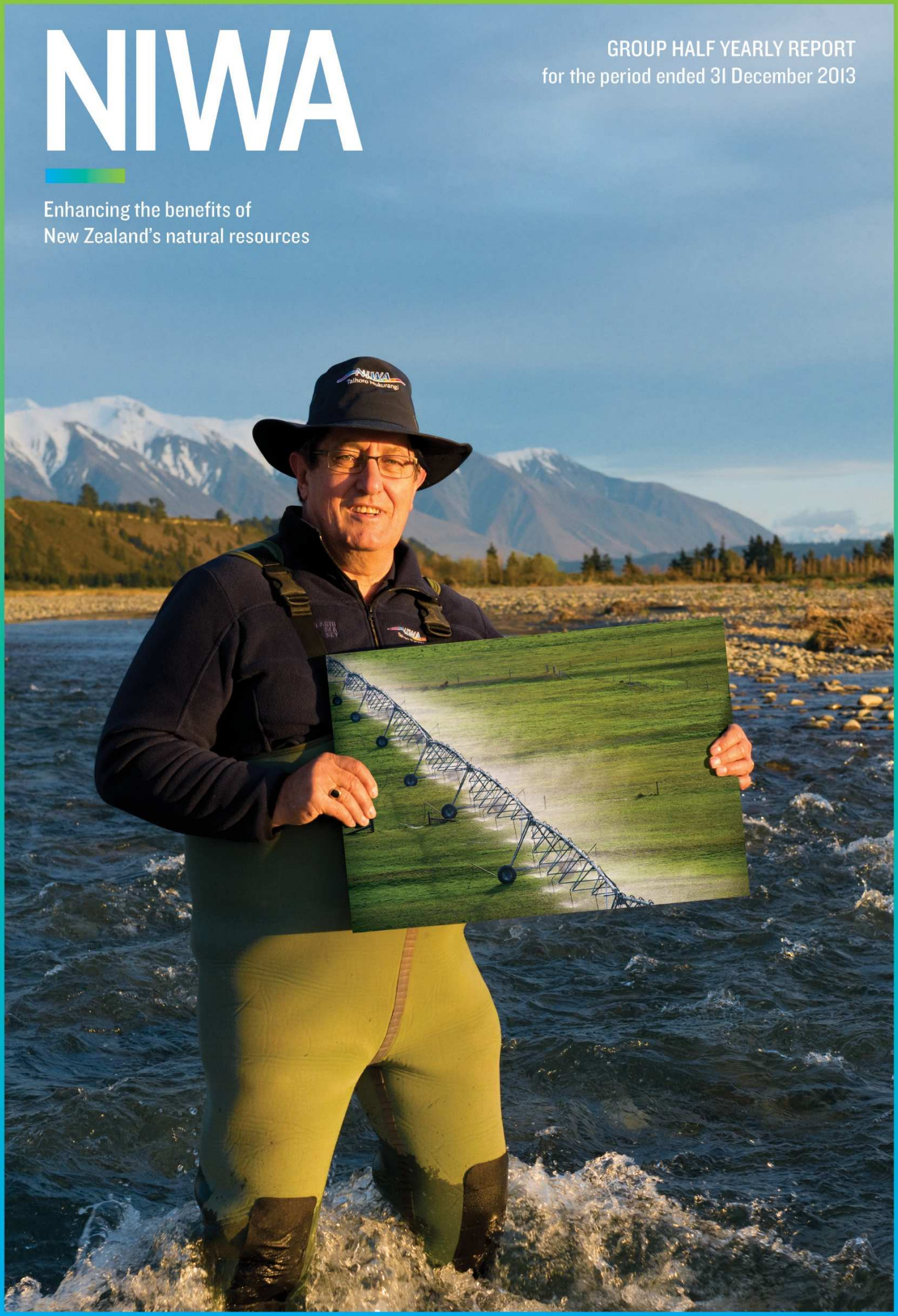
NIWA

GROUP HALF YEARLY REPORT
for the period ended 31 December 2013

Enhancing the benefits of
New Zealand's natural resources



Half Yearly Report For The
Six Months Ended 31 December 2013

Overview

NIWA is on target to achieve its 2013/14 budget across each of its key financial ratios. At the half year stage revenue, profit and cash flow are all close to or better than budget.

All science objectives as outlined in the 2013/14 Statement of Corporate Intent are on track, and excellent progress has been made with the implementation of initiatives to improve NIWA's operational efficiency and effectiveness.

An ongoing focus on collaborating with other science providers has strengthened NIWA's research capability and supported the application of NIWA's science to industry and government agencies, as illustrated below.

Financial Results

NIWA's turnover at $55.449 million was ahead of budgeted revenue of $54.131 million. An after taxation deficit of $0.667 million was better than budget by $1.611 million.

Good progress has been made in securing additional revenue to meet the full year budget, which we continue to monitor closely as we head into the second half of the year.

On the expenses side compared with 2012/13, these are $2.250 million higher than last year, with increased collaboration expenditure. Despite this, total costs in the first half of this year are $0.707 million below budget.

The closing cash position continues to be favourable, being $5.330 million ahead of the budgeted debt balance of $0.009 million.

Overall, NIWA is on target to achieve annual budget across each of its key financial ratios.

Financial KPIs

All NIWA's financial KPIs are in line with or exceed budget as detailed in its Statement of Corporate Intent (SCI), as illustrated in the table below.

	Actual YTD	SCI YTD	SCI Full Year
Revenue ($000s)	55,449	54,131	124,042
Liquidity			
Current Ratio	1.17	1.05	1.30
Quick Ratio (aka Acid test)	1.42	1.27	1.76
Profitability			
Adjusted Return on Equity*	-0.9%	-3.0%	6.2%
Return on Equity	-0.7%	-2.3%	4.8%
Return on Assets	-0.8%	-2.4%	5.0%
EBIT Margin (aka Operating profit margin)	-2.0%	-5.8%	5.4%
Operational Risk			
Profit volatility	41.8%	47.7%	12.2%
Forecasting Risk (non adjusted ROE)	-0.9%	0.5%	2.3%
Coverage			
Interest Cover	21	(84)	120
Growth/Investment			
Capital renewal	62.2%	90.2%	93.2%
Financial strength			
Net Cash/(Debt) ($000s)	5,321	(9)	5,358

*Agreed with Officials after adjustment in 2006/07 for restatement of certain land and buildings cost figures.

Operating with effectiveness and efficiency

As indicated in the 2013/14 Statement of Corporate Intent, there are a number of initiatives underway to improve NIWA's operational effectiveness and efficiency. Optimising the "self-service" systems performance through continuous improvement has been the focus, with progress within these initiatives being made as planned. Other initiatives to improve NIWA's productivity, science delivery, customer services levels and external communications are on track.

Collaboration

End-user collaboration

Increased focus on the application of NIWA's science for the benefit of New Zealand has continued this year with 50% of revenue coming from end-user collaboration. Of this, 36% came from industry, 54% from government sectors, 6% from overseas and 4% from other Crown Research Institutes. Some examples of the benefits of this end-user collaboration are included in the *Positive impacts of NIWA Science* section below.

Research collaboration
One measure of the importance and scale of collaborative relationships NIWA has with many national and international organisations, in order to deliver our Core Purpose and ensure that we deliver internationally leading science, is the publication of jointly-authored papers.

- 33 papers involved collaborations with research organisations in 19 countries. The most frequent collaborations were with the USA and France (8 papers each), Germany (5 papers), UK (3 papers), Canada and Norway (2 papers each). A number of papers involved collaboration with more than one country – anything up to 8 countries in highly collaborative research;
- 21 papers involved collaboration with a wide variety of New Zealand organisations, including universities, Crown Research Institutes, private research organisations and end-user organisations.

Technology and Knowledge transfer

Technology and knowledge transfer activities continued at a high level for the first half of the year. Some qualitative information on transfer activities to New Zealand industry, government and Māori is contained in the *Positive impacts of NIWA Science* section below. Quantitative information follows:

End-user reports and presentations
NIWA has completed 121 reports for end-users to date, most of which were primarily to support central government agencies and industry. Some additionally supported the development of policy and regulation by central and local government.

NIWA staff also made 279 presentations during the first half of the year at a wide variety of national and international conferences, workshops, seminars and meetings. Of these, 60% were targeted at end-users (primarily central and/or local government, and industry), and 71% were aimed primarily at national and international science audiences. Some of these science meetings were also attended by end-users.

An important part of technology transfer is training. For example, NIWA ran a two-day, national, Acoustic Doppler Current Profiler (ADCP) training course in Christchurch, with representatives from local authorities around the country. ADCP measures water flow in rivers, and NIWA and local authorities have been gradually switching to this technology, which is more advanced than current practice. The workshop enabled industry participants to compare their measuring technologies and to work towards more consistency across New Zealand. For example, one output of the workshop was a database of ADCP measurements conducted under the same environmental conditions, by 23 different instruments and about 15 different teams. This database and experience will be important for the further development of National Environmental Monitoring Standards (NEMS). The ADCPs will also enable safer gauging practices and provide significantly more data than previously. Local authority representatives praised the workshop as an important event for fostering communication in the hydrological monitoring industry and ensuring consistency in hydrologic monitoring.

Positive impacts of NIWA Science

NIWA's science covers a broad range of activities, as indicated by our National Centre structure (refer to the 2013/14 Statement of Corporate Intent). Some examples of how we have advanced science in our spectrum, and the resulting benefits to end-users, are given below.

Atmosphere and climate. New atmospheric and oceanic model simulations undertaken at NIWA have explained the remarkable variability in latitudinal gradients of O_2/N_2 and CO_2 across the Western Pacific, which had not been captured by previous modelling efforts. In particular, our work highlights the importance of including the effect of storminess on seasonal changes in the ocean's mixed layer depth for accurately modelling ocean biogeochemical response to climate variability. This "wind stirring" effect is not included in the current generation of global ocean models, but it has a strong effect on predicted trends in Southern Ocean carbon uptake.

Oceans. Cold seep communities with distinctive chemosynthetic fauna occur where naturally hydrocarbon-rich fluids escape from the seabed. The first discoveries of cold seeps in the southwest Pacific were made in 2006 off the Wairarapa coast by NIWA scientists working with colleagues from the USA. The seep communities are associated with extensive gas hydrate reserves underlying the Hikurangi Margin, and since their first discovery they have been revisited during multi-national geologically-focused research voyages in 2007 and 2011. A paper was published in Public Library of Science that provides the first detailed descriptions of cold seep community composition, population densities, spatial extent, and within-region variability on the Hikurangi Margin. We also developed a hypothetical succession sequence for the Hikurangi seep communities using data primarily from towed camera transects combined with information on the probable life-history characteristics of the principal fauna. This provides essential context against which to assess the vulnerability of the sites to disturbance from bottom trawling (at present) and from potential gas hydrate extraction (in the future).

Urban environments. Increasing urbanisation places greater stresses on the receiving waters due to increased sedimentation and contaminant runoff. Emerging contaminants (ECs) are an extensive array of chemicals (e.g., flame retardants, plasticisers, herbicides and pesticides, steroid oestrogens and pharmaceuticals), and many are not under any regulatory controls, even though they can have significant effects on human populations. A NIWA study was initiated to gauge the distribution of ECs in the urban environment by measuring concentrations in sediment from estuarine sites around Auckland. We found that, generally, environmental concentrations of ECs were similar to those reported worldwide, and suggest that regulatory mechanisms will be needed in New Zealand, just as they have been imposed in other countries, in order to improve ecosystem health and protect human health. Results from this study will soon be published in the international peer-reviewed journal *Science of the Total Environment*.

Fisheries. Mako sharks are caught on tuna longlines and by recreational fishers. They are believed to be random ocean wanderers, often described as "a highly migratory species", with little stock structure. Given the lack of knowledge of the species, we tagged four juvenile mako sharks from the upper North Island in early 2013, and they were still transmitting their positions regularly to satellites during this quarter. Analysis of the data shows that they all stayed within 100km of their tagging location for the first few months, presumably feeding on abundant schooling fish present in coastal waters during summer-autumn, and they then moved to the edge of the continental shelf and into oceanic waters. Two moved up the Kermadec Ridge to the Kermadec Islands, and one travelled up the Three Kings Ridge. However, all headed back towards mainland New Zealand in August-September,

with one returning to near its tagging site. After being widely dispersed, all four sharks were, at the time of analysis, within 350km of each other. Notably, the sharks spent almost all of their time within New Zealand's EEZ, which has important implications for their management. Thus, indications are that previous ideas about these shark are incorrect, at least for juveniles (the main size group caught on tuna longlines and by recreational fishers). This means that we need to be more concerned about possible impacts of New Zealand fishers on mako sharks than if there were a single wide-ranging population throughout the South Pacific Ocean.

Freshwater. Lamprey (piharau/kanakana) are widespread in the Southern Hemisphere and in New Zealand, and are a highly valued taonga species for Māori. However, a significant barrier to effective protection of this secretive and declining species has been a lack of knowledge of where they spawn. There are technologies for tracking fish, such as Passive Integrated Transponders (PIT) tags, but conventional tags cannot be used on lamprey because the tags are too large, and while new micro-PIT tags can be inserted into lamprey, they can only be detected at close range (i.e., in small streams). In order to use this new technology to locate and track the movement of lamprey in rivers, we developed a novel noise-reducing antenna design and created antenna arrays that will work in large (more than 10 m wide) rivers. The improvements in antenna design have significantly increased detection efficiencies reported in the international published literature. We used the new technology to track near-adult lamprey as they move upstream, in order to identify both the resting and spawning habitats of lamprey as they migrate upriver. This is the first documentation of lamprey spawning nests within the Southern Hemisphere, and is a significant step forward in understanding the habitat requirements of this taonga species. This technology will now have a wide application for research related to protecting and enhancing native fish biodiversity.

Oceans. In October a team of NIWA marine sedimentologists, geologists and biologists continued mapping and collecting sediment of the offshore West Coast Canyon Complex. The voyage was undertaken on RV *Tangaroa*, and it was a voyage of firsts. It was the fourth in a series of research voyages in the Challenger Plateau/West Coast Canyons region, with an aim of defining deepsea canyons, and channel and fan morphology off the west coast South Island, and determining the sources of sediment and sedimentary history. During the voyage the canyon/channels were mapped to their terminal fans, in depths of 4,500–5,000m. The northern canyon systems of the Hokitika and Cook Canyons join to form the Cook Channel, and this system reaches its terminal fan some 1,200km from its start off the Hokitika River, whereas the southern canyon system (Moeraki and Waiototo) travels some 900km to its terminal fan just beyond Gilbert Seamount. This is the first time the existence of these terminal fans has been confirmed, and the first-ever imagery and samples of the biology of the pristine Gilbert Seamount were taken, including the collection of at least two new species.

Christopher Mace
Chairman

John Morgan
Chief Executive

January 2014

National Institute of Water & Atmospheric Research Ltd
Statement of comprehensive income
for the 6 months ended 31 December 2013

		Group		
in thousands of New Zealand dollars	**Notes**	**6 Months to Dec 13** Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Revenues and other gains	4			
Research		27,468	27,321	62,739
Applied science		27,981	24,772	57,820
Other gains		93	31	121
Total income		**55,542**	**52,124**	**120,680**
Operating expenses	5			
Employee benefits expense		(29,479)	(29,771)	(59,331)
Other expenses		(20,844)	(18,583)	(42,657)
		(50,323)	**(48,354)**	**(101,988)**
Profit/(loss) before interest, income tax, depreciation and amortisation		**5,219**	**3,770**	**18,692**
Depreciation and impairment		(6,191)	(5,881)	(11,882)
Amortisation		(145)	(88)	(205)
Profit/(loss) before interest and income tax		**(1,117)**	**(2,199)**	**6,605**
Interest income		81	42	104
Finance expense		(27)	(92)	(128)
Net interest and other financing costs		**54**	**(50)**	**(24)**
Profit/(loss) before income tax		**(1,063)**	**(2,249)**	**6,581**
Income tax credit/(expense)		396	512	(1,941)
Profit/(loss) for the period		**(667)**	**(1,737)**	**4,640**
Other comprehensive income				
Foreign currency translation differences for foreign operations		(145)	(1)	37
Total comprehensive income for the period		**(812)**	**(1,738)**	**4,677**
Profit/(loss) attributable to:				
Parent interest		(664)	(1,754)	4,617
Minority interest		(3)	17	23
Profit for the period		**(667)**	**(1,737)**	**4,640**
Total comprehensive income attributable to:				
Parent interest		(809)	(1,755)	4,654
Minority interest		(3)	17	23
Total comprehensive income for the period		**(812)**	**(1,738)**	**4,677**

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements.

National Institute of Water & Atmospheric Research Ltd
Statement of changes in equity
for the 6 months ended 31 December 2013

Group in thousands of New Zealand dollars	**Notes**	**Share capital**	**Retained earnings**	**Minority interest**	**Foreign currency translation reserve**	**Total equity**
Balance at 1 July 2012 Unaudited		24,799	70,961	153	(154)	95,759
Profit for the year		–	(1,754)	17	–	(1,737)
Translation of foreign operations		–	–	–	(1)	(1)
Total comprehensive income		–	(1,754)	17	(1)	(1,738)
Dividends to equity holders		–	–	–	–	–
Balance at 31 December 2012		**24,799**	**69,207**	**170**	**(155)**	**94,021**
Balance at 1 July 2012 Audited		24,799	70,961	153	(154)	95,759
Profit for the year		–	4,617	23	–	4,640
Translation of foreign operations		–	–	–	37	37
Total comprehensive income			4,617	23	37	4,677
Dividends to equity holders		–	–	–	–	–
Balance at 30 June 2013		**24,799**	**75,578**	**176**	**(117)**	**100,436**
Balance at 1 July 2013 Unaudited		24,799	75,578	176	(117)	100,436
Profit for the year		–	(664)	(3)	–	(667)
Translation of foreign operations		–	–	–	(145)	(145)
Total comprehensive income		–	(664)	(3)	(145)	(812)
Dividends to equity holders		–	(2,000)	–	–	(2,000)
Balance at 31 December 2013		**24,799**	**72,914**	**173**	**(262)**	**97,624**

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements.

National Institute of Water & Atmospheric Research Ltd
Statement of financial position
as at 31 December 2013

		Group		
in thousands of New Zealand dollars	**Note**	**6 Months to Dec 13** Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Equity				
Share capital	7	24,799	24,799	24,799
Equity reserves		72,652	69,052	75,461
Shareholders' interest		**97,451**	**93,851**	**100,260**
Minority interest		173	170	176
Total equity		**97,624**	**94,021**	**100,436**
Non-current liabilities				
Unsecured loans		–	398	–
Provision for employee entitlements		490	561	486
Deferred tax liability		7,797	5,670	7,813
Total non-current liabilities		**8,287**	**6,629**	**8,299**
Current liabilities				
Unsecured loans		388	–	395
Payables and accruals		9,939	7,463	13,327
Revenue in advance		11,465	9,957	4,367
Borrowings		–	3,890	–
Provision for employee entitlements		1,158	1,221	1,175
Accrued employee entitlements		5,636	5,323	7,684
Total current liabilities		**28,586**	**27,854**	**26,948**
Total equity and liabilities		**134,497**	**128,504**	**135,683**
Non-current assets				
Property, plant and equipment		100,530	101,688	102,942
Identifiable intangibles		440	414	548
Receivables		157	144	238
Prepayments		21	10	38
Total non-current assets		**101,148**	**102,256**	**103,766**
Current assets				
Cash and cash equivalents		5,321	1,291	4,272
Receivables		13,643	10,398	18,023
Prepayments		3,042	2,465	2,106
Taxation receivable		772	–	26
Uninvoiced receivables		7,908	8,877	5,064
Inventories		2,642	3,217	2,426
Forward exchange derivatives		21	–	–
Total current assets		**33,349**	**26,248**	**31,917**
Total assets		**134,497**	**128,504**	**135,683**

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements.

National Institute of Water & Atmospheric Research Ltd
Cash flow statement
for the 6 months ended 31 December 2013

		Group		
in thousands of New Zealand dollars	**Note**	**6 Months to Dec 13** Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		64,136	60,757	119,726
Dividends received		1	1	2
Interest received		81	42	104
Cash was disbursed to:				
Payments to employees and suppliers		(56,970)	(54,721)	(98,982)
Interest paid		(27)	(92)	(128)
Taxation paid		(366)	(49)	(384)
Net cash inflow from operating activities		**6,855**	**5,938**	**20,338**
Cash flows from investing activities				
Cash was provided from:				
Sale of property, plant and equipment		116	31	121
Cash was applied to:				
Purchase of property, plant and equipment		(3,907)	(3,752)	(11,024)
Purchase of intangible assets		(37)	(81)	(336)
Net cash outflow in investing activities		**(3,828)**	**(3,802)**	**(11,239)**
Cash flows from financing activities				
Cash was applied to:				
Loan facility (repaid)		–	(3,610)	(7,500)
Dividends paid		(2,000)	–	–
Net cash inflow (outflow) from financing activities		**(2,000)**	**(3,610)**	**(7,500)**
Net increase/(decrease) in cash and cash equivalents		**1,027**	**(1,474)**	**1,599**
Effects of exchange rate changes on the balance of cash held in foreign currency		22	(16)	(108)
Opening balance of cash and cash equivalents		4,272	2,781	2,781
Closing cash and cash equivalents balance		**5,321**	**1,291**	**4,272**
Made up of:				
Cash		1,289	1,291	2,454
Short-term deposits		4,032	–	1,818
Closing cash and cash equivalents balance		**5,321**	**1,291**	**4,272**

The accompanying 'Notes to the financial statements' are an integral part of, and should be read in conjunction with, these financial statements.

National Institute of Water & Atmospheric Research Ltd
Notes to the financial statements
for the 6 months ended 31 December 2013

1. Reporting Entity

The National Institute of Water & Atmospheric Research Ltd (NIWA) and Group is a profit-orientated company registered in New Zealand under the Companies Act 1993.

The financial statements for NIWA and the Group are presented in accordance with the requirements of the Crown Research Institutes Act 1992, the Crown Entities Act 2004, the Public Finance Act 1989, the Companies Act 1993, and the Financial Reporting Act 1993. The consolidated (or 'Group') financial statements comprise NIWA (the 'Parent Company'), its subsidiaries and the Group's interest in associates.

2. Nature of activities

The NIWA Group conducts research in water and atmospheric sciences in New Zealand and internationally.

3. Statement of accounting policies

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with the New Zealand equivalents to international financial reporting standards (NZ IFRS) and other applicable financial reporting standards appropriate for profit-oriented entities.

The financial statements comply with international reporting standards (IFRS).

These interim financial statements have been prepared in accordance with the requirements of NZ IAS 34: Interim Financial Reporting. They should be read in conjunction with the 2013 annual report.

Basis of preparation

The measurement basis adopted in the preparation of these financial statements is historical cost, except for financial instruments as identified in specific accounting policies. Cost is based on the fair value of consideration given in exchange for assets.

The presentation and functional currency used in the preparation of these financial statements is New Zealand dollars.

Accounting policies are selected and applied in a manner to ensure that the resulting financial information meets the concepts of relevance and reliability, ensuring that the substance of the underlying transaction or event is reported.

The accounting policies have been consistently applied in preparing the financial statements for the six months ended 31 December 2013; the comparative information for the six months ended 31 December 2012, the comparative year ended 30 June 2013.

Accounting judgements and major sources of uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

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

Comparatives

The financial statements for the six months ended 31 December 2013 and for the comparative six month period to 31 December 2012 are unaudited. The comparative figures for the year ended 30 June 2013 are audited.

4. Revenues and other gains

Revenue

	Group		
in thousands of New Zealand dollars	**6 Months to Dec 13** Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Sale of goods	2,513	2,341	5,375
Rendering of services	52,935	49,751	115,181
Dividends	1	1	3
Total operating revenue	**55,449**	**52,093**	**120,559**

Other gains

	Group		
in thousands of New Zealand dollars	**6 Months to Dec 13** Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Net gain on sale from property, plant and equipment	93	31	121
Insurance proceeds	–	–	–
Total other gains	**93**	**31**	**121**

5. Operating expenses and other gains

Employee benefit expense

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Defined contribution plans	1,322	1,227	2,549
Termination benefits	102	221	1,311
Other employee benefits	28,055	28,323	55,471
Employee benefit expense	**29,479**	**29,771**	**59,331**

Other expenses

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Operating expenses include:			
Rental and operating lease costs	1,145	1,168	2,346
Remuneration of directors	151	149	297
Bad debts written off	–	–	–

Other gains and (losses) included in operating expenses

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Operating expenses include:			
Movement within doubtful debt provision	–	–	(83)
(Gain)/loss on foreign currency cash held	(20)	21	109

Auditor's remuneration

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Auditor's remuneration comprises:			
Audit of the financial statements	83	113	166
Other assurance services	–	–	–
Total auditor's remuneration	**83**	**113**	**166**

Key management personnel compensations

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Short-term benefits	3,189	3,203	6,243

The table above includes remuneration of the Chief Executive Officer and all key management positions.

6. Reconciliation of the profit for the period to net cash inflow from operating activities

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Profit for the period	**(667)**	**(1,737)**	**4,640**
Add/(less) items classified as investing activities			
Net loss/(gain) on disposal of property, plant and equipment	10	13	(82)
	10	**13**	**(82)**
Add/(less) non-cash items			
Depreciation and impairment	6,191	5,881	11,882
Amortisation of identifiable intangibles	145	88	205
(Increase)/decrease in unsecured loan	7	(18)	(15)
Net foreign currency (gain)/loss	(174)	21	171
Increase/(decrease) in deferred tax liability	(21)	(996)	1,147
	6,148	**4,976**	**13,390**
Add/(less) movements in working capital items			
Increase/(decrease) in payables and accruals and revenue in advance	3,710	2,968	3,242
Increase/(decrease) in employee entitlements	(2,061)	(2,623)	(383)
(Increase)/decrease in receivables and prepayments	3,542	6,974	(414)
(Increase)/decrease in inventory and uninvoiced receivables	(3,060)	(5,069)	(465)
(Increase)/decrease in taxation receivable	(746)	436	410
(Increase)/decrease in forward exchange derivatives	(21)	–	–
	1,364	**2,686**	**2,390**
Net cash flows from operating activities	**6,855**	**5,938**	**20,338**

7. Share capital

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Issued and fully paid capital			
24,798,700 ordinary shares	24,799	24,799	24,799

All shares carry equal voting and distribution rights; if the company is to be wound down, all proceeds are distributed equally amongst the shareholders.

8. Commitments

8a Operating lease arrangements

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Obligations payable after balance date on non-cancellable operating leases:			
Within 1 year	2,660	2,609	2,615
Between 1 and 2 years	2,093	2,200	2,123
Between 2 and 5 years	5,381	5,802	5,549
Over 5 years	6,002	8,502	6,850
	16,136	**19,113**	**17,137**

Operating leases relate to office and laboratory facilities within New Zealand and Australia with lease terms between 1 and 11 years, with various options to extend.

8b Capital commitments

in thousands of New Zealand dollars	Group		
	6 Months to Dec 13 Unaudited	**6 Months to Dec 12** Unaudited	**12 Months to Jun 13** Audited
Commitments for future capital expenditure:			
Approved, but not contracted for	4,380	4,579	–
Contracted, but not provided for	4,027	3,796	–
	8,407	**8,375**	–

9. Contingent liabilities

There are no material contingent liabilities that were identified during the normal course of activities.

10. Subsequent events

There were no subsequent events (2012: Nil).

National Institute of Water & Atmospheric Research Ltd

Directory

BOARD OF DIRECTORS
Christopher Mace (Chairman) *(reappointed 1 July 2012)*
Craig Ellison (*Deputy Chairman) (reappointed 1 July 2013)*
Dr Helen Anderson *(appointed 1 July 2011)*
Prof. Keith Hunter *(appointed 1 July 2012)*
Ed Johnson *(reappointed 1 July 2011)*
Helen Robinson *(reappointed 1 July 2011)*
Jason Shoebridge *(reappointed 1 July 2012)*

EXECUTIVE TEAM
John Morgan, *Chief Executive Officer*
Michael Parrott, *Chief Financial Officer and Company Secretary (resigned 11 November 2013)*
Geoff Baird, *General Manager, Communications & Marketing*
Dr Barry Biggs, *General Manager, Operations*
Dr Bryce Cooper, *General Manager, Strategy*
Dr Mary-Anne Dehar, *General Manager, Human Resources*
Arian de Wit, *General Manager, Information Systems*
Dr Rob Murdoch, *General Manager, Research*

Auditors
PwC on behalf of the Auditor-General

Solicitors
Bell Gully
Atkins Holm Majurey

Bankers
ANZ Bank of New Zealand

Insurance Broker
Marsh Limited

Registered Office and Address for Service
41 Market Place, Auckland Central 1010, New Zealand

NIWA on the Web
www.niwa.co.nz

National Institute of Water & Atmospheric Research Ltd
Principal Offices

Head Office

41 Market Place
Auckland Central 1010
Private Bag 99940
Newmarket, Auckland 1149
Phone +64 9 375 2050
Fax +64 7 856 0151

Auckland

41 Market Place,
Auckland Central 1010
Private Bag 99940
Newmarket, Auckland
Phone +64 9 375 2050

Hamilton

Gate 10, Silverdale Road
Hillcrest, Hamilton 3216
PO Box 11115
Hillcrest, Hamilton 3251
Phone +64 7 856 7026

Wellington

301 Evans Bay Parade
Greta Point, Wellington 6021
Private Bag 14901
Wellington 6241
Phone +64 4 386 0300

Unidata Pty Ltd

General Manager: Matt Saunders
40 Ladner Street
O'Connor, WA 6163
Australia
Phone +61 8 9331 8600
Fax +61 8 9331 8611
www.unidata.com.au

Nelson

217 Akersten Street
Port Nelson 7010
PO Box 893
Nelson 7040
Phone +64 3 548 1715

Christchurch

10 Kyle Street
Riccarton, Christchurch 8011
PO Box 8602
Christchurch 8440
Phone +64 3 348 8987

Bream Bay

Station Road
Ruakaka 0116
PO Box 147
Ruakaka 0151
Phone +64 9 432 5500

Lauder (Central Otago)

State Highway 85
Lauder, Central Otago 9320
Private Bag 50061, Omakau
Central Otago 9352
Phone +64 3 440 0055