

# Financial Statements

Lower Waitaki Irrigation Company Limited  
For the year ended 30 June 2023

Prepared by McKenzie & Co Practice

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# Directory

## Lower Waitaki Irrigation Company Limited For the year ended 30 June 2023

### Directors

Rogan Borrie	Jaclyn Dalziel
Rhys Hamilton	Russell Hurst
Rebecca Laming	

### Registered Office

16 Wear Street, Oamaru

### New Zealand Business Number

9429039382351

### Chartered Accountant

McKenzie & Co Ltd

Ph: (03) 434 7944

Email: info@mckenzieca.co.nz

### Auditor

Audit Professionals Limited, Dunedin

### Solicitors

Berry & Co

20 Eden Street, Oamaru

Ph: (03) 433 0007

### Bankers

ANZ Bank New Zealand

### Business Location

Lower Waitaki Valley

### Company Number

416447

### IRD Number

050-018-253

### Nature of Business

Supply of water to farmers and other commercial users

# Chairman's Report

Lower Waitaki Irrigation Company Limited  
For the year ended 30 June 2023

At the last AGM, we all acknowledged the company needed to make some material changes to how it operated and how water is conveyed across the infrastructure. These changes are necessary to function safely in the modern world of regulations and to ensure we can secure a new water take consent (in 2030) with sufficient water to enable us all to farm sustainably.

The board has been focused on understanding what this means, what will be required and how it will be achieved. It would be fair to say that it hasn't been a smooth 12 months for many involved, and while we have made good progress, many challenges still need to be addressed. These are not small, and it would be easy to be discouraged or pessimistic about our prospects for the future. But it's clear to the Board and myself that this isn't the case, and we cannot be discouraged. The reasons that LWIC remains important and relevant are unchanged; there is a reliable, natural resource at our doorstep and a community of shareholders, proud and capable farmers, bound by the need to cost-effectively convey this water to its intended point of use.

Without LWIC, high productivity farming in Lower Waitaki would not have been possible. These are the times we remember the foresight of those whose vision created this company and the value of holding shares in it.

The co-operative structure is interesting because it requires a group of people with different outlooks/views/opinions to work together for a common outcome. The belief is that this outcome can be found more efficiently (or found at all) by working together, and that the advantages of working as a group outweigh the difficulties. This dynamic comes to the fore whenever important issues are addressed, and it is essential at these times to maintain a view of the bigger picture and make the effort to understand what 'fairness' looks like to your neighbour.

The board is committed to understanding what the company needs and to seeking out and addressing issues as they arise. We will not let things drift because the conversation is uncomfortable. To do this and work constructively towards our outcomes requires the board to maintain good communication and a high level of transparency with shareholders. Equally, shareholders must make the effort needed to understand the topics discussed, be engaged in the process, raise concerns as they arise and, at times, stand in their neighbours' shoes.

There is usually a solution for every issue, and with your support, we remain solution-focused and directed towards the future.



### **LWIC Strategy**

Earlier this year, we brought to shareholders a strategy for the company to guide the decisions leading up to obtaining a new water take consent in early 2030. This included important targets to ensure the scheme remains a reliable source of cost-effective water for its shareholders in years to come. The two key features of this strategy were:

- 1- To phase out Border Dyke irrigation by the end of the 2026/27 irrigation season.
- 2- To develop a plan to reduce total water losses from above 40% to 10%.

### **Budget 2023/24**

Rates for the 2023/24 irrigation season have been held at \$100 per Irrigation Share and \$54.81 per Commercial share. The key areas of expenditure outside of operating the scheme are all related to our strategy and the company's focus this year on collecting the information needed to understand the scale of the capital works programme ahead of us. The main components include flow gauging, hydraulic modelling, design concept investigations and an accelerated asset condition assessment program.

### **Contract Management and Shared Services Investigation**

In January, LWIC postponed its recruitment process for a CEO and signed a contract with NOIC for Management Services until the end of the 2023/24 irrigation season. This has allowed both companies, along with Maerewhenua and Kurow-Duntroon Irrigation Company, to investigate the potential opportunity of a Shared Services Management model. The rationale for this option focuses on efficiency and reducing the overheads needed to achieve the outcomes each scheme requires, ultimately returning more value to our respective shareholders.

Although more work is needed, the discussion to date has been viewed positively by all involved. We remain committed to establishing a structure that will deliver the outcomes the LWIC requires and discussing this option with you at the AGM.

### **Water Supply Agreements (WSAs)**

Progress has been made in formalising WSAs with our remaining shareholders. To date, 90% of irrigating shares and 82% of total shares are backed by a WSA. Collecting agreements from the remaining shareholders remains a focus and a clear requirement for the company in the future. We encourage shareholders who still require a WSA to make this a priority when contacted and proactively get in touch if you have any concerns.

### **ORC Consents**

Two of LWIC's key operating consents were due to expire in 2023: our Water Use consent and Discharge Consent. After review of the ORC Land and Water plan, it became apparent that because we have an existing Water Take consent, our activity is classified as a 'permitted activity', until this consent expires in 2030. LWIC has obtained a Compliance Certificate from the ORC to formalise this outcome and provide security until 2030. The existing Discharge Consent is still active, and LWIC will operate under a "continuance" until approval is obtained. This process is tracking well, and the Board is comfortable with the process and confident of achieving a favourable outcome.

### **Community Engagement**

LWIC was again the major sponsor of the 'Take a Kid Fishing Day.' This is an excellent event, drawing a large cross-section from the local community, many of whom do not have rural connections. We continue to engage with our wider Waitaki community through NOSLaM, WIC and are building relationships with other key stakeholders like Te Runanga o Moeraki.

### **Focus – 2023/24**

The board's focus is firmly on the future and establishing a structure capable of delivering the outcomes needed. For the coming season, these include:

- Finalising, embedding and refining our management and operating structures.
- Collecting information relevant to starting a scheme design process
  - Flow Gauging
  - Asset Assessment
  - Farmer Survey
  - Hydro-generation potential
  - Hydraulic modelling
  - Fish Screen
- Share Structure
  - After starting a discussion at this year's AGM, the board will establish a pathway forward with shareholders to develop a share structure which will enable the company to deliver its strategy. Shareholders must lead the process for this, so we look forward to sharing our initial thoughts with you and hearing ideas for the process going forward.

### **Our Team**

In what has been a challenging year in many ways, our team rose to the occasion. A reliable supply of water is often taken for granted (myself previously included), but it has been eye-opening seeing the work that goes into ensuring LWIC shareholders get the reliability they have come to expect. Michael, well supported by Andrew and Brent, has filled some big shoes this year, but the consistency of supply through the 2022/23 irrigation season is a testament of their commitment. Likewise, Sally has been an integral addition to the team, modernising systems and never letting an issue go unresolved. Our thanks also go to Andrew Rodwell and his team, who have taken on a mammoth task over the past six months, going above and beyond to reach the deadlines set. We will look forward to making some introductions at our upcoming AGM. Lastly, our thanks to your Board of Directors who front up with their skills and enthusiasm, and have shown leadership under challenging circumstances. Making difficult decisions is never easy, especially when they directly affect your community. I'm grateful for our team's careful consideration, pushback and support throughout, which has left our company better set for the journey ahead.



Rhys Hamilton  
Board Chairperson

# Annual Report

## Lower Waitaki Irrigation Company Limited For the year ended 30 June 2023

The Directors have much pleasure in presenting their Annual Report including Financial Statements of the Company for the year ended 30 June 2023.

As required by section 211 of the Companies Act 1993 we disclose the following information:

The nature of the Company's business is Supply of water to farmers and other commercial users. The nature of the Company's business has not changed during the year under review.

No transactions, other than those mentioned below were entered into with the Company directors.

Some directors of the Company are also land-holders receiving water from the company at commercial rates. There are no outstanding water rates owing to the Company by those directors at balance date.

Director's remuneration paid during the year or due and payable is as follows:

	2023 \$	2022 \$
<b>Directors Fees</b>		
K D Guy	6,000.00	18,000.00
M W Phillips	7,500.00	12,000.00
M Kingsbury	-	7,500.00
J J Dalziel	15,000.00	7,500.00
R Hamilton	28,000.00	-
R A Plunket	13,521.60	7,500.00
R C Borrie	15,000.00	-
R G M Hurst	15,000.00	7,500.00
R J Laming	10,000.00	-
<b>Total Directors Fees</b>	<b>110,021.60</b>	<b>60,000.00</b>

Number of employees with remuneration above \$100,000 for the year ended is as disclosed:

	2023	2022
<b>Remuneration</b>		
\$100,000 - \$110,000	-	1
\$110,000 - \$120,000	1	1

No donations were made by the Company.

Rhys Hamilton (Chairman), Russell Hurst, Rogan Borrie, Rebecca Laming and Jaclyn Dalziel held office as directors at the end of the year.



# Statement of Financial Performance

Lower Waitaki Irrigation Company Limited

For the year ended 30 June 2023

	NOTES	2023 \$	2022 \$
<b>Income</b>			
FEMP & Audits Oncharged		36,746	32,228
Interest Received		2,618	1
Sundry Income		812	865
Water Rates - Excess		10,814	52,062
Water Rates - General		1,746,195	1,336,695
Gross Business Profit		1,797,185	1,421,851
<b>Expenses</b>			
Administration	11	332,380	209,800
Operating Expenses	11	932,408	703,798
Standing Charges	11	52,835	40,040
Vehicle Expenses	11	41,093	54,208
Interest on Bank Loan	11	8,279	5,209
Total Cash Expenses		1,366,995	1,013,055
Net Profit Before Tax and Depreciation		430,191	408,796
<b>Depreciation and Loss on Disposal</b>			
Depreciation Recovered		(7,020)	-
Loss on Sale of Fixed Assets		5,575	-
Office Equipment		7,047	6,766
Plant		2,350	3,120
Scheme Land & Structures		191,049	168,250
Vehicles		17,894	31,256
Total Depreciation and Loss on Disposal		216,895	209,392
Net Business Profit		213,295	199,402
Net Profit Before Tax		213,295	199,402
<b>Taxation and Adjustments</b>			
Less Provision for Tax	4	50,558	62,325
Total Taxation and Adjustments		50,558	62,325
Net Profit for the Year		162,737	137,077

The statement above is to be read in conjunction with the Notes to the Financial Statements.

# Statement of Movements in Equity

Lower Waitaki Irrigation Company Limited

For the year ended 30 June 2023

	2023 \$	2022 \$
<b>Equity</b>		
<b>Share Capital</b>		
<b>A Shares</b>		
Opening Balance	165,093	165,093
Total A Shares	165,093	165,093
<b>B Shares</b>		
Opening Balance	749,711	731,961
Additional Share Capital - B Shares	39,760	17,750
Total B Shares	789,471	749,711
Total Share Capital	954,564	914,804
<b>Capital Reserves</b>		
Opening Balance	527,800	527,800
Total Capital Reserves	527,800	527,800
<b>Retained Earnings</b>		
Opening Balance	1,910,550	1,773,473
<b>Increases</b>		
Profit for the Year	162,737	137,077
Total Increases	162,737	137,077
Total Retained Earnings	2,073,287	1,910,550
<b>Total Equity</b>	<b>3,555,651</b>	<b>3,353,154</b>

The statement above is to be read in conjunction with the Notes to the Financial Statements.

# Statement of Financial Position

Lower Waitaki Irrigation Company Limited

As at 30 June 2023

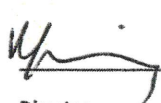
	NOTES	30 JUN 2023 \$	30 JUN 2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash and Bank</b>			
ANZ Business Current Account		17,326	343,600
ANZ Business Call Account		162,925	777
<b>Total Cash and Bank</b>		<b>180,251</b>	<b>344,377</b>
Accounts Receivable		36,686	55,301
GST Receivable		45,864	-
Prepayments		12,275	11,957
Terminal Tax Refund Due	4	15,339	38,800
<b>Total Current Assets</b>		<b>290,415</b>	<b>450,435</b>
<b>Non-Current Assets</b>			
<b>Investment in Shares</b>			
Shares - Farmlands Co-operative Society Ltd		1,563	1,563
Shares - Waitaki Irrigators Collective Ltd		2,000	2,000
<b>Total Investment in Shares</b>		<b>3,563</b>	<b>3,563</b>
<b>Property, Plant and Equipment</b>			
Office Equipment	5	13,294	16,494
Plant & Equipment	5	11,554	14,036
Scheme Land Structures & Improvements	5	3,345,597	3,284,298
Vehicles	5	156,557	103,319
<b>Total Property, Plant and Equipment</b>		<b>3,527,002</b>	<b>3,418,147</b>
Intangibles		-	9,563
<b>Total Non-Current Assets</b>		<b>3,530,565</b>	<b>3,431,273</b>
<b>Total Assets</b>		<b>3,820,980</b>	<b>3,881,708</b>

The statement above is to be read in conjunction with the Notes to the Financial Statements.

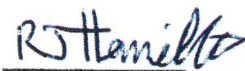
## Statement of Financial Position

	NOTES	30 JUN 2023 \$	30 JUN 2022 \$
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable		176,839	200,080
Employee Benefits Payable		62,032	91,830
GST Payable		-	2,935
Provisional Tax Payable	4	21,814	33,709
Bank Loans	6	-	200,000
ANZ Credit card		1,380	-
Owing to Farmlands Co-operative Society Ltd		3,262	-
<b>Total Current Liabilities</b>		<b>265,327</b>	<b>528,554</b>
<b>Total Liabilities</b>		<b>265,327</b>	<b>528,554</b>
<b>Net Assets</b>			
		<b>3,555,651</b>	<b>3,353,154</b>
<b>Equity</b>			
Shareholders Equity	3	3,555,651	3,353,154
<b>Total</b>		<b>3,555,651</b>	<b>3,353,154</b>

Signed for the Board:



Director



Director

Date 18/09/23 Date 18-9-23

The statement above is to be read in conjunction with the Notes to the Financial Statements.



# Notes to the Financial Statements

## Lower Waitaki Irrigation Company Limited

For the year ended 30 June 2023

### 1. Statement of Accounting Policies

#### Reporting Entity

The Company is registered under the Companies Act 1993.

The Company is a water supply management company receiving its share of water from the Waitaki River and distributes this water through a network of races to its shareholder members. Currently collectively irrigating approximately 20,000 hectares. The Company scheme area is on the south bank of the Waitaki River, between Black Point and the sea. These are special purpose financial statements and have been prepared on the assumption that the Company is a going concern.

#### Measurement Base

The measurement base adopted is that of historical cost. Accrual accounting is used to recognise expenses and revenues when they occur.

#### Nature of Business

The Company conducts the business of supply of water to farmers and other commercial users.

#### Particular Accounting Policies

The following is a summary of the significant accounting policies which materially affect the measurement and reporting of earnings and financial position that have been applied in the preparation of these Financial Statements.

#### Revenue

Water rates and other related charges are recognised in the accounting period in which the services are rendered. Interest income is recognised using the effective interest method.

#### Income Tax

The Income Tax expense recognised in the Statement of Financial Performance is the estimated income tax payable in the current year adjusted for any differences between the estimated and actual income tax payable in prior years. This is the taxes payable method and tax is determined following tax rules.

#### Receivables (Sundry Debtors)

Receivables are valued at their estimated realisable value, after writing off all known losses.

#### Property, Plant and Equipment

All property, plant and equipment are initially recorded at historical cost price excluding GST. Structures, plant and equipment are stated at cost less accumulated depreciation and any impairment.

#### Borrowings

Borrowings are recognised at fair value.

#### Intangible Assets

Intangible assets are stated at cost.

## Depreciation

Depreciation has been calculated using the maximum rates permitted by the Income Tax Act.

Buildings	2% - 20%	DV
Land & Land Development	None	
Scheme Infrastructure & Structures	3% - 40%	DV
Plant, Machinery & Equipment	9.6% - 67%	DV
Vehicles	14% - 30%	DV

## Investments

Investments are shown at the lower of cost or net realisable value.

The Company is 1 of 6 shareholders in Waitaki Irrigators Collective Limited.

## Goods and Services Tax

The Company is registered for GST. These financial statements have been prepared on a GST exclusive basis, with the exception of sundry debtors and sundry creditors which include GST.

## Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

	2023 \$	2022 \$
<b>2. Imputation Credit Account</b>		
<b>Imputation Credit Account</b>		
Opening Balance	766,699	672,601
<b>Increases</b>		
Income Tax Paid	71,179	94,306
RWT on Interest Received	12	-
<b>Total Increases</b>	<b>71,191</b>	<b>94,306</b>
<b>Decreases</b>		
Income Tax Refund	17,000	-
Historical Error	-	209
<b>Total Decreases</b>	<b>17,000</b>	<b>209</b>
<b>Closing Balance</b>	<b>820,890</b>	<b>766,699</b>

The closing balance of imputation credits is intended to be available for any future dividends paid to shareholders.

	2023 \$	2022 \$
<b>3. Shareholders Equity</b>		
<b>Issued Share Capital</b>		
Share Capital - 22,182 A Shares (2022: 22,182)	165,093	165,093
Share Capital - 3,400 B Shares (2022: 3,344)	789,471	749,711
<b>Total Paid Up Capital</b>	<b>954,564</b>	<b>914,804</b>
<b>Retained Earnings</b>		
Opening Balance	1,910,550	1,773,473
Net Surplus After Taxation	162,737	137,077
<b>Total Retained Earnings at End of Year</b>	<b>2,073,287</b>	<b>1,910,550</b>
<b>Realised Capital Reserve</b>		
Opening Balance	527,800	527,800
<b>Total Realised Capital Reserve at End of Year</b>	<b>527,800</b>	<b>527,800</b>
<b>Total Shareholders Equity</b>	<b>3,555,651</b>	<b>3,353,154</b>

All ordinary shares have equal voting rights and share equally in the dividends and surplus on winding up. No shares were redeemed during the 2023 financial year. 56 B shares were issued during the 2023 financial year for \$39,760.

The realised capital reserve of \$527,800 arose from realised capital profits from prior years. The reserve is available for tax free distribution to shareholders on winding up of the company in the future.

	2023 \$	2022 \$
<b>4. Income Tax Expense</b>		
Net Profit Before Tax	213,295	199,402
<b>Additions to Taxable Profit</b>		
Net Change in Holiday Pay Provision	(32,730)	23,188
<b>Total Additions to Taxable Profit</b>	<b>(32,730)</b>	<b>23,188</b>
<b>Taxable Profit</b>	<b>180,565</b>	<b>222,590</b>
Tax Payable at 28%	50,558	62,325
<b>Deductions from Tax Payable</b>		
RWT paid	456	-
Less Provisional Tax Paid	65,441	101,125
<b>Total Deductions from Tax Payable</b>	<b>65,897</b>	<b>101,125</b>
<b>Income Tax Receivable</b>	<b>15,339</b>	<b>38,800</b>

	2023 \$	2022 \$
<b>5. Property, Plant and Equipment</b>		
<b>Office Equipment</b>		
Cost Price	63,325	65,507
Accumulated Depreciation	(50,031)	(49,013)
Closing Book Value	13,294	16,494
<b>Plant &amp; Equipment</b>		
Cost Price	57,374	59,406
Accumulated Depreciation	(45,820)	(45,370)
Closing Book Value	11,554	14,035
<b>Scheme Land Structures &amp; Improvements</b>		
Cost Price	6,106,082	5,853,734
Accumulated Depreciation	(2,760,485)	(2,569,435)
Closing Book Value	3,345,597	3,284,298
<b>Vehicles</b>		
Cost Price	289,254	248,841
Accumulated Depreciation	(132,697)	(145,522)
Closing Book Value	156,557	103,319
<b>Total Property, Plant and Equipment</b>	<b>3,527,002</b>	<b>3,418,147</b>

The Company continued its investment in automation and monitoring equipment and upgrades to Gates, Races and Intakes throughout the scheme.

The valuation for insurance purposes, based on Depreciated Replacement Cost of the Lower Waitaki Irrigation Scheme Intake and Control Structures as at 9 February 2021 was:

Awamoko Control and Culvert - \$1,750,557

Intake - \$1,650,067

Main Race Control Structure - \$551,328

The following assets are shown on the Asset Schedule with no depreciation claimed as they are still under construction and not operational at balance date:

Fish Screen (In Progress) - \$31,720

## 6. Bank Loans

The Company currently had a flexible loan facility with ANZ Bank, which is secured by way of a General Security Agreement. The credit limit of this facility was \$600,000, at balance date 30 June 2023 the loans were fully repaid.

	2023 \$	2022 \$
<b>Bank Loan</b>		
ANZ Loan Account 15	-	50,000
ANZ Loan Account 19	-	150,000
<b>Total Bank Loan</b>	-	200,000

A further \$250,000 was borrowed under this facility in the year ended 30 June 2023 for pipeline upgrades and was also repaid by 30 June 2023.

## 7. Contingent Liabilities

The Company does not have any known contingent liabilities at 30 June 2023 (2022 \$Nil).

## 8. Capital Commitments

There were no capital commitments at 30 June 2023 (2022 approximately \$519,893 (GST excl) - Terrace 3 pipeline at Stewart Road).

## 9. Rebate on Water Rates

No rebates on water rates were issued in the 2023 financial year (2022 \$Nil).

## 10. Related Party Transactions

The Company has not undertaken any other material transactions with related parties that do not form part of the normal trading operations of either party, other than those mentioned below.

Other than for the old Steward Race, directors purchase water from the Company on the same terms and conditions as other shareholders. (2022 same items).

No related party debts have been written off or forgiven during the year.



	2023 \$	2022 \$
<b>11. Schedule of Expenses</b>		
<b>Administration Expenses</b>		
Accident Compensation Levy	3,122	2,502
Accountancy Fees	10,870	11,990
Asset Management (QGIS)	726	1,668
Audit Fees	4,000	4,100
Bank Charges	464	391
Computer Expenses/Software	54,806	7,451
Directors Fees	110,022	60,000
Legal Expenses	41,216	32,447
Line of Credit Fee	6,000	6,000
Printing, Postage & Stationery	1,349	5,619
Subscriptions	31,526	31,506
Telephone, Tolls & Internet	12,280	13,124
Wages - Administration	55,999	33,003
<b>Total Administration Expenses</b>	<b>332,380</b>	<b>209,800</b>
<b>Operating Expenses</b>		
Advertising	1,298	1,053
LWIC Water Sampling	8,401	4,729
Repairs & Maintenance - Bortons Pond	20,632	1,700
Company Strategy Review	21,538	12,867
Conference, Meetings	1,341	653
Contractor	24,193	2,753
Consultancy	104,274	3,583
Drainage	-	1,409
Environmental Fund	10,000	737
Ferry Road Pond costs	4,733	1,778
FEMP	31,495	37,478
Fish Screening	9,533	3,178
Flow Gauging	60,674	32,259
General Expenses	25	208
Health & Safety	1,508	11,323
Staff Training	2,694	2,180
Irricon Expenses	218	4,089
Low Value Assets	1,800	5,281
Management Support - North Otago Irrigation Co. Ltd	54,999	-
Power & Gas	9,409	7,966
Protective Clothing	2,777	3,385
Race Cleaning	10,361	26,979
Repairs & Maintenance - Automation	1,599	3,155
Repairs & Maintenance - Races	116,532	69,014
Resource Consents	22,629	4,040
Shareholder Workshops	-	4,664

	2023 \$	2022 \$
Staff Welfare	6,444	-
Take a Kid Fishing Day	8,696	8,826
Telemetry Monitoring & Maintenance	43,826	15,499
Wages	327,764	388,196
Waitaki Irrigators Collective Ltd Contributions	11,608	23,220
Water Quality Testing	-	4,225
Weed Control	4,787	13,782
Office/Yard Expenses	6,620	3,590
<b>Total Operating Expenses</b>	<b>932,408</b>	<b>703,798</b>
<b>Standing Charges</b>		
Insurance	39,764	27,646
Interest - IRD	-	750
Lease Radio Repeater Site	1,000	500
Rates	12,071	11,144
<b>Total Standing Charges</b>	<b>52,835</b>	<b>40,040</b>
<b>Vehicle Expenses</b>		
Vehicle Fuel & Oil	23,153	26,960
Vehicle Expenses	17,940	27,248
<b>Total Vehicle Expenses</b>	<b>41,093</b>	<b>54,208</b>
<b>Interest</b>		
Interest on Short Term Advance Facilities	8,279	5,209
<b>Total Interest</b>	<b>8,279</b>	<b>5,209</b>
<b>Total Expenses (excluding depreciation)</b>	<b>1,366,995</b>	<b>1,013,055</b>

## 12. Subsequent Events

No events subsequent to balance date have occurred which would have effect on these accounts.



## ***Independent Auditor's Report***

to the shareholders of Lower Waitaki Irrigation Company Limited

### **Our Opinion**

We have audited the financial statements of Lower Waitaki Irrigation Company Limited (the Company) which comprise the statement of financial position as at 30 June 2023, statement of movements in equity and the statement of financial performance for the year then ended, and statement of accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present, in all material respects, the financial position of the Company as at 30 June 2023 and its financial performance for the year ended on that date in accordance with the accounting policies defined in the statement of accounting policies.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, the Company.

### **Information Other than the Financial Statements and Auditor's Report**

Other information included in the financial statements comprises the chairman's report and annual report. The Directors are responsible for this other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report any misstatement of other information. We have nothing to report in this regard.

### **Directors' Responsibilities for the Financial Statements**

The Directors are responsible, on behalf of the Company, for the preparation and presentation of the financial statements in accordance with the accounting policies adopted by the Company and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: [https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)

### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution**

Without modifying our opinion, we draw attention to note 1 to the financial statements which describes the basis of accounting. The financial statements are prepared to provide an account of the financial activities of the Company during the year and as a result may not be suitable for any other purpose. This report is made solely to the Company's shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and shareholders, as a body, for our audit work, for this report or for the opinions we have formed.



Chartered Accountants  
18 September 2023

Dunedin