



Statement of Intent

Aqua Curo Limited

2022-2025



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Introduction

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

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

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

The company will provide a final Statement of Intent on or by 30 June 2022.

Purpose and objectives

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

The Board of ACL (the Board) have defined the Company’s objectives:

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

Nature and scope of activities

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

ACL’s core activities for 2023-2025 include:

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

Performance targets

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

	Performance target	Performance measure
1	ACL keeps the shareholder informed of all significant matters relating to it.	The ACL board will meet quarterly and will advise any material matters to the shareholder at the earliest opportunity.
2	The Te Puke WWTP site operates for 12 months continuously.	The Project Manager provides quarterly reports to the ACL Board.
3	Commercialise the bioremediation of water research and use of biomass.	Advance commercial discussions with a minimum of one external party.
4	Undertake a capital raise to support the achievement of the Company's objectives as outlined in the Strategic Plan.	Raise funds to a minimum of \$500,000 during the year.

Performance targets will be assessed in full on or after 30 June.

Accounting policies

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

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

ACL applies External Reporting Board Standard A1 ‘Accounting Standards Framework (For-profit Entities Update)’ (‘XRBA1’). For the purposes of complying with NZ GAAP, the Company is eligible to apply Tier 2 For-profit Accounting Standards (NZ IFRS RDR) on the basis that it is not a large for-profit public sector entity. A full set of accounting policies are available on request.

Ratio of shareholder funds to total assets

Financial year	2023 \$000	2024 \$000	2025 \$000
Assets (\$)	\$1,189	\$825	\$462
Liabilities (\$)	\$81	\$28	\$28
Shareholder funds (\$)	\$1,108	\$797	\$434
Shareholder funds to assets	93%	97%	94%

An estimated funds raise of \$1.5m over the three year period has been included.

Distributions

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

Commercial valuation of investment

Financial year	2023 \$000	2024 \$000	2025 \$
Quayside Holdings investment	\$1,108	\$797	\$434

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

Governance

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

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

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

Sam Newbury: Sam is the Investment Manager at Quayside Holdings Limited and was appointed to the Aqua Curo Limited board in February 2022. Sam is a member of the Institute of Directors.

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

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

Committees and policies

The Board of Directors are responsible for all delegations and subsequent operations of the business. No subcommittees of the Board exist. ACL has no employees and one contractor.

ACL has approved the adoption of the Quayside Group fraud policy, and Procurement Strategy. ACL approved its own internal health and safety policy in 2021.

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

Reporting to shareholders

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