


NIWA

Taihoru Nukurangi

*"Where the waters
meet the sky"*

SIX MONTHLY REPORT

NIWA is an independent research institute that conducts research, and provides related services required to understand natural processes and human influences operating in atmospheric, marine and freshwater systems, in order to provide a scientific basis for effective environmental and resource management.

The successful convergence of the strength of NIWA's research with clients' needs for services and applied science ensures that:

'NIWA is New Zealand's leading provider of research, knowledge and services concerning air and water resources.'

Dedicated to practical research and to the provision of creative solutions for clients, NIWA's resolve is to enhance professional standards and to extend the boundaries of environmental science. NIWA also recognises a duty to guide clients through regulatory requirements.



NIWA's Maori name *Taihoru Nukurangi* describes our work as studying the waterways and the interface between the earth and the sky.

Taihoru is the flow and movement of water (from *tai* 'coast, tide', and *horu* which means 'fast moving').

Nukurangi is the interface between the sea and the sky (i.e. the atmosphere).

Taihoru Nukurangi — *Where the waters meet the sky.*

National Institute of Water & Atmospheric Research Ltd

HALF YEARLY REPORT, DECEMBER 1993

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REPORT TO SHAREHOLDERS

The Board of Directors of NIWA is pleased to present this report to the shareholding Ministers for the six months ended 31 December 1993.

Financial result

The profit for the six months of \$665,000 is less than the corresponding period last year, due to timing problems. However we are confident of a result for the year ahead of last year.

Research capacity

The major achievement of the period has been a continuation of the expansion of NIWA'S capacity to research New Zealand's environment. There has been further recruitment of new scientific staff and expansion of facilities.

Expansion at Hamilton



New Building at Hamilton

NIWA has doubled the size of its Hamilton-based operations in response to the increasing demand for NIWA's environmental consultancy services.

Existing facilities on the University of Waikato campus have been extended and 15 new staff employed. The extension comprises a groundfloor of laboratories and a top storey housing mainly offices. Completion of the first phase - two thirds of the two-storey building - has enabled NIWA to alleviate overcrowding and to move staff from temporary accommodation at Ruakura. There has been extensive capital investment in new laboratory equipment to meet demand for our services.

The new facilities were officially opened by the Minister for Crown Research Institutes, Mr Upton, on 22 October 1993.

Development planned in Auckland

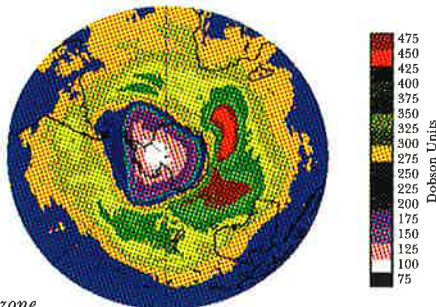
NIWA plans to develop a significant capability in Auckland. The corporate headquarters moved there from Wellington in December 1993. In early 1995 it is planned to open a research facility in Auckland. Agreement in principle has been reached with the University of Auckland to locate our staff at the Tamaki campus of the university. The first research staff will move to Auckland in early 1994 and will be temporarily housed in existing university premises.

NIWA expects significant expansion in its existing collaboration with Auckland University.

RESEARCH HIGHLIGHTS

Ozone hole

NIWA continues work on stratospheric ozone. In 1993 the scientific community were once again surprised that the hole was deeper than predicted. The result reinforces the need for continued work monitoring ozone levels and understanding the mechanisms controlling ozone depletion.



1993 Ozone

Bryozoan taxonomy

The recent recognition of the importance of sponges in the production of anticancer agents resulted in NIWA hosting an international workshop in December on the taxonomy of sponges and allied species. NSOF was used to provide the support to plan and establish the workshop.

NIWA OVERSEAS

Over October-November NIWA staff installed hydrological software in Vanuatu and started on installation of a flood-warning system in Vietnam.

A large number of foreign scientists visited our stratospheric research station at Lauder, Central Otago.

NIWA seeks scientific collaboration overseas, and commercial work where it aligns with our business in New Zealand.

DIRECTORS AND MANAGEMENT

A new Chairman, Don Sollitt, and a new Board member, Rob McLagan, were appointed in October 1993.

Two General Managers, Drs Ron Heath and Paul Mosely, left to take up university positions as Assistant Vice-Chancellor (Science) at Otago and Professor of Geography at Victoria respectively. NIWA wishes them both well.

Internal restructuring resulted in the appointment of three new General Managers, Kevin Cantwell, Douglas Gordon, and Will Menzies, as GM Climate, Marine and Kainga. Dr Rick Pridmore, a member of our staff in Hamilton, was appointed as Research Director. While this was formerly a part-time role NIWA's research strategy now requires full-time commitment.

During this half-year NIWA continued to operate in accordance with the operating principles in section 5 of the CRI Act.

Don Sollitt
Chairman

Malcolm Grant
Chief Executive

National Institute of Water & Atmospheric Research Ltd

STATEMENT OF ACCOUNTING POLICIES

1. Accounting policies

There have been no changes to the accounting policies stated in the 1993 annual report and financial statements.

These policies have been consistently applied.

2. These financial statements for the six months ended 31 December 1993, and for the comparative six month period to 31 December 1992 are unaudited. The comparative figures for the year ended 30 June 1993 are extracted from the audited financial statements at that date.

3. Capital commitments

The Institute has commitments for future capital commitments as at 31 December 1993 amounting to \$500k.

4. Debenture

The debenture falls due for repayment on demand and bears interest at 7.258%.

5. Retained earnings

	6 mths to Dec 93 (\$'000s)	6 mths to Dec 92 (\$'000s)	12 mths to Jun 93 (\$'000s)
Opening Balance	1,852	0	0
Transferred from P&L	665	1,051	1,852
Closing Balance	2,517	1,051	1,852

PROFIT STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 1993

	Six Months to Dec 93 (\$'000)	Six Months to Dec 92 (\$'000)	12 Months to Jun 93 (\$'000)
Revenue	16,983	16,852	35,853
Audit Fees & Expenses	15	30	36
Depreciation	1,226	1,083	2,305
Directors Fees	46	38	78
Other Expenses	14,703	14,070	30,710
Profit Before Tax	993	1,631	2,724
Provision for Taxation	328	580	872
Profit after taxation	665	1,051	1,852

National Institute of Water & Atmospheric Research Ltd

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 1993**

	31 Dec 93 (\$'000)	31 Dec 92 (\$'000)	30 Jun 93 (\$'000)
Funds Employed			
Current Assets			
Cash & Liquid Securities	518	4,029	2,644
Debtors & Prepayments	1,884	2,120	2,619
Inventory & WIP	1,597	398	869
Total Current Assets	3,999	6,547	6,132
Deferred Tax	216	0	279
Fixed Assets	15,079	12,502	13,867
Total Funds Employed	19,294	19,049	20,278
Liabilities & Shareholders Funds			
Current Liabilities			
Trade Creditors	1,270	1,813	2,983
Staff Entitlements	2,336	1,640	2,489
Revenue in Advance	1,343	1,336	700
Tax Provision	0	580	-
Restructuring Provision	384	519	810
Total Current Liabilities	5,333	5,888	6,982
Debenture (Note 4)	1,070	2,270	1,070
Staff Liabilities	546	637	546
Total Liabilities	6,949	8,795	8,598
Shareholders Funds			
Issued Capital	9,828	9,828	9,828
Retained Earnings (Note 5)	2,517	426	1,852
Shareholders Funds	12,345	10,254	11,680
Total Liabilities and Shareholders Funds	19,294	19,049	20,278

National Institute of Water & Atmospheric Research Ltd

STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED 31 DECEMBER 1993

	Six Months to Dec 93 (\$'000)	Six Months to Dec 92 (\$'000)	12 Months to Jun 93 (\$'000)
From Operating Activities			
Cash was received from:			
- Receipts from customers	18,410	17,144	35,165
Cash was disbursed to:			
- Payments to staff and suppliers	(18,129)	(12,701)	(28,618)
Operating Net Cash Flow	281	4,443	6,547
From Investing Activities			
Cash provided from/(applied to):			
- Sale of Fixed Assets	21	43	32
- Purchase of Fixed Assets	(2,428)	(457)	(2,735)
Investment Net Cash Outflow	(2,407)	(414)	(2,703)
From Financing Activities			
- Debt Repayments	0	0	(1,200)
Financing Net Cash Flow	0	0	(1,200)
Net Cash Flow	(2,126)	4,029	2,644
Opening Cash Position	2,644	0	0
Closing Cash Position	518	4,029	2,644

National Institute of Water & Atmospheric Research Ltd

NIWA DIRECTORY

Board of Directors

Don Sollitt, *Chairman*

Dr Robin Falconer

Paul M Hargreaves

Rob McLagan

Emer. Prof. A Paul Mulcock

Dr Margaret Mutu

Executive

Dr Malcolm A Grant, *Chief Executive*

Kevin Cantwell, *General Manager, Climate*

Adrienne Cranshaw, *Marketing Manager*

Dr Rod East, *General Manager, Ecosystems*

Douglas Gordon, *General Manager, Marine*

Will Menzies, *General Manager, Kainga*

Adrienne Murray, *Human Resources Manager*

Dr Rick Pridmore, *Research Director*

Patricia Wooten, *Chief Finance Officer/Company Secretary*

Lawyers

Macalister Mazengarb Perry Castle

Auditors

Deloitte Touche Tohmatsu

Bankers

National Bank of New Zealand

Registered Office

Level 2, Building 2, 666 Great South Road, Penrose, Auckland



NIWA
Taihoro Nukurangi

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