

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Council Controlled Organisations Subcommittee will be held on:

Date: Monday 30 November 2015
Time: 4.00pm
Meeting Room: Committee Room 1, Level 1,
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Council Controlled Organisations Subcommittee OPEN AGENDA

Membership

Chairperson Cr G Mallett
Members Her Worship the Mayor J Hardaker
Cr A King
Cr R Pascoe
Cr P Yeung

Quorum: A majority of members (including vacancies)

Meeting Frequency: 6 monthly or as required

Ian Loiterton
Committee Advisor

25 November 2015
Telephone: 07 838 6439
ian.loiterton@hcc.govt.nz
www.hamilton.govt.nz

Terms of Reference:

- To oversee and provide recommendations to the Finance Committee in regard to the Council's interests in its Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.
- Develop and recommend a draft policy for the appointment and remuneration of directors of CCOs and COs to the Strategy and Policy Committee by 30 March 2014.
- Approve appointments to CCO and CO boards in accordance with the Appointment and Remuneration Policy for CCOs and COs.
- Provide clear directions to Council's CCO's and CO on Council's expectations.
- Consider and approve statements of intent as prepared by the board of each CCO and CO.
- Receive CCO and CO six monthly and annual reports.
- Consider any proposed major transactions of CCOs and COs and make recommendations to the Finance Committee in relation to those major transactions.

Special Notes:

- The sub-committee may request expert advice through the Chief Executive when necessary.
- CCOs & COs covered by this committee are: Local Authority Shared Services (LASS), Waikato Regional Airport Ltd (WRAL), SODA Inc Ltd, Waikato Innovation Park Ltd (& Innovation Waikato Ltd), Vibrant Hamilton, LGFA, NZ Local Government Insurance Corporation Ltd.

Power to act:

- Approve appointments to CCO and CO boards in accordance with a policy for the
- Appointment and Remuneration of Directors of CCOs and COs.
- Approve statements of intent for each CCO and CO.

Power to recommend:

- Make recommendations to the Finance Committee in relation to any proposed major transactions of CCOs and COs.
- The sub-committee must make recommendations to the Finance Committee and/or Council in respect to any proposal to establish a CCO or CO.
- The sub-committee may make recommendations to Finance Committee and/or Strategy and Policy Committee.

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies	4
2	Confirmation of Agenda	4
3	Declarations of Interest	4
4	Council Controlled Organisations (CCO) Subcommittee - Open Minutes - 21 October 2015 and 13 November 2015	5
5	Council Controlled Organisations Subcommittee Action List - Open - 30 November 2015	13
6	Innovation Waikato Ltd and Subsidaire - Annual Reports 2015	16
7	Resolution to Exclude the Public	100

1 Apologies

2 Confirmation of Agenda

The Committee to confirm the agenda.

3 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

Committee: Council Controlled
Organisations Subcommittee

Date: 30 November 2015

Report Name: Council Controlled
Organisations (CCO)
Subcommittee - Open Minutes
- 21 October 2015 and 13
November 2015

Author: Ian Loiterton

Status	<i>Open</i>
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Recommendation

That the Subcommittee confirm and adopt as a true and correct record the Open Minutes of the Council Controlled Organisations Subcommittee Meetings held on:

- 21 October 2015; and
- 13 November 2015.

1. Attachments

2. Attachment 1 - Council Controlled Organisations Subcommittee Meeting - Open Minutes - 21 October 2015
3. Attachment 2 - Council Controlled Organisations Subcommittee Meeting - Open Minutes - 13 November 2015

Council Controlled Organisations Subcommittee

OPEN MINUTES

Minutes of a meeting of the Council Controlled Organisations Subcommittee held in Committee Room 1, Municipal Building, Garden Place, Hamilton on Wednesday 21 October 2015 at 9.30am.

PRESENT

Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker Cr R Pascoe Cr P Yeung

In Attendance:	Sean Murray – General Manager Events and Economic Development Paul Conder – Chief Financial Officer Blair Bowcott – Executive Director Special Projects Stephen Halliwell – Accounting Manager Andrew West – Chairperson, Waikato Innovation Park Ltd. Stuart Gordon – CEO, Waikato Innovation Park Ltd.
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Committee Advisor	Ian Loiterton – Committee Advisor
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1. Apologies

Resolved: Crs Mallett/Yeung

That the Subcommittee accept the apologies of Councillor King and the Board of the Waikato Regional Airport Board.

2. Confirmation of Agenda

The Chair advised that Item 10 would be considered after Item 13 so as to cater for representatives of Waikato Innovation Park Ltd.

Resolved: Crs Mallett/Pascoe

The Committee to confirm the agenda

3. Declarations of Interest

Councillor Pascoe stated that he was a Director of a company that was a tenant at Waikato Innovation Park; the company paid market rates.

4. Previous Minutes

Action: General Manager (GM) Events and Economic Development to follow up on Item 6, resolution point (b), namely:

'the External Funding Subcommittee be tasked to determine and notify Council's advice to the Vibrant Hamilton Trust on its grant distribution each year.'

Resolved: Crs Mallett/Pascoe

That the Subcommittee adopt as a true and correct record the Open Minutes of the Council Controlled Organisations Subcommittee Meeting held on 22 April 2015.

5. Action List

Resolved: Her Worship the Mayor/Cr Pascoe

That the Subcommittee accept the report.

6. Council Controlled Organisations – Letters of Expectation

The Chief Financial Officer (CFO) took the report as read and highlighted that:

- **Best practice:** Letters of Expectation to Council Controlled Organisations (CCO) were best practice, as endorsed by the Auditor General.
- **Scope:** Hamilton City Council (HCC) had three Council Controlled Organisations (CCO) under its control, as opposed to those it had a mere shareholding in, and that those organisations were Waikato Innovation Park, Waikato Regional Airport and Vibrant Hamilton Trust.
- **Purpose:** Letters of Expectation help inform the CCO's Statement of Intent, as well outlining HCC's purpose for holding an interest in the CCO and its expectations from it.
- **Legal standing:** Letters of Expectation do not have legal weight, but pre-empt HCC's response to the CCO's Statement of Intent.
- **Local Authority Shared Services (LASS):** HCC would work with other councils to develop a standard Letter of Expectation in relation to LASS, but time did not permit this prior to the meeting of the Subcommittee.

Action: CFO to undertake a broad revision of the content of the draft Letters of Expectation in terms of outlining HCC's expectations, as well as:

- removal of 'As you are aware' (refer page 20 of the Agenda);
- amendment to 'at least 1 month prior to the [AGM] meeting' (refer page 22 of the Agenda); and
- correction of name to Mr Earl Rattray (refer page 22 of the Agenda).

Resolved: Her Worship the Mayor/Cr Pascoe

That:

- a) the report be received; and
- b) staff to develop further drafts of the Letters of Expectation to be presented to a Meeting of the Subcommittee prior to Christmas 2015.

7. Civic Assurance Half Year Report June 2015

It was noted that the table on page 29 of the Agenda should be \$202,000 (not million) and

all figures in table on page 31 of the Agenda need to be '000.

Resolved: Crs Mallett/Yeung

That the report be received.

8. Local Authority Shared Services Limited (LASS) Annual Report 2014/15

The CFO and Accounting Manager spoke to the report and highlighted that:

- **Cash flow:** LASS was cash flow positive, but not on a profit basis; rather, due to the early contribution payments of members.
- **Budget:** a reduction in the previous financial year's surplus had been achieved via a \$500,000 reduction in Council contributions in the LASS budget.
- **Additional opportunities:** the LASS CEO was exploring options for additional shared service saving opportunities in discussion with Councils.

Action: CFO to provide feedback to LASS recommending it incorporate Council savings into its next annual report.

Resolved: Her Worship the Mayor/Cr Pascoe

That the report be received.

9. NZ Local Government Funding Agency – Annual Report 2015

The CFO noted that feedback had been provided to the NZ Local Government Funding Agency that he was not a member of the Shareholder Council as was stated on pages 85 and 91 of the Agenda.

Resolved: Crs Pascoe/Mallet

That the report be received.

10. Innovation Waikato Ltd - Annual Report 2015

This item was taken after Item 13, to accommodate External Attendees' availability.

11. Waikato Regional Airport Ltd - Annual Report 2015

The GM Events and Economic Development highlighted that it had been a good year for the airport in terms of cash flow, revenue and the pay down of debt.

Resolved: Crs Mallet/Yeung

That the report be received.

12. Vibrant Hamilton Trust - Annual Report 2015

The CFO and Accounting Manager spoke to the item and highlighted that there was no annual report for the Vibrant Hamilton Trust due to the non-completion of the audit.

Action: CFO to report to a full meeting of Council in March 2016 requesting Hamilton Properties Ltd exemption from CCO annual reporting requirements.

Resolved: Crs Mallet/Pascoe

That the report be received.

13. Hamilton Properties Ltd

The CFO highlighted that a recommendation would be made to Council requesting an extension of Hamilton Properties Ltd's exemption from CCO annual reporting requirements.

Action: CFO to report to a full Meeting of Council requesting Hamilton Properties Ltd exemption from CCO annual reporting requirements.

Resolved: Crs Mallet/Pascoe

That the report be received.

The Meeting was adjourned from 10.43 – 10.48am.

Item 10 was taken next to accommodate External attendees' availability.

10. Innovation Waikato Ltd - Annual Report 2015

The Chair and CEO of Waikato Innovation Park Ltd. took the report as read, and highlighted the following achievements for the year:

- **Financial results:** Innovation Waikato Ltd was cash positive for the previous financial year and that the positive results were due to an increased property evaluation and higher tenancy revenue, with tenancy at Waikato Innovation Park at 99% of capacity.
- **Capital:** the injection of \$3,000,000 worth of capital from Callaghan Innovation, which funded a new building, would equate to an increase in revenue of approximately \$900,000 per annum.
- **NZ Food Innovation (Waikato) Ltd:** Sheep milk industries in particular had used NZ Food Innovation (Waikato) Ltd's dryer, thereby supporting new start-up companies, while Clover Corporation also used the dryer to develop its Nu-Mega Omega 3 and 6 products. 213 dryer days were sold for 2015, while 280-290 dryer days were booked for 2016 at a higher rate.

Resolved: Crs Pascoe/Yeung

That the report be received.

4. Resolution to Exclude the Public

Resolved: Crs Pascoe/Yeung

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Council Organisations Subcommittee - Public Excluded Minutes - 22 April 2015	Controlled (CCO)) Public) 22 April) 2015)	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987
C2. Council Organisations Subcommittee Action List - Public Excluded - 21 October 2015	Controlled)	
C3. Waikato Innovation Park - Council ownership and exit options		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)

The Meeting moved into Public Excluded session at 11.20am.

The Meeting was declared closed at 12.31pm.

Council Controlled Organisations Subcommittee

OPEN MINUTES

Minutes of a meeting of the Council Controlled Organisations Subcommittee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Friday 13 November 2015 at 2.30pm.

PRESENT

Chairperson	Cr G Mallett
Members	Cr A King Cr R Pascoe Cr P Yeung
In Attendance:	Richard Briggs – Chief Executive Paul Conder – Acting General Manager Corporate
Committee Advisor	Ian Loiterton - Committee Advisor

1. Apologies

Resolved: (Crs Mallett/Yeung)

That the apology from Her Worship the Mayor Hardaker be received and accepted.

2. Confirmation of Agenda

Resolved: (Crs Mallett/Yeung)

The Committee to confirm the agenda.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Local Government Funding Agency (LGFA) November 2015 AGM

The Chief Executive took the report as read and highlighted the following:

- **Suitability of Directors**

The results of the LGFA and due diligence at time of appointment suggested the Directors were fit for the role.

- **Council Briefing**

It was planned that a representative of the LGFA would brief Elected Members in the near future at a time and date to be determined.

Resolved: (Crs King/Mallett)

That the Council Controlled Organisations subcommittee:

- a) Approve the re-election of John Avery and election of Linda Robertson and Mike Timmer as directors;
- b) Approve the re-election of Tasman District Council and election of Auckland Council as 'Nominating Local Authorities';
- c) Approve the proposed increase to directors' remuneration;
- d) Authorise Mr Alan Adcock (and failing him Mr Craig Stobo), by way of proxy, to represent Hamilton City Council at the AGM and vote according to the instructions in the completed proxy form.

The Meeting was declared closed at 2.40pm.

Committee: Council Controlled
Organisations Subcommittee

Date: 30 November 2015

Report Name: Council Controlled
Organisations Subcommittee
Action List - Open - 30
November 2015

Author: Ian Loiterton

Status	<i>Open</i>
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Recommendation

That the Report be received.

1. Attachments

- Attachment 1 - Council Controlled Organisations Subcommittee - Open Action List - 30 November 2015

Council Controlled Organisations Subcommittee - Action List - Open

Meeting Date	Item #	Action for Monitoring	GM/Unit Responsible	Comment
22-Apr-15	11	Vibrant Hamilton Trust - Draft Statement of Intent 2015/16 and half year report for Dec 2014 - the VHT Trustees be requested to identify suitable candidates to fill the vacant Trustee position and to make a recommendation to the CCO Subcommittee; and	CFO and GM Events and Economic Development	In progress - Report back to CCO Subcommittee 6 April 2016
22-Apr-15	11	Vibrant Hamilton Trust - Draft Statement of Intent 2015/16 and half year report for Dec 2014 - the Trustee Deed be reviewed by the Trustees to ensure it meets the current purpose and objectives of the Trust and to allow the Trust to function in an efficient and cost effective manner.	CFO and GM Events and Economic Development	Complete - email dated 17/11/15 from Deanne McManus-Emery confirmed that the External Funding Subcommittee approved funding applications to the Vibrant Hamilton Trust for the following priority projects: o Hamilton Gardens Development Playground \$200,000 o Dominion Park destination Playground; \$100,000 o Pukete Flower Bridge(River Plan) Project TBC(amount) o Bike Plan- amount TBC o Waiwhakareke Natural Heritage part Restoration Project: Amount TBC o Library Laneway Urban Rejuvenation project: Amount TBC The External Funding Subcommittee received confirmation of the following approved priority projects from Vibrant Hamilton Trust in September 2015: • Hamilton Gardens Development Playground \$200,000 • Dominion Park Destination Playground \$100,000 • Library Laneway urban Rejuvenation project \$25,000.
21-Oct-15	4	General Manager (GM) Events and Economic Development to follow up on Item 6, resolution point (b), namely: 'the External Funding Subcommittee be tasked to determine and notify Council's advice to the Vibrant Hamilton Trust on its grant distribution each year.'	GM Events and Economic Development	In progress - Report back to CCO Subcommittee 6 April 2016
21-Oct-15	6	Staff to develop further drafts of the Letters of Expectation for presentation to a Meeting of the Subcommittee prior to Christmas 2015. This includes a broad revision of the content in terms of outlining HCC's expectations through Subcommittee Member/s input, as well as: removal of 'As you are aware' from draft (refer page 20 of the Agenda); amendment to 'at least 1 month prior to the [AGM] meeting' (refer page 22 of the Agenda); and correction of name to Mr Earl Rattray (refer page 22 of the Agenda).	CFO	In progress - Report back to CCO Subcommittee 30 November 2015
21-Oct-15	8	CFO to provide feedback to LASS recommending it incorporate Council savings into its next annual report.	CFO	Noted - in progress
21-Oct-15	12	RE Vibrant Hamilton Trust: CFO to provide an updated report to the next Meeting of the Subcommittee in December 2015 following the completion of Audit New Zealand's audit process.	CFO	In progress - Report back to CCO Subcommittee 6 April 2016
21-Oct-15	12	RE Hamilton Properties Ltd. CFO to report to a full Meeting of Council requesting Hamilton Properties Ltd. exemption from CCO annual reporting requirements.	CFO	In progress - Report back to Council 31 March 2016

Committee: Council Controlled
Organisations Subcommittee

Date: 30 November 2015

Report Name: Innovation Waikato Ltd and
Subsidares - Annual Reports
2015

Author: Blair Bowcott

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Statement of Intent</i>
Financial status	<i>There is not budget allocated</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

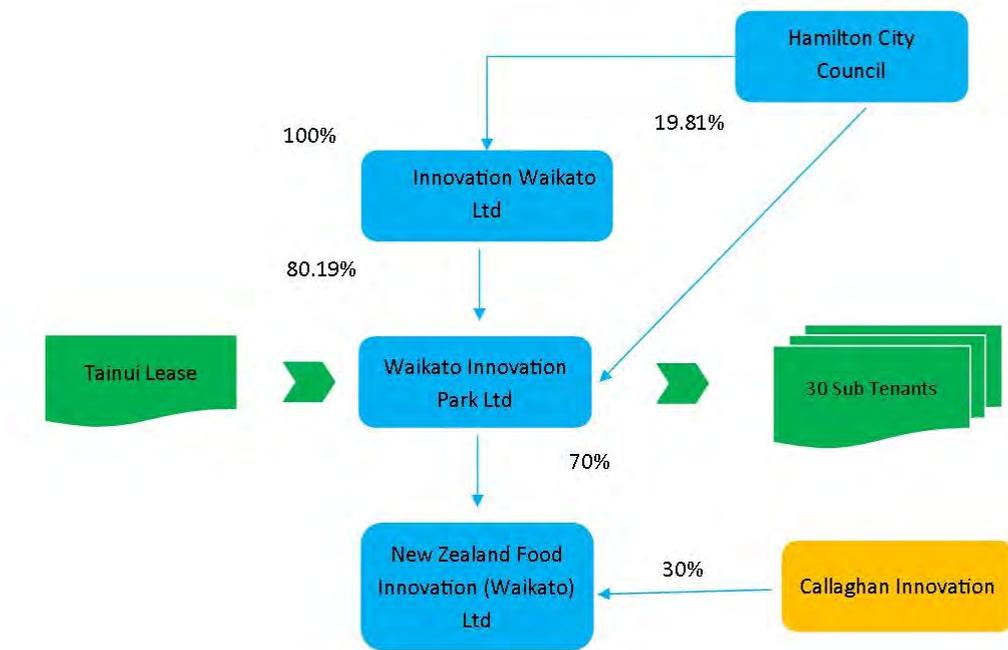
1. Purpose of the Report

- To present the subsidiary accounts of Innovation Waikato Ltd as requested at the 21 October 2015 CCO Subcommittee meeting.

3. Executive Summary

- The [CCO Subcommittee on 21 October 2015](#) received the 2015 Group Annual Report of Innovation Waikato Ltd.
- The Subcommittee requested that the 2015 Annual Reports for the subsidiary companies also be circulated with a particular interest in the Food Innovation results. For completeness, the annual reports for the Group and the two subsidiaries are attached:
 - Innovation Waikato Ltd - The "Group Accounts" (Attachment 1)
 - Waikato Innovation Park Ltd (Attachment 2)
 - New Zealand Food Innovation (Waikato) Ltd (Attachment 3)
- Innovation Waikato Ltd is a holding company and has no trading activities. All activities are conducted through Waikato Innovation Park Ltd (primarily property and economic development initiatives including Callaghan Institute agency) and NZ Food Innovation (Waikato) Ltd (the research and development spray drier facility).
- The table below shows the current structure of the Innovation Waikato Ltd (IWL) Group:
 - Hamilton City owns 100% of innovation Waikato Ltd and directly owns 19.81% of Waikato innovation Park Ltd (WIPL);
 - Innovation Waikato (which is 100% owned by HCC) owns the remaining 80.19% of WIPL. Thus HCC owns 100% of WIPL, 19.81% directly and 80.19% indirectly through HCC's 100% ownership of Innovation Waikato Ltd.

IWL Group—Existing Organisation Structure



8. The AGM of Innovation Waikato Ltd Group was held on 28 October 2015, where the audited accounts and report of the directors were received and approved.
9. Councillors Mallett and Pascoe attended the AGM.

10. Recommendation from Management

That the report be received.

11. Attachments

12. Attachment 1 - Innovation Waikato Ltd - Annual Report 2015
13. Attachment 2 - Waikato Innovation Park Ltd - Annual Report 2015
14. Attachment 3 - New Zealand Food Innovation (Waikato) Ltd - Annual Report 2015

Signatory

Authoriser	Blair Bowcott, Executive Director Special Projects
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Waikato Innovation Park

FOODWAIKATO



INNOVATION
WAIKATO LIMITED

Annual Report 2015

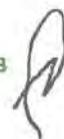


**TABLE OF CONTENTS***For the Year Ended 30 June 2015*

Directory	3
Chairman's and Chief Executive's Annual Report	4
Annual Report	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Financial Position	10
Statement of Cash Flows	12
Notes to the Financial Statements	13
Auditors Report	32

DIRECTORY*As at 30 June 2015*

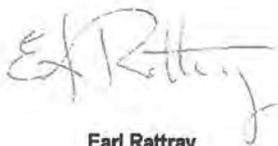
Nature of Business	The development and operation of an Innovation Park in Hamilton, New Zealand.	
Address	Waikato Innovation Park Ruakura Lane Hamilton 3216	
Registered Office	Waikato Innovation Park Ruakura Lane Hamilton 3216	
Authorised Capital	1,247 Ordinary Shares	
Directors	Christopher Martin Udale Andrew William West Anthony Victor Steele Earl Raltray	
Shareholder	Hamilton City Council	1,247 Ordinary Shares
Auditors	Audit New Zealand on behalf of the Auditor-General PO Box 256 Hamilton 3240	
Bankers	BNZ 354 Victoria Street Hamilton	
Solicitors	Tompkins Wake 430 Victoria Street Hamilton	
IRD Number	080-105-991	



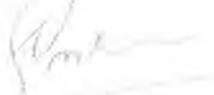
CHAIRMAN'S AND CHIEF EXECUTIVE'S ANNUAL REPORT

Major Milestone for the year include:

- Achievement of group profit after tax of \$1,590,000
- Park tenancy occupancy rate of 99% for the year
- Agreement to Lease signed by Tetra Pak for a 3,500m² Head Office and Technical Service Centre
- Design and Build Agreement signed with Hawkins Construction Ltd for the new Tetra Pak Head Office
- New Tetra Pak building construction commenced 1st April 2015
- Commenced a review of the Waikato Innovation Park Masterplan. This will form part of Hamilton City Council District Plan. This plan will also ensure future developments are aligned and coordinated and be part of the development package for the raising of equity for future development
- Capital injection of \$3,000,000 for 30% of NZ Food Innovation (Waikato) Ltd (Food Waikato) by Callaghan Innovation to build nutritional ingredients mixing and blending plant
- Nutritional ingredients mixing and blending plant completed in March 2015
- Food Waikato undertook 213 days of manufacturing
- Five fresh milk customers for sheep and goat supply contracted with Food Waikato
- Agreement with Nu Mega of Australia to manufacture encapsulated Omega 3 and 6 powders
- \$41m of grants issued by Callaghan Innovation for Research and Development for the Waikato and Bay of Plenty and \$470,000 of grants for capability building from NZTE allocated to clients in the Waikato
- Twenty events hosted by the Business Growth team, including 7 seminars, 5 workshops and 8 open homes throughout the year



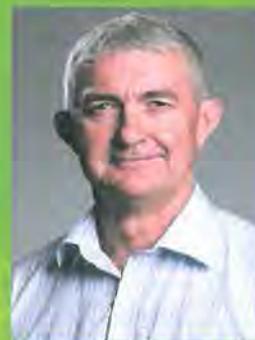
Earl Rattray
Chairman



Stuart Gordon
Chief Executive



Earl Rattray
Chairman



Stuart Gordon
Chief Executive



Financial Performance:

The year ending June 2015 produced an excellent financial performance for the Innovation Waikato Limited group. Group Revenue increased by 53% from last year's \$5,209,000 to \$7,969,000 this year. Group Total Comprehensive Income for the year was \$1,590,000 compared to a \$42,000 loss last year. The Comprehensive Income included \$1,186,000 from revaluation of investment property and \$404,000 from trading profits. More importantly Net Cash Flow from operating activities increased 185% from last year's \$585,000 to \$1,671,000 this year. As part of the Group, Food Waikato revenue grew 45% from \$2,533,000 last year to \$3,668,000 this year. Food Waikato's Total Comprehensive Income was a net loss of \$49,000 compared to last year's loss of \$485,000. Food Waikato's net cash surplus from operating activities was \$129,000.

The Groups Total Assets increased by \$9,558,000, the major components being \$1,186,000 from revaluation of investment properties, \$5,671,000 spent on Food Waikato's nutritional blending mixing plant and buildings, \$2,859,000 on work in progress for the new Tetra Pak building plus \$734,000 increase in current assets less \$827,000 depreciation charge.

The groups equity increased by \$4,589,000 during the year. The major contribution of \$3,000,000 came from the issue of new shares in Food Waikato to Callaghan Innovation. Other contributions came from the revaluation of investment properties of \$1,186,000 and \$404,000 from trading profit.

Board of Directors:

The Board of Directors wish to acknowledge the contribution from Michael Spaans who stood down from the Board and as Chairman to undertake his duties as a Director of Fonterra. We thank Michael for his strong leadership through periods of uncertainty to the present position of financial and strategic strength. Earl Rattray was appointed by the Board of Directors in May 2015 to the position of Chairman. Earl is supported by a strong experienced Board of Martin Udale, Tony Steele and Andy West. Helen Cross joined the team in June 2015.

Given the unique role Food Waikato is performing as part of the New Zealand Food Innovation Network and the issue of shares to Callaghan Innovation three Directors with specialist skills were appointed to the Food Waikato Board. We welcome Richard Perry (CFO Callaghan Innovation), Barry Harris and Peter Hobman to the Food Waikato board.

The Board of Directors review operating and financial reports monthly and met 7 times formally during the year, while individual Board members attended to several representative, planning and reporting duties. The Board has signed a best practice set of policies and monitors those policies and the company risk register to ensure compliance.

The Board takes seriously it's obligation to ensure public safety and a safe working environment. A strategic review of workplace hazards has been undertaken and health and safety monitoring is a priority for the Board.

Strategic Direction :

The Walkato Innovation Park has identified its core purpose and key objectives that recognise the strategic intent of the business:

Core Purpose

To promote research, development, commercialisation and marketing by new and existing entities or individuals of new products, processes, technologies and or quality improvements. To actively promote economic development by supporting the growth of business that contributes to New Zealand's export economy.



The focus of the Park is on innovation and technology-led businesses that enhance New Zealand's competitive advantage and alignment with the region's economic export development strategy, particularly in areas such as:

- Agriculture
- Agribusiness
- Food Processing
- Value add to food products from primary production
- Horticulture
- Environmental sustainability
- Enabling Information and Communication Technology

Waikato Innovation Park has continued to contribute to the Waikato economic growth strategy, in collaboration with other regional agencies, NZTE and Callaghan Innovation. Our focus has been to specialise in funding grants, incubation, clustering, business attraction and business to business collaboration.

The Board of Waikato Innovation Park through its Statement of Intent for the 2016 year has set out clear aspirations to grow the park. In the next year it will, after consultation with its parent Hamilton City Council, seek private equity to achieve these ambitions.

Statement of Intent objectives for year ending 2015:

The Key Objectives set out in the Statement of Intent and the performances against those goals were:

1. Full product formulation capability built in NZFIW through a combination of private and government funding.
 - The Plant was completed in April 2015 after an equity injection from Callaghan Innovation.
2. 246 production days budgeted on the spray dryer.
 - Food Waikato achieved 213 manufacturing days. The main contributor in missing this target was the fact that the nutritional mixing plant was completed two months later than budgeted.

3. Additional private equity successfully attracted to build a new building.

- With the injection of capital and the successful signing of an Agreement to Lease with Tetra Pak the Bank of New Zealand agreed to fund the new building through debt. The new building construction commenced in April 2015.

4. Financial Goals:

Group EBITDA budget - \$2,035,000.

Achieved - \$3,586,000 (excluding interest received)

Group Cash from operating activities budget - \$1,020,000

Achieved - \$1,671,000

Group Profit after tax budget - \$171,000

Achieved - \$1,590,000

Management:

Waikato Innovation Park Team had an excellent year and the Board thanks them for their dedication and achievements. Led by the Chief Executive, Stuart Gordon, the team can be proud of the 2015 year's achievements which means the Group is now well placed strategically for the future.



Waikato Innovation Park

FOODWAIKATO





ANNUAL REPORT

For the Year Ended 30 June 2015

Approval and issue of consolidated financial statements

On this date the Directors approve and issue the annual report including the attached consolidated financial statements for Innovation Waikato Limited for the year ended 30 June 2015.

Reporting concessions

The shareholders of Innovation Waikato Limited have unanimously agreed to take advantage of the reporting concessions available to them under section 211(3) of the Companies Act 1993 whereby the annual report need not comply with any of paragraphs (a) and (e)- (j) of section 211(1), namely not to disclose information otherwise required concerning the activities of the Directors, employees, auditors, if any, and donations.

Auditor

An auditor has been appointed.

For and on behalf of the Board





Director

30.9.15

Date

Director

30.09.15

Date

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2015

	NOTE	Group \$000		Company \$000	
		2015	2014 (restated)*	2015	2014
Revenue					
Operating revenue	4	6,595	5,022	-	-
Other income	5	179	179	-	-
Other gains	9	1,186	-	-	-
Share of profit from associate	16	9	8	-	-
Total Revenue		7,969	5,209	-	-
Expenses					
Operating expenses		(2,348)	(1,892)	-	-
Personnel costs	6	(1,788)	(1,496)	-	-
Depreciation	19	(827)	(778)	-	-
Audit fees		(46)	(38)	-	-
Directors fees	7	(178)	(133)	-	-
Bad and doubtful debts		(6)	(20)	-	-
Other losses	9	(17)	(27)	-	-
Total operating expenses		(5,210)	(4,384)	-	-
Finance income	8	13	-	-	-
Finance costs	8	(1,005)	(980)	-	-
Net finance costs	8	(992)	(980)	-	-
Profit/(loss) before tax		1,767	(155)	-	-
Less: Income tax	10	(177)	(167)	-	-
Profit/(loss) for the year		1,590	(322)	-	-
Other comprehensive income					
Gain/(loss) on property revaluation		-	389	-	-
Income tax on other comprehensive income	10	-	(109)	-	-
Total Other Comprehensive Income		-	280	-	-
Total comprehensive income for the year		1,590	(42)	-	-
Total profit/(loss) attributable to:					
Innovation Waikato Limited		1,267	(258)	-	-
Non-controlling interest		323	(64)	-	-
Total comprehensive income attributable to:					
Innovation Waikato Limited		1,267	(34)	-	-
Non-controlling interest		323	(8)	-	-

* The comparatives have been restated due to the changes in accounting policies in Note 2 (e)
The Accompanying notes form part of these financial statements.

Innovation Waikato Limited Annual Report 8

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

Group	NOTE	\$000 Share Capital	\$000 Revaluation reserve	\$000 Retained earnings	\$000 Non- controlling interest	\$000 Total equity
Balance as at 1 July 2013 (as previously reported)		2,400	2,473	3,811	287	8,971
Adjustments for conversion to IFRS RDR	2e	-	(692)	129	(171)	(734)
Adjustment for prior period error	2e	-	-	1,450	390	1,840
Balance as at 1 July 2013 (restated)		2,400	1,781	5,390	506	10,077
<i>Total comprehensive income</i>						
Profit for the year (restated)		-	-	(258)	(64)	(322)
Other comprehensive income for the year (restated)		-	225	-	55	280
Total comprehensive income for the year		-	225	(258)	(8)	(42)
Balance as at 30 June 2014 (restated)		2,400	2,006	5,132	498	10,035
Balance as at 1 July 2014		2,400	2,006	5,132	498	10,035
<i>Total comprehensive income</i>						
Profit for the year		-	-	1,267	323	1,590
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	1,267	323	1,590
<i>Transactions with owners of the company</i>						
Non-controlling interest from issue of NZFIW shares		-	-	1,685	1,315	3,000
Balance as at 30 June 2015		2,400	2,006	8,084	2,136	14,625

Company	NOTE	\$000 Share Capital	\$000 Revaluation reserve	\$000 Retained earnings	\$000 Total equity
Balance as at 1 July 2013		2,400	-	5,215	7,615
<i>Total comprehensive income</i>					
Profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Balance as at 30 June 2014		2,400	-	5,215	7,615
Balance as at 1 July 2014		2,400	-	5,215	7,615
<i>Total comprehensive income</i>					
Profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Balance as at 30 June 2015		2,400	-	5,215	7,615

The Accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

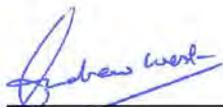
	NOTE	Group \$000		Company \$000	
		2015	2014 (restated)*	2015	2014
ASSETS					
Non-current assets					
Investment in associates	16	20	11	-	-
Investment in subsidiaries	17	-	-	9,776	9,776
Work in progress	20	3,552	768	-	-
Property, plant and equipment	19	19,488	14,656	-	-
Investment property	18	15,700	14,500	-	-
Total non-current assets		38,760	29,935	9,776	9,776
Current assets					
Cash and cash equivalents	12	168	19	-	-
Trade and other receivables	13	907	373	-	2
Prepayments		141	83	-	-
Accrued income		-	8	-	-
Total current assets		1,216	483	-	2
Total assets		39,976	30,418	9,776	9,778
EQUITY AND LIABILITIES					
Equity					
Share capital	11	2,400	2,400	2,400	2,400
Asset revaluation reserve	11	2,006	2,006	-	-
Retained earnings		8,084	5,132	5,215	5,215
Total equity attributable to the Company		12,489	9,538	7,615	7,615
Non-controlling interest	11	2,136	498	-	-
Total equity		14,625	10,036	7,615	7,615
Non-current liabilities					
Deferred tax liability	10	1,053	1,011	-	-
Deferred income	21	3,769	3,436	-	-
Term loans	22	9,483	6,377	-	-
Other loans	23	300	-	-	-
Provisions	24	171	-	-	-
Total non-current liabilities		14,776	10,824	-	-

* The comparatives have been restated due to the changes in accounting policies in Note 2 (e)
The Accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION*As at 30 June 2015 (Continued)*

	NOTE	Group \$000		Company \$000	
		2015	2014 (restated)*	2015	2014
Current liabilities					
Cash and cash equivalents	12	209	28	-	-
Payables and accruals	14	4,111	812	-	-
Term loans	22	6,255	8,051	-	-
Other loans	23	-	867	-	-
Related parties	15	-	-	2,161	2,163
Total current liabilities		10,575	9,558	2,161	2,163
Total liabilities		25,351	20,382	2,161	2,163
Total equity and liabilities		39,976	30,418	9,776	9,778

* The comparatives have been restated due to the changes in accounting policies in Note 2 (e)
The Accompanying notes form part of these financial statements.



Director
30 September 2015



Director
30 September 2015



STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2015

	NOTE	Group \$000		Company \$000	
		2015	2014	2015	2014
Cash flow from operating activities					
Receipts from customers		7,013	4,981	-	-
Payments to suppliers and employees		(4,272)	(3,456)	-	-
Interest received		13	-	-	-
Interest paid		(1,007)	(966)	-	-
Tax payments		(4)	-	-	-
GST (net)		(72)	26	-	-
Net cash from operating activities	27	1,671	585	-	-
Cash flow from investing activities					
Purchase of property, plant and equipment		(5,246)	(94)	-	-
Purchase of investment property		(14)	(28)	-	-
Purchase of assets under construction		(559)	(93)	-	-
Loans to related parties		-	-	-	-
Net cash from/(used in) investing activities		(5,819)	(215)	-	-
Cash flow from financing activities					
Proceeds from issue of shares	11	3,000	-	-	-
Proceeds from borrowing		9,532	-	-	-
Repayment of borrowings		(8,416)	(48)	-	-
Net cash from/(used in) financing activities		4,116	(48)	-	-
Net increase/(decrease) in cash and cash equivalents		(32)	322	-	-
Cash and cash equivalents at 1 July		(9)	(331)	-	-
Cash and cash equivalents at 30 June	12	(41)	(9)	-	-

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The Accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

1. REPORTING ENTITY

Innovation Waikato Limited (the 'Company') is a company registered under the Companies Act 1993, and a Council-Controlled Organisation under the Local Government Act 2002 with effect from the 9th October 2013. The Company's parent and ultimate parent entity is Hamilton City Council.

The Group consists of Innovation Waikato Limited and its subsidiaries Waikato Innovation Park Limited ('WIPL') and New Zealand Food Innovation (Waikato) Limited ('NZFIW').

The financial statements of Innovation Waikato Limited are for the year ended 30 June 2015. The financial statements were authorised for issue by the Board of Directors on the 30th September 2015. The owners or others do not have the power to amend the financial statements after issue.

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements for the Group have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

The financial statements 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 - Reduced Disclosure Regime ("NZ IFRS RDR"), and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The Group qualifies for NZ IFRS (RDR) as it does not have public accountability and it is not a large for-profit public sector entity. The Company has elected to apply NZ IFRS (RDR) and has applied disclosure concessions. The Group has early adopted the Reduced Disclosure regime framework for the financial year ended 30 June 2015 (see 2e below).

b. Basis of Measurement

The financial statements have been prepared on an historical cost basis except for investment property and property, plant and equipment which are measured to fair value.

c. Functional and Presentational Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

d. Use of Estimates and Judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 18: Determination of fair value of property, plant and equipment

Note 19: Classification and fair value of investment property

Note 20: Recognition of deferred income

Note 23: Recognition of provision

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

e. Change in Accounting Policies

Application of the Reduced Disclosure Regime

The Group has early adopted the Reduced Disclosure Regime applicable for Tier 2 entities. This has resulted in an increase in disclosure requirements, preparation of a cashflow statement and accounting for deferred tax in line with NZ IAS 12. The changes to the comparatives have had the following effect:

As at 1 July 2013 retained earnings increased by \$129,000, revaluation reserve decreased by \$863,000 and a deferred tax liability was recognised of \$734,000.

For the year ending 30 June 2014, a tax expense was recorded of \$167,000 in the Statement of Comprehensive Income, revaluation reserve decreased by \$109,000 and the deferred tax liability increased by \$276,000.

Revenue - Government Grants

The Group has changed its revenue accounting policy for Government Grants. The new policy states that Government Grants relating to investment property be recognised as revenue with no deferred income once all conditions under the grant are met. The changes to the comparatives have had the following effect:

Deferred income has been reduced by \$1,840,000 and retained earnings increased by \$1,840,000 as at 1 July 2013.

Other income and profit/(loss) for the year have been reduced by \$40,000 for the year to 30 June 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these financial statements, including the changes noted at 2e.

a. Basis of Consolidation

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Subsidiaries

Subsidiaries are those entities that are controlled by the Company. Subsidiaries are consolidated from the date control is transferred to the Group. They are de-consolidated from the date that control ceases. All significant intercompany accounts and transactions are eliminated on consolidation. Control exists when the Company has power over the entity, exposure or rights to variable returns from its involvement with the entity, and the ability to use its power over the entity to offset the amount of the entity's returns.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the identifiable assets and liabilities recognised on acquisition together with the minority interest's share of post acquisition surpluses.

Associates

An associate is an investee, not being a subsidiary or joint venture arrangement, over which the group has the capacity to exercise significant influence through participation in the financial and operating policy decisions of the investee.

Associates are recognised using the equity method which recognises the Group's share of the associate's net surplus or deficit in the profit or loss and its share of other comprehensive income. The Group Associate is:

- New Zealand Food Innovation Network Ltd. This company is 25% owned by New Zealand Food Innovation (Waikato) Limited.

Non controlling interest

The interests of the parent and the NCI in the subsidiaries are adjusted to reflect the relative change in their interests in the subsidiaries equity. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owner of the parent.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investment in subsidiaries

Investments in the subsidiaries are recorded at cost less the amount of estimated value of impairment in the parent company's financial statements.

b. Revenue

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Grants received are recognised in the Statement of Comprehensive Income when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Statement of Financial Position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to investment property are recognised as revenue with no deferred income once all conditions under the grant are met.

Rental income is recognised on a straight line basis over the life of the lease in profit or loss. Interest income is accounted for on an accrual basis.

c. Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transactions.

d. Finance Costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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 finance costs (which is comprised of interest) are recognised in profit or loss in the period in which they are incurred and is accrued on a time basis using the effective interest method.

e. Trade and Other Receivables

Trade and other receivables are stated initially at fair value then at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified. Trade and Other Receivables are classed as 'Loans and Receivables' financial assets (Note 25).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

f. Assets under Construction

Assets under construction are valued at cost.

g. Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery options, rather than to earn rentals or for capital appreciation.

Investment property is recognised at fair value as determined by an independent valuer.

Gains or losses arising from changes in the fair value of investment property are recognised in the profit or loss.

Investment property is not depreciated.

h. Property, Plant & Equipment

Property, plant & equipment is recognised at fair value less subsequent depreciation. Computer and office equipment are recognised at cost price less depreciation and impairment losses.

Depreciation is calculated on a diminishing value or straight line basis to allocate the assets cost or revalued amounts over their estimated useful lives, as follows:

Property	25 years straight line
Plant & Equipment	20 years straight line; 13.8% diminishing value
Computer & Office Equipment	20 years straight line; 17.8% - 39.8% diminishing value

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Revaluation

Property, plant & equipment are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference during a off-cycle year then the asset classes are revalued.

Property, plant and equipment revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the profit or loss. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the profit or loss will be recognised first in the profit or loss up to the amount previously expensed, and then recognised in other comprehensive income.

i. Leased Assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

j. Trade and Other Payables

Trade and other payables are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

k. Goods and Services Taxation (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST receivable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet.

l. Income Tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

m. Short-term Employee Benefits

Short-term (settled within 12 months) Employee benefit obligations are measured in an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

n. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

o. Impairment

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

4. REVENUE	Group \$000		Company \$000	
	2015	2014	2015	2014
Revenue from sale of goods	458	-	-	-
Revenue from the rendering of services	6,137	5,022	-	-
Total operating revenue	6,595	5,022	-	-

5. OTHER INCOME	Group \$000		Company \$000	
	2015	2014	2015	2014
Deferred Grant income	179	179	-	-
Total other income	179	179	-	-

6. PERSONNEL COSTS	Group \$000		Company \$000	
	2015	2014	2015	2014
Salaries and wages	1,758	1,473	-	-
Defined contribution plan	30	23	-	-
Total personnel costs	1,788	1,496	-	-

7. DIRECTORS FEES	Group \$000		Company \$000	
	2015	2014	2015	2014
Directors fees	178	133	-	-
Total directors fees	178	133	-	-

Directors fees increased in 2015 due to additional independent board members being appointed on the New Zealand Food Innovation (Waikato) Limited board.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

	Group \$000		Company \$000	
	2015	2014	2015	2014
8. FINANCE COSTS				
<i>Finance income</i>				
Interest income of short-term bank deposit	13	-	-	-
Total finance income	13	-	-	-
<i>Finance costs</i>				
Bank fees	(17)	(37)	-	-
Interest on finance lease liabilities	(15)	(6)	-	-
Interest on bank overdraft	(6)	(39)	-	-
Interest on bank borrowings	(967)	(898)	-	-
Total finance costs	(1,005)	(980)	-	-
Net finance costs	(992)	(980)	-	-

	Group \$000		Company \$000	
	2015	2014	2015	2014
9. OTHER GAINS AND LOSSES				
<i>Other gains</i>				
Gain on changes in fair value of investment property	1,186	-	-	-
Total other gains	1,186	-	-	-
<i>Other losses</i>				
Foreign exchange (gain)/loss	(1)	-	-	-
Loss on disposal of fixed assets	(16)	-	-	-
Loss on changes in fair value of investment property	-	(27)	-	-
Total other losses	(17)	(27)	-	-

	Group \$000		Company \$000	
	2015	2014	2015	2014
10. INCOME TAX				
Current tax	136	-	-	-
Deferred tax	41	167	-	-
Total tax expense recognised in the current year	177	167	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Group \$000		Company \$000	
	2015	2014	2015	2014
Profit before tax	1,767	(155)	-	-
Income tax expense at 28%	495	(43)	-	-
Effect of income that is exempt from tax	(2)	(2)	-	-
Effect of expenses that are not deductible in determining taxable profit	(316)	11	-	-
Effect of other adjustments to profit	-	(4)	-	-
Effect of unused tax losses forfeited on change in shareholding	-	205	-	-
Effect of tax losses	-	-	-	-
Income tax expense recognised in profit or loss	177	167	-	-

Current tax assets and liabilities	Group \$000		Company \$000	
	2015	2014	2015	2014
Income tax payable	136	116	-	-
Benefit of tax loss transferred from NZFIW	-	(116)	-	-
	136	-	-	-

Deferred tax balances

Group (\$000)	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<i>Deferred tax assets/(liabilities) in relation to:</i>				
Property, plant and equipment	(1,929)	50	-	(1,879)
Provisions	41	(15)	-	26
Investment property	(107)	(46)	-	(153)
Deferred income	962	(50)	-	912
Tax losses	21	15	-	36
Finances leases	(5)	2	-	(3)
Doubtful debts	6	2	-	8
Balance as at 30 June 2015	(1,011)	(42)	-	(1,053)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

Group (\$000)	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<i>Deferred tax assets/(liabilities) in relation to:</i>				
Property, plant and equipment	(1,888)	68	(109)	(1,929)
Provisions	18	23	-	41
Investment property	(56)	(51)	-	(107)
Deferred income	1,012	(50)	-	962
Tax losses	184	(163)	-	21
Finances leases	(5)	-	-	(5)
Doubtful debts	-	6	-	6
Balance as at 30 June 2014	(735)	(167)	(109)	(1,011)

11. EQUITY	Group \$000		Company \$000	
	2015	2014	2015	2014
Share capital				
<i>Ordinary shares (1,247 shares)</i>				
Balance of shares 1 July	2,403	2,403	2,401	2,401
less uncalled shares	(3)	(3)	(1)	(1)
Issued and called shares 30 June	2,400	2,400	2,400	2,400

All ordinary shares carry equal dividend and voting rights and share equally in any surplus on winding up. The shares have no par value.

Revaluation reserve

This reserve relates to the revaluation of Property, Plant and Equipment.

Non-controlling interest (NCI)

Non-controlling interest relates to Hamilton City Council's 19.8% ownership in Waikato Innovation Park Limited and Callaghan Innovation 30% ownership in New Zealand Food Innovation (Waikato) Ltd.

On the 1st of December, 2014, Callaghan Innovation purchased a 30% ownership interest in New Zealand Food Innovation (Waikato) Limited for \$3 million. The carrying value of the net assets at the time of purchase was \$969,333, and therefore the NCI created was \$1,290,800. The difference between the NCI created of \$1,290,800 and the \$3 million invested was \$1,709,200 which is recorded directly as a gain in retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

12. CASH AND CASH EQUIVALENTS	Group \$000		Company \$000	
	2015	2014	2015	2014
BNZ Bank account 96	(69)	19	-	-
BNZ Bank oncall accounts	168	-	-	-
BNZ Bank account 75	(140)	(28)	-	-
Total cash and cash equivalents	(41)	(9)	-	-
Current assets	168	19	-	-
Current liabilities	(209)	(28)	-	-
Total cash and cash equivalents	(41)	(9)	-	-

The group has an overdraft facility with BNZ with a limit of \$550,000. Interest is charged at 8.05%.

13. TRADE AND OTHER RECEIVABLES	Group \$000		Company \$000	
	2015	2014	2015	2014
Gross trade and other receivables	933	393	-	2
Provision for doubtful debts	(26)	(20)	-	-
Total trade and other receivables	907	373	-	2

14. PAYABLES AND ACCRUALS	Group \$000		Company \$000	
	2015	2014	2015	2014
Accounts payable	3,146	215	-	-
Accruals	519	499	-	-
Income tax payable	132	-	-	-
Other payables	314	98	-	-
Total payables and accruals	4,111	812	-	-

15. RELATED PARTIES	Group \$000		Company \$000	
	2015	2014	2015	2014
Waikato Innovation Park Limited	-	-	2,161	2,163
Total related parties	-	-	2,161	2,163

Parent Entity:

Waikato Innovation Park Limited is owned by Innovation Waikato Limited (80.2%) and Hamilton City Council (19.8%).

The related parties amount relates to day-to-day expenses paid by Waikato Innovation Park Limited on behalf of Innovation Waikato Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

16. INVESTMENT IN ASSOCIATES	Group \$000		Company \$000	
	2015	2014	2015	2014
<i>New Zealand Food Innovation Network Ltd</i>				
Interest held by the group	25%	25%	-	-
Opening balance	11	3	-	-
Share of revenue and expenses	9	8	-	-
Balance at 30 June	20	11	-	-
Total investment in associates	20	11	-	-

The Company has no contingencies or commitments in relation to its involvement in New Zealand Food Innovation Network Ltd. New Zealand Food Innovation Network Ltd is a company incorporated in New Zealand.

17. INVESTMENT IN SUBSIDIARIES	Group \$000		Company \$000	
	2015	2014	2015	2014
<i>Shares at cost</i>				
Waikato Innovation Park Limited	-	-	9,776	9,776
Total investment in subsidiaries	-	-	9,776	9,776

18. INVESTMENT PROPERTY	Group \$000		Company \$000	
	2015	2014	2015	2014
Balance at 1 July	14,500	14,500	-	-
Additions/(disposals)	14	27	-	-
Fair value gain/(loss) on valuation	1,186	(27)	-	-
Balance at 30 June	15,700	14,500	-	-

Total investment property held under operating leases was \$15,700,000 (2014: \$14,500,000)

The Company's investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation is based on the current market value of the "Lessee's Interest" "As Is" (subject to short term leases). The valuations were performed by Wayne Gerbich, an ANZIV SPINZ Registered Valuer at SGHU Valuations Limited, registered valuers and property consultants. SGHU Valuations Limited are experienced valuers with extensive knowledge in the types of investment property owned by the Company.

Innovation Waikato Limited received \$2,000,000 in funding during the 2004 year from central government under a Regional Development Initiative. Under the terms of this grant, Innovation Waikato Limited is prohibited from selling the Core Facilities building without government consent. This restriction is in place for a period of 20 years. This restriction has passed to Waikato Innovation Park Ltd on sale of buildings to Waikato Innovation Park Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

19. PROPERTY, PLANT AND EQUIPMENT

Group (\$000)	Property	Plant & Equipment	Office & Computer	Total
As at 30 June 2014				
Cost or valuation	2,926	13,175	94	16,195
Accumulated depreciation	(316)	(1,183)	(40)	(1,539)
Net book amount	2,610	11,992	54	14,656
For the year ended 30 June 2015				
Opening net book amount	2,610	11,992	54	14,656
Additions	1,082	4,575	14	5,671
Disposals	-	(10)	(2)	(12)
Depreciation charge	(121)	(693)	(13)	(827)
Closing net book amount	3,571	15,864	53	19,488
As at 30 June 2015				
Cost or valuation	4,008	17,737	104	21,849
Accumulated depreciation	(437)	(1,873)	(51)	(2,361)
Net book amount	3,571	15,864	53	19,488

A revaluation was not completed in 2015 due to the fair value of property, plant and equipment not differing materially from its carrying amount. Property, plant & equipment was revalued by North Langley & Associates Ltd, an independent registered valuer on 30 June 2014. (2014: \$389,000)

There was no impairment in 2015 (2014: NIL). No borrowing costs were capitalised during the year. (2014: NIL)

The group's property, plant and equipment is noted as security against the bank loans.

20. WORK IN PROGRESS	Group \$000		Company \$000	
	2015	2014	2015	2014
Piazza concept plan	110	110	-	-
Infrastructure for new park	565	565	-	-
Park concept plan	18	17	-	-
Building C	2,859	-	-	-
Wet-side of spray dryer	-	76	-	-
Total assets under construction	3,552	768	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

	Group \$000		Company \$000	
	2015	2014	2015	2014
21. DEFERRED INCOME				
Original Grant	3,794	3,794	-	-
less Deferred income recognised prior years	(358)	(179)	-	-
	3,436	3,615	-	-
Opening balance	3,436	3,615	-	-
Less deferred income recognised	(179)	(179)	-	-
Total deferred grant	3,257	3,436	-	-
Revenue received in advance	512	-	-	-
Total deferred income	3,769	3,436	-	-

Deferred income relates to a Government Grant provided to develop the Spray Dryer Facility (part of property, plant and equipment). The Deferred income is written off over 20 and 25 years respectively for the Spray Dryer Facility being the estimated useful life of the assets.

	Group \$000		Company \$000	
	2015	2014	2015	2014
22. TERM LOANS				
BNZ 67378152-01 loan	6,200	6,200	-	-
BNZ CCAF 513168 loan	-	3,000	-	-
BNZ 67378152-02 loan	-	5,000	-	-
BNZ 67378152-03 loan	177	228	-	-
BNZ 92346126-01 loan	8,000	-	-	-
BNZ 92346126-02 loan	1,361	-	-	-
Total term loans	15,738	14,428	-	-
Total current portion	6,255	8,051	-	-
Total non current portion	9,483	6,377	-	-
Total term loans	15,738	14,428	-	-

Term loans are secured by a mortgage over the property at Ruakura Road, Hamilton certificate of title No. 135745.

	2015		2014	
	Interest Rate	Maturity Date	Interest Rate	Maturity Date
BNZ 67378152-01 loan	6.40%	April 2016	6.72%	April 2016
BNZ 67378152-03 loan	6.92%	June 2018	7.10%	June 2018
BNZ 92346126-01 loan	6.40%	June 2019	-	-
BNZ 92346126-02 loan	5.88%	June 2019	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

23. OTHER LOANS	Group \$000		Company \$000	
	2015	2014	2015	2014
Dairy Goat Co-operative loan	-	108	-	-
Dairy Goat Co-operative Equipment loan	-	259	-	-
Technopak - Equipment loan	300	300	-	-
Total other loans	300	667	-	-
Total current portion	-	667	-	-
Total non current portion	300	-	-	-
Total other loans	300	667	-	-

Dairy Goat Co-operative loan and Dairy Goat Co-operative Equipment loan were fully repaid during the year
Technopak Ltd has supplied packing equipment to NZFIW with payment required in July 2016. In the meantime no interest is payable on the balance owing. During this period Technopak will have access to the equipment to show potential clients and NZFIW will be responsible for all maintenance.

24. PROVISIONS	Group \$000		Company \$000	
	2015	2014	2015	2014
Nu Mega Limited	171	-	-	-
Total provisions	171	-	-	-

NZFIW entered into a contract with Nu Mega Limited for use of the factory for five years and to loan NZFIW \$604,373 for equipment in the wet-side of the factory. If the contract is not renewed on 1st September 2019, one third of the loan is repayable on that date. NZFIW has created a provision (discounted to present value) for one third of the loan.

25. COMMITMENTS

The following amounts have been committed to by the group but are not recorded in either the Statement of Comprehensive Income or the Statement of Financial Position.

Non-cancellable operating lease commitments	Group \$000		Company \$000	
	2014	2013	2014	2013
No later than one year	25	25	-	-
Later than one year and not later than five years	75	83	-	-
Later than five years	134	151	-	-
	234	259	-	-

A significant proportion of the total non-cancellable operating lease amounts relates to the lease of land at Ruakura Road. The lease represents the first 25 years of a 4 x 25 year lease entered into in June 2003.

Total lease expense for 2015 was \$35,826 (2014: \$18,317).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

26. FINANCIAL INSTRUMENTS	Group \$000		Company \$000	
	2015	2014	2015	2014
Loans and receivables				
Cash and cash equivalents	168	19	-	-
Trade and other receivables	907	373	-	2
Total loans and receivables	1,075	392	-	2
Financial liabilities at amortised cost				
Cash and cash equivalents	209	28	-	-
Payables and accruals	4,111	812	-	-
Term Loans	15,738	14,428	-	-
Other loans	300	667	-	-
Provisions	171	-	-	-
Related parties	-	-	2,161	2,163
Total financial liabilities at amortised cost	20,529	15,935	2,161	2,163

There are no financial instruments classified as available for sale or fair value through profit or loss.

27. RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH	Group \$000		Company \$000	
	2015	2014	2015	2014
Profit/(loss) for the year	1,590	(322)	-	-
Add/(less) non-cash items				
Depreciation and amortisation	827	778	-	-
Fair value loss/(gain) on investment property	(1,186)	28	-	-
Loss on disposal of fixed assets	16	-	-	-
Income tax expense recognised in profit or loss	177	167	-	-
Share of associates (surplus)/deficit	(9)	(8)	-	-
Deferred income	(179)	(179)	-	-
Total non-cash items	(354)	786	-	-
Add/(less) movements in working capital				
Trade debtors and other receivables	(528)	(40)	-	-
Prepayments	(59)	6	-	-
Trade creditors and other payables	512	155	-	-
Revenue received in advance	510	-	-	-
Total movement in working capital	435	121	-	-
Net cash flow from operating activities	1,671	585	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

28. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties on normal commercial terms during the year:

Shareholders

Waikato Innovation Park Limited pays rates to the Hamilton City Council.

Waikato Innovation Park Limited paid \$124,674 (2014: \$103,660) to Hamilton City Council for rates, trade waste and water rates; there is a balance of \$971 outstanding at 30 June 2015 (2014: \$424).

Subsidiaries and associates

Waikato Innovation Park Limited

100% of New Zealand Food Innovation (Waikato) Limited (NZFIW) shares are held by Waikato Innovation Park Limited

Waikato Innovation Park Limited has provided unlimited inter-company guarantees to New Zealand Food Innovation (Waikato) Limited.

New Zealand Food Innovation (Waikato) Limited paid expenses of \$385,294 (2014: \$818,819) to Waikato Innovation Park Limited for corporate management services. The amount outstanding at balance date was \$7,255 (2014: \$1,002,742).

New Zealand Food Innovation (Waikato) Limited

Waikato Innovation Park Limited tax liability in relation to 2014 was eliminated by losses of \$413,549 transferred from NZFIW by loss offset.

New Zealand Food Innovation Network Ltd

NZFIW made sales of \$60,000 (2014: \$54,849) to New Zealand Food Innovation Network Ltd for Business Development Management services. The amount outstanding at balance date was \$11,021 (2014: \$5,271).

Other

Earl Ratray is a Director of Quantec Ltd, a private company which rents office space from Waikato Innovation Park Limited. During the year Waikato Innovation Park Limited charged Quantec Ltd \$30,900 for rent and operating expenses; a balance of \$428 was outstanding at 30 June 2015.

Andrew West is the Chairman of Herd Homes Ltd, a private company which rents office space from Waikato Innovation Park Limited. During the year Waikato Innovation Park Limited charged Herd Homes Ltd \$14,487 (2014: \$13,879) for rent and operating expenses; a balance of \$20 was owing to Herd Homes Ltd at 30 June 2014 (2014: \$493).

Michael Spaans was a Director of Waikato Innovation Park Limited (resigned 1 June 2015) and is a shareholder of Livestock Improvement Corporate (LIC). During the year LIC was charged \$700 (2014: NIL)

Waikato Innovation Park Limited has paid Directors fees of \$23,500 to Essentia Consulting Group Limited for the services of Martin Udale (2014: \$32,608).

Peter Maxwell, an employee of Waikato Innovation Park Limited is a Trustee of Greenfields Network Incorporated, Innovation Waikato Limited is a member of Greenfields Network Incorporated.

Key Management Personnel Disclosure

Key Management personnel compensation	2015: \$792,718	2014: \$675,427
---------------------------------------	-----------------	-----------------

29. CONTINGENCIES

No contingencies have been identified at balance date (2014: NIL).

30. COMMITMENTS

As at 30 June 2015 Waikato Innovation Park Limited has capital commitments of \$5,642,542 on various contracts for the completion of Building C (2014: NIL).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

31. PERFORMANCE TARGETS AND RESULTS

The Group prepares an annual Statement of Corporate Intent (based on the Group's management report), which is approved by the Shareholder and incorporates financial and performance measures for the ensuing year.

A comparison of the Group's actual results for the year (excluding abnormal items) with those forecasted is given below:

Performance targets and actual results to 30 June 2015 (Group)

	Actual \$000	Statement of Corporate Intent \$000
Earnings before interest, taxation and depreciation	3,599	2,035
Cash from operating activities	1,671	1,020
Net profit	1,590	171
Shareholders' fund (including deferred income)/Tangible assets	45%	52%

Budget and actual results to 30 June 2015 (Group)

	Actual \$000	Statement of Corporate Intent \$000
EBITDA Property	2,280	1,023
EBITDA Economic development	24	24
EBITDA NZFIW	1,295	987
Group EBITDA	3,599	2,034
Depreciation	827	1,112
Interest	1,005	1,102
Total other overheads	1,832	2,214
Net profit before tax	1,767	(180)
Income tax	177	-
Profit from sale of shares	-	350
Net Profit after tax	1,590	170

The EBITDA and net profit improvement was due to the revaluation of buildings and higher than budgeted performance in New Zealand Food Innovation (Waikato) Limited. Favourable interest rates also improved net profit. Cash from operating activities improved due to prepayment of contracts by customers and improved profitability of New Zealand Food Innovation (Waikato) Limited. The shareholders' fund ratio was lower than expected due to a higher working capital requirement and higher capital spend on the wet side upgrade project funded from the Bank.

The EBITDA Company: Property variance is due to the revaluation of investment property of \$1,186,000. The EBITDA NZFIW variance is due to prices exceeding budget and cost efficiency. Interest rates were lower than budgeted and income tax was due to higher profit and was not budgeted for.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

PERFORMANCE TARGETS AND RESULTS (Continued)

Budget and actual results to 30 June 2015 (Group)

	Actual \$000	Statement of Corporate Intent \$000
Current assets		
Cash and cash equivalents	168	-
Receivables (Includes prepayments and accrued income)	1,048	783
Total current assets	1,216	783
Non-current assets		
Buildings and plant	38,687	33,320
Plant and equipment	53	320
Total tangible assets	38,740	33,640
Intangible assets	-	3
Investment in associate	20	-
Total non-current assets	38,760	33,643
Total assets	39,976	34,426
Current liabilities		
Short term bank loans	6,464	117
Payables and accruals	4,111	632
Total current liabilities	10,575	749
Term liabilities		
Bank loans	9,783	16,147
Deferred income	3,769	1,766
Provisions	171	-
Deferred tax liability	1,053	-
Total term liabilities	14,776	17,913
Total liabilities	25,351	18,662
Equity		
Issued and paid up capital	2,400	5,050
Issue of shares	3,000	-
Building revaluation reserve (Closing balance)	2,006	6,514
Retained earnings (Opening balance)	5,132	4,030
Non-controlling interest (Opening balance)	498	-
Profit for current year	1,590	171
Total equity	14,625	15,765
Total equity and liabilities	39,976	34,427

The variances in the Statement of Financial Position are due to the new Building C progress ahead of budget, the reclassification of bank loans due to the expiration of a loan term within the next 12 months, the Building C work in progress accounts payable and the Government Grant for New Zealand Food (Waikato) Limited which remained as a liability rather than being transferred to Equity as per the budget.



Waikato Innovation Park
"Growing Technology Business"

WAIKATO
INNOVATION PARK
LIMITED

Annual Report 2015





TABLE OF CONTENTS

For the Year Ended 30 June 2015

Directory	3
Annual Report	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Financial Position	7
Statement of Cash Flows	9
Notes to the Financial Statements	10
Auditors Report	29



DIRECTORY*As at 30 June 2015*

Nature of Business	The development and operation of an Innovation Park in Hamilton, New Zealand.	
Address	Waikato Innovation Park Ruakura Lane Hamilton 3216	
Registered Office	Waikato Innovation Park Ruakura Lane Hamilton 3216	
Authorised Capital	1,247 Ordinary Shares	
Directors	Earl Rattray Christopher Martin Udale Anthony Victor Steele Andrew William West Helen Cross (Appointed 1 June 2015)	
Shareholders	Innovation Waikato Limited	1,000 Ordinary Shares
	Hamilton City Council	<u>247</u> Ordinary Shares
		1,247
Auditors	Audit New Zealand PO Box 256 Hamilton 3240	
Bankers	BNZ 354 Victoria Street Hamilton	
Solicitors	Tompkins Wake 430 Victoria Street Hamilton	
IRD Number	109-396-680	





ANNUAL REPORT

For the Year Ended 30 June 2015

Approval and issue of consolidated financial statements

On this date the Directors approve and issue the annual report including the attached consolidated financial statements for Waikato Innovation Park Limited for the year ended 30 June 2015.

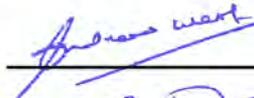
Reporting concessions

The shareholders of Waikato Innovation Park Limited have unanimously agreed to take advantage of the reporting concessions available to them under section 211(3) of the Companies Act 1993 whereby the annual report need not comply with any of paragraphs (a) and (e)- (j) of section 211(1), namely not to disclose information otherwise required concerning the activities of the Directors, employees, auditors, if any, and donations.

Auditor

An auditor has been appointed.

For and on behalf of the Board

 _____	Director	<u>30.9.15</u>	Date
 _____	Director	<u>30.09.15</u>	Date



STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2015

	NOTE	Group \$000		Company \$000	
		2015	2014 (restated)*	2015	2014 (restated)*
Revenue					
Operating revenue	4	6,595	5,022	3,377	2,866
Other income	5	179	179	-	-
Other gains	8	1,186	-	1,186	-
Share of profit from associate	15	9	8	-	-
Total revenue		7,969	5,209	4,563	2,866
Expenses					
Operating expenses		(2,348)	(1,892)	(1,070)	(693)
Personnel costs	6	(1,788)	(1,496)	(1,009)	(1,012)
Depreciation	18	(827)	(778)	(39)	(46)
Audit fees		(46)	(38)	(29)	(23)
Directors fees		(178)	(133)	(129)	(116)
Bad and doubtful debts		(6)	(20)	(6)	(20)
Other losses	8	(17)	(27)	(16)	(27)
Total operating expenses		(5,210)	(4,384)	(2,298)	(1,937)
Finance income	7	13	-	-	-
Finance costs	7	(1,005)	(980)	(438)	(463)
Net finance costs	7	(992)	(980)	(438)	(463)
Profit/(loss) before tax		1,767	(155)	1,827	466
Less: Income tax	9	(177)	(167)	(189)	(22)
Profit/(loss) for the year		1,590	(322)	1,638	444
Other comprehensive income					
Gain/(loss) on property revaluation		-	389	-	-
Income tax on other comprehensive income	9	-	(108)	-	-
Total other comprehensive income		-	281	-	-
Total comprehensive income for the year		1,590	(41)	1,638	444
Total profit/(loss) attributable to:					
Waikato Innovation Park Limited		1,580	(322)	1,638	444
Non-controlling interest	10	10	-	-	-
Total comprehensive income attributable to:					
Waikato Innovation Park Limited		1,580	(41)	1,638	444
Non-controlling interest	10	10	-	-	-

* The comparatives have been restated due to the changes in accounting policies in Note 2 (e)
The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

Group	NOTE	\$000 Share Capital	\$000 Revaluation reserve	\$000 Retained earnings	\$000 Non- controlling interest	\$000 Total equity
Balance as at 1 July 2013 (as previously reported)		9,776	3,082	(1,728)	-	11,130
Adjustments for conversion to IFRS RDR	2e	-	(863)	129	-	(734)
Adjustments for change in revenue policy	2e	-	-	1,840	-	1,840
Balance as at 1 July 2013 (restated)		9,776	2,219	241	-	12,236
<i>Total comprehensive income</i>						
Profit for the year (restated)		-	-	(322)	-	(322)
Other comprehensive income for the year (restated)		-	281	-	-	281
Total comprehensive income for the year		-	281	(322)	-	(41)
Balance as at 30 June 2014 (restated)		9,776	2,500	(81)	-	12,195
Balance as at 1 July 2014		9,776	2,500	(81)	-	12,195
<i>Total comprehensive income</i>						
Profit for the year		-	-	1,580	10	1,590
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	1,580	10	1,590
 <i>Transactions with owners of the Company</i>						
Non-controlling interest from issue of NZFIW shares		-	-	1,709	1,291	3,000
Balance as at 30 June 2015		9,776	2,500	3,208	1,301	16,785

Company	NOTE	\$000 Share Capital	\$000 Revaluation reserve	\$000 Retained earnings	\$000 Total equity
Balance as at 1 July 2013 (as previously reported)		9,776	-	(861)	8,915
Adjustments for conversion to IFRS RDR	2e	-	-	(54)	(54)
Adjustments for change in revenue policy	2e	-	-	1,840	1,840
Balance as at 1 July 2013 (restated)		9,776	-	925	10,701
<i>Total comprehensive income</i>					
Profit for the year		-	-	444	444
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	444	444
Balance as at 30 June 2014 (restated)		9,776	-	1,369	11,145
Balance as at 1 July 2014		9,776	-	1,369	11,145
<i>Total comprehensive income</i>					
Profit for the year		-	-	1,638	1,638
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	1,638	1,638
Balance as at 30 June 2015		9,776	-	3,007	12,783

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	NOTE	Group \$000		Company \$000	
		2015	2014 (restated)*	2015	2014 (restated)*
ASSETS					
Non-current assets					
Investment in associates	15	20	11	-	-
Investment in subsidiaries	16	-	-	333	-
Investment property	17	15,700	14,500	15,700	14,500
Property, plant and equipment	18	19,488	14,656	224	244
Work in progress	19	3,552	768	3,552	693
Total non-current assets		38,760	29,935	19,809	15,437
Current assets					
Cash and cash equivalents	11	168	19	168	-
Trade and other receivables	12	907	371	425	1,143
Prepayments		140	81	78	30
Accrued income		-	8	-	8
Related parties	14	2,161	2,163	2,161	9,454
Total current assets		3,376	2,642	2,832	10,635
Total assets		42,136	32,577	22,641	26,072
EQUITY AND LIABILITIES					
Equity					
Share capital	10	9,776	9,776	9,776	9,776
Asset revaluation reserve	10	2,500	2,500	-	-
Retained earnings		3,208	(81)	3,007	1,369
Equity attributable to owners of the Company		15,484	12,195	12,783	11,145
<i>Non-controlling interest</i>	10	1,301	-	-	-
Total equity		16,785	12,195	12,783	11,145
Non-current liabilities					
Deferred tax liability	9	1,053	1,011	130	76
Deferred income	20	3,769	3,436	146	-
Term loans	21	9,483	6,377	122	6,377
Other loans	22	300	-	-	-
Provisions	23	171	-	-	-
Total non-current liabilities		14,776	10,824	398	6,453

* The comparatives have been restated due to the changes in accounting policies in Note 2 (e)
The accompanying notes form part of these financial statements.

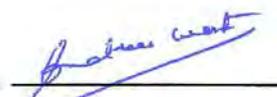


STATEMENT OF FINANCIAL POSITION

As at 30 June 2015 (Continued)

	NOTE	Group \$000		Company \$000	
		2015	2014 (restated)*	2015	2014 (restated)*
Current liabilities					
Cash and cash equivalents	11	209	28	140	28
Payables and accruals	13	4,111	812	3,065	395
Term loans	21	6,255	8,051	6,255	8,051
Other loans	22	-	667	-	-
Total current liabilities		10,575	9,558	9,460	8,474
Total Liabilities		25,351	20,382	9,858	14,927
Total equity and liabilities		42,136	32,577	22,641	26,072

* The comparatives have been restated due to the changes in accounting policies in Note 2 (e)
The accompanying notes form part of these financial statements.



Director
30 September 2015



Director
30 September 2015



STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2015

	NOTE	Group \$000		Company \$000	
		2015	2014	2015	2014
Cash flow from operating activities					
Receipts from customers		7,013	4,981	4,104	2,539
Payments to suppliers and employees		(4,272)	(3,456)	(2,286)	(1,900)
Interest received		13	-	-	-
Interest paid		(1,007)	(966)	(441)	(424)
Tax payments		(4)	-	-	-
GST (net)		(72)	26	142	(38)
Net cash from operating activities	25	1,671	585	1,539	176
Cash flow from investing activities					
Purchase of property, plant and equipment		(5,246)	(94)	(29)	(53)
Purchase of investment property		(14)	(28)	(18)	(29)
Purchase of assets under construction		(559)	(93)	(637)	(18)
Loans to related parties		2	-	7,293	277
Shares in subsidiary		-	-	(41)	-
Net cash from/(used in) investing activities		(5,817)	(215)	6,568	177
Cash flow from financing activities					
Proceeds from issues of shares	10	3,000	-	-	-
Proceeds from borrowing		9,532	-	-	-
Repayment of borrowings		(8,418)	(48)	(8,051)	(48)
Net cash from/(used in) financing activities		4,114	(48)	(8,051)	(48)
Net increase/(decrease) in cash and cash equivalents		(32)	322	56	305
Cash and cash equivalents at 1 July		(9)	(331)	(28)	(333)
Cash and cash equivalents at 30 June	11	(41)	(9)	28	(28)

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

1. REPORTING ENTITY

Waikato Innovation Park Limited (the 'Company') is a company registered under the Companies Act 1993, and a Council-Controlled Organisation under the Local Government Act 2002 with effect from the 9th October 2013. The Company's parent is Innovation Waikato Limited and ultimate parent entity is Hamilton City Council.

The Group consists of Waikato Innovation Park Limited and its subsidiary New Zealand Food Innovation (Waikato) Limited.

The financial statements of Waikato Innovation Park Limited are for the year ended 30 June 2015. The financial statements were authorised for issue by the Board of Directors on the 30th September 2015. The owners or others do not have the power to amend the financial statements after issue.

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements for the Group have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

The financial statements 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 - Reduced Disclosure Regime ("NZ IFRS RDR"), and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The Group qualifies for NZ IFRS (RDR) as it does not have public accountability and it is not a large for-profit public sector entity. The Company has elected to apply NZ IFRS (RDR) and has applied disclosure concessions. Group has early adopted the Reduced Disclosure regime framework for the financial year ended 30 June 2015 (see 2e below).

b. Basis of Measurement

The financial statements have been prepared on an historical cost basis except for investment property and property, plant and equipment which are measured to fair value.

c. Functional and Presentational Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

d. Use of Estimates and Judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any further periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 17 - classification and fair value of investment property
- Note 18 - determination of fair value of property, plant and equipment
- Note 20 - recognition of deferred income
- Note 23 - recognition of provision

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

e. Change in Accounting Policies

Application of the Reduced Disclosure Regime

The Group has early adopted the Reduced Disclosure Regime applicable for Tier 2 entities. This has resulted in an increase in disclosure requirements, preparation of a cash flow statement, and accounting for deferred tax in line with NZ IAS 12. The changes to the comparatives have had the following effect:

As at 1 July 2013 retained earnings increased by \$129,000, revaluation reserve decreased by \$863,000 and a deferred tax liability was recognised of \$734,000.

For the year ended 30 June 2014, a tax expense was recorded of \$167,000 in the Statement of Comprehensive Income, revaluation reserve decreased by \$109,000 and the deferred tax liability increased by \$276,000.

Revenue - Government Grants

The Group has changed its revenue accounting policy for Government Grants. The new policy states that Government Grants relating to investment property be recognised as revenue with no deferred income once all conditions under the grant are met. The changes to the comparatives have had the following effect:

Deferred income has been reduced by \$1,840,000 and retained earnings increased by \$1,840,000 as at 1 July 2013.

Other income and profit/(loss) for the year have been reduced by \$40,000 for the year to 30 June 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these financial statements, including the changes noted at 2e.

a. Basis of Consolidation

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Subsidiaries

Subsidiaries are those entities that are controlled by the Company. Subsidiaries are consolidated from the date control is transferred to the Group. They are de-consolidated from the date that control ceases. All significant intercompany accounts and transactions are eliminated on consolidation. Control exists when the Company has power over the entity, exposure or rights to variable returns from its involvement with the entity, and the ability to use its power over the entity to offset the amount of the entity's returns.

Associates

An associate is an investee, not being a subsidiary or joint venture arrangement, over which the group has the capacity to exercise significant influence through participation in the financial and operating policy decisions of the investee.

Associates are recognised using the equity method which recognises the Group's share of the associate's net surplus or deficit in the profit or loss and its share of other comprehensive income. The Group Associate is:

- New Zealand Food Innovation Network Ltd. This company is 25% owned by New Zealand Food Innovation (Waikato) Limited.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

Non controlling interest

The interests of the parent and the NCI in the subsidiaries are adjusted to reflect the relative change in their interests in the subsidiaries equity. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Investment in subsidiaries

Investments in the subsidiaries are recorded at cost less the amount of estimated value of impairment in the parent company's financial statements.

b. Revenue

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Grants received are recognised in the Statement of Comprehensive Income when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Statement of Financial Position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government Grants relating to investment property are recognised as revenue with no deferred income once all conditions under the grant are met.

Rental income is recognised on a straight line basis over the life of the lease in profit or loss. Interest income is accounted for on an accrual basis.

c. Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transactions.

d. Finance Costs

Finance costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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 finance costs (which is comprised of interest) are recognised in profit or loss in the period in which they are incurred and is accrued on a time basis using the effective interest method.

e. Trade and Other Receivables

Trade and other receivables are stated initially at fair value then at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified. Trade and other receivables are classed as 'Loans and Receivables' financial instruments (Note 26).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

f. Assets under Construction

Assets under construction are valued at cost.

g. Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery options, rather than to earn rentals or for capital appreciation.

Investment property is recognised at fair value as determined by an Independent valuer.

Gains or losses arising from changes in the fair value of investment property are recognised in the profit or loss.

Investment property is not depreciated.

h. Property, Plant & Equipment

Property, plant & equipment is recognised at fair value less subsequent depreciation. Computer and office equipment are recognised at cost price less depreciation and impairment losses.

Depreciation is calculated on a diminishing value or straight line basis to allocate the assets cost or revalued amounts over their estimated useful lives, as follows:

Property	25 years straight line
Plant & Equipment	20 years straight line; 13.8% diminishing value
Computer & Office Equipment	20 years straight line; 17.8% - 39.8% diminishing value

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Revaluation

Property, plant & equipment are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

Property, plant and equipment revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the profit or loss. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the profit or loss will be recognised first in the profit or loss up to the amount previously expensed, and then recognised in other comprehensive income.

i. Leased Assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset

Other leases are operating leases and are not recognised in the Group's Statement of Financial Position.

j. Trade and Other Payables

Trade and other payables are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

k. Goods and Services Taxation (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST receivable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet.

l. Income Tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

m. Short-term Employee Benefits

Short-term (settled within 12 months) Employee benefit obligations are measured in an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

n. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

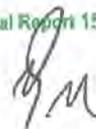
o. Impairment

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.



NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

4. REVENUE	Group \$000		Company \$000	
	2015	2014	2015	2014
Revenue from sale of goods	458	-	-	-
Revenue from the rendering of services	6,137	5,022	3,377	2,866
Total operating revenue	6,595	5,022	3,377	2,866

5. OTHER INCOME	Group \$000		Company \$000	
	2015	2014	2015	2014
Deferred Grant income	179	179	-	-
Total other income	179	179	-	-

6. PERSONNEL COSTS	Group \$000		Company \$000	
	2015	2014	2015	2014
Salaries and wages	1,758	1,473	992	996
Defined contribution plan	30	23	17	16
Total personnel costs	1,788	1,496	1,009	1,012

7. FINANCE COSTS	Group \$000		Company \$000	
	2015	2014	2015	2014
<i>Finance income</i>				
Interest income of short-term bank deposit	13	-	-	-
Total finance income	13	-	-	-
<i>Finance costs</i>				
Bank fees	(17)	(37)	(9)	(25)
Interest on other payables	(15)	(6)	(6)	-
Interest on bank overdrafts	(6)	(39)	(5)	(26)
Interest on bank borrowings	(967)	(698)	(418)	(412)
Total finance costs	(1,005)	(980)	(438)	(463)
Net finance costs	(992)	(980)	(438)	(463)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

8. OTHER GAINS AND LOSSES	Group \$000		Company \$000	
	2015	2014	2015	2014
<i>Other gains</i>				
Gain on changes in fair value of investment property	1,186	-	1,186	-
Total other gains	1,186	-	1,186	-
<i>Other losses</i>				
Net foreign exchange loss	(1)	-	-	-
Loss on disposal of fixed assets	(16)	-	(16)	-
Loss on changes in fair value of investment property	-	(27)	-	(27)
Total other losses	(17)	(27)	(16)	(27)

9. INCOME TAX	Group \$000		Company \$000	
	2015	2014	2015	2014
Current tax	136	-	136	-
Deferred tax	41	167	53	22
Total tax expense recognised in the current year	177	167	189	22

The income tax expense for the year can be reconciled to the accounting profit as follows:	Group \$000		Company \$000	
	2015	2014	2015	2014
Profit before tax	1,767	(155)	1,827	466
Income tax expense at 28%	495	(43)	512	130
Effect of income that is exempt from tax	(2)	(2)	-	-
Effect of expenses that are not deductible in determining taxable profit	(316)	11	(323)	11
Effect of other adjustments to profit	-	(4)	-	(4)
Effect of unused tax losses forfeited on change in shareholding	-	205	-	-
Effect of tax losses	-	-	-	(116)
Income tax expense recognised in profit or loss	177	167	189	22

Waikato Innovation Park Limited Annual Report 17

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

Deferred tax balances

Group (\$000)	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<i>Deferred tax assets/(liabilities) in relation to:</i>				
Property, plant and equipment	(1,929)	50	-	(1,879)
Provisions	41	(15)	-	26
Investment property	(107)	(46)	-	(153)
Deferred income	962	(50)	-	912
Tax losses	21	15	-	36
Finances leases	(5)	2	-	(3)
Doubtful debts	6	2	-	8
Balance as at 30 June 2015	(1,011)	(42)	-	(1,053)

Group (\$000)	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<i>Deferred tax assets/(liabilities) in relation to:</i>				
Property, plant and equipment	(1,888)	68	(109)	(1,929)
Provisions	18	23	-	41
Investment property	(56)	(51)	-	(107)
Deferred income	1,012	(50)	-	962
Tax losses	184	(163)	-	21
Finances leases	(5)	-	-	(5)
Doubtful debts	-	6	-	6
Balance as at 30 June 2014	(735)	(167)	(109)	(1,011)

Company (\$000)	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<i>Deferred tax assets/(liabilities) in relation to:</i>				
Property, plant and equipment	1	(1)	-	-
Provisions	29	(11)	-	18
Investment property	(107)	(46)	-	(153)
Finances leases	(5)	2	-	(3)
Doubtful debts	6	2	-	8
Balance as at 30 June 2015	(76)	(54)	-	(130)

Waikato Innovation Park Limited Annual Report 18

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

Company (\$000)	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<i>Deferred tax assets/(liabilities) in relation to:</i>				
Property, plant and equipment	(5)	6	-	1
Provisions	12	17	-	29
Investment property	(56)	(51)	-	(107)
Finances leases	(5)	-	-	(5)
Doubtful debts	-	6	-	6
Balance as at 30 June 2014	(54)	(22)	-	(76)

Current tax assets and liabilities	Group \$000		Company \$000	
	2015	2014	2015	2014
Income tax payable	136	116	136	116
Benefit of tax loss transferred from NZFIW	-	(116)	-	(116)
	136	-	136	-

10. EQUITY	Group \$000		Company \$000	
	2015	2014	2015	2014
Share capital				
<i>Ordinary shares (1,247 shares)</i>				
Balance of shares 1 July	9,777	9,777	9,776	9,776
less uncalled shares	(1)	(1)	-	-
Issued and called shares 30 June	9,776	9,776	9,776	9,776

All ordinary shares carry equal dividend and voting rights and share equally in any surplus on winding up. The shares have no par value.

Revaluation reserve

This reserve relates to the revaluation of Property, Plant and Equipment.

Non-controlling interest (NCI)

On the 1st of December, 2014, Callaghan Innovation purchased a 30% ownership interest in New Zealand Food Innovation (Waikato) Limited for \$3 million. The carrying value of the net assets at the time of purchase was \$969,333, and therefore the NCI created was \$1,290,800. The difference between the NCI created of \$1,290,800 and the \$3 million invested was \$1,709,200 which is recorded directly as a gain in retained earnings.

Group

Company

Waikato Innovation Park Limited Annual Report 19

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

11. CASH AND CASH EQUIVALENTS	\$000		\$000	
	2015	2014	2015	2014
BNZ Bank account 96	(69)	19	-	-
BNZ Bank oncall account	168	-	168	-
BNZ Bank account 75	(140)	(28)	(140)	(28)
Total cash and cash equivalents	(41)	(9)	28	(28)
Current assets	168	19	168	-
Current liabilities	(209)	(28)	(140)	(28)

The group has an overdraft facility with BNZ with a limit of \$550,000. Interest is charged at 8.05%.

12. TRADE AND OTHER RECEIVABLES	Group \$000		Company \$000	
	2015	2014	2015	2014
Gross trade and other receivables	933	391	444	161
Inter-entity receivables	-	-	7	1,002
Provision for doubtful debts	(26)	(20)	(26)	(20)
Total trade and other receivables	907	371	425	1,143

13. PAYABLES AND ACCRUALS	Group \$000		Company \$000	
	2015	2014	2015	2014
Accounts payable	3,146	215	2,578	142
Accruals	519	499	271	209
Income tax payable	132	-	136	-
Other payables	314	98	80	44
Total payables and accruals	4,111	812	3,065	395

Group

Company

Waikato Innovation Park Limited Annual Report 2015

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

14. RELATED PARTIES	\$000		\$000	
	2015	2014	2015	2014
New Zealand Food Innovation (Waikato) Limited	-	-	-	7,291
Innovation Waikato Limited	2,161	2,163	2,161	2,163
Total related parties	2,161	2,163	2,161	9,454

Parent Entity:

Waikato Innovation Park Limited is owned by Innovation Waikato Limited (80.2%) and Hamilton City Council (19.8%).

70% of New Zealand Food Innovation (Waikato) Limited (NZFIW) shares are held by Waikato Innovation Park Limited, 30% are held by Callaghan Innovation.

The related parties amount relates to funding provided by BNZ to Waikato Innovation Park Ltd for NZFIW. Waikato Innovation Park Limited has paid operating costs of \$385,294 (2014: \$818,819) on behalf of NZFIW. NZFIW also owes Waikato Innovation Park Limited \$7,255 (2014: \$1,002,742) for day-to-day expenses, this amount is recorded in receivables.

The Company's tax liability in relation to 2014 was eliminated by losses of \$413,549 transferred from NZFIW by loss offset.

15. INVESTMENT IN ASSOCIATES	Group \$000		Company \$000	
	2015	2014	2015	2014
<i>New Zealand Food Innovation Network Ltd</i>				
Interest held by the group	25%	25%	-	-
Opening balance	11	3	-	-
Share of revenue and expenses	9	8	-	-
Balance at 30 June	20	11	-	-
Total investment in associates	20	11	-	-

The Company has no contingencies or commitments in relation to its involvement in New Zealand Food Innovation Network Ltd. New Zealand Food Innovation Network Ltd is a company incorporated in New Zealand.

16. INVESTMENT IN SUBSIDIARIES	Group \$000		Company \$000	
	2015	2014	2015	2014
<i>Shares at cost</i>				
New Zealand Food Innovation (Waikato) Limited	-	-	333	-
Total investment in subsidiaries	-	-	333	-

Group

Company

Waikato Innovation Park Limited Annual Report 21

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

17. INVESTMENT PROPERTY	\$000		\$000	
	2015	2014	2015	2014
Balance at 1 July	14,500	14,500	14,500	14,500
Additions/(disposals)	14	27	14	27
Fair value gain/(loss) on valuation	1,186	(27)	1,186	(27)
Balance at 30 June	15,700	14,500	15,700	14,500

Total investment property held under operating leases was \$15,700,000 (2014: \$14,500,000).

The Company's investment properties are valued annually at fair value effective 30 June. All investment properties were valued based on open market evidence. The valuation is based on the current market value of the "Lessee's Interest" (subject to short term leases). The valuations were performed by Wayne Gerbich, an ANZIV SPINZ Registered Valuer at SGHU Valuations Limited, registered valuers and property consultants. SGHU Valuations Limited are experienced valuers with extensive knowledge in the types of investment property owned by the Company.

Innovation Waikato Limited received \$2,000,000 in funding during the 2004 year from central government under a Regional Development Initiative. Under the terms of this grant, Innovation Waikato Limited is prohibited from selling the Core Facilities building without government consent. This restriction is in place for a period of 20 years. This restriction has passed to Waikato Innovation Park Ltd on purchase of the buildings.

18. PROPERTY, PLANT AND EQUIPMENT

Group (\$000)	Property	Plant & Equipment	Office & computer	Total
As at 30 June 2014				
Cost or valuation	2,926	13,175	94	16,195
Accumulated depreciation	(316)	(1,183)	(40)	(1,539)
Net book amount	2,610	11,992	54	14,656
For the year ended 30 June 2015				
Opening net book amount	2,610	11,992	54	14,656
Additions	1,082	4,575	14	5,671
Disposals	-	(10)	(2)	(12)
Depreciation charge	(121)	(693)	(13)	(827)
Closing net book amount	3,571	15,864	53	19,488
As at 30 June 2015				
Cost or valuation	4,008	17,737	104	21,849
Accumulated depreciation	(437)	(1,873)	(51)	(2,361)
Net book amount	3,571	15,864	53	19,488

Company (\$000)	Property	Plant & Equipment	Office and computer	Total
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Waikato Innovation Park Limited Annual Report 2015

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

As at 30 June 2014

Cost or valuation	-	246	92	338
Accumulated depreciation	-	(54)	(40)	(94)
Net book amount	-	192	52	244

For the year ended 30 June 2015

Opening net book amount	-	192	52	244
Additions	-	20	11	31
Disposals	-	(10)	(2)	(12)
Depreciation charge	-	(26)	(13)	(39)
Closing net book amount	-	176	48	224

As at 30 June 2015

Cost or valuation	-	253	99	352
Accumulated depreciation	-	(77)	(51)	(128)
Net book amount	-	176	48	224

A revaluation was not completed in 2015 due to the fair value of property, plant and equipment not differing materially from its carrying amount. Property, plant & equipment was revalued by North Langley & Associates Ltd, an independent registered valuer on 30 June 2014. (2014: \$389,000)

There was no impairment in 2015. (2014: NIL).

No borrowing costs were capitalised during the year. (2014: NIL)

19. WORK IN PROGRESS	Group \$000		Company \$000	
	2015	2014	2015	2014
Piazza concept plan	110	110	110	110
Infrastructure for new park	565	565	565	565
Park concept plan	18	18	18	18
Building C	2,859	-	2,859	-
Wet-side of spray dryer	-	75	-	-
Total assets under construction	3,552	768	3,552	693

Group
\$000

Company
\$000

Waikato Innovation Park Limited Annual Report 23

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

20. DEFERRED INCOME

	2015	2014	2015	2014
Deferred Grant				
Original Grant	3,794	3,794	-	-
less Deferred income recognised prior years	(358)	(179)	-	-
	3,436	3,615	-	-
Opening balance	3,436	3,615	-	-
Less deferred income recognised	(179)	(179)	-	-
Total deferred grant	3,257	3,436	-	-
Revenue received in advance	512	-	146	-
Total deferred income	3,769	3,436	146	-

Deferred income relates to a Government Grant provided to develop the Spray Dryer Facility (part of property, plant and equipment). The Deferred income is written off over 20 and 25 years respectively for the Spray Dryer Facility being the estimated useful life of the assets.

21. TERM LOANS

	Group \$000		Company \$000	
	2015	2014	2015	2014
BNZ 67378152-01 loan	6,200	6,200	6,200	6,200
BNZ CCAF 513168 loan	-	3,000	-	3,000
BNZ 67378152-02 loan	-	5,000	-	5,000
BNZ 67378152-03 loan	177	228	177	228
BNZ 92346126-01 loan	8,000	-	-	-
BNZ 92346126-02 loan	1,361	-	-	-
	15,738	14,428	6,377	14,428
Total current portion	6,255	8,051	6,255	8,051
Total non-current portion	9,483	6,377	122	6,377
Total term loans	15,738	14,428	6,377	14,428

Term loans are secured by a mortgage over the property at Ruakura Road, Hamilton certificate of title No. 135745.

	2015		2014	
	Interest Rate	Maturity Date	Interest Rate	Maturity Date
BNZ 67378152-01 loan	6.40%	April 2016	6.72%	April 2016
BNZ 67378152-03 loan	6.92%	June 2018	7.10%	June 2018
BNZ 92346126-01 loan	6.40%	June 2019	-	-
BNZ 92346126-02 loan	5.88%	June 2019	-	-
	Group		Company	
	\$000		\$000	

Walkato Innovation Park Limited Annual Report 24

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

22. OTHER LOANS

	2015	2014	2015	2014
Dairy Goat Co-operative loan	-	108	-	-
Dairy Goat Co-operative Equipment loan	-	259	-	-
Technopak - Equipment loan	300	300	-	-
Total other loans	300	667	-	-
Total current portion	-	667	-	-
Total non current portion	300	-	-	-
Total other loans	300	667	-	-

Dairy Goat Co-operative loan and Dairy Goat Co-operative Equipment loan were fully repaid during the year.

Technopak Ltd has supplied packing equipment to NZFIW with payment required in July 2016. In the meantime no interest is payable on the balance owing. During this period Technopak will have access to the equipment to show potential clients and NZFIW will be responsible for all maintenance.

23. PROVISIONS

	Group \$000		Company \$000	
	2015	2014	2015	2014
Nu Mega Limited	171	-	-	-
Total provisions	171	-	-	-

NZFIW entered into a contract with Nu Mega Limited for use of the factory for five years and to loan NZFIW \$604,373 for equipment in the wet-side of the factory. If the contract is not renewed on 1st September 2019, one third of the loan is repayable on that date. NZFIW has created a provision (discounted to present value) for one third of the loan.

24. COMMITMENTS

The following amounts have been committed to by the group but are not recorded in either the Statement of Comprehensive Income or the Statement of Financial Position.

	Group \$000		Company \$000	
	2015	2014	2015	2014
Non-cancellable operating lease commitments				
No later than one year	25	25	25	25
Later than one year and no later than five years	75	83	75	83
Later than five years	134	151	134	151
	234	259	234	259

A significant proportion of the total non-cancellable operating lease amounts relates to the lease of land at Ruakura Road. The lease represents the first 25 years of a 4 x 25 year lease entered into in June 2003.

Total lease expense for 2015 was \$35,826 (2014: \$18,317).

	Group \$000	Company \$000

Waikato Innovation Park Limited Annual Report 25

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

25. RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH	2015	2014	2015	2014
Profit/(loss) for the year	1,590	(322)	1,638	444
Add/(less) non-cash items				
Depreciation and amortisation	827	778	39	46
Fair value loss/(gain) on investment property	(1,186)	28	(1,186)	28
Loss on disposal of fixed assets	16	-	16	-
Income tax expense recognised in profit or loss	177	167	189	22
Share of associates (surplus)/deficit	(9)	(8)	-	-
Debt to equity conversion	-	-	(292)	-
Deferred income	(179)	(179)	-	-
Total non-cash items	(354)	786	(1,234)	96
Add/(less) movements in working capital				
Trade debtors and other receivables	(528)	(40)	726	(376)
Prepayments	(59)	6	(48)	3
Trade creditors and other payables	512	155	311	9
Revenue received in advance	510	-	146	-
Total movement in working capital	435	121	1,135	(364)
Net cash flow from operating activities	1,671	585	1,539	176
	Group		Company	
	\$000		\$000	
26. FINANCIAL INSTRUMENTS	2015	2014	2015	2014
Loans and receivables				
Cash and cash equivalents	168	19	168	-
Trade and other receivables	907	371	425	1,143
Related parties	2,161	2,163	2,161	9,454
Total loans and receivables	3,236	2,553	2,754	10,597
Financial liabilities at amortised cost				
Cash and cash equivalents	209	28	140	28
Payables and accruals	4,111	812	3,085	395
Term loans	15,738	14,428	6,377	14,428
Other loans	300	667	-	-
Provisions	171	-	-	-
Total financial liabilities at amortised cost	20,529	15,935	9,582	14,851

There are no financial instruments classified as available for sale or fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

27. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties on normal commercial terms during the year:

Shareholders

Waikato Innovation Park Limited pays rates to the Hamilton City Council.

Waikato Innovation Park Limited paid \$124,674 (2014: \$103,660) to Hamilton City Council for rates, trade waste and water rates; there is a balance of \$971 outstanding at 30 June 2015 (2014: \$424).

Subsidiaries and associates

New Zealand Food Innovation (Waikato) Limited

Waikato Innovation Park Limited has provided unlimited inter-company guarantees to New Zealand Food Innovation (Waikato) Limited.

New Zealand Food Innovation (Waikato) Limited paid expenses of \$385,294 (2014: \$818,819) to Waikato Innovation Park Limited for corporate management services.

The Company's tax liability in relation to 2014 was eliminated by losses of \$413,549 transferred from NZFIW by loss offset.

New Zealand Food Innovation Network Ltd

NZFIW made sales of \$60,000 (2014: \$54,849) to New Zealand Food Innovation Network Ltd for Business Development Manager services. The amount outstanding at balance date was \$11,021 (2014: \$5,271).

Other

Earl Ratray is a Director of Quantec Ltd, a private company which rents office space from Waikato Innovation Park Limited. During the year Waikato Innovation Park Limited charged Quantec Ltd \$30,900 for rent and operating expenses; a balance of \$428 was outstanding at 30 June 2015.

Andrew West is the Chairman of Herd Homes Ltd, a private company which rents office space from Waikato Innovation Park Limited. During the year Waikato Innovation Park Limited charged Herd Homes Ltd \$14,487 (2014: \$13,879) for rent and operating expenses; a balance of \$20 was owing to Herd Homes Ltd at 30 June 2015 (2014: \$493).

Waikato Innovation Park Limited has paid Directors fees of \$23,500 to Essentia Consulting Group Limited for the services of Martin Udale (2014: \$32,608).

Michael Spaans was a Director of Waikato Innovation Park Limited (resigned 1 June 2015) and is a shareholder of Livestock Improvement Corporate (LIC). During the year LIC was charged \$700 (2014: NIL)

Peter Maxwell, an employee of Waikato Innovation Park Limited is a Trustee of Greenfields Network Incorporated, Innovation Waikato Limited is a member of Greenfields Network Incorporated. There is no transaction between Waikato Innovation Park Limited and Greenfields Network Incorporated (2014: NIL).

Key Management Personnel Disclosure

Key management personnel compensation	2015: \$792,718	2014: \$675,427
---------------------------------------	-----------------	-----------------

28. CONTINGENCIES

No contingencies have been identified at balance date (2014: NIL).

29. CAPITAL COMMITMENTS

As at 30 June 2015 Waikato Innovation Park Limited has capital commitments of \$5,642,542 on various contracts for the completion of Building C (2014: NIL).

Waikato Innovation Park Limited Annual Report 2015

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

30. PERFORMANCE TARGETS AND RESULTS

The Company's parent entity, Innovation Waikato Limited prepares an annual Statement of Corporate Intent that covers the Innovation Waikato Limited, the Company and New Zealand Food Innovation (Waikato) Limited. This is in accordance with section 64 (5) of the Local Government Act 2002. The 2014/15 Statement of Corporate Intent was approved by Hamilton City Council.

Performance information relevant to the Company and its subsidiary is disclosed below:

Budget and actual results to 30 June 2015 (Group)

	Actual \$000	Statement of Corporate Intent \$000
EBITDA - Company: Property	2,280	1,023
EBITDA - Company: Economic Development	24	24
EBITDA - NZFIW	1,295	987

The EBITDA Company: Property variance is due to the revaluation of investment property of \$1,186,000. The EBITDA NZFIW variance is due to prices exceeding budget and cost efficiency.

All other performance targets and forecast financial information are set at the group level. For the full performance results, please refer to the Innovation Waikato Limited's financial statements for the year ended 30 June 2015.





FOODWAIKATO



**NEW ZEALAND
FOOD INNOVATION
(WAIKATO) LIMITED**

Annual Report 2015



TABLE OF CONTENTS*For the Year Ended 30 June 2015*

Directory	3
Annual Report	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Financial Position	7
Statement of Cash Flows	9
Notes to the Financial Statements	10
Auditors Report	24

DIRECTORY*As at 30 June 2015*

Nature of Business	Development and operating of a pilot spray dryer in the Waikato Region	
Address	Waikato Innovation Park Ruakura Lane Hamilton 3216	
Registered Office	Waikato Innovation Park Ruakura Lane Hamilton 3216	
Authorised Capital	105 Ordinary Shares 45 Preference Shares	
Directors	Barry Harris (Appointed 13 October 2014) Earl Rattray Stuart Gordon (Appointed 1 October 2014) Richard Perry (Appointed 5 December 2014) Peter Hobman (Appointed 21 January 2015)	
Shareholders	Waikato Innovation Park Limited	105 Ordinary Shares
	Callaghan Innovation	45 Preference Shares
		<u>150</u>
Auditors	Audit New Zealand PO Box 258 Hamilton 3240	
Bankers	BNZ 354 Victoria Street Hamilton	
Solicitors	Tompkins Wake 430 Victoria Street Hamilton	
IRD Number	105-220-731	

New Zealand Food Innovation (Waikato) Limited Annual Report 3



ANNUAL REPORT

For the Year Ended 30 June 2015

Approval and Issue of financial statements

On this date the Directors approve and issue the annual report including the attached financial statements for New Zealand Food Innovation (Waikato) Limited for the year ended 30 June 2015.

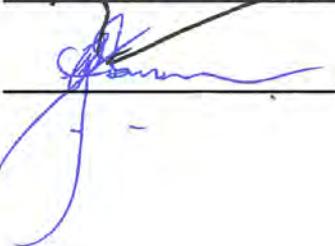
Reporting Concessions

The shareholders of New Zealand Food Innovation (Waikato) Limited have unanimously agreed to take advantage of the reporting concessions available to them under section 211(3) of the Companies Act 1993 whereby the annual report need not comply with any of paragraphs (a) and (e)-(j) of section 211(1), namely not to disclose information otherwise required concerning the activities of the Directors, employees, auditors, if any, and donations.

Auditor

An auditor has been appointed.

For and on behalf of the Board

 _____	Director	<u>30/9/2015</u> Date
 _____	Director	<u>30/9/15</u> Date

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2015

		\$000	
	NOTE	2015	2014 (restated)*
Revenue			
Revenue	4	3,659	2,525
Share of profit from associate	14	9	8
Total revenue		3,668	2,533
Expenses			
Operating expenses		(1,541)	(1,385)
Personnel costs	5	(779)	(485)
Depreciation	16	(788)	(732)
Audit fees		(17)	(15)
Directors fees		(49)	(18)
Other gains and losses	7	(1)	-
Total operating expenses		(3,175)	(2,635)
Finance income	6	13	-
Finance costs	6	(567)	(518)
Net finance costs	6	(554)	(518)
Profit/(loss) before tax		(61)	(620)
Less: Income tax	8	12	(145)
Profit/(loss) for the year		(49)	(765)
Other comprehensive income			
Gain/(loss) on property revaluation	16	-	389
Income tax on other comprehensive income	8	-	(109)
Total other comprehensive income		-	280
Total comprehensive income for the year		(49)	(485)

* The comparatives have been restated due to the Application of the Reduced Disclosure Regime in Note 2(e).

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

	NOTE	\$000 Share Capital	\$000 Revaluation reserve	\$000 Retained earnings	\$000 Total equity
Balance as at 1 July 2013 (as previously reported)		-	3,083	(866)	2,217
Adjustments for conversion to IFRS RDR	2e	-	(863)	183	(680)
Balance as at 1 July 2013 (restated)		-	2,220	(683)	1,537
<i>Total comprehensive income</i>					
Profit for the year (restated)		-	-	(765)	(765)
Other comprehensive income for the year (restated)		-	280	-	280
Total comprehensive income for the year		-	280	(765)	(485)
Balance as at 30 June 2014 (restated)		-	2,500	(1,448)	1,052
Balance as at 1 July 2014		-	2,500	(1,448)	1,052
<i>Total comprehensive income</i>					
Profit for the year		-	-	(49)	(49)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	(49)	(49)
<i>Transaction with owners of the company</i>					
Proceeds from shares issued		3,333	-	-	3,333
Balance as at 30 June 2015		3,333	2,500	(1,497)	4,336

The accompanying notes form part of these financial statements.



STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

		\$000	
	NOTE	2015	2014 (restated)*
ASSETS			
Non-current assets			
Investment in associates	14	20	11
Property, plant and equipment	16	19,264	14,412
Work in progress	15	-	76
Total non-current assets		19,284	14,499
Current assets			
Cash and cash equivalents	10	-	19
Trade and other receivables	11	493	230
Prepayments		63	53
Total current assets		556	302
Total assets		19,840	14,801
EQUITY AND LIABILITIES			
Equity			
Share capital	9	3,333	-
Asset revaluation reserve	9	2,500	2,500
Retained earnings		(1,497)	(1,448)
Total equity		4,336	1,052
Non-current liabilities			
Deferred tax liabilities	8	923	935
Deferred income	17	3,623	3,436
Term loans	18	9,361	-
Other loans	19	300	-
Provisions	20	171	-
Total non-current liabilities		14,378	4,371
Current liabilities			
Cash and cash equivalents	10	69	-
Payables and accruals	12	1,057	1,420
Other loans	19	-	667
Related party payable	13	-	7,291
Total current liabilities		1,126	9,378

* The comparatives have been restated due to the Application of the Reduced Disclosure Regime in Note 2(e).
The accompanying notes form part of these financial statements.

New Zealand Food Innovation (Waikato) Limited Annual Report 7



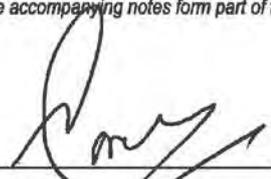


STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	NOTE	2015	2014 (restated)*
\$000			
Total liabilities		15,504	13,749
Total equity and liabilities		19,840	14,801

* The comparatives have been restated due to the Application of the Reduced Disclosure Regime in Note 2(e).
The accompanying notes form part of these financial statements.



 Director
 30 September 2015



 Director
 30 September 2015

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2015

		\$000	
	NOTE	2015	2014
Cash flow from operating activities			
Receipts from customers		3,742	2,229
Payments to suppliers and employees		(2,842)	(1,357)
Interest received		13	-
Interest paid		(567)	(536)
Tax payments		(4)	-
GST (net)		(213)	74
Net cash from operating activities	21	129	410
Cash flow from investing activities			
Purchase of property, plant and equipment		(5,131)	(40)
Purchase of assets under construction		-	(76)
Loans to related parties		(7,291)	(277)
Net cash from/(used in) investing activities		(12,422)	(393)
Cash flow from financing activities			
Proceeds from issue of share capital	9	3,041	-
Proceeds from borrowing		9,531	-
Repayment of borrowings		(367)	-
Net cash from/(used in) financing activities		12,205	-
Net increase/(decrease) in cash and cash equivalents		(88)	17
Cash and cash equivalents at 1 July		19	2
Cash and cash equivalents at 30 June	10	(69)	19

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

1. REPORTING ENTITY

New Zealand Food Innovation (Waikato) Limited (the "Company") is a company domiciled and incorporated in New Zealand under the Companies Act 1993, and a Council-Controlled Organisation under the Local Government Act 2002 with effect from the 9th October 2013. The Company's parent entity is Waikato Innovation Park Limited and the ultimate parent entity is Hamilton City Council.

The financial statements of New Zealand Food Innovation (Waikato) Limited are for the year ended 30 June 2015. The financial statements were authorised for issue by the Board of Directors on the 30th September 2015. The owners or others do not have the power to amend the financial statements after issue.

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements for the Company have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

The financial statements 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 - Reduced Disclosure Regime ("NZ IFRS RDR"), and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. The Company qualifies for NZ IFRS (RDR) as it does not have public accountability and it is not a large for-profit public sector entity. The Company has elected to apply NZ IFRS (RDR) and has applied disclosure concessions. The Company has early adopted the Reduced Disclosure regime framework for the financial year ended 30 June 2015 (see 2e below).

b. Basis of Measurement

The financial statements have been prepared on historical basis except for property, plant and equipment which are measured to fair value.

c. Functional and Presentational currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

d. Use of Estimates and Judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 16: Determination of fair value of property, plant and equipment

Note 17: Recognition of deferred income

Note 20: Provisions

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

e. Change in Accounting Policies

Application of the Reduced Disclosure Regime

The Company has early adopted the Reduced Disclosure Regime applicable for Tier 2 entities. This has resulted in an increase in disclosure requirements, preparation of a cash flow statement as well as requirements to account for deferred tax in line with NZ IAS 12.

This has had the effect of:

At 1 July 2013 reducing Revaluation Reserve by \$863,000, increasing retained earnings by \$183,000 and increasing deferred tax liability by \$680,000.

At 30 June 2014 reducing Revaluation Reserve by \$109,000, increasing deferred tax liability by \$254,000 and increasing tax expense by \$145,000.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these financial statements, including the changes noted at 2e.

a. Accounting for Associates

An associate is an investee, not being a subsidiary or joint venture arrangement, over which the group has the capacity to exercise significant influence through participation in the financial and operating policy decisions of the investee.

Associates are recognised using the equity method which recognises the Group's share of the associate's net surplus or deficit in the profit or loss and its share of other comprehensive income. The Company Associate is:

• New Zealand Food Innovation Network Ltd.

This company is 25% owned by New Zealand Food Innovation (Waikato) Limited.

b. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates or similar allowances. Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Interest income is accounted for as earned.

Grants received are recognised in the Statement of Comprehensive Income when the requirements under the grant agreement have been met. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Statement of Financial Position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

c. Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

d. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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 profit or loss in the period in which they are incurred.

e. Trade and Other Receivables

Trade and other receivables are stated initially at fair value then at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified. Trade and Other Receivables are classed as 'Loans and receivables' financial instruments (Note 22).

f. Property, Plant & Equipment

Property, plant & equipment is measured at fair value less subsequent depreciation. Computer and office equipment is recognised at cost price less depreciation and impairment losses.

Depreciation is calculated on a straight line basis to allocate the cost or revalued amounts over the estimated useful lives, as follows:

Buildings	25 years
Plant & Equipment	20 years
Office & Computer Equipment	20 years

The assets' residual values, depreciation method and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Revaluation

Property, plant & equipment are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is evidence supporting a material difference, then the off-cycle asset classes are revalued.

Property, plant and equipment revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the profit or loss. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the profit or loss will be recognised first in the profit or loss up to the amount previously expensed, and then recognised in other comprehensive income.

g. Work in progress

Work in progress is valued at cost.

h. Trade and Other Payables

Trade and other payables are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

i. Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST receivable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the balance sheet.

j. Taxation

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

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

k. Short-term Employee Benefits

Short-term (settled within 12 months) employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

l. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.



NOTES TO THE FINANCIAL STATEMENTS*For the Year Ended 30 June 2015***m. Impairment**

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

4. REVENUE	\$000	
	2015	2014
Revenue from the sale of goods	458	-
Revenue from the rendering of services	3,022	2,346
Deferred Grant income	179	179
Total operating revenue	3,659	2,525

5. PERSONNEL COSTS	\$000	
	2015	2014
Salaries and wages	766	478
Defined contribution plan	13	7
Total personnel costs	779	485

6. FINANCE COSTS	\$000	
	2015	2014
<i>Finance income</i>		
Interest income on short-term bank deposit	13	-
Total finance income	13	-
<i>Finance costs</i>		
Bank fees	(8)	(1)
Interest on other payables	(9)	(2)
Interest on bank overdraft	(1)	(2)
Interest on bank borrowings	(549)	(513)
Total finance costs	(567)	(518)
Net finance costs	(554)	(518)

7. OTHER GAINS AND LOSSES	\$000	
	2015	2014
<i>Losses</i>		
Net foreign exchange loss	(1)	-
Total other gains and losses	(1)	-

\$000

New Zealand Food Innovation (Waikato) Limited Annual Report 15

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

8. INCOME TAX

	2015	2014
Current tax	-	-
Deferred tax	(12)	145
Total income tax expense recognised	(12)	145

	\$000	
	2015	2014
<i>The income tax expense for the year can be reconciled to the accounting profit as follows:</i>		
Profit before tax	(61)	(620)
Income tax expense at 28%	(17)	(174)
Effect of income that is exempt from tax	(2)	(2)
Effect of expenses that are not deductible in determining taxable profit	7	-
Effect of unused tax losses forfeited on change in shareholding	-	205
Effect of tax loss offset to WIPL	-	116
Income tax expense recognised in profit or loss	(12)	145

Deferred tax balances

(\$000)

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(1,930)	51	-	(1,879)
Provisions	12	(4)	-	8
Deferred income	962	(50)	-	912
Tax losses	21	15	-	36
Balance as at 30 June 2015	(935)	12	-	(923)

(\$000)

Deferred tax assets/(liabilities) in relation to:

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(1,883)	62	(109)	(1,930)
Provisions	6	6	-	12
Deferred income	1,012	(50)	-	962
Tax losses	184	(163)	-	21
Balance as at 30 June 2014	(681)	(145)	(109)	(935)

\$000

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

9. EQUITY

	2015	2014
Share capital		
<i>Ordinary shares (105 shares)</i>		
Balance 1 July	1	1
Shares issued (5 shares)	333	-
less uncalled shares	(1)	(1)
Total Ordinary shares	333	-
<i>Preference shares (45 shares)</i>		
Balance 1 July	-	-
Shares issued (45 shares)	3,000	-
less uncalled shares	-	-
Total Preference shares	3,000	-
Total issued and called shares 30 June	3,333	-

Ordinary Shares

All ordinary shares carry equal voting rights and the right to share in any surplus on winding up. The shares have no par value.

Preference Shares

On a liquidation or winding up of NZFIW, the holders of Preference Shares are entitled to receive an amount equal to the subscription price paid for the Preference Shares held by them as at the date of liquidation or winding up (Preference) before any payments (including the payment of any debts or other amounts owing) are made to: any other Shareholder; any related party of any other Shareholder.

Other than the liquidation preference, each Preference Share confers on the holder the same rights, privileges and restrictions as are conferred on the holder of ordinary shares in NZFIW under the Constitution, including voting rights, rights in relation to the receipt of notices, reports and audited accounts and the right to attend and speak at any meeting of shareholders of the Company.

Revaluation Reserve

This reserve relates to the revaluation of property, plant and equipment.

iD

CASH AND CASH EQUIVALENTS

	2015	2014
BNZ Bank account	(69)	19
Total cash and cash equivalents	(69)	19

The Company has an overdraft facility with BNZ with a limit of \$250,000. Interest is charged at 8.05%.

\$000

New Zealand Food Innovation (Waikato) Limited Annual Report 17

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

11

TRADE AND OTHER RECEIVABLES

	2015	2014
Gross trade and other receivables	489	230
Income tax receivable	4	-
Total trade and other receivables	493	230

12

PAYABLES AND ACCRUALS

	\$000	
	2015	2014
Accounts payable	568	73
Accruals	248	290
Inter-entity payable	7	1,003
Other payables	234	54
Total payables and accruals	1,057	1,420

13

RELATED PARTY PAYABLE

	\$000	
	2015	2014
Waikato Innovation Park Limited	-	7,291
Total related parties	-	7,291

NZ Food Innovation (Waikato) Ltd owes Waikato Innovation Park Limited \$7,092 (2014: \$1,002,742) for day-to-day expenses, this amount is recorded in payables and accruals. The related parties amount in 2014 related to funding provided by BNZ to Waikato Innovation Park Ltd for New Zealand Food Innovation (Waikato) Limited. During the 2015 financial year the loans were restructured so the loan is directly between BNZ and New Zealand Food Innovation (Waikato) Limited.

14

INVESTMENT IN ASSOCIATES

	\$000	
	2015	2014
<i>New Zealand Food Innovation Network Ltd</i>		
Interest held by the group	25%	25%
Opening balance	11	3
Share of revenue and expenses	9	8
Balance at 30 June	20	11
Total investment in associates	20	11

The Company has no contingencies or commitments in relation to its involvement in New Zealand Food Innovation Network Ltd. New Zealand Food Innovation Network Ltd is a company incorporated in New Zealand.

15

WORK IN PROGRESS

	\$000	
	2015	2014
Wet-side of spray dryer	-	76
Total assets under construction	-	76

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

16

PROPERTY, PLANT AND EQUIPMENT

\$000	Property	Plant & Equipment	Office & computer	Total
As at 30 June 2014				
Cost or valuation	2,926	12,929	2	15,857
Accumulated depreciation	(316)	(1,129)	-	(1,445)
Net book amount	2,610	11,800	2	14,412
For the year ended 30 June 2015				
Opening net book amount	2,610	11,800	2	14,412
Additions	1,082	4,555	3	5,640
Revaluation	-	-	-	-
Depreciation charge	(121)	(667)	-	(788)
Closing net book amount	3,571	15,688	5	19,264
As at 30 June 2015				
Cost or valuation	4,008	17,484	5	21,497
Accumulated depreciation	(437)	(1,796)	-	(2,233)
Net book amount	3,571	15,688	5	19,264

A revaluation was not completed in 2015 due to the fair value of property, plant and equipment not differing materially from its carrying amount. Property, plant & equipment was revalued by North Langley & Associates Ltd, an independent registered valuer on 30 June 2014. (2014: \$389,000)

There was no impairment in 2015. (2014: NIL) No borrowing costs were capitalised during the year. (2014: NIL)

The spray dryer plant is noted as security against the Bank loans to Waikato Innovation Park Ltd.

17

DEFERRED INCOME

	\$000	
	2015	2014
Original Grant	3,794	3,794
less Deferred income recognised prior years	(358)	(179)
	3,436	3,615
Opening balance	3,436	3,615
less Deferred income recognised	(179)	(179)
Total deferred grant	3,257	3,436
Revenue received in advance	366	-
Total deferred income	3,623	3,436

Deferred income relates to a Government Grants provided to develop the Spray Dryer Facility (part of property, plant and equipment). The Deferred income is written off over 20 and 25 years respectively for the Spray Dryer Facility being the estimated useful life of the assets.

\$000

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

18

TERM LOANS

	2015	2014
BNZ 92346126-01 loan	8,000	-
BNZ 92346126-02 loan	1,361	-
	9,361	-
Total current portion	-	-
Non current portion	9,361	-
Total Dairy Goat Co-operative loan	9,361	-

Term loans are secured by a mortgage over the property at Ruakura Road, Hamilton certificate of title No. 135745.

	2015		2014	
	Interest rate	Maturity Date	Interest rate	Maturity Date
BNZ 92346126-01 loan	6.40%	June 2019	-	-
BNZ 92346126-02 loan	5.88%	June 2019	-	-

19

OTHER LOANS

	\$000	
	2015	2014
Dairy Goat Co-operative loan	-	108
Dairy Goat Co-operative Equipment loan	-	259
Technopak - Equipment loan	300	300
Total other loans	300	667
Total current portion	-	667
Total non current portion	300	-
Total other loans	300	667

Dairy Goat Co-operative loan and Dairy Goat Co-operative equipment loan were fully paid off during the year

Technopak Ltd has supplied packing equipment to NZFIW with payment required in July 2016. In the meantime no interest is payable on the balance owing. During this period Technopak will have access to the equipment to show potential clients and NZFIW will be responsible for all maintenance.

20

PROVISIONS

	\$000	
	2015	2014
Nu Mega Limited	171	-
Total provisions	171	-

NZFIW entered into a contract with Nu Mega Limited for use of the factory for five years and to loan NZFIW \$604,373 for equipment in the wet-side of the factory. If the contract is not renewed on 1st September 2019, one third of the loan is repayable on that date. NZFIW has created a provision (discounted to present value) for one third of the loan.

\$000

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

21 ## RECONCILIATION OF PROFIT/(LOSS) FOR THE YEAR TO NET CASH

	2015	2014
Profit/(loss) for the year	(49)	(765)
Add/(less) non-cash items		
Depreciation and amortisation	788	732
Share of associates (surplus)/deficit	(9)	(8)
Income tax expense in profit or loss	(12)	145
Deferred income	(179)	(179)
Conversion of debt to equity	292	-
Total non-cash items	880	690
Add/(less) movements in working capital		
Revenue received in advance	366	-
Trade debtors and other receivables	(262)	(117)
Prepayments	(10)	1
Trade creditors and other payables	(796)	601
Total movement in working capital	(702)	485
Net cash flow from operating activities	129	410

22 ## FINANCIAL INSTRUMENTS

\$000	Loans and receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Available-for-sale	Total
Assets as per balance sheet					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	493	-	-	-	493
Balance as at 30 June 2015	493	-	-	-	493

\$000	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities at amortised cost	Total
Liabilities as per balance sheet				
Cash and cash equivalents	-	-	69	69
Payables and accruals	-	-	1,057	1,057
Other loans	-	-	300	300
Related party payable	-	-	-	-
Term loans	-	-	9,361	9,361
Provisions	-	-	171	171
Balance as at 30 June 2015	-	-	10,958	10,958

New Zealand Food Innovation (Waikato) Limited Annual Report 21

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

26

PERFORMANCE TARGETS AND RESULTS

The Company's parent entity; Innovation Waikato Limited, prepares an annual Statement of Corporate Intent that covers the Company, Waikato Innovation Park Limited and Innovation Waikato Limited. This is in accordance with section 64(5) of the Local Government Act 2002. The 2014/15 Statement of Corporate Intent was approved by Hamilton City Council.

Performance information relevant to the Company is disclosed below:

Budget and actual results to 30 June 2015

	Actual \$000	Statement of Corporate Intent \$000
EBITDA NZFIW	1,294	987
	1,294	987

While actual Food Waikato production days were 19 behind budget prices exceed budget. Cost through efficiency were below budget. The net result was a NZFIW EBITDA higher than our budget of \$299,000. The year ending 30 June 2015 was the last year of our founding contract with New Zealand Dairy Goat Co-operative.

All other performance targets and forecast financial information are set at the group level. For the full performance results, please refer to the Innovation Waikato Limited's financial statements for the year ended 30 June 2015.



Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Council Organisations Subcommittee Meeting - Public Excluded Minutes - 21 October 2015	Controlled) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Council Organisations Subcommittee Action List - Public Excluded - 30 November 2015	Controlled)	
C3. Council Organisations - Letters of Expectation	Controlled	
C4. Innovation Waikato Ltd - Constitution and letter of expectation		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C4.	to enable Council to carry out negotiations	Section 7 (2) (i)