MetService
TE RATONGA TIRORANGI

Half Year Report 2020

Highlights

New website launched in November

Kiwis offer valuable advice for refreshed metservice.com

A major revamp of MetService.com, one of the top five most-visited New Zealand-operated websites, has been rolled out following input from the public. After two years in development and three months of beta testing, the new site was launched in November.

According to Nielsen's online rankings, the site has about 300,000 unique daily browsers and more than one million daily page-views.

Chief Executive Peter Lennox says the old site served its purpose well for more than seven years but had reached its limits.

The new site can better communicate urgent and critical severe weather advice through delivering higher precision forecasts and more observational data.

New features include the addition of search functionality, interactive map displays and the ability for users to "favourite" frequently used pages. Also, the new website introduced higher-resolution, 120-kilometre rain radar imagery at all nine MetService radar locations.

During the open testing phase, more than 200,000 people tried out the website.

MetService Digital Product Manager Stephanie Raill says user testing and audience feedback has been a key component in the new site, comments on the refreshed site are being incorporated into ongoing improvements, with over 15,000 pieces of feedback received on the site in the last seven weeks of 2019.

Otago weather radar confirmed

Progress made on tenth radar unit

MetService, councils and emergency managers are welcoming headway on an Otago weather radar, which will plug a significant gap in the network.

Data from the $2.8 million radar will help improve forecasts and warnings for the southern part of the country.

Dunedin City Council granted a resource consent for the radar at the end of October, with building consent applied for in November. The radar and radome containers left Finland for their journey to New Zealand in mid-December.

The site, 25 kilometres northwest of Dunedin, provides excellent coverage of the city, the Taieri and Clutha River catchments, and coastal Otago from the Catlins up to the Waitaki River on the border with Canterbury.

The Otago radar will utilise the latest dual-polarisation technologies. The more precise estimates of accumulated rainfall derived from the radar data will help forecasters, hydrologists and emergency managers better understand weather impacts on Otago river catchments and communities.

MetService's agreement with a Hindon landowner, allows construction to start during the 2019-20 summer. It is hoped the radar will be operational by May 2020.

MetService's Meteorological Data Services Manager Kevin Alder says coastal Otago's complex landscape made finding a suitable site very challenging. More than 20 locations were considered.

Al Jazeera signs with MetService

Three-year contract with major Middle East media company

More than 565 million households around the world will be watching MetService weather graphics on the Al Jazeera network.

The three-year contract with the Middle Eastern media company began late in 2019. MetService's contract provides the global news organisation with innovative WeatherscapeXT graphics, along with weather data for 3000 cities.

MetService CEO Peter Lennox is proud to add Al Jazeera to the organisation's list of clients.

"This is a great example of MetService exporting Kiwi smarts to the world. We created Weatherscape as a bespoke weather broadcast product in conjunction with TVNZ over 25 years ago. Now, it's one of the leading weather graphics systems in the world."

Weatherscape Manager Neville Booth says it is the "system of choice" for every major Australian and New Zealand broadcaster and many other broadcasters globally. MetService operates internationally as MetraWeather, and has had clients in the Middle East since 2011.

MetService meteorologists and Weatherscape developers pulled together huge amounts of certified weather data to customise Al Jazeera's weather show.

Two system engineers spent three weeks in Doha installing Weatherscape hardware, setting up the shows, and training presenters and technicians.

Al Jazeera Arabic began using Weatherscape in October ahead of expanding to Al Jazeera English in early 2020.

Metservice.com is one of the most popular websites in New Zealand, with over 200,000 users daily

Website Total Sessions (000s)

Six months to 30 June 2018

Six months to 31 December 2018

Six months to 30 June 2019

Six months to 31 December 2019

* With the website changeover taking place in November 2019, desktop and mobile user sessions for metservice.com are now aggregated together.

Refresh of TVNZ weather

MetService supplies new Weatherscape graphics

TVNZ launched a fresh new look for its weather service on December 1st. The standout feature is a new capability MetService built for its Weatherscape presentation system, which integrates our weather visuals with Google Earth imagery.

The result is a realistic depiction of the weather over high-resolution Google maps and three-dimensional cityscapes. This allows TVNZ to show the weather in even closer detail and with greater on-screen impact.

The Weatherscape Development Team added this capability to the system earlier in the year and TVNZ immediately decided to make it the core of its planned new presentation. After in-house training of the TVNZ team, the new look weather service was unveiled.

TVNZ is a key long-term customer for MetService, having partnered with us 25 years ago on a research and development project that eventually became the first version of Weatherscape.

MetService is committed to work closely with TVNZ in the coming year on further new Weatherscape developments.

Enhanced mountain forecasts

Earlier issue times to help alpine decision-making

MetService has made important changes to five-day mountain forecasts to enable trampers, climbers, hunters and alpine service providers to make crucial safety decisions earlier in the day.

In November, forecasters began issuing the day's first advice about weather in the mountains and national parks by 6am, based on computer model guidance received overnight.

MetService also added tailored forecasts for Paparoa National Park to coincide with the partial opening of the Paparoa Track in December.

MetService Public Weather Services Manager Melanie Graham says users want quality information on wind speed and direction, precipitation amount, snow levels and wind chill as early as possible in the day to ensure safe and practical decisions are made. The forecasts are reviewed in the early afternoon and late in the evening.

The New Zealand Mountain Safety Council (MSC) welcomed the revised issue times and the new Paparoa forecast. Chief Executive Mike Daisley says the changes will be "huge benefit" to everyone heading out into these mountain locations.

Growing awareness of the weather

142,073

Facebook fans at 31 December 2019.

16,874

Instagram followers at 31 December 2019.

69,177

Twitter followers at 31 December 2019.

3.8%

Growth in Facebook fans for six months to December 2019.

4.1%

Growth in Twitter followers for six months to December 2019.

3,405

MetService appeared in 3,405 media articles in the six months from July – December 2019

1,015,867

Total MetService Town and City App installs at 31 December, up 18.5% since June 2019.

Understanding our oceans

MetService takes lead in Moana Project

In late July, New Zealand's leading experts in oceanography joined MetService and eastern Bay of Plenty iwi Whakatōhea for the launch of the Moana Project Ōpōtiki, which was followed by a two-day hui for all project partners.

For the five-year, $11.5 million Moana Project, MetService has brought together experts from each of New Zealand's oceanographic research institutions. Their expertise and research will be combined with indigenous knowledge.

The Moana Project is funded through the Ministry for Business, Innovation and Employment's Endeavour Fund.

It will greatly enhance New Zealand's understanding of our changing oceans and revolutionise the nation's ability to comprehensively measure, monitor and predict their state.

Lightning detection expands

Important additions to South Pacific network

MetService has been enlarging its lightning detection web across the South Pacific, a crucial tool for observing and forecasting thunderstorms in the region.

Two new lightning detection sites were added to the network early in October. Noumea, in New Caledonia, has the 22nd sensor in the grid, while the very remote Pitcairn Islands now play host to sensor 23rd.

In July, a lightning sensor was installed on Penrhyn Island, in the northern group of the Cook Islands, helping to improve the quality of the network in that part of the South Pacific.

Every new sensor installed adds to the detection efficiency and location accuracy of the entire network.

NZTA contract secured

MetService helping keep people safe on the roads

The NZ Transport Agency selected MetService in November to be its preferred provider of weather information.

MetService has worked with NZTA for more than a decade, with forecasts and observations playing a big role in road safety and help New Zealand's state highway network to operate efficiently.

MetService GM Customer Rob Harrison adds "MetService is committed to support NZTA to maximise safety and efficiency, whilst improving the overall value to New Zealanders through innovation and new ideas".

MetService operates over 50 road weather stations across New Zealand for NZTA.

Business Performance & Outlook

The Directors are pleased to announce an unaudited surplus after tax of $1.4 million for the six-month period ended 31 December 2019.

Revenue grew by 3.8% over the same period last financial year, driven mainly by research and development income associated with the Moana Project.

Expenses increased by 3.7% over the same period, primarily attributed to increases in staff and compliance costs and sub-contractor payments associated with the Moana Project.

Since June 2019, the gearing ratio has decreased from 23.6% to 19.8% mainly due to the delay in payment of a final dividend associated with the 2018/19 financial year.

Accuracy of Severe Weather Warnings, measured by Probability of Detection and False Alarm ratios, continue to outperform the targets set out in the MetService Statement of Corporate Intent (SCI).

However, the organisation continually seek improvement given the increase in severity of weather events.

Concluding statement

MetService continue to invest in core resilience and capability, while managing expenses tightly and driving growth in key markets to deliver returns in line with SCI targets.

MetService is delivering on its essential safety service mandate to New Zealand, while creating wealth from the weather intelligence it provides to stakeholders.

On behalf of the Board.

Anthony Howard
Chair

94%

Probability of Detection (POD) of severe gales. Target >85%

100%

Probability of Detection (POD) of heavy snow. Target >85%

95%

Probability of Detection (POD) of heavy rain. Target >90%

Number Crunch

Statements of Profit or Loss and Other Comprehensive Income
for the six months ended 31 December 2019

	Note	6 Mths 31 Dec 19 (unaudited) $000s	6 Mths 31 Dec 18 (unaudited) $000s	12 Mths 30 Jun 19 (audited) $000s
Contracts with Customers - revenue recognised over time		29,290	27,627	56,689
Contracts with Customers - revenue recognised at a point in time		1,726	2,147	4,295
Other		70	180	132
Total Operating Revenue		**31,086**	**29,954**	**61,116**
Operating Expenses				
Collaboration Costs		1,071	606	1,667
Employee Benefits Expense		14,557	13,764	28,072
Communication Costs		338	326	694
Data Acquisition Costs		3,012	2,391	5,579
IT Costs		1,986	2,422	4,973
Marketing Costs		305	268	416
Occupancy Costs		471	267	574
Operating Lease Expenses		452	846	770
Office Expenses		178	188	366
Professional Expenses		478	854	1,237
Other Costs		1,290	1,170	2,598
Depreciation and Amortisation Expense		4,662	4,659	9,368
Total Operating Expenses	3	**28,800**	**27,761**	**56,314**
Operating Profit		**2,286**	**2,193**	**4,802**
Financial Costs	4	292	277	510
Profit Before Taxation		**1,994**	**1,916**	**4,292**
Taxation Expense	5	567	517	1,737
Net Profit Attributable to Equity Holders		**1,427**	**1,399**	**2,555**
Other Comprehensive Income				
Items that may be reclassified to profit or loss				
Movement in Foreign Currency Translation Reserve		(37)	(20)	70
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,464**	**1,419**	**2,485**

The accompanying notes to the financial statements form part of these financial statements.

Statements of Financial Position
as at 31 December 2019

	Note	6 Mths 31 Dec 19 (unaudited) $000s	6 Mths 31 Dec 18 (unaudited) $000s	12 Mths 30 Jun 19 (audited) $000s
Equity				
Issued Capital		5,000	5,000	5,000
Foreign Currency Translation Reserve		(540)	(487)	(577)
Retained Earnings		18,901	16,759	17,915
Total Equity		**23,361**	**21,272**	**22,338**
Liabilities				
Trade and Other Payables		20,742	19,604	5,501
Other Financial Liabilities		7	17	–
Income Taxation Payable		212	(124)	644
Employee Benefits		1,724	1,707	1,759
Lease Liabilities		459	–	–
Total Current Liabilities		**23,144**	**21,204**	**7,904**
Deferred Taxation		359	750	700
Provisions		547	575	573
Employee Benefits		75	81	75
Borrowings		13,000	14,000	14,000
Lease Liabilities		2,282	–	–
Total Non Current Liabilities		**16,263**	**15,406**	**15,348**
Total Liabilities and Equity		**62,768**	**57,882**	**45,590**
Assets				
Cash and Cash Equivalents		7,250	3,165	7,081
Trade and Other Receivables		21,560	21,452	6,392
Inventories		625	404	342
Total Current Assets		**29,435**	**25,021**	**13,815**
Trade and Other Receivables		–	–	369
Property Plant and Equipment		16,712	14,265	13,756
Intangible Assets		16,621	18,596	17,650
Total Non Current Assets		**33,333**	**32,861**	**31,775**
Total Assets		**62,768**	**57,882**	**45,590**

The accompanying notes to the financial statements form part of these financial statements.

Statements of Changes in Equity
for the six months ended 31 December 2019

31 December 2019 (unaudited)	Note	Fully Paid Ordinary Shares $000s	Retained Earnings $000s	Foreign Currency Translation Reserve $000s	Total Balance $000s	Non-controlling Interest $000s	Total $000s
Equity as at 1 July 2019		**5,000**	**17,915**	**(577)**	**22,338**	**–**	**22,338**
IFRS 16 Leases Transition		**–**	**(441)**	**–**	**(441)**	**–**	**(441)**
Comprehensive Income							
Net Profit		–	1,427	–	1,427	–	1,427
Currency Translation Differences		–	–	37	37	–	37
Total Comprehensive Income		**–**	**1,427**	**37**	**1,464**	**–**	**1,464**
Transactions with Owners							
Dividends Relating to 2019		–	–	–	–	–	–
Total Transactions with Owners		**–**	**–**	**–**	**–**	–	**–**
Equity as at 31 December 2019		**5,000**	**18,901**	**(540)**	**23,361**	–	**23,361**
31 December 2018 (unaudited)							
Equity as at 1 July 2018		**5,000**	**16,568**	**(507)**	**21,061**	**–**	**21,061**
Comprehensive Income							
Net Profit		–	1,399	–	1,399	–	1,399
Currency Translation Differences		–	–	20	20	–	20
Total Comprehensive Income		**–**	**1,399**	**20**	**1,419**	**–**	**1,419**
Transactions with Owners							
Dividends Relating to 2017		–	(1,208)	–	(1,208)	–	(1,208)
Total Transactions with Owners		**–**	**(1,208)**	**–**	**(1,208)**	–	**(1,208)**
Equity as at 31 December 2018		**5,000**	**16,759**	**(487)**	**21,272**	–	**21,272**

The accompanying notes to the financial statements form part of these financial statements.

30 June 2019 (audited)	Note	Fully Paid Ordinary Shares $000s	Retained Earnings $000s	Foreign Currency Translation Reserve $000s	Total Balance $000s	Non-controlling Interest $000s	Total $000s
Equity as at 1 July 2018		**5,000**	**16,568**	**(507)**	**21,061**	–	**21,061**
Comprehensive Income							
Net Profit		–	2,555	–	2,555	–	2,555
Currency Translation Differences		–	–	(70)	(70)	–	(70)
Total Comprehensive Income		**–**	**2,555**	**(70)**	**2,485**	–	**2,485**
Transactions with Owners							
Dividends Relating to 2018		–	(1,208)	–	(1,208)	–	(1,208)
Total Transactions with Owners		**–**	**(1,208)**	**–**	**(1,208)**	**–**	**(1,208)**
Equity as at 30 June 2019		**5,000**	**17,915**	**(577)**	**22,338**	**–**	**22,338**

The accompanying notes to the financial statements form part of these financial statements.

Statements of Cash Flows
for the six months ended 31 December 2019

	Note	6 Mths 31 Dec 19 (unaudited) $000s	6 Mths 31 Dec 18 (unaudited) $000s	12 Mths 30 Jun 19 (audited) $000s
Cash Flow from Operating Activities				
Cash was Provided from:				
Receipts from Customers		29,791	26,407	61,891
Interest Received		27	22	72
Cash was Applied to:				
Payments to Suppliers and Employees		(22,058)	(20,288)	(47,587)
Interest Paid		(319)	(299)	(582)
Income Taxation Paid		(1,419)	(1,552)	(1,982)
Net Cash Generated by Operating Activities	7	**6,022**	**4,290**	**11,812**
Cash Flow from Investing Activities				
Cash was Provided from:				
Proceeds from Disposal of Property, Plant and Equipment		3	–	8
Cash was Applied to:				
Purchase of Property, Plant and Equipment		(2,438)	(1,215)	(2,584)
Labour Capitalisation (Assets)		(2,156)	(2,122)	(4,367)
Net Cash Used by Investing Activities		**(4,591)**	**(3,337)**	**(6,943)**
Cash Flow from Financing Activities				
Cash was Applied to:				
Repayment of Borrowings		(1,000)	(1,000)	(1,000)
Principal Elements of Lease Payments		(262)	–	–
Dividends		–	(1,208)	(1,208)
Net Cash Generated by Financing Activities		**(1,262)**	**(2,208)**	**(2,208)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**169**	**(1,255)**	**2,661**
Add Cash and Cash Equivalents at the beginning of the period		7,081	4,420	4,420
Cash and Cash Equivalents at the end of the Period		**7,250**	**3,165**	**7,081**

The accompanying notes to the financial statements form part of these financial statements.

Notes to the Financial Statements
for the six months ended 31 December 2019

1. GENERAL INFORMATION

The financial statements presented here are for the reporting entity of Meteorological Service of New Zealand Limited and its subsidiaries ('Group'). These financial statements were authorised for issue by the Board of Directors on 18 February 2020.

Meteorological Service of New Zealand Limited ('Parent') is a for-profit entity incorporated and domiciled in New Zealand. The address of its registered office is 30 Salamanca Road, Wellington. Its primary service is to provide weather and presentation services to customers around the globe.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation

The financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).
The Group is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards (IFRS). The financial statements are prepared in accordance with the Companies Act 1993, the Financial Reporting Act 2013, and the State-Owned Enterprises Act 1986.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment, and defined benefit pension plans measured at fair value.

Standards adopted for the first time

NZ IFRS 16 'Leases'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces the existing NZ IAS 17 Leases. This standard has introduced a single lessee accounting model and requires recognition of assets and liabilities for all leases with a term of more than 12 months. The Group has chosen the modified retrospective approach and has elected to exclude short-term leases and leases for which the underlying asset is of low value.
The impact on the Statement of Financial Position as at 1 July 2019 was an increase to assets of $2.49m, an increase to liabilities of $2.93m, with the difference decreasing retained earnings brought forward.

Lease-related expenses in the Statement of Profit or Loss and Other Comprehensive Income will be front loaded to the earlier years of the lease terms where the interest-bearing liabilities are higher.

NZ IFRS 9 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and liabilities, and replaces guidance in NZ IAS 39 Financial Instruments Recognition and Measurement.

The Group has adopted NZ IFRS 9 effective from 1 July 2018. This resulted in changes to accounting policies and classification of financial instruments. No material adjustments were raised. The accounting policies are set out on page 15. In accordance with transitional provisions in NZ IFRS 9, comparative figures have not been restated. The adoption of NZ IFRS 9 has the following impact on the classification within the financial statements. Amounts previously disclosed as loans and receivables (cash and cash equivalents and trade and other receivables) have been reclassified to the amortised cost category. There is no change in the measurement of the financial assets as a result of the reclassification. No financial liabilities were impacted by the adoption of NZ IFRS 9.

NZ IFRS 9 replaces the 'incurred loss' impairment model in NZ IAS 39 with an 'expected credit loss' (ECL) model. The ECL model requires an entity to account for the ECL and changes in those ECLs at each reporting date to reflect changes in the credit risk since initial recognition. Given the relative small size of the Group's financial assets and the low credit risk associated with the balances, the Group determined that adoption of the new impairment model did not result in a material change to the impairment losses already recognised.

NZ IFRS 15 'Revenue from contracts with customers' addresses recognition of revenue from contracts with customers. It replaces the revenue recognition guidance in NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and is applicable to all entities with revenue. It sets out a five-step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Management has completed a detailed analysis of the main customer groups and concluded that there is minimal change to the way that revenue is reported under the new standard. The Group applied this standard from 1 July 2018 using the modified retrospective approach. The new accounting policies are set out on page 12.

Standards that are not yet effective and have not been early adopted by the Group

None.

Principles of consolidation

Subsidiaries

The financial statements are prepared from the financial statements of the Parent and its subsidiaries as at 31 December 2019. Subsidiaries are all entities over which the Group has control. Control is achieved where the Parent has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of any subsidiary acquired or disposed of during the year are included in the Statement of Profit or Loss and Other Comprehensive Income from the effective date of acquisition or disposal. All transactions between Group companies are eliminated on consolidation.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

A business combination in which all of the combining entities or businesses are ultimately controlled by the Group both before and after the business combination is a common control acquisition. Common control acquisitions within the Group are accounted for using the predecessor values method. Predecessor values are the carrying values of the assets and liabilities of an entity from the financial statements of the Group.

Revenue

The Group adopted NZ IFRS 15 on 1 July 2018. Under this standard, revenue is recognised when control of a good or service transfers to the customer. The Group has segregated its revenue streams into the following portfolios:

- Forecasting data and licence
- Interactive
- One-off hardware sales
- Grants and consultancy projects

For each contract portfolio the five-step method was applied to assess the impact on revenue recognition. The following accounting policies have been adopted:

Forecasting data and licence

Revenue for the provision of forecasting data is recognised over the period the data is provided. Revenue for licences is recognised over the defined term that access is granted.
Timing of recognition – Over time

Interactive

Revenue is recognised over the period of time in which the advertising space is made available on our website.
Timing of recognition – Over time

One-off hardware sales

Revenue for hardware sold is recognised when the customer obtains control of the hardware.
Timing of recognition – Point in time

Grants and consultancy projects

Revenue is recognised over the period of the project, measuring progress towards completion based on costs incurred to date.Timing of recognition – Over time

Interest income

Interest income is accounted for using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment has been established.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Government grants

Contestable government grants are treated as revenue from customer contracts and recognised using the five-step revenue model.

Inventories

Inventories are valued at the lower of cost, on a weighted average cost basis of inventory on hand calculated at the time of the last purchase, and net realisable value. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale/

Property, plant and equipment

The cost of purchased property, plant and equipment is valued at the consideration given to acquire the assets plus other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for the intended service. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The costs of assets constructed by the Group include the costs of all materials used in construction and direct labour on the project. Costs are not capitalised until available for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged as expenses in the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation

Depreciation of property, plant and equipment, other than freehold land, is calculated using the straight-line method to allocate the historical cost over the estimated useful life of the asset, after due allowance has been made for the expected residual value.

The costs of improvements to leasehold property are capitalised, disclosed as leasehold property and amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is shorter.

The annual depreciation rates are shown below for each classification of asset:

Buildings	2.5% – 10.0%
Computer Hardware & Software Equipment	20.0% – 33.3%
Furniture & Fittings	8.0% – 33.3%
Buildings on Leasehold Land	3.1% – 33.3%
Meteorological Equipment	2.5% – 33.3%
Motor Vehicles	10.0% – 22.0%
Office Equipment	10.0% – 33.3%
Plant & Equipment	4.0% – 33.3%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are recognised as profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets of the acquired investment at the date of acquisition. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill recognised as expenses in the Statement of Profit or Loss and Other Comprehensive Income are not reversed. Gains and losses on the disposal of a CGU or portion of a CGU include the carrying amount of goodwill relating to the CGU or portion of a CGU sold.

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives of between three and ten years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Internally-generated intangible assets - computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged as expenses in the Statement of Profit or Loss and Other Comprehensive Income in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Research and development costs

Research expenditure is incurred by the Group and is recognised as expenses in the Statement of Profit or Loss and Other Comprehensive Income in the period in which it is incurred. Development costs are capitalised when they meet the requirements for capitalisation of NZ IAS 38 Intangible Assets.

Leases NZ IAS 17
Operating lease payments, where lessors retain substantially all the risk or benefit of ownership of the leased items, are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restoration provision
Restoration costs include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas. The restoration costs are based on management's best estimate of the amount required to settle the obligation. Movements in the restoration provision are recognised as profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Employee benefits

Wages and salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave, long-service leave and alternative days leave expected to be settled within 12 months of the reporting date, are recognised in payables in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when it is probable that the liabilities will be settled.

Termination leave
The liability for termination leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit or Loss and Other Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of MetraWeather (Australia) Pty Limited, MetraWeather (Thailand) Limited and MetOcean Solutions Limited is New Zealand dollars and the functional currency of MetraWeather (UK) Limited is British pounds. These financial statements are presented in New Zealand dollars, which is the Group's presentation currency.

Transactions and balances

Transactions denominated in foreign currency are converted to New Zealand dollars using the exchange rate at the date of the transaction.

At balance date, foreign monetary assets and liabilities are recorded at the closing exchange rate.

Gains or losses due to currency fluctuations, both realised and unrealised, are recognised as profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position.
- income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the Statement of Profit or Loss and Other Comprehensive Income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Financial instruments

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, trade and other receivables, trade and other payables, borrowings, employee entitlements and forward contracts.

Management determined the classification of financial instruments at the initial recognition and re-evaluates the designation at each reporting date.

Financial assets

Trade and other receivables and cash and cash equivalents are initially measured at fair value plus transaction costs. Subsequently they are measured at amortised cost, including any expected credit loss allowance provisions. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current.

Impairment of financial assets

Collectability of trade receivables is reviewed on an ongoing basis and uncollectable debt is written off. A provision for impairment losses is recognised where there is objective evidence that the Group may not be able to collect some or all amounts due according to the original terms.

In addition to this, consideration is also given to other economic factors which could contribute to further expected credit losses.

The amount of the provision is recognised in profit and loss in the Statement of Profit or Loss and Other Comprehensive Income.

While cash and cash equivalents are subject to the impairment requirements of NZ IFRS 9, the identified impairment loss was deemed immaterial.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities, including trade and other payables, termination leave and borrowings, are initially measured at fair value, net of transaction costs.

Trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest method.

The Group enters into forward exchange contracts, with gains or losses recognised in the Statement of Profit or Loss and Other Comprehensive Income. The classification within profit or loss depends on the purpose for which contracts were acquired.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, and investments in money market instruments with original maturities of three months or less, net of outstanding bank overdrafts. The following terms are used in the Statement of Cash Flows:

Operating activities: are the principal revenue-producing activities of the Group, including interest received and paid and other activities that are not investing or financing activities.

Investing activities: are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities: are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity, including dividends paid.

Goods and Services Tax

All items included in the financial statements are reported exclusive of Goods and Services Tax (GST), except for accounts payable and accounts receivable, which include GST invoiced.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Impairment of tangible and intangible assets excluding goodwill

At each balance 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of 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 post-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 immediately in profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

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 so 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 immediately in profit or loss in the Statement of Profit or Loss and Other Comprehensive Income.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's 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. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. OPERATING EXPENDITURE

From 1 January 2019, the Group has reclassified costs previously reported as 'data acquisitions' to a new category associated with revenue generated through third party agreements under 'collaboration costs'. December 2018 has been restated ($606,000).

4. FINANCE COSTS – NET	6 Mths 31 Dec 19 (unaudited) $000s	6 Mths 31 Dec 18 (unaudited) $000s	12 Mths 30 Jun 19 (audited) $000s
Interest Revenue			
Bank Deposits	27	22	57
Other	–	–	15
Total Finance Income	**27**	**22**	**72**
Interest on Bank Overdrafts and Loans	261	299	582
Interest on Lease Liability	58	–	–
Total Finance Costs	**319**	**299**	**582**
Finance Costs – Net	**292**	**277**	**510**

5. TAXATION	6 Mths 31 Dec 19 (unaudited) $000s	6 Mths 31 Dec 18 (unaudited) $000s	12 Mths 30 Jun 19 (audited) $000s
Net Profit Before Taxation	1,995	1,916	4,292
Prima Facie Taxation Thereon at 28 percent	559	536	1,202
Non-Deductible Expenditure	9	6	21
Non-Deductible Legal Fees	9	5	13
Prior Period Adjustment	–	–	315
Effect of Different Tax Rates in Other Jurisdictions	(10)	(30)	(4)
Write off tax balances - MetraWeather Thailand Ltd	–	–	147
Other	–	–	43
Taxation Expense	**567**	**517**	**1,737**
Current Taxation	368	538	1,824
Prior Year Adjustment - Current Taxation	–	–	216
Deferred Taxation	199	(21)	(402)
Prior Year Adjustment - Deferred Taxation	–	–	99
Taxation Expense	**567**	**517**	**1,737**

Notes to the Financial Statements
for the six months ended 31 December 2019 (cont.)

6. SUBSIDIARIES

Details of the Group's 100% owned subsidiaries at 31 December 2019 are as follows:

Names	MetraWeather (Australia) Pty Limited	MetraWeather (UK) Limited
Place of Incorporation and Operation	Australia	United Kingdom
Balance Date	30 June	30 June
Principal Activity	Forecasting, Marketing and Promotion of Weather and Information Presentation Services	Forecasting, Marketing and Promotion of Weather and Information Presentation Services

Names	MetraWeather (Thailand) Limited	MetOcean Solutions Limited
Place of Incorporation and Operation	Thailand	New Zealand
Balance Date	30 June	30 June
Principal Activity	Marketing and Promotion of Weather and Information Presentation Services	Non-trading - Name Protection Purposes

MetOcean Solutions Limited was amalgamated with Meteorological Service of New Zealand (Parent) on 1 July 2018.

On 24 September 2018, the Meteorological Service of New Zealand Limited opened a Representative Office in Bangkok, Thailand. Closure proceedings have begun for MetraWeather (Thailand) Limited. The Asian business operations remain the same.

7. RECONCILIATION OF NET SURPLUS WITH CASH FLOW FROM OPERATING ACTIVITIES

	6 Mths 31 Dec 19 (unaudited) $000s	6 Mths 31 Dec 18 (unaudited) $000s	12 Mths 30 Jun 19 (audited) $000s
Net Surplus for the Period	**1,427**	**1,399**	**2,555**
Non Cash/Non-Operating Items			
Depreciation and Amortisation	4,662	4,659	9,368
Loss/(Gain) on Foreign Exchange Contracts	7	(17)	–
(Decrease) in Deferred Tax	(341)	(252)	(303)
Impairment losses on PPE and Intangibles	–	–	318
(Gain)/Loss on Sale of Fixed Assets	(41)	–	2
(Decrease)/Increase Restoration Provision	(26)	–	2
Other Non Cash Operating Items	(229)	113	(92)
Increase in Non-Cash Items	**4,032**	**4,503**	**9,295**
Movements in Working Capital			
(Increase)/Decrease in Receivables	(14,799)	(14,701)	160
Increase/(Decrease) in Accounts Payable and Accruals	15,213	13,867	(324)
Decrease/(Increase) in Income Taxation Receivable	432	(741)	28
(Increase)/Decrease in Inventories	(283)	(37)	98
Total Movement in Working Capital	**563**	**(1,612)**	**(38)**
Net Cash Generated by Operating Activities	**6,022**	**4,290**	**11,812**

8. CONTINGENT LIABILITIES

Commerce Commission Investigation

MetService are co-operating fully with the Commerce Commission with respect to its investigation into a quote provided to a competitor last year. The outcome and any financial implications associated with the outcome are unknown.

Kelburn Building Seismic Review

During the year, Management commissioned a seismic assessment of the Kelburn facility to assess the building against the latest building code standards which were updated in 2017. The assessed seismic capacity is in the earthquake risk category. Based on this assessment there is no legal requirement for seismic strengthening to take place. However, Management are considering the information provided as part of a wider refurbishment plan being drafted for the Financial Year 2020/21.

9. RELATED PARTY TRANSACTIONS

Remuneration

The Board and management are committed to remuneration practices that are fair, transparent and appropriate, and which contribute to strong governance, shareholder value and company performance. This starts with the MetService's Remuneration Policy which is developed under the supervision of the Board's People, Culture & Remuneration Committee and approved by the Board.
MetService's Remuneration Policy sets out the remuneration principles applying to all employees and is designed to ensure that MetService meets the strategic policy objective of attracting, rewarding and retaining staff with the requisite skills and capabilities to ensure our successful business outcomes.

The People, Culture and Remuneration Committee oversees the implementation of our Remuneration Policy, including recommending to the Board remuneration for the position of Chief Executive Officer and other senior leaders, and budget parameters for the annual pay review.
Employee fixed remuneration comprises a base salary, Employer Kiwisaver contributions (for participating employees), Group Income Continuance Insurance as well as other work-related benefits such as a broadband allowance and on-site parking. Remuneration is reviewed yearly for employees, with any changes based on market movement and performance, effective from 1 July.

MetService does not offer a Long-Term Incentive scheme however members of the senior leadership team are invited to join a Short-Term Incentive (STI) scheme which forms part of the employment agreement. Any benefits from the STI scheme are in addition to the salary and other benefits agreed with the employee. The terms of the STI scheme set out the performance criteria to be met before any payments are made under the STI scheme. After a robust assessment of the agreed key performance areas, which were aligned with our key strategic goals for Financial Year 2018/19, the Chief Executive received an STI payment which represented an achievement of percentage against the agreed performance criteria.

Compensation of Key Management Personnel

Key management personnel are paid in their capacity as employees and receive salary and bonus.
Key management personnel includes Directors and the Executive Team.

	6 Mths 31 Dec 19 (unaudited)	6 Mths 31 Dec 18 (unaudited)	12 Mths 30 Jun 19 (audited)
	$000s	$000s	$000s
Total Executive Team (excluding CEO)	976	973	1,970
Performance Pay Paid Relating to Prior Year	351	250	251
Kiwisaver / Superannuation Contributions	35	31	58
Directors' Remuneration	108	108	217
	1,470	**1,362**	**2,496**

Compensation of the Chief Executive Officer

Total Chief Executive Officer (CEO)	217	208	430
Performance Pay Paid Relating to Prior Year	128	135	135
Kiwisaver / Superannuation Contributions	10	10	17
	355	**353**	**582**

Key Performance Indicators
Financial

	Statement of Corporate Intent Target (Full Year)	Actual 6 Months to 31 December 2019
1. Shareholder Returns		
Total Shareholder Return	2.2%	0.0%
Dividend Yield	2.2%	0.0%
Dividend Payout	11.5%	0.0%
Return on Equity (ROE)	13.2%	12.5%
Return on Funds Employed	13.4%	12.6%
2. Profitability/Efficiency		
NPAT ($000s)	3,082	1,427
EBIT ($000s)	4,800	2,286
EBITDA ($000s)	14,330	6,948
Asset Turnover	1.39	1.15
Operating Margin (EBITDA)	21.9%	22.4%
Operating Margin (EBIT)	7.3%	7.4%
3. Leverage/Solvency		
Gearing Ratio (net)	24.1%	19.8%
Interest Cover	27.6	21.9
Solvency	1.41	1.29
Debt Coverage Ratio	2.50	2.84
4. Growth/Investment		
Revenue Growth	8.3%	3.8%
EBITDAF Growth	3.5%	1.4%
NPAT Growth	13.8%	2.0%
Capital Renewal	1.15	0.99

NOTES ON THE FINANCIAL KEY PERFORMANCE INDICATORS

Measure	Description	Calculation
1. Shareholder Returns		
Total Shareholder Return	Performance from an investor perspective – dividends and investment growth.	(Commercial value$_{end}$ less Commercial value$_{beg}$ plus dividends paid less equity injected)/ Commercial value$_{beg}$.
Dividend Yield	The cash return to the shareholder.	Dividends paid/Average commercial value.
Dividend Payout	Proportion of net operating cash flows less allowance for capital maintenance paid out as a dividend to the shareholder.	Dividends paid/Net cash flow from operating activities.
Return on Equity (ROE)	How much profit a company generates with the funds the shareholder has invested in the Company.	Net profit after tax/Average equity.
Return on Funds Employed (ROFE)		Ratio of EBIT to average debt plus equity over the period.
2. Profitability/Efficiency		
Asset Turnover	The amount of revenue generated for every dollar worth of assets.	Revenue/Assets.
Operating Margin (EBITDA)	The profitability of the Company per dollar of revenue.	EBITDA/Revenue.
Operating Margin (EBIT)	The profitability of the Company per dollar of revenue.	EBIT/Revenue.
3. Leverage/Solvency		
Gearing Ratio (net)	Measure of financial leverage – the ratio of debt (liabilities on which a company is required to pay interest) less cash, to debt less cash plus equity.	Net debt/Net debt plus equity.
Interest Cover	The number of times that earnings can cover interest.	EBITDAF/Interest paid.
Solvency	Ability of the Company to pay its debts as they fall due.	Current assets/Current liabilities.
Debt Coverage Ratio	Level of bank debt in relation to earnings.	Bank debt/EBIT.
4. Growth/Investment		
Revenue Growth	Measure of whether the Company is growing revenue.	% change in revenue.
EBITDA Growth	Measure of whether the Company is growing earnings.	% change in EBITDA.
NPAT Growth	Measure of whether the Company is growing profits.	% change in NPAT.
Capital Renewal	Measure of the level of capital investment being made by the Company.	Capital expenditure/Depreciation expense.

Key Performance Indicators
Non-Financial

	Statement of Corporate Intent Target (Full Year)	Dec 2019 Actual
Warnings Performance		
POD Heavy Rain (12 months mean)	> 90%	95%
POD Severe Gales (24 months mean)	> 85%	94%
POD Heavy Snow (24 months mean)	> 85%	100%
FAR Heavy Rain (12 months mean)	< 25%	11%
FAR Severe Gales (24 months mean)	< 30%	22%
FAR Heavy Snow (24 months mean)	< 30%	10%
Observing		
Radar % Uptime (12 months mean)	>97%	99%
AWS % Uptime (12 months mean)	>98%	100%
Wellbeing Contributions		
Number of Partnership Agreements that contribute towards Maori success	2	2
People managers receiving Unconscious Bias training	100%	0
Staff who are not people managers receiving Unconscious Bias training	20%	0
Harm caused to employees, visitors and contractors	0	1
Social Investment ($000)	250	148
Community Engagement	220	27
WMO Staff Participation (number of staff)	10	7

NOTES ON THE NON-FINANCIAL KEY PERFORMANCE INDICATORS

Measure

Probability of Detection (POD)
The ratio of correctly forecast severe weather events to actual events observed.

False Alarm Ratio (FAR)
The ratio of forecast severe weather events that did not occur (false alarms) to the number of events forecast.

The POD and FAR for heavy rain events is reported as a 12-month running mean; for heavy snow and high wind events the POD and FAR are reported as a 24-month running mean, reflecting the relative infrequency of these events.

Radar % Uptime
The percentage of time that radar data is available within MetService's Wellington office, averaged over all radar sites.

AWS % Uptime
The percentage of time that Automated Weather Station data is available within MetService's Wellington office, averaged over all AWS sites.

Harm caused to employees, visitors and contractors
The number of workplace Health and Safety incidents classed as either Accidents or Serious Incidents. An accident is defined as any event causing harm and a serious incident is an event that damages property or equipment but does not cause harm. This term is also used for a near miss that may affect reputation.

Social Investment
The amount of investment over the financial year given to community organisations or charities.

Community Engagement
The number of hours over the financial year that staff engaged directly with schools and community organisations.

WMO Staff Participation
Staff participation with the United Nations World Meteorological Organization in either a working group or a formal meeting over the financial year.

Company Directory

DIRECTORS

Anthony Howard (Chair)
Sophie Haslem (Deputy Chair/Audit and Risk Assurance Chair)
Brent Armstrong
Margaret Devlin (People, Culture and Remuneration Chair)
Stephen Eaton
Wendy Lawson
Roanne Parker
Tupara Morrison

EXECUTIVE

Chief Executive
Peter Lennox

GM Science Strategy
Norm Henry

Chief Financial Officer
Keith Hilligan

GM Meteorological Operations
Ramon Oosterkamp

GM Sales
Rob Harrison

GM Strategy & Governance
Tina Dustdar

GM Brand & People Experience
Angus Swainson (departed July 2019)

GM People Experience
Natalie Lombe (started September 2019)

Chief Information Officer
Mark Huttley

GM MetOcean
Brett Beamsley

GM Products & Partnership
Matt Pearce

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