA OPENINGS SINCE 2016.

$70,000

LAKE ELLESMERE TE WAIHORA SEA OPENINGS FY 2024.

Lake Ellesmere Te Waihora.

BALLANCE MITAGATOR RISK MAPS.

Ballance MitAgator Risk Maps provide a valuable tool for farms within the Selwyn Waihora catchment, offering insights into each property's strengths and weaknesses regarding the impact of contaminants on water quality. The identified contaminants include nitrogen, phosphorus, sediment and E. coli, crucial factors affecting the health of waterways in the area.

By utilising grants from the CPWL EMF, shareholders gain access to Ballance MitAgator Risk Maps. These maps enable landowners to create comprehensive strategies tailored to their farms, especially in higher-risk areas such as critical source areas, or where their farm might be prone to erosion within the catchment.

This collaborative effort fosters a more sustainable farm environment by enabling informed decision-making and mitigation plans for waterways and high-risk zones, translating into tangible benefits for both landowners and the wider community such as the preservation of and improvements to water quality in the Selwyn Waihora catchment.

> CPWL water enables us to reliably sign contracts to grow crops, graze dairy dry stock, and take lambs up to heavy weights. Most importantly it futureproofs the farm for whichever type of production is required that we need to change to as almost all require water for reliability.
>
> *– Ian Reed, Morchard Farm.*

MORCHARD FARM.

FARM SYSTEM:
MIXED ARABLE SYSTEM

FEP AUDIT GRADE:
A

PROJECT SUMMARY.

Assistance from the CPWL EMF was used for planting native shrubs under pivots between fences. These plantings replaced exotic trees which were removed to enable irrigation and provide living windbreaks that protect and preserve the environment and our cultural history.

IMPACT.

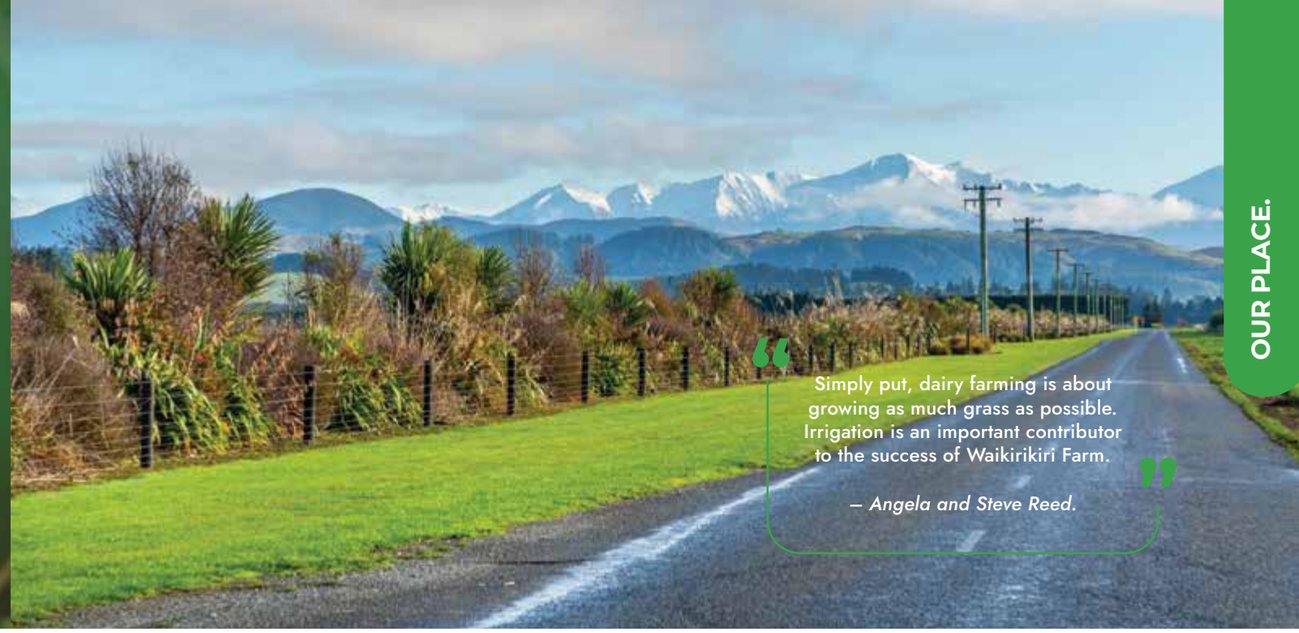
SHORT TERM.

- Provides corridors for native birds to travel through and a stepping stone to other sanctuaries of vegetation.
- Contributes to biodiversity goals by providing a natural variety of plants which create habitats for birds and insects.

LONG TERM.

- The native plantings provide sanctuaries for small native birds to not only survive but thrive. Fantail pīwakawaka, grey warbler riroriro, and other small native birds have safe places to flourish and are now being seen in large numbers.
- Irrigation provides a haven for large native birds. Significant numbers of oystercatchers tōrea, white-faced herons matuku moana and pūkeko are thriving on the optimised invertebrate community living in the moist soil.
- Gusty, dusty and dry summer winds are detrimental to pasture topsoil. Now, the mature native corridors are providing a natural reduction in wind velocity, which reduces the drying effects of the wind and lowers the wind's carrying capacity, providing wind erosion protection for the soil.
- Together with the improved soil moisture and soil quality, a diverse range of habitats and native plant communities are flourishing.
- Pine shelterbelts are being replaced with native habitats, enhancing a visual screening, which in turn provides a regional identity and sense of place.

> Without CPWL water, dairy farming wouldn't be reliable in this area. It just wouldn't work. It's so nice to see green grass, and to be able to feed your cows, all year round.
>
> *– Jack and Jo Van der Salm.*



> Simply put, dairy farming is about growing as much grass as possible. Irrigation is an important contributor to the success of Waikirikiri Farm.
>
> *– Angela and Steve Reed.*

VAN DER SALM FARM.

FARM SYSTEM:
DAIRY

FEP AUDIT GRADE:
A

PROJECT SUMMARY.

Native planting of a significant site along a waterway on the property. The land has been fenced off and retired, with average to good soils for successful plant growth. The area was planted in three stages, using the right tree, right space and right time methodology. It is expected that the carefully selected native plants will have reached closed canopy by years five to seven, encouraging native birds to return and connecting the farm system more closely with nature.

IMPACT.

SHORT TERM.

- Improved water quality within the catchment by fencing off the stream from stock.
- Habitat created for instream and terrestrial species, such as fish, eels, waterfowl, birds and lizards.
- Creation of a carbon sink, in a way that maximises sequestration to help increase the long-term sustainability of the farm system.

LONG TERM.

- The plantings provide part of a wildlife corridor that links the mountains to the sea ki uta ki tai, giving habitats for native fauna to manoeuvre under the safety of the canopy.
- Sustainable food source for native birds and a stepping stone to other patches of native vegetation well established.
- Streamside vegetation provides cover for spawning fish, food and a habitat for nesting and juvenile birds.
- Mahinga kai value of natural resources is improved.

WAIKIRIKIRI FARM.

FARM SYSTEM:
DAIRY

FEP AUDIT GRADE:
A

PROJECT SUMMARY.

Transformation is taking place at Waikirikiri Farm through the careful planting of indigenous trees, where native wildlife communities can flourish. Looking after the land is a top priority – and this was the case before the first tree was planted.

Master planning from day one has provided a roadmap for this generation of farmers, and generations to come. Staff and management are early adopters of stronger environmental norms, understanding sustainable farming is interwoven with the triple bottom line.

With a respect for nature, they are driven to provide healthy food for today and future generations with no compromise to the planet. Waikirikiri Farm treats enhancing the water quality of the Selwyn River as a key priority and delivers an open farm environment to close the gap between urban and rural by providing access for city schoolchildren to gain a hands-on understanding about the many aspects of dairy farming, including animal welfare.

IMPACT.

SHORT TERM.

- 20 kilometres of native plantings, including double-planting riparian planting along the Selwyn River.
- Native plantings along every second fenceline, providing bird-and bee-friendly habitat and shelter.

LONG TERM.

- On-farm education for urban schoolchildren, increasing community understanding of farming.
- Native plantings offer stepping stones and corridors for many species of birds to travel, including a flight path for white herons' regular migration.
- Lighter footprint on the land with carbon sequestration, to balance emissions.
- Pine shelterbelts are being replaced with native habitats.

CANTERBURY GLIDING CLUB.

PROJECT:
COMMUNITY PROJECT

WETLAND RESTORATION

PROJECT SUMMARY.

To restore this wetland, a selection of native species were chosen to assist with restoring indigenous biodiversity. Once these species have formed a canopy (in 5–10 years), the environment will be more conducive to the establishment and natural regeneration of more sensitive species. These can be actively planted but can also be self-introduced by the birds that will inevitably visit the site, provided there are seed sources within the dispersal range.

IMPACT.

SHORT TERM.

- A master restoration plan has been put together to create a vision for this wetland, based mainly on 'what it once was' and what is possible for biodiversity gains.
- Stages 1 and 2 of the restoration plans are well underway with 2,336 native plants species planted.
- A raised bund has been added to the small water race around the boundary of the property for added flood protection.

LONG TERM.

- Improved water quality as the water that runs off the land into the wetland is enhanced by the plantings surrounding it.
- Wetlands were once a treasure trove for early Māori, providing flax for clothing, mats and ropes. This wetland restoration delivers many cultural benefits while sustaining indigenous biota, filtering nutrients, absorbing floodwaters and sequestering carbon.
- Kaitiaki of the wetlands is restored providing a haven for the birds, invertebrates, amphibians and reptiles to thrive.
- A sense of place has been created with many people coming together to work on this project.

SILVERSTREAM RESTORATION, WATER AND WILDLIFE HABITAT TRUST.

PROJECT:
COMMUNITY PROJECT

WETLAND RESTORATION

PROJECT SUMMARY.

The Water and Wildlife Habitat Trust advocates for healthy waterways and wildlife habitats while promoting and facilitating whole-of-catchment collaborative partnerships for ecologically sustainable land use, nature conservation, and enhanced community involvement, education and enjoyment.

The Silverstream Restoration Project aims to restore the Silverstream catchment. There are many groups involved, including landowners, Fish & Game, the Water & Wildlife Habitat Trust, Environment Canterbury, and the University of Canterbury's Canterbury Waterway Rehabilitation Experiment team.

Funding from CPWL EMF supported the in-filling with native plants and maintaining those plants for three years until canopy closure has been reached. At this stage, maintenance will be handed over to the landowners.

IMPACT.

SHORT TERM.

- The completion of a demonstration site that has excellent native plant coverage and is relatively low-maintenance.
- An increase in terrestrial biodiversity .
- Increased overhanging vegetation to provide cover for fish.
- Macrophyte cover is reduced to the point where mechanical clearance, spraying or hand weed clearance is not required.

LONG TERM.

- Creating habitat and improving water flow and quality will restore macroinvertebrates populations. Mayfly, caddisfly and damselfly are all good food for fish, eels, crayfish and snails.
- Reduced contaminants entering the Selwyn River and Te Waihora.
- Increase in fish abundance and diversity.
- A reduction in nitrogen, phosphorus and pathogens.
- An example of sustainable waterway management that can be copied throughout the region and nationally.

BETTER TOGETHER — COMMUNITY RELATIONS.

This year we have strengthened our engagement with the community, striving to be an effective and engaged part of our community. The introduction of the CPWL Environmental Education Grant to support and promote environmental education initiatives in local schools within the Selwyn Waihora district has been well received and presents CPWL with the opportunity to communicate with the next generation of environmentalists in an authentic and personal way.

HORORATA PRIMARY SCHOOL.

CPWL has had a close relationship with Hororata Primary School for many years, providing resources to encourage children to spend time in the environment, learning about riparian planting, planting on farms to enhance the mountains to the sea ki uta ki tai corridor, insects in waterways and the local ecology.

This year the CPWL Environmental Education Grant Fund has enabled Hororata Primary School to embed conservation and biodiversity into the school curriculum through Enviroschools, an environmental action-based programme where students are empowered to design and lead sustainability projects in their schools and communities, now and in the future.

Students are already leading the way, with environmental education woven throughout their school programme – so when they are learning to read, write and do mathematics, the students are also embedding the Enviroschools philosophy.

Hororata Primary School is running a pilot project where the community becomes a living curriculum, where skills and competencies are gained through experience and mahi within meaningful community settings.

GREENDALE SCHOOL.

As part of the Living Laboratory conducted through Enviroschools, students from Greendale School have adopted the 'Near River Recharge' project, planting an abundant native forest. Principal Bronwyn Harding says, 'It is a wonderfully rich, real-life learning opportunity for tamariki, where kaitiakitanga is explored and an understanding of the importance of biodiversity is obtained.'

CPWL is proud to be assisting Greendale School through the CPWL Environmental Education Grant, to cover transportation costs to the site.

To view our video scan the QR code below or visit cpwl.co.nz/case-studies/hororata-primary-school/

FINANCIAL REPORT.

2024

CENTRAL PLAINS **WATER** LTD

Sustainable water growing our world.

Mā te tauwhiro wai ka tipu tō tātou ao.

DIRECTORS' REPORT.

FOR THE YEAR ENDED 30 JUNE 2024.

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 2024.

Results

	This year	Last year
(Loss) / Profit for the period.	(7,951,872)	(6,808,609)
Retained earnings / (accumulated losses) as at 1 July.	(92,827,464)	(86,018,854)
Retained earnings / (accumulated losses) as at 30 June.	(100,779,335)	(92,827,464)

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 - 31 for issue on 30 September 2024.

For and on behalf of the Board.

Chairperson.
30th September 2024.

Director.
30th September 2024.

CONTENTS.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.

FOR THE YEAR ENDED 30 JUNE 2024.

	Notes	2024 $	2023 $
Revenue	A1	41,144,862	38,736,473
Interest and other income		652,376	205,468
Total Income		41,797,238	38,941,941
Operating expenses		(13,214,887)	(10,475,662)
Depreciation and amortisation expense	B1, B2, B3	(11,359,166)	(11,972,870)
			-
Directors expenses		(456,730)	(461,139)
Employment expenses		(2,691,122)	(2,453,334)
Audit expenses		(60,741)	(60,123)
Other administration expenses		(2,111,855)	(1,818,116)
Finance costs	A2	(19,823,226)	(21,042,793)
Total Expenses		(49,717,727)	(48,284,037)
Profit /(loss) before income tax		(7,920,489)	(9,342,096)
Income tax benefit (expense)	A3	(31,383)	2,533,487
Profit /(loss) for the period		(7,951,872)	(6,808,609)
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	(3,820,122)	1,477,485
Cash flow hedges - reclassified from cash flow hedge reserve to profit or loss	C6	3,708,041	7,570,682
Related tax effect on fair value of cash flow hedges	C6	31,383	(2,533,488)
Other comprehensive income for the year, net of tax		(80,698)	6,514,679
Total comprehensive (expense) / income for the year		(8,032,570)	(293,930)

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

STATEMENT OF CHANGES IN EQUITY.

FOR THE YEAR ENDED 30 JUNE 2024.

	Notes	Share capital	Other reserves	Retained earnings	Total equity
Balance as at 1 July 2022		93,630,448	12,633,865	(86,018,854)	20,245,459
Comprehensive income					
Profit / (loss) for the year		-	-	(6,808,609)	(6,808,609)
Other comprehensive income for the year	C6	-	6,514,679	-	6,514,679
Transactions with equity holders in their capacity as equity holders					
Preconstruction shares issued	C5	374,000	-	-	374,000
Stage 2 construction shares issued	C5	7,700			7,700
Stage 2 construction shares reclassified	C5	(7,700)	-	-	(7,700)
Sheffield construction shares reclassified					
Balance as at 30 June 2023		94,004,448	19,148,545	(92,827,464)	20,325,529
Balance as at 1 July 2023		94,004,448	19,148,545	(92,827,464)	20,325,529
Comprehensive income					
Profit / (loss) for the year		-	-	(7,951,872)	(7,951,872)
Other comprehensive income for the year	C6	-	(80,698)	-	(80,698)
Transactions with equity holders in their capacity as equity holders					
Prior year adjustment				-	-
Preconstruction shares issued	C5	-	-		-
Stage 2 construction shares issued	C5	90,200	-	-	90,200
Stage 2 construction shares reclassified	C5	-			-
Sheffield construction shares reclassified	C5	-	-	-	-
Balance as at 30 June 2024		94,094,648	19,067,847	(100,779,335)	12,383,159

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

STATEMENT OF FINANCIAL POSITION.
AS AT 30 JUNE 2024.

	Notes	2024 $	2023 $
ASSETS			
Current assets			
Cash and cash equivalents	C2, C3	5,610,549	5,346,139
Restricted cash	C2, C3	2,508,657	2,509,151
Trade and other receivables	C2	228,727	72,122
Derivative financial instruments	C2	3,769,750	5,034,257
Total current assets		12,117,683	12,961,669
Non current assets			
Property, plant and equipment	B1	303,467,193	312,434,609
Intangible assets	B2	818,776	909,373
Deferred tax assets	A3	-	-
Right of use assets	B3	645,816	161,924
Derivative financial instruments	C2	4,738,530	4,933,140
Total non current assets		309,670,315	318,439,046
Total Assets		321,787,998	331,400,715
LIABILITIES			
Current liabilities			
Trade and other payables	C2	1,367,401	1,777,713
Interest bearing liabilities	C4	226,409,825	3,663,590
Derivative financial instruments	C2	1,858,438	-
Lease liability		25,863	146,962
Total current liabilities		229,661,528	5,588,265
Non current liabilities			
Interest bearing liabilities	C4	79,121,886	305,471,715
Derivative financial instruments	C2	-	-
Deferred tax liability	A3	-	-
Lease liability		621,426	15,207
Total non current liabilities		79,743,312	305,486,922
Total liabilities		309,404,840	311,075,187
Net Assets / (liabilities)		12,383,158	20,325,527
EQUITY			
Contributed equity	C5	94,094,647	94,004,447
Reserves	C6	19,067,846	19,148,544
Retained earnings		(100,779,335)	(92,827,463)
Total Equity		12,383,158	20,325,527

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

STATEMENT OF CASH FLOWS.
FOR THE YEAR ENDED 30 JUNE 2024.

	Notes	2024 $	2023 $
Cash flows from operating activities			
Interest received		360,398	115,460
Receipts from customers		41,280,234	38,857,477
Payments to suppliers		(18,353,648)	(14,337,648)
Interest paid		(21,542,963)	(18,738,128)
Interest rate swap settlements		4,925,212	1,567,810
Net cash inflow / (outflow) from operating activities	A4	6,669,234	7,465,070
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,142,082)	(1,415,699)
Proceeds from sale of property, plant and equipment		-	-
Term Deposit Investment		-	-
(Increase) / decrease in contingency reserve account		494	1,995,895
Net cash inflow / (outflow) from investing activities		(2,141,588)	580,196
Cash flows from financing activities	C5		
Proceeds from issuance of construction shares		90,200	387,333
Proceeds from bank borrowings		-	-
Repayment of bank borrowings		(4,195,593)	(10,984,103)
Lease principal and interest paid	B5	(157,843)	(106,116)
Net cash inflow / (outflow) from financing activities		(4,263,236)	(10,702,886)
Net increase / (decrease) in cash and cash equivalents		264,410	(2,657,619)
Cash and cash equivalents at the beginning of the financial year		5,346,139	8,003,759
Cash and cash equivalents at end of year		5,610,549	5,346,140

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

Chairperson.
30th September 2024.

Director.
30th September 2024.

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.
- 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 2024 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) as 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 have 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 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.

Note regarding rounding
The amounts presented in these financial statements have been rounded to the nearest dollar to facilitate readability. As a result, small differences may exist between the sums of individual line items and their respective totals or between values assigned to specific items. These differences are solely attributable to rounding and do not materially impact the financial position, results of operations or cashflows of the company. This note is included for transparency and to ensure that users of the financial statements are aware of the rounding methodology applied.

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 financial statements have been prepared on a going concern basis.

To support their assessment, 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 sufficient headroom, within available cash levels and the terms of its debt facilities (which, as outlined, a significant proportion of which are due for renewal in April 2025 and are expected to be renewed).

In addition, in forming their going concern conclusion, the directors have considered the Company's debt maturity profile, supplier relationships, history and forecast operating cash flows, key financial ratios, the physical and operational condition of assets, ability to comply with current and future covenant requirements, stability of the management team, the ability to independently set water charges, and legislative and business continuity considerations (such as the adequacy of MDBI insurances).

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 and revolving credit facility totalling $4.5m to meet any unexpected costs.
- Sufficient insurance cover.
- Access to a $1m overdraft facility.
- Access to $5m of undrawn debt facility.
- Anticipated renewal and refinance of funding facilities in April 2025.

As above, in April 2025, a significant proportion ($223m) of the Company's debt matures. This has matured in the ordinary course of the Company's operations and the Company already has key refinancing activities underway, with our existing syndicate having expressed a clear willingness to continue to support the Company. To ensure the Company has considered, and has all available options for the refinancing of its debt, initial approaches have been made to other potential lenders, who have also indicated an appetite for investment in the water supply sector.

Based on all these considerations, the directors do not consider there to be, and are not aware 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.

(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 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 2024 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 page 16.

(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. 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.

(iv) 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 Company 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 are expensed through the 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.

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 or guarantees.

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 Manawa Energy Limited. This view is taken after considering the following: The shareholders have no contractual relationship with Manawa Energy Limited 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 Manawa Energy.

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.

A1. Revenue

Revenue by type

	2024 $	2023 $
Revenue from contracts with customers		
Water use charges	33,859,410	33,298,559
Contracted stored water income	3,163,079	2,930,920
Additional stored water income	4,054,773	2,472,854
Total revenue from contracts with customers	41,077,262	38,702,333
Other revenue	67,600	34,140
Total revenue	41,144,862	38,736,473

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	2024 $	2023 $
Interest on bank syndicate loan	17,615,524	14,689,704
Interest on Accident Compensation Corporation loan	3,921,071	4,037,864
Interest on interest rate swaps	(4,925,212)	(1,567,810)
Cash flow hedge ineffectiveness	(5,427,779)	(5,266,017)
Cash flow hedges - reclassified from cash flow hedge reserve to profit or loss	8,633,253	9,138,492
Interest on lease liabilities	6,369	10,560
Capitalised interest	-	-
Total finance cost	19,823,226	21,042,793

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. 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	2024 $	2023 $
Current tax- current period	-	-
Deferred tax - current period	(987,508)	(1,553,140)
Deferred tax - tax losses for which a deferred tax asset was recognised	956,125	4,091,226
Deferred tax - prior year adjustment deferred tax liability on right of use asset	-	-
Deferred tax - prior year adjustment on previously unrecognised deferred tax assets	-	-
Deferred tax - prior period adjustment	-	(4,599)
Total income tax (expense) / benefit	(31,383)	2,533,487

(b) Numerical reconciliation of income tax expense to prima facie tax payable	2024 $	2023 $
Loss from continuing operations before income tax expense	(7,920,489)	(9,342,096)
Income tax @28%	(2,217,737)	(2,615,787)
Tax effects of:		
• Expenses not deductible /(capitalised amounts deductible) for tax purposes,	(985,148)	(1,551,696)
• Prior year expenses not deductible /(capitalised amounts deductible) for tax purposes,	1,917	-
• Tax losses for which no deferred income tax asset is recognised,	3,200,968	4,167,483
• Rounding in calculation	-	-
Current period tax expense / (benefit)	-	-
Deductible/taxable temporary differences for which a deferred tax asset was recognised	(987,508)	(1,553,140)
Deferred tax - tax losses for which a deferred tax asset was recognised	956,125	4,091,226
Deferred tax - prior period adjustment	-	(4,599)
Tax (expense) / benefit	(31,383)	2,533,487

(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 2024			
Current tax	-	-	-
Deferred tax	(112,081)	31,383	(80,698)
Other comprehensive income	(112,081)	31,383	(80,698)
30 June 2023			
Current tax	-	-	-
Deferred tax	9,048,167	(2,533,487)	6,514,680
Other comprehensive income	9,048,167	(2,533,487)	6,514,680

(d) Movement in Deferred Tax Balance:	Derivatives	Property plant and equipment	Tax losses	Other temporary differences	Total
Deferred Tax 30 June 2023					
Balance 1 July 2022	(3,830,585)	(17,515,967)	21,808,160	(461,608)	-
Recognised in P&L	-	(1,745,166)	4,091,226	187,427	2,533,487
Recognised in other comprehensive income	(2,533,487)	-	-	-	(2,533,487)
Balance 30 June 2023	(6,364,072)	(19,261,133)	25,899,385	(274,181)	-
Deferred Tax 30 June 2024					
Balance 1 July 2023	(6,364,072)	(19,261,133)	25,899,385	(274,181)	-
Recognised in P&L	-	(1,109,233)	919,473	158,377	(31,383)
Recognised in other comprehensive income	31,383	-	-	-	31,383
Balance 30 June 2024	(6,332,689)	(20,370,365)	26,818,858	(115,804)	-

	2024 $	2023 $
Deferred tax asset	26,818,858	25,899,386
Deferred tax liability	(26,818,858)	(25,899,386)
Total	-	-

Unrecognised tax losses	2024 $	2023 $
Losses brought forward	150,778,665	135,878,372
Adjustments recognised in the current year in relation to the current tax of prior periods	(137,747)	16,426
Net tax deficit for the year	11,438,874	14,883,868
Unrecognised deferred tax losses	162,079,793	150,778,665

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	2024 $	2023 $
Unrecognised deferred tax balances on losses	18,563,484	16,318,642
Total unrecognised deferred tax asset	18,563,484	16,318,642

No deferred tax asset has been recognised in respect of unused tax losses of $66,298,158 (2023: $61,244,585) 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 purpose

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	2024 $	2023 $
Profit / (loss) for the year	(7,951,872)	(6,808,609)
Items not involving cash flows		
Depreciation and amortisation	11,359,166	11,972,870
Deferred tax expense / (benefit)	31,383	(2,533,487)
Derivative financial instrument movement taken to P&L		
Cash flow hedge ineffectiveness and cash flow hedge reclassified from reserve	3,205,474	3,872,475
	14,596,023	13,311,858
Change in operating assets and liabilities		
(Increase) / decrease in trade debtors	(156,605)	30,995
Increase / (decrease) in trade creditors	181,688	930,826
	25,082	961,821
Items relating to financing		
Interest paid	-	-
Prepaid loan establishment fee	-	-
	-	-
Items relating to investments and fixed assets		
(Gain) / Loss on disposal of fixed assets	-	-
	-	-
Net cash inflow from operating activities	6,669,234	7,465,070

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

Net book amount	Work in progress	Office equipment	Motor vehicles	Other plant & equipment	Scheme infrastructure	Total
Balance 1 July 2022	35,942	106,066	57,119	116,324	322,494,156	322,809,606
Additions	-	89,663	-	6,445	1,271,239	1,367,347
Disposals	-	-	-	-	-	-
Transfers	(35,942)	-	-	-	35,942	(0)
Depreciation charge	-	(54,641)	(11,424)	(16,667)	(11,659,613)	(11,742,344)
Balance 30 June 2023	-	141,088	45,695	106,102	312,141,724	312,434,609
As at 30 June 2023						
Cost	-	467,719	200,836	232,602	386,643,733	387,544,890
Accumulated depreciation	-	(326,631)	(155,141)	(126,500)	(74,502,009)	(75,110,282)
Net book amount	-	141,088	45,695	106,102	312,141,724	312,434,609
Balance 1 July 2023	-	141,088	45,695	106,102	312,141,724	312,434,609
Additions	1,963,968	17,313	-	2,610	158,192	2,142,082
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Depreciation charge	-	(49,679)	(8,993)	(14,077)	(11,036,748)	(11,109,498)
Balance 30 June 2024	1,963,968	108,721	36,702	94,634	301,263,168	303,467,193
As at 30 June 2024						
Cost	1,963,968	485,032	200,836	235,212	387,419,767	390,304,815
Accumulated depreciation	-	(376,312)	(164,134)	(140,577)	(86,156,599)	(86,837,622)
Net book amount	1,963,968	108,720	36,703	94,635	301,263,168	303,467,193

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 $321,787,998. No borrowing costs have been capitalised during the period (2023: Nil).

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.

Impairment
The carrying value of the Company's non-financial assets is reviewed at each reporting date to check for any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

For impairment asset testing purposes, 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 and 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 previously recognised 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 assessed the recoverable amount of the Company's infrastructure scheme assets (“assets”) at 30 June 2024. This CGU represents the lowest level at which cash flows are independently generated. The model, based on discounted cash flow over the assets' 76 year design life, includes allowances for capex working capital, resource consent renewal costs, disposal costs, and modest water volume growth. Long term inflationary increases in costs and water user charges were assumed to be 2.0% with higher near term rates (2023: 2.0% all years). Key assumptions are the WACC rate of 7.00% (2023: 7.00%) and resource consent renewals. The directors see no reasonable circumstances where renewals would be withheld due to the integration of the Central Plains Water Limited scheme into the management of water use within the Command Area. The Board is confident in the successul renewal of water use consents. No impairment was identified.

The model outcome is most sensitive to changes in the WACC rate however, the directors also have the ability to 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% (2023: 7.5%) and an asset beta referenced to comparable infrastructure assets. Over a range of WACCs and real increases in pricing the FVLCD of the assets exceeds the book value of the Scheme’s Assets of $301m by the amounts shown in the table below

		WACC				
	Headroom	7.00%	7.25%	7.50%	7.75%	8.00%
Real price increase	0.00%	38,914,419	24,917,219	11,966,986	(39,220)	(11,192,526)
	0.25%	63,685,140	47,796,376	33,141,883	19,597,215	7,052,456
	0.50%	90,560,868	72,571,004	56,026,806	40,779,282	26,697,099
	0.75%	119,775,494	99,448,090	80,805,218	63,669,854	47,886,229
	1.00%	151,592,870	128,660,821	107,683,530	88,451,927	70,782,336

For the year ended 30 June 2024, 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.

B2. Intangible assets

	Water consents
Net book amount	
Balance as at 1 July 2022	999,970
Additions	-
Amortisation charge	(90,597)
Balance as at 30 June 2023	909,373
As at 30 June 2023	
Cost	1,540,000
Accumulated amortisation	(630,627)
Net book amount	909,373
Net book amount	
Balance as at 1 July 2023	909,373
Additions	-
Amortisation charge	(90,597)
Balance As at 30 June 2024	818,776
As at 30 June 2024	
Cost	1,540,000
Accumulated amortisation	(721,225)
Net book amount	818,776

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 11 - 21 years

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

B3. Leases

(a) Amounts recognised in the statement of financial position

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

	2024 $	2023 $
Right-of-use assets net book value		
Lease of property	607,683	123,791
Lease of vehicles	38,133	38,133
	645,816	161,924

(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	159,071	139,929
Interest expense (included in finance cost)	6,369	10,560
Expense relating to short term leases (included in operating expenses)	-	-
Expense relating to leases of low-value assets that are now shown above as short term leases (included in operating expenses)	-	-
Expense relating to variable lease payments not included in lease liabilities (included in operating expenses)	-	-
	165,440	150,489

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 2024 was $157,843 (2023: $106,116).

(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.
- 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.

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.

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 assessments 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.
- 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. $6.2 m has been amortised to finance costs in the year. $7.6m (net of tax) is unamortised and remains within the cashflow hedge reserve at 30 June 2024 (2023: $13.8m). The outstanding balance will be amortised over the original maturity of the hedging instruments with the longest one expiring in 2028.

Derivative stated at fair value	2024 $	2023 $
Current derivative assets		
Interest rate swaps - cash flow hedges	3,769,750	5,034,257
Non current derivative assets		
Interest rate swaps - cash flow hedges	4,738,530	4,933,140
Total derivative financial instrument assets at fair value	8,508,280	9,967,397
Current derivative liabilities		
Interest rate swaps - cash flow hedges	1,858,438	-
Non current derivative liabilities		
Interest rate swaps - cash flow hedges	-	-
Total derivative financial instrument liabilities at fair value	1,858,438	-

Interest rate swaps held by the Company
Swaps currently in place cover approximately 102.1% (2023: 102.1%) of the variable loan principal outstanding.
The impact of the overhedging is not material.
At 30 June 2024 the fixed interest rates of interest rate swaps entered into by the Company vary from 2.31% to 4.85% (2023: 2.31% to 4.85%) 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 2024 will be reclassified to the statement of comprehensive income within the finance cost as each interest rate swap matures 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 floating rate 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 2024 $	30 June 2023 $
Fixed rate instruments		
Interest bearing liabilities	81,869,893	83,932,753
Effect of interest rate swaps	229,412,542	231,506,124
	311,282,435	315,438,877
Variable rate instruments		
Interest bearing liabilities	224,705,819	226,838,552
Effect of interest rate swaps	(229,412,542)	(231,506,124)
	(4,706,723)	(4,667,572)
% of Variable rate instruments under hedged / (over hedged)	(2.1%)	(2.1%)

The relationship between floating rate debt and interest rate swaps is detailed below expressed in nominal values.	30 June 2024 $			30 June 2023 $		
	Floating rate interest bearing liabilities $	Swaps $	Average fixed swap %	Floating rate interest bearing liabilities $	Swaps $	Average fixed swap %
1 Year	225,097,505	227,395,408	4.15%	224,705,795	229,412,542	3.45%
2 Years	222,651,028	225,052,900	4.15%	222,441,276	227,204,800	3.68%
3 Years	220,061,535	221,287,958	4.18%	220,018,302	224,852,158	4.15%
4 Years	217,316,605	150,000,000	4.12%	217,453,765	221,185,958	4.18%
5 Years and beyond	214,422,326	150,000,000	3.62%	214,736,592	130,000,000	3.49%

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).

Cash flow hedges

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

	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
30 June 2023 Interest rate risk			
Interest bearing liabilities - variable rates	30,210,087	(13,845,334)	16,364,753
30 June 2024			
Interest bearing liabilities - variable rates	23,913,447	(7,629,391)	16,284,056

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				
	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
30 June 2023 Interest rate risk										
Interest rate swaps	268,830,660	1:1	9,967,397	Derivative financial instruments current and non current	5,175,692	(90,325)	5,266,017	Finance costs	1,567,810	Finance costs
30 June 2024 Interest rate risk										
Interest rate swaps	268,830,660	1:1	6,649,842	Derivative financial instruments current and non current	(3,317,555)	(8,745,334)	5,427,779	Finance costs	4,925,212	Finance costs

Cash flow sensitivity analysis for 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 below shows 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 from a 1% increase or decrease in interest rates at June 2024 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 derivative 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 2024					
Variable rate instruments	(2,249,017)	2,249,017			
Interest rate swaps	2,808,215	(2,808,215)		7,613,908	(8,076,616)
Cash flow sensitivity (net)	559,198	(559,198)		7,613,908	(8,076,616)
30 June 2023					
Variable rate instruments	(2,313,472)	2,313,472			
Interest rate swaps	2,301,059	(2,301,059)		8,482,730	(7,407,865)
Cash flow sensitivity (net)	(12,413)	12,413		8,482,730	(7,407,865)

(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.

Trade and other Receivables	30 June 2024 $	30 June 2023 $
Not past due	42,830	53,324
Past due 1-30 days	89,798	89,313
Past due more than 30 days	175,898	9,284
Less provision for impairment in receivables	(80,000)	(80,000)
Trade debtors	228,526	71,921
Other	201	201
Total trade and other receivables	228,727	72,122

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.

(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 2024	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	1,367,401	-	-	-	-
Interest bearing liabilities	4,281,899	243,398,988	6,438,163	17,837,282	89,809,899
Interest rate swaps	(798,733)	(2,826,438)	(433,024)	178,135	(2,668,975)
Lease liabilities	24,285	87,075	104,641	310,131	125,598
Total	4,874,852	240,659,624	6,109,780	18,325,549	87,266,522
30 June 2023					
Trade and other payables	1,777,713	-	-	-	-
Interest bearing liabilities	4,474,648	22,391,970	247,352,801	19,108,000	97,321,374
Interest rate swaps	(935,768)	(4,864,081)	(3,865,984)	(1,092,600)	(863,932)
Lease liabilities	25,523	126,441	125,288	120,000	-
Total	5,342,116	17,654,330	243,612,105	18,135,400	96,457,442

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.

	2024 $	2023 $
Trade payables	894,059	1,550,185
Accrued Expenses and GST	473,342	227,528
Net GST payable		
	1,367,401	1,777,713

(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) (level2)
- 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 2024	Level1 $	Level 2 $	Level 3 $
Financial assets at fair value through profit or loss			
Interest rate swaps	-	8,508,280	-
Total financial assets at fair value through profit or loss	-	8,508,280	-
Financial liabilities at fair value through profit or loss			
Interest rate swaps	-	1,858,438	-
Total financial liabilities at fair value through profit or loss	-	1,858,438	-
30 June 2023			
Financial assets at fair value through profit or loss			
Interest rate swaps	-	9,967,397	-
Total financial assets at fair value through profit or loss	-	9,967,397	-
Financial liabilities at fair value through profit or loss			
Interest rate swaps	-	-	-
Total financial liabilities at fair value through profit or loss	-	-	-

Financial assets as per balance sheet	Classification	2024 Carrying value $	2024 Fair value $	2023 Carrying value $	2023 Fair value $
Interest rate swaps - cash flow hedge	Fair value	8,508,280	8,508,280	9,967,397	9,967,397
Trade receivables		228,727	228,727	72,122	72,122
Financial assets		8,737,007	8,737,007	10,039,519	10,039,519
Financial liabilities as per balance sheet					
Trade and other payables	Amortised cost	1,367,401	1,367,401	1,777,713	1,777,713
Interest bearing liabilities	Amortised cost	305,531,712	308,370,303	309,135,305	312,602,956
Interest rate swaps -cash flow hedge	Fair value	1,858,438	1,858,438	-	-
Financial liabilities		308,757,551	311,596,142	310,913,018	314,380,669

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.

	2024 $	2023 $
Restricted cash		
Contingency reserve account	2,508,657	2,509,151
Total	2,508,657	2,509,151

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.

C4. Interest bearing liabilities

	2024 $	2023 $
Secured		
Bank loans - current	224,705,819	2,132,733
Accident compensation corporation loan - current	2,163,007	2,062,857
Total secured current interest bearing loans	226,868,825	4,195,590
Less:		
Unamortised loan establishment fees - current	(459,000)	(532,000)
Total current interest bearing borrowings	226,409,825	3,663,590
Note that the Company's borrowing facility expires in April 2025 which means that technically the Company does not have the right to defer settlement of its debt beyond that point. As a result the otherwise long term portion of debt has been reclassified as a current liability. The process of refinancing the Company's bank syndicated debt has been commenced with the full expectation that the facility will be renewed in April 2025.		
Secured		
Bank loans - non current	-	224,705,819
Accident compensation corporation loan - non current	79,706,887	81,869,896
Total secured current interest bearing loans	79,706,887	306,575,715
Less:		
Unamortised loan establishment fees - non current	(585,000)	(1,104,000)
Total Non current interest bearing borrowings	79,121,886	305,471,715
Total interest bearing liabilities	306,575,712	310,771,305
Less unamortised loan establishment fees	(1,044,000)	(1,636,000)
Total interest bearing liabilities per balance sheet	305,531,712	309,135,305

As at 30 June 2024 interest rates (including margins) on the Company's borrowings averaged 5.4% (2023: 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	2024 $ Face value	2024 $ Carrying amount	2023 $ Face value	2023 $ Carrying amount
Banking Syndicate	5.65%	2025	224,705,819	224,306,819	226,838,552	225,907,552
Accident Compensation Corporation	4.75%	2035	81,869,893	81,224,893	83,932,753	83,227,753
Total Interest bearing liabilities			306,575,712	305,531,712	310,771,305	309,135,305

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.

(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 $321,787,998 (2023: $331,400,715).
Banking syndicate members and ACC all rank equally in the security
The Company has the following undrawn facilities.

(b) Capex Facility	2024 $	2023 $
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 2022 / 2023	319,527,406	268,286	319,795,692
Issue of Construction shares	-	-	-
Construction shares still owing	-	-	-
Proceeds from bank borrowings	-	-	-
Repayment of bank borrowings	(10,984,101)	-	(10,984,101)
Prepaid loan establishment fees recognised	592,000	-	592,000
New leases during year	-	-	-
Lease payments	-	(106,116)	(106,116)
Closing balance as at 30 June 2023	309,135,305	162,169	309,297,474
Opening balance 2023 / 2024	309,135,305	162,169	309,297,474
Issue of Construction shares	-	-	-
Construction shares still owing	-	-	-
Proceeds from bank borrowings	-	-	-
Repayment of bank borrowings	(4,195,593)	-	(4,195,593)
Prepaid loan establishment fees recognised	592,000	-	592,000
New Leases during year	-	642,963	642,963
Lease payments	-	(157,843)	(157,843)
Closing balance as at 30 June 2024	305,531,712	647,289	306,179,001

C5. Contributed equity

(a) Capital ordinary shares	2024 Shares	2023 Shares	2024 $	2023 $
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	2024 Shares	2023 Shares	2024 $	2023 $
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	2024 Shares	2023 Shares	2024 $	2023 $
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	2024 Shares	2023 Shares	2024 $	2023 $
Opening balance	17,715	17,545	35,535,938	35,154,238
Issues of construction shares during the year	41	170	90,200	374,000
Reclassification of shares from Sheffield			-	7,700
Closing balance of shares issued	17,756	17,715	35,626,138	35,535,938

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).

(e) Sheffield construction shares	2024 Shares	2023 Shares	2024 $	2023 $
Opening balance	4,300	4,300	12,661,508	12,669,208
Issues of construction shares during the year	-	-	-	-
Reclassification of shares to Stage 2			-	(7,700)
Closing balance of shares issued	4,300	4,300	12,661,508	12,661,508

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).

	2024 $	2023 $
Total contributed equity	94,094,647	94,004,447

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

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.

C6. Other Reserves

	2024 $	2023 $
Cash flow hedge reserve	16,284,055	16,364,753
Land acquisition reserves	2,503,791	2,503,791
Capital contribution reserves	280,000	280,000
	19,067,846	19,148,544

Nature and purpose of other reserves

The land acquisition reserve is used to record capital contributions for land where the cash compensation was lower than the commercial value.
The capital contribution reserve is used to record capital contributions for infrastrucutre connected to the scheme that is run and operated by the company but the interested party does not hold the relevant share class.

(a) Cash flow hedge reserve

	2024 $	2023 $
Opening balance	16,364,753	9,850,074
Changes in fair value of hedging instrument in cash flow hedge reserve	(3,820,122)	1,477,485
Coupon payments recognised in profit or loss	(4,925,212)	(1,567,810)
Reclassified from cash flow hedge reserve to profit and loss from relationships for which hedge accounting no longer applies	8,633,253	9,138,492
Deferred tax	31,383	(2,533,488)
Movement	(80,698)	6,514,679
Balance 30 June	16,284,056	16,364,753

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.

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 , T Cookson, G Geddes.

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 $552,822 (2023: $243,838).
The amount owed by the Company at 30 June 2024 was $8,069. (2023: $12,582)

(b) Directors Interests
The following directors of the Company had an interest in an entity that the company supplied irrigation to during the financial year to the value below: These figures are stated GST inclusive)

		2024 $	2023 $
John Donkers	Chiswick Farm Limited	86,790	288,793
	Highbury Farm Limited	86,790	285,962
	Prairie Farm Limited	97,639	342,733
	Wilsden Farm Limited	144,650	507,742
	Burnham Farms Limited	126,213	450,891
Stuart Wright & Simon Wright	Annat Trust	136,512	143,143
Peter Morrison and Elizabeth Nattrass	P&E Limited	244,794	783,741
Peter Morrison	Pauri Bank Farm Holdings Limited	40,089	127,618
Antony Coltman	Canlac Holdings 2014 Limited	422,100	391,156
Simon Le Heron	Grasslands Limited	709,985	608,265
Tim Cookson	Cookson Land Company Limited	384,743	N.a
Jenny Geddes	Brent & Jennifer Geddes & James Cooke	84,218	N.a

Please refer to page 36 for disclosure of director remuneration

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.

(b) Directors interests
The following directors of the Company had an interest in an entity that owed money to Company at the end of the financial year as follows:

		2024 $	2023 $
Simon Le Heron	Canterbury Grasslands	39,643	NIL
Tim Cookson	Cookson Land Company Limited	782	NIL
Antony Coltman	Canlac Holdings 2014 Limited	782	NIL
Peter Morrison and Elizabeth Nattrass	P&E Limited	N.a	782
Peter Morrison	Pauri Bank Farm Holdings Lmited	N.a	782

The following directors of the Company had an interest in an entity that was owed money by Company at the end of the financial year as follows:

		2024 $	2023 $
Bruce Gemmell	The Gemmell Group	4,360	4,360
Simon Le Heron	Spindle Limited	3,737	7,475
Willie Palmer	Buddle Findlay	3,737	3,737
Tim Cookson	Cookson Land Limited	3,737	N.a
Jenny Geddes	Brent & Jennifer Geddes & James Cooke	3,250	N.a

D2. Contingencies

As at 30 June 2024 the Company had the following contingent liabilities or assets (2023: $75,000)

- 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 $75,00.

D3. Commitments

Capital commitments

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

	2024 $	2023 $
Up to 1 year	592,759	-
Commitments	592,759	-

The Company has contractual commitments as at 30 June 2024 of $592,759 (2023: $NIL)
The 2024 commitment relates to completion of the Labyrinth Wier.

D4. Guarantees

	2024 $	2023 $
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.

D5. Events occurring after the reporting period

The company entered into deed of lease for its Corporate office with a 5 year term and two rights of renewal for three years each.

KPMG

Independent Auditor's Report

To the shareholders of Central Plains Water Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 30 June 2024;
- the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended;
- notes, including material accounting policy information and other explanatory information

In our opinion, the accompanying financial statements of Central Plains Water Limited (the **Company**) on pages 3 to 31 present fairly in all material respects:

- the Company's financial position as at 30 June 2024 and its financial performance and cash flows for the year ended on that date; and
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

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 Central Plains Water Limited 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 $2.85 million determined with reference to a benchmark of the Company's 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 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 ($16.3 million and $6.6 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 2024.

— Assessing the competence, objectivity, and integrity of the treasury expert engaged by the company.

— Engaging our treasury specialists to:

- Challenge the valuation of IRS at 30 June 2024.
- 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 financial statements.

Our findings

We have nothing to report.

Recoverability of Scheme Infrastructure Assets ($301 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 $301 million.

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

Due to the loss-making position of the company, and the current objective of only charging water usage 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 data, assumptions, and methodology applied to determine the recoverable amount of the CGU.
- Challenge management's cash flow assumptions, including projected earnings and terminal cashflows based on historical performance.
- Check the mechanical accuracy of the model.
- Assist in performing 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 financial statements.

Our results

We have nothing to report.

Other information

The directors, on behalf of the Company, are responsible for the other information. The other information comprises information included in the Financial Report, but does not include the financial statements and our auditor's report thereon.

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 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. 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, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of 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 NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a set of financial statements that is free from material misstatement, whether due to fraud or error;
- assessing the ability of the Company 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 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 it 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 the financial statements.

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

https://www.xrb.govt.nz/standards/assurance-standards/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

Christchurch

30 September 2024

STATUTORY INFORMATION AS AT 30 JUNE 2024

As at 30 June 2024 the entity had 799,398 ordinary shares issued to 393 holders, 18,291 Stage 1 constuction shares issued to 84 holders, 29,179 pre-construction shares issued to 226 holders, 17,745 Stage 2 construction shares issued to 131 holders, and 4,300 Sheffield construction shares issued to 31 holders.

Top 10 ordinary shareholders	**Units at 30 June 2024**	**% of Units**
Rank & name		
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. Annemieke Antoinette Thomas & A A Thomas Trustees Limited	9,540	1.19
7. Grasslands Hazlehurst Limited	9,121	1.14
8. Anthony Charles Vernon Brown & Alison Catherine Gray & John Harrison Gray	8,901	1.11
9. G D Gillanders & Sons Limited	8,800	1.10
10. Blackhills (2012) Limited	8,285	1.04
Total top 10 shareholders	133,359	16.68
Total remaining shareholders	666,039	83.32

The total remuneration and other benefits to directors (and past directors) for services for the year ended 30 June 2024 was:

		2024 $
P Morrison	up to 31 October 2023	13,000
J Donkers	up to 31 Octber 2023	13,000
W J Palmer		39,000
G Miller (Chairman)		78,000
A S Wright		42,252
A Coltman		39,000
B Gemmell		45,504
S Le Heron		39,000
J Geddes	From 1 November 2023	26,000
T Cookson	From 1 November 2023	26,000
		360,756

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
Bruce Gemmell	Lincoln University The Gemmell Group Limited The Highlanders GP Limited Miramar Limited The Second Little Pig Was Right 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 Selwyn District Council Audit and Risk Committee
Tim Cookson	Cropmark Seeds Limited Pigeon Valley Forestry Limited Cookson Land Company Limited Cookson Land Company Sustainable Food and Fibre Futures (SFFF). Potential conflict over the remediation of the CPWL pipeline corridor over Tim & Lucy Cookson property.
Simon Le Heron	Base One Dairies Limited Canterbury Grasslands Limited Pecole Property Limited Ridgevale Farm Limited Whai Hua Farm Limited Band 4 Water Limited Spindle Limited
William Palmer	Buddle Findlay 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 Annat Trustees Limited
Jenny Geddes	Dryden Farming Limited BC & JH Geddes Family Trust Geddes Environmental Ltd Dryden Partnership
Stuart Wright	Annat Farms Limited Annat Trust North Canterbury Rural Support Trust
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 Band 4 Water Limited

Directors' interests

Retired Central Plains Water Limited Directors

John Donkers
Aylesbury Grazing Ltd
Band 4 Water Limited
Bray Street Holdings Ltd
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 Ltd
Dairy Farm Management Services Limited
Free Range Pastures Ltd
Highbury Farm Limited
Highveld Pastures Ltd (HVP owns shares in Ashburton Lyndhurst Irrigation Co.)
J D Consulting Limited
John Donkers Family Trust
Praire Farm Limited
Ribbonwood Farms Trustee Limited
Solvam Corporation Limited
Wigram Brewing Company Limited
Willsden Farm Limited
Woolomee Dairies Limited
Woolomee Farm Limited
Totara Forestry GP Limited

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

Directors' shareholding in Central Plains Water

The Directors' respective ordinary shareholdings in Central Plains Water as at 30 June 2024 is as follows:

	# Held
Timothy Raymond Cookson	
Timothy Raymond Cookson	5,238
Timothy Raymond Cookson & Lucy Sarah Cookson	1,100
Cookson Land Company Limited (Director and Shareholder)	334
Jenny Geddes - BC & JH Geddes Family Trust (Trustee and Beneficiairy)	1,248
Stuart Wright - Annat Trust (Trustee)	3,600
Anthony Coltman - Canlac Holdings 2014 Limited (Director and Shareholder)	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 2024 the following employees and former employees received individual remuneration over $100,000;

Remuneration Range	Number of employees
$110,000 - $120,000	3
$120,000 - $130,000	2
$140,000 - $150,000	1
$150,000 - $160,000	1
$210,000 - $220,000	1
$220,000 - $230,000	1
$290,000 - $300,000	1

Donations
There were no donations during the 2024 financial year

Directors' liability insurance

In accordance with section 162 of the Companies Act 1993 we indemnify and insure directors against liability to other parties that may arise from their position. This is 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 5th November 2024. 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 Review and Financial Report are available on our website at https://www.cpwl.co.nz/company-documents 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
A S Wright
B Gemmell
A Coltman
S Le Heron
G Geddes
T Cookson

Senior Management

S Goodfellow - Chief Executive Officer
M McKenzie - Manager Operations
M Vermeeren - Chief Financial Officer
F Crombie - Environmental Manager
C Booth - Legal Counsel
A Broughton - Engineering Manager
J Goodman - Communications & Sustainability Manager

Registered Office

Unit A, 14 Nga Mahi Road
Sockburn
Christchurch 8042

Share Register

MUFG Corporate Corporate Markets
138 Tancreds Street
Ashburton 7740

Auditor

KPMG
Level 5, 79 Cashel Street
Christchurch 8013

Lawyers

Buddle Findlay
The Regent, level 3,
33 Cathedral Square
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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TO SEE TOMORROW.
WE KNOW A PLACE.