

# Kurow-Duntroon Irrigation Company Limited

Special Purpose Financial Report For The Year Ended 30 June 2015

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# Kurow-Duntroon Irrigation Company Limited

## Special Purpose Financial Report Contents

For The Year Ended 30 June 2015

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# Kurow-Duntroon Irrigation Company Limited Company Directory

As At 30 June 2015

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|                              |  |
|------------------------------|--|
| <b>Nature of Business</b>    | Water Supply   |
| <b>Business Location</b>     | P O Box 77<br>Kurow  |
| <b>Directors</b>             | G F Keeling<br>J T Slee<br>M Ross<br>M Flannery<br>G K J Nelson<br>J Webster |
| <b>Accountants</b>           | Crowe Horwath (NZ) Limited<br>1 Coquet Street<br>Oamaru                      |
| <b>Bankers</b>               | ANZ  |
| <b>IRD Number</b>            | 50-019-705   |
| <b>Tax Status</b>            | Standard Company   |
| <b>Incorporation Number</b>  | 416443   |
| <b>Solicitor</b>             | Anderson Lloyd<br>Christchurch   |
| <b>Date of Incorporation</b> | 15 May 1989  |

# Kurow-Duntroon Irrigation Company Limited

## Statement of Financial Performance

For The Year Ended 30 June 2015

|  | Notes | 2015<br>\$      | 2014<br>\$     |
|--|-------|-----------------|----------------|
| <b>Farm Trading Revenue</b>                        |       |                 |                |
| <b>Sundry Farm Income</b>                          |       |                 |                |
| Rebates  |       | 246             | -              |
|  |       | <u>246</u>      | <u>-</u>       |
| <b>Total Gross Surplus from Farming Activities</b> |       | <b>246</b>      | <b>-</b>       |
| <b>Income</b>                                      |       |                 |                |
| Rates  |       | 377,105         | 377,080        |
| Share Transfer & Subdivision Fee                   |       | 1,400           | 6,000          |
| Power Recharge                                     |       | 40,489          | 25,119         |
| Insurance Claim                                    |       | 11,501          | -              |
| <b>Total Income</b>                                |       | <b>430,495</b>  | <b>408,199</b> |
| <b>Expenses</b>                                    |       |                 |                |
| Accountancy & Share Registry                       |       | 3,146           | 3,095          |
| Audit Fee  |       | 5,000           | 1,550          |
| Bank Fees and Charges                              |       | 119             | 114            |
| Consultancy Fees                                   |       | 11,290          | 44,155         |
| Contractors  |       | 111,541         | 93,461         |
| Depreciation                                       |       | 2,590           | 1,096          |
| Directors' Fees                                    |       | 31,940          | 10,000         |
| Donations  |       | -               | 525            |
| General Expenses                                   |       | 919             | 550            |
| Insurance  |       | 7,296           | 5,340          |
| Interest   |       | 17              | 36             |
| IRD Penalties - Non Deductible                     |       | 426             | 71             |
| Interest - Use of Money                            |       | 3               | 786            |
| Legal Fees - Deductible                            |       | 15,496          | 9,500          |
| Legal Fees - Non Deductible                        |       | 2,810           | -              |
| Light, Heat and Power                              |       | 2,544           | 27,245         |
| Light, Heat and Power - Extension                  |       | 40,523          | -              |
| Monitoring Fees                                    |       | 85              | 822            |
| Other Non Deductible Expenses                      | 1     | 87,721          | -              |
| Printing and Stationery                            |       | 1,183           | 338            |
| Professional Fees                                  |       | 2,015           | 15,836         |
| Protective Clothing                                |       | 144             | -              |
| Repairs and Maintenance                            |       | 98,621          | 177,607        |
| Subscriptions and Licences                         |       | 9,738           | 9,768          |
| Water Testing                                      |       | 4,795           | 4,110          |
| Water Right Fee                                    |       | 234             | 165            |
| Weed and Pest Control                              |       | 570             | 3,087          |
| <b>Total Expenses</b>                              |       | <b>440,766</b>  | <b>409,257</b> |
| <b>Net Operating Deficit</b>                       |       | <b>(10,025)</b> | <b>(1,058)</b> |

The attached Notes and Auditor's Report form an integral part of these financial statements.

# Kurow-Duntroon Irrigation Company Limited

## Statement of Financial Performance

For The Year Ended 30 June 2015

|  | Notes | 2015<br>\$      | 2014<br>\$   |
|--|-------|-----------------|--------------|
| <b>Other Income</b>                          |       |                 |              |
| Interest Received                            |       | 9,975           | 8,267        |
| Interest Received - IRD Use of Money         |       | 86              | -            |
| <b>Total Other Income</b>                    |       | <b>10,061</b>   | <b>8,267</b> |
| <b>Net Operating Surplus Before Taxation</b> |       |                 |              |
|  |       | <b>36</b>       | <b>7,209</b> |
| Income Tax Expense                           | 1     | 25,478          | 5,236        |
| <b>Total Taxation</b>                        |       | <b>25,478</b>   | <b>5,236</b> |
| <b>Net Surplus/(Deficit)</b>                 |       | <b>(25,442)</b> | <b>1,973</b> |

# Kurow-Dunroon Irrigation Company Limited

## Statement of Movements in Equity

For The Year Ended 30 June 2015

|   | Notes | 2015<br>\$      | 2014<br>\$     |
|---|-------|-----------------|----------------|
| <b>Opening Equity</b>                           |       | 229,996         | 228,023        |
| Net Surplus/(Deficit)                           |       | (25,442)        | 1,973          |
| <b>Total Recognised Revenues &amp; Expenses</b> |       | <u>(25,442)</u> | <u>1,973</u>   |
| ~Retained Profits~Accumulated Losses~           |       | (5,000)         | (5,000)        |
| Movement in Reserves                            |       | 5,000           | 5,000          |
| <b>Closing Equity</b>                           |       | <u>204,554</u>  | <u>229,996</u> |

# Kurow-Duntroon Irrigation Company Limited

## Statement of Financial Position

As at 30 June 2015

|                                  | Notes | 2015<br>\$     | 2014<br>\$     |
|----------------------------------|-------|----------------|----------------|
| <b>Current Assets</b>            |       |                |                |
| ANZ                              |       | 7,951          | 19,885         |
| ANZ - Call Account               |       | 162,266        | 117,129        |
| ANZ - Term Deposit               |       | 170,094        | 164,046        |
| Farmlands                        |       | 866            | -              |
| Accounts Receivable              |       | 11,049         | 18,931         |
| Income Tax Receivable            | 1     | -              | 6,776          |
| GST Receivable                   |       | 8,006          | 3,645          |
| Concept Design for Piped Scheme  |       | -              | 5,268          |
| <b>Total Current Assets</b>      |       | <b>360,232</b> | <b>335,680</b> |
| <b>Non Current Assets</b>        |       |                |                |
| Property, Plant and Equipment    |       | 29,060         | 18,373         |
| Investments                      | 3     | 2,811          | 2,712          |
| <b>Total Non Current Assets</b>  |       | <b>31,871</b>  | <b>21,085</b>  |
| <b>Total Assets</b>              |       | <b>392,103</b> | <b>356,765</b> |
| <b>Current Liabilities</b>       |       |                |                |
| Accounts Payable                 |       | 94,455         | 126,769        |
| Income Tax Liability             | 1     | 18,754         | -              |
| Other Current Liabilities        | 4     | 74,340         | -              |
| <b>Total Current Liabilities</b> |       | <b>187,549</b> | <b>126,769</b> |
| <b>Net Assets</b>                |       | <b>204,554</b> | <b>229,996</b> |

# Kurow-Duntroon Irrigation Company Limited

## Statement of Financial Position

As at 30 June 2015

|  | Notes | 2015<br>\$     | 2014<br>\$     |
|--|-------|----------------|----------------|
| <b>Shareholders Equity</b>             |       |                |                |
| Share Capital                          |       | 1,917          | 1,917          |
| Retained Surplus/(Accumulated Deficit) |       | (446)          | 29,996         |
| Reserves                               | 5     | 203,083        | 198,083        |
| <b>Total Shareholder's Equity</b>      |       | <b>204,554</b> | <b>229,996</b> |

The Directors present the approved financial statements.

### APPROVED

For and on behalf of the Board.

\_\_\_\_\_  
G F Keeling

\_\_\_\_\_  
Date

\_\_\_\_\_  
M Ross



# Kurow-Duntroon Irrigation Company Limited

## Statement of Accounting Policies

For The Year Ended 30 June 2015

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### Reporting Entity

Kurow-Duntroon Irrigation Company Limited is a company registered under the Companies Act 1993 and was incorporated on 15 May 1989.

### Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities published by the New Zealand Institute of Chartered Accountants.

These financial statements have been prepared for the company's owners and to meet the company's income tax requirements.

### Measurement Base

The measurement base adopted is historical cost. The accrual accounting basis has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

### Property, Plant and Equipment

Property, plant and equipment are recorded at cost, less accumulated depreciation.

### Depreciation

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

The method and rates applied are as follows:

| Asset Class       | Method            | Rate        |
|-------------------|-------------------|-------------|
| Plant & Equipment | Diminishing Value | 5.0 - 50.0% |

### 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.

### Changes in Accounting Policies

The Company transitioned on 1 July, 2014 from preparation of general-purpose financial reporting in accordance with New Zealand generally accepted accounting practice ("NZ GAAP") to special purpose financial reporting in accordance with SPFR for FPE's. The transition had minimal impact on the accounting policies of the company.

All other accounting policies were applied on a consistent basis during the year.

# Kurow-Dunroon Irrigation Company Limited

## Notes to the Financial Statements

For The Year Ended 30 June 2015

|   | 2015          | 2014           |
|---|---------------|----------------|
|   | \$            | \$             |
| <b>1 Tax Reconciliation</b>                           |               |                |
| <b>Operating Surplus Before Tax</b>                   | 36            | 7,209          |
| <b>Adjustments for Permanent Differences</b>          |               |                |
| <b>Non Deductible Expenditure</b>                     |               |                |
| IRD Penalties - Non Deductible                        | 426           | 71             |
| Legal Fees - Non Deductible                           | 2,810         | -              |
| Other Non Deductible Expenses                         | 87,721        | -              |
| Non- Deductible Professional Fees                     | -             | 11,419         |
| <b>Permanent Differences</b>                          | <u>90,957</u> | <u>11,490</u>  |
| <b>Taxable Income Before Loss Offsets</b>             | <u>90,993</u> | <u>18,699</u>  |
| <b>Taxable Income</b>                                 | <u>90,993</u> | <u>18,699</u>  |
| <b>Tax Expense</b>                                    | 25,478        | 5,236          |
| Resident Withholding Tax Paid                         | (1,998)       | (1,451)        |
| Provisional Tax Paid                                  | (4,726)       | (7,066)        |
| Provisional Tax 3rd Instalment Accrued                | -             | (3,495)        |
| <b>Income Tax Payable/(Refund) as per Tax Return</b>  | <u>18,754</u> | <u>(6,775)</u> |
| Brought Forward Tax Liability (Asset)                 | (6,776)       | 9,984          |
| Terminal Tax Paid                                     | -             | (9,984)        |
| Tax Refunded  | 6,776         | -              |
| <b>Income Tax Refund from Last Year</b>               | <u>(0)</u>    | <u>(0)</u>     |
| <b>Income Tax Payable/(Refund)</b>                    | <u>18,754</u> | <u>(6,775)</u> |
| <b>2 Imputation Credits</b>                           |               |                |
| <b>Balance at beginning of year</b>                   | 48,404        | 29,904         |
| <b>Plus</b>   |               |                |
| Terminal Tax Paid                                     | -             | 9,983          |
| Provisional Tax Paid                                  | 4,726         | 7,066          |
| Resident Withholding Tax Paid                         | 1,998         | 1,451          |
| Provisional Tax 3rd Instalment paid for Previous Year | 3,495         | -              |
|   | <u>10,219</u> | <u>18,500</u>  |
| <b>Less</b>   |               |                |
| Tax Refunded  | (6,776)       | -              |
| <b>Balance at end of year</b>                         | <u>51,847</u> | <u>48,404</u>  |

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.

# Kurow-Dunroon Irrigation Company Limited

## Notes to the Financial Statements

For The Year Ended 30 June 2015

|   | 2015           | 2014           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>3 Investments</b>  |                |                |
| Investments held and stated at cost:  |                |                |
| Irrigation Scheme   | 1              | 1              |
| Farmlands Shares  | 809            | 711            |
| Waitaki Irrigators Collective   | 2,000          | 2,000          |
| <b>Total Investments</b>  | <b>2,810</b>   | <b>2,712</b>   |
| <b>4 Current Liabilities - Other</b>  |                |                |
| Share Payments in Advance   | 74,340         | -              |
| <b>Current Liabilities - Other</b>  | <b>74,340</b>  | <b>-</b>       |
| <b>5 Reserves</b>   |                |                |
| Insurance Reserve   | 55,000         | 50,000         |
| Capital Reserve   | 148,083        | 148,083        |
| <b>Total Reserves</b>   | <b>203,083</b> | <b>198,083</b> |
| <b>6 Audit</b>  |                |                |
| These Financial Statements are subject to Audit.  |                |                |
| <b>7 Other Non-deductible Expenses</b>  |                |                |
| These expenses include payments to Grant Thornton and Opus for Valuation Fees \$11,720.00 and the Concept Design payments of \$76,000.81. |                |                |
| <b>8 Retained Surplus</b>   |                |                |
| Opening Balance   | 29,996         | 33,023         |
| Net Loss  | (25,442)       | 1,973          |
| Transfer to Insurance Reserve   | (5,000)        | (5,000)        |
| Ending Balance  | (446)          | 29,996         |
| <b>9 Insurance Reserve</b>  |                |                |
| Opening Balance   | 50,000         | 45,000         |
| Transfer from Retained Surplus  | 5,000          | 5,000          |
| Ending Balance  | 55,000         | 50,000         |

# Kurow-Duntroon Irrigation Company Limited

## Schedule of Fixed Assets and Depreciation

As At 30 June 2015

| Date   | Opening          |               | Opening<br>WDV | Additions     | Disposal      | Part<br>Disposal | Gain/Loss<br>on<br>Disposal | Capital<br>Gain<br>(Loss) | Rate    | Depn         | Closing<br>WDV |
|--|------------------|---------------|----------------|---------------|---------------|------------------|-----------------------------|---------------------------|---------|--------------|----------------|
|  | Original<br>Cost | Accum<br>Depn |                |               |               |                  |                             |                           |         |              |                |
| <b>Plant &amp; Equipment</b>                               |                  |               |                |               |               |                  |                             |                           |         |              |                |
| Flow Meter   | 7,170            | 5,864         | 1,306          | -             | -             | -                | -                           | -                         | 20.0% D | 261          | 1,045          |
| Agpac Race Liner   | 8,991            | 1,352         | 7,639          | -             | -             | -                | -                           | -                         | 6.0% D  | 458          | 7,181          |
| Agpac Race Liner (2014)                                    | 9,710            | 282           | 9,428          | -             | -             | -                | -                           | -                         | 5.0% D  | 471          | 8,957          |
| Harvest GPRS Modem   | Nov 14           | 1,077         | -              | 1,077         | -             | -                | -                           | -                         | 50.0% D | 357          | 720            |
| Telemetry Unit - Aquacom Sensor Hub 1<br>Pulse Input Mains | Apr 15           | 1,339         | -              | 1,339         | -             | -                | -                           | -                         | 25.0% D | 83           | 1,256          |
| Laptop Computer - Lenovo Think Pad                         | Apr 15           | 3,220         | -              | 3,220         | -             | -                | -                           | -                         | 40.0% D | 321          | 2,899          |
| 75W 4 Pole 3 Phase Motor                                   | Mar 15           | 7,642         | -              | 7,642         | -             | -                | -                           | -                         | 25.0% D | 639          | 7,003          |
| <b>Total Plant &amp; Equipment</b>                         |                  | <b>39,148</b> | <b>7,498</b>   | <b>18,373</b> | <b>13,277</b> | <b>-</b>         | <b>-</b>                    | <b>-</b>                  |         | <b>2,590</b> | <b>29,060</b>  |
| <b>TOTAL FIXED ASSETS</b>                                  |                  | <b>39,148</b> | <b>7,498</b>   | <b>18,373</b> | <b>13,277</b> | <b>-</b>         | <b>-</b>                    | <b>-</b>                  |         | <b>2,590</b> | <b>29,060</b>  |