



Crowe Horwath™

Kurow-Duntroon Irrigation Company Limited

Annual Report for the Year Ended 30 June 2014

Kurow-Duntroon Irrigation Company Limited

Annual Report Contents

For The Year Ended 30 June 2014

Company Directory	1
Directors' Report	2
Statement of Financial Performance	3
Statement of Movements in Equity	5
Statement of Financial Position	6
Statement of Accounting Policies	8
Notes to the Financial Statements	10
Supplementary Schedule	
Schedule of Fixed Assets and Depreciation	13
Audit Report	14

Kurow-Duntroon Irrigation Company Limited Company Directory

As At 30 June 2014

Nature of Business	Water Supply
Business Location	P O Box 77 KUROW
Directors	G F Keeling J T Slee J A Watt M Ross
Accountants	Crowe Horwath (NZ) Limited 1 Coquet Street OAMARU
Bankers	ANZ
IRD Number	50-019-705
Tax Status	Standard Company
Incorporation Number	416443
Solicitor	Anderson Lloyd CHRISTCHURCH

Kurow-Duntroon Irrigation Company Limited

Directors' Report

For the Year Ended 30 June 2014

The Directors are pleased to present their Annual Report including the Financial Statements for the Company for the year ended 30 June 2014.

Dividend

No Dividends have been declared this financial year.

Auditors

The Financial Statements have been audited by

Directors' Disclosure

In terms of the unanimous resolution passed at the Annual General Meeting, the Annual Report has not complied with paragraphs (a) and (e) to (j) of Section 211 of the Companies Act 1993.

For and on behalf of the Board

G F Keeling

Date

M Ross

Kurow-Duntroon Irrigation Company Limited

Statement of Financial Performance

For The Year Ended 30 June 2014

	Notes	2014 \$	2013 \$
Income			
Rates		377,080	284,289
Share Transfer & Subdivision Fee		6,000	1,200
Power Recharge		25,119	26,469
Total Income		408,199	311,958
Expenses			
Accountancy & Share Registry		3,095	2,850
Audit Fee		1,550	1,550
Bank Fees and Charges		114	276
Consultancy Fees		44,155	51,121
Contractors		93,461	84,230
Depreciation		1,096	868
Directors' Fees		10,000	10,000
Donations		525	-
General Expenses		550	261
Insurance		5,340	4,581
Interest		36	-
IRD Penalties - Non Deductible		71	-
Interest - Use of Money		786	-
Legal Fees - Deductible		9,500	17,562
Legal Fees - Non Deductible		-	11,765
Light, Heat and Power		27,245	29,011
Monitoring Fees		822	-
Printing and Stationery		338	-
Professional Fees		15,836	8,696
Repairs and Maintenance		177,607	19,098
Subscriptions and Licences		9,768	8,837
Water Testing		4,110	5,143
Water Right Fee		165	2,834
Weed and Pest Control		3,087	7,265
Total Expenses		409,257	265,948
Net Operating Surplus/(Deficit)		(1,058)	46,010
Other Income			
Interest Received		8,267	5,855
Rebates		-	254
Total Other Income		8,267	6,109

Kurow-Duntroon Irrigation Company Limited Statement of Financial Performance

For The Year Ended 30 June 2014

	Notes	2014 \$	2013 \$
Net Operating Surplus Before Taxation		<u>7,209</u>	<u>52,119</u>
Income Tax Expense	1	<u>5,236</u>	<u>11,282</u>
Total Taxation		<u>5,236</u>	<u>11,282</u>
Net Surplus		<u>1,973</u>	<u>40,837</u>

Kurow-Duntroon Irrigation Company Limited Statement of Movements in Equity

For the Year Ended 30 June 2014

	Notes	2014 \$	2013 \$
Opening Equity		228,023	187,186
Net Surplus		1,973	40,837
Total Recognised Revenues & Expenses		<u>1,973</u>	<u>40,837</u>
~Retained Profits~Accumulated Losses~		(5,000)	(5,000)
Movement in Reserves		5,000	5,000
Closing Equity		<u>229,996</u>	<u>228,023</u>

Kurow-Duntroon Irrigation Company Limited

Statement of Financial Position

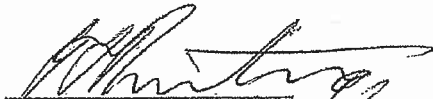
As at 30 June 2014

	Notes	2014 \$	2013 \$
Current Assets			
ANZ		19,885	9,872
ANZ - Call Account		117,129	68,011
ANZ - Term Deposit		164,046	158,741
Accounts Receivable		18,931	29,333
Income Tax Receivable	1	6,776	-
GST Receivable		3,645	-
Concept Design for Piped Scheme		5,268	-
Total Current Assets		335,680	265,957
Non Current Assets			
Property, Plant and Equipment		18,373	9,759
Investments	3	2,712	2,712
Total Non Current Assets		21,085	12,471
Total Assets		356,765	278,428
Current Liabilities			
Accounts Payable		126,769	34,630
Income Tax Liability	1	-	9,984
GST Payable		-	5,791
Total Current Liabilities		126,769	50,405
Net Assets		229,996	228,023

Kurow-Duntroon Irrigation Company Limited
Statement of Financial Position

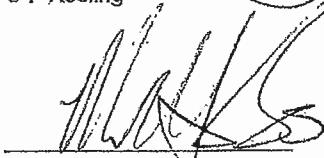
As at 30 June 2014

	Notes	2014 \$	2013 \$
Shareholders Equity			
Share Capital		1,917	1,917
Retained Surplus		29,996	33,023
Reserves	4	198,083	193,083
Total Shareholders Equity		229,996	228,023



G F Keeling

29/10/2014
Date



M Ross

Kurow-Dunroon Irrigation Company Limited

Statement of Accounting Policies

For The Year Ended 30 June 2014

Reporting Entity

Kurow-Dunroon Irrigation Company Limited is a company registered under the Companies Act 1993.

Statutory Base

The financial statements are prepared in accordance with the Financial Reporting Order 1994. The company is an exempt company as defined in Section 2 of the Financial Reporting Act 1993.

Measurement Base

The measurement base adopted is historical cost.

Accounting Policies

The following accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

General Accounting Policies

Accrual accounting is used to match expenses and revenues.

Valuation of Property, Plant and Equipment

Fixed Assets are recorded at cost, less accumulated depreciation.

Depreciation

Depreciation is charged to the Statement of Financial Performance at the same rate as is allowed by the Income Tax Act 2007 over the estimated useful lives of each part of an item of property, plant and equipment.

The method and rates applied are as follows:

Asset Class	Method	Rate
Plant & Equipment	Diminishing Value	5.0 - 20.0%

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.

Trade and Other Receivables

Accounts Receivable are recorded at expected realisable values as determined by the Directors.

Goods and Services Tax (GST)

All revenue and expense transactions are recorded net of GST. Where applicable, all assets and liabilities have been stated net of GST with the exception of receivables and payables which are stated inclusive of GST.

Investments

Investments are recorded at cost. Dividend income is recognised in the statement of financial performance when received.

Kurow-Duntroon Irrigation Company Limited Statement of Accounting Policies

For The Year Ended 30 June 2014

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

Kurow-Duntroon Irrigation Company Limited

Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014	2013
	\$	\$
1 Tax Reconciliation		
Operating Surplus Before Tax	7,209	52,120
Adjustments for Permanent Differences		
Non Deductible Expenditure		
IRD Penalties - Non Deductible	71	-
Legal Fees - Non Deductible	-	11,765
Non- Deductible Professional Fees	11,419	-
Permanent Differences	<u>11,490</u>	<u>11,765</u>
Taxable Income Before Loss Offsets	<u>18,699</u>	<u>63,885</u>
Losses Brought Forward	-	(23,588)
Taxable Income	<u>18,699</u>	<u>40,297</u>
Tax Expense	5,236	11,283
Resident Withholding Tax Paid	(1,451)	(1,299)
Provisional Tax Paid	(7,066)	-
Provisional Tax 3rd Instalment Accrued	(3,495)	-
Income Tax Payable/(Refund) as per Tax Return	<u>(6,775)</u>	<u>9,984</u>
Brought Forward Tax Liability (Asset)	9,984	(7,083)
Terminal Tax Paid	(9,984)	-
Tax Refunded	-	7,083
Income Tax Payable/(Refund) from Last Year	<u>(0)</u>	<u>0</u>
Income Tax Payable/(Refund)	<u>(6,775)</u>	<u>9,984</u>

Kurow-Duntroon Irrigation Company Limited

Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014	2013
	\$	\$

2 Imputation Credits

Balance at beginning of year	29,904	30,021
Plus		
Terminal Tax Paid	9,983	-
Provisional Tax Paid	7,066	-
Resident Withholding Tax Paid	1,451	1,299
Provisional Tax 3rd Instalment paid for Previous Year	-	5,667
	18,500	6,966
Less		
Tax Refunded	-	(7,083)
	48,404	29,904

The closing balance represents imputation credits available to be attached to any future dividend distributions from the company's reserves, subject to certain shareholder continuity provisions. This account is not reflected in the company's financial statements.

3 Investments

Investments held and stated at cost:

Irrigation Scheme	1	1
CRT Shares	711	711
Waitaki Irrigators Collective	2,000	2,000
Total Investments	2,712	2,712

4 Reserves

Insurance Reserve	50,000	45,000
Capital Reserve	148,083	148,083
Total Reserves	198,083	193,083

5 Audit

These Financial Statements are subject to Audit.

6 Retained Surplus

Opening Balance	33,023	(2,814)
Net Profit	4,451	40,837
Transfer to Insurance Reserve	(5,000)	(5,000)
Ending Balance	32,474	33,023

Kurow-Duntroon Irrigation Company Limited

Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014	2013
	\$	\$
7 Insurance Reserve		
Opening Balance	45,000	40,000
Transfer from Retained Surplus	5,000	5,000
Ending Balance	50,000	45,000

Kurow-Duntroon Irrigation Company Limited Schedule of Fixed Assets and Depreciation

As at 30 June 2014

		% Private Date	Use	Original Cost	Opening Accum Depn	Opening WDV	Additions Disposals	Gain/Loss on Capital Disposal Profit	Rate	Depn	Closing WDV	
Plant & Equipment												
Flow Meter				7,170	5,538	1,632	-	-	-	20.0% DV	326	1,306
Agpac Race Liner				8,991	864	8,127	-	-	-	6.0% DV	488	7,639
Agpac Race Liner (2014)	Dec 13			-	-	-	9,710	-	-	5.0% DV	282	9,428
Total Plant & Equipment				16,161	6,402	9,759	9,710	-	-		1,096	18,373
TOTAL FIXED ASSETS				16,161	6,402	9,759	9,710	-	-		1,096	18,373

AUDIT REPORT

To the Shareholders of Kurow-Duntroun Irrigation Co. Ltd

We have audited the financial statements of Kurow-Duntroun Irrigation Co. Ltd on pages 1 to 13. The financial statements comprise the balance sheet as at 30 June 2014 and the income statement, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, 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.

Auditor's Responsibilities

Our responsibility is to express to you an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Kurow-Duntroun Irrigation Co. Ltd's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kurow-Duntroun Irrigation Co. Ltd's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Kurow-Duntroun Irrigation Co. Ltd.

Opinion

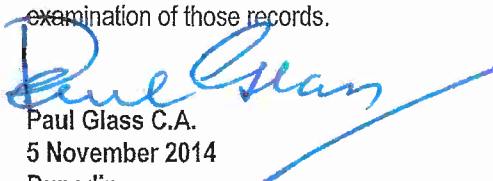
In our opinion the financial statements on pages 1 to 13:

- comply with generally accepted accounting practice in New Zealand; and
- present fairly, in all material respects, the financial position of Kurow-Duntroun Irrigation Co. Ltd as at 30 June 2014 and the results of its operations for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations that we have required.

In our opinion proper accounting records have been kept by Kurow-Duntroun Irrigation Co. Ltd as far as appears from an examination of those records.


Paul Glass C.A.
5 November 2014
Dunedin