

# annual report 2024



# awa kotahi

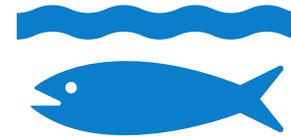
## Our performance at a glance



**Water supplied 59 million m3**  
(+64% versus 36 million m3  
2022-23)

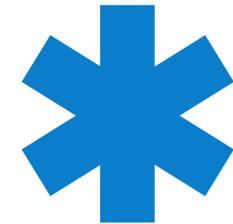


**Irrigation season**  
272 days

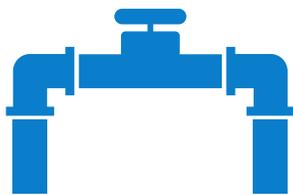


**FEP audit grades**

Grade	2024	2023
A	74%	71%
B	26%	26%
C	0%	3%
D	0%	0%



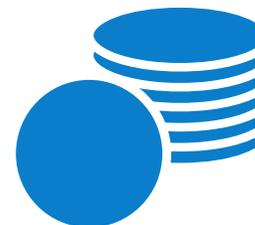
**Lost-time injuries** 0  
**Incidents** 9  
**Hazards mitigated** 19



**Assets \$157.0m**



**Scheduled debt repayments**  
target a 25% reduction  
in debt by 2031



**Share fixed charge**  
\$738  
+6.0% on last year



**Share variable charge/m3**  
\$0.08  
No change on last year



# one river

## The Waitaki River delivers the most reliable water supply for irrigation in New Zealand

### WHAT WE DO

North Otago Irrigation Company Limited's (NOIC) purpose is to construct, maintain and operate an irrigation scheme for the benefit of its shareholders who are also the users of the water supplied through its infrastructure.

The company aims to deliver the most cost effective and reliable supply of water, while maintaining both social and regulatory licences to operate by meeting its community and environmental objectives.

NOIC is also contracted by Kurow-Duntroon Irrigation Company, Maerewhenua District Water Resource Company and Lower Waitaki Irrigation Company to manage their respective businesses, including environmental management systems, administration and operations.

NOIC has a strong set of values that guide its actions. These values include confidence, prosperity, inclusiveness and openness, equal opportunity and responsibility.

The scheme's farmer-shareholders have invested significant capital in the construction of a state-of-the-art pressurised piped system that is capable of delivering water over a significant area of Waitaki North Otago. The scheme delivers water at the rate of 8000 litres per second through 200km of in-ground pipe and 16 highly automated, enclosed pumping stations.

NOIC is founded on cooperative principles and was created for the benefit of its shareholders. Reflecting this, the company's primary objectives are the prudent and safe management of its assets, including its human resources, as well as adhering to the environmental obligations that allow it to operate within Waitaki North Otago and the wider community.

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## Irrigation to support diversity

### ENVIRONMENTAL MANAGEMENT

North Otago Irrigation Company is committed to improving the environmental health of the catchments that our shareholders operate in by way of an environmental management system based around audited Farm Environment Plans (FEPs).

NOIC's environmental management system is a framework that encompasses all processes related to:

- > Ensuring 100% compliance with national, regional, and district rules and regulations;
- > Ensuring 100% compliance with all resource consents held;
- > Promoting good farm management practices to shareholders;
- > The continual improvement of our environment; and
- > Ensuring the public understands NOIC is an organisation that cares for the environment and community we operate in.

All shareholders are required to have a FEP and those with 11 shares or more are required to have their FEP independently audited on a regular basis. The purpose of the FEP is to ensure that all practical steps are taken to ensure that:

- > The volume of water used for irrigation does not exceed field capacity of the irrigated areas;
- > Irrigation does not result in surface run-off;

- > Leakages from pipes and structures do not occur;
- > Water is not used on non-targeted areas;
- > Irrigation does not cause soil erosion or soil pugging; and
- > Soil quality is not degraded as a consequence of irrigation.

In the 2023/24 irrigation season 47 farms were audited with 100% of those farms receiving a pass grade and 74% of those receiving an A Grade.

NOIC was also contracted by Kurow-Duntroon Irrigation Company, Maerewhenua District Water Resource Company and Lower Waitaki Irrigation Company to manage their respective environmental management systems. This entails managing the FEPs and the independent auditing of these on a regular basis.

We have spent \$65,000 on environmental initiatives including:

- > Water testing of key waterways;
- > Providing a tertiary scholarship;
- > Facilitating irrigation management training for shareholders; and
- > Providing funding to our environmental partner, the North Otago Sustainable Land Management Group.

NIWA staff monitoring fish communities



## Our commitment is zero harm

### HEALTH, SAFETY AND WELLBEING AT WORK

The board and management of NOIC are committed to providing and maintaining an environment and system of work that is safe and without undue risk to workers and others who may be affected by our work.

The board is focused on ensuring the company has appropriate processes and resources in place to eliminate or minimise the health and safety risks associated with the company's operations. Health and safety is a formal agenda item at all board meetings and at least one in-field visit is completed by the directors each year.

This year NOIC has completed a full review and update of our Contractor Management System to refine the company's processes for engaging with and monitoring contractors' health and safety performance. All our regular contractors have now been reviewed and approved under this new system.

**There have been no serious harm or loss time incidents, and eight minor incidents during the year.**

Staff and contractors remain continuously involved in the implementation and continuous improvement of health and safety management systems.

Driving on public roads accounts for most reported near-miss incidents. In all reported near-misses the inappropriate behaviour of other drivers has been the cause. Thankfully, the vigilance of NOIC drivers has resulted in nothing more serious than "near-misses".

Roof panels at pump stations PS1 and PS2 have passed an engineering survey after a detailed inspection. All panels are expected to achieve their use-of-life forecasts.

Operator engagement remains high. One operator has shown an interest in additional responsibilities in H&S and training will be given to facilitate this.

During the winter maintenance programme there were several high-risk activities completed. Most of the risk involved working from height, removing Pump 13, and lifting and suspending heavy plant. These tasks take considerable planning and are undertaken with a great deal of care.

Staff have access to several mechanical lifting aids to mitigate manual lifting and handling.



Pipe repair work undertaken by contractors at Queens Flat.

# The year in review

## REPORT FROM THE CHAIR AND CHIEF EXECUTIVE

**The year to June 2024 was significant as much for what didn't happen as for what did.**

What did happen was one of the driest irrigation seasons we have seen, and with that the scheme was moving record volumes of water to our farmers. What didn't happen were any material disruptions in supply.

The extensive winter R&M programme ensured a virtually seamless performance of the motors, pumps, PRV's and offtakes. That R&M programme is now more targeted due to the use of our Adapt Asset Management System, which is fully operational now, providing asset condition and maintenance management, capital planning, task allocation and financial recording and reporting.

What did happen is that, again, we were able to limit the increase in water charges to less than the cost of inflation, despite high interest rates. NOIC manages its debt through a comprehensive treasury policy and our use of Swaps shielded us from floating interest rates that would have been challenging. We've also been able to achieve that for the 24/25 year.

Shareholders should note, however, that we are predicting the need for reasonably significant capital replacements in a few years' time. Again, effective financial management will be key to "smoothing" the impact of these on water charges, specifically AFC.

**What also happened was that our farmers again showed their respect for environmental outcomes, with 100% of audits achieving a pass grade and 74% of these an A Grade.**

This is becoming an established trend and one we are keen to see mirrored by the other

schemes in the Waitaki.

What didn't happen was a continuation of the numerous new regulations being imposed on farming. Regardless of your political persuasion, the primary sector has enjoyed a year where a more pragmatic approach is being taken from Wellington.

A pause on the roll-out of Freshwater Farm Plans means we have been able to continue to use the tried-and-true Farm Environment Plans. This is important as we now have nearly two decades of "environmental performance data" that will stand us in good stead when we seek the renewal of our water take consent in a few years' time.

Unfortunately, at a local/regional level there is some inconsistency with the direction of travel from Wellington and there are several regulatory matters we are actively participating in. We have banded together with the major Canterbury schemes to submit on the Canterbury Regional Policy Statement, the overarching document that determines the rules and policies that will find their way into the Land and Water Regional Plan (LWRP, scheduled for notification in 2027).

We also wrote to the chair of the Otago Regional Council urging the council to comply with a request from the Minister for the Environment to defer notification of their LWRP until 2027. The council (at time of writing) is still intending to notify the LWRP in October 2024. The issue is that the LWRP will reflect the National Policy Statement for Freshwater produced by the former government (now revoked) and not the policies of the new

government. The previous NPS-FW requires councils to include regulations in their LWRP that are simply unworkable for farmers. We will maintain (in conjunction with WIC) an active presence in this space on the schemes, and your, behalfs.

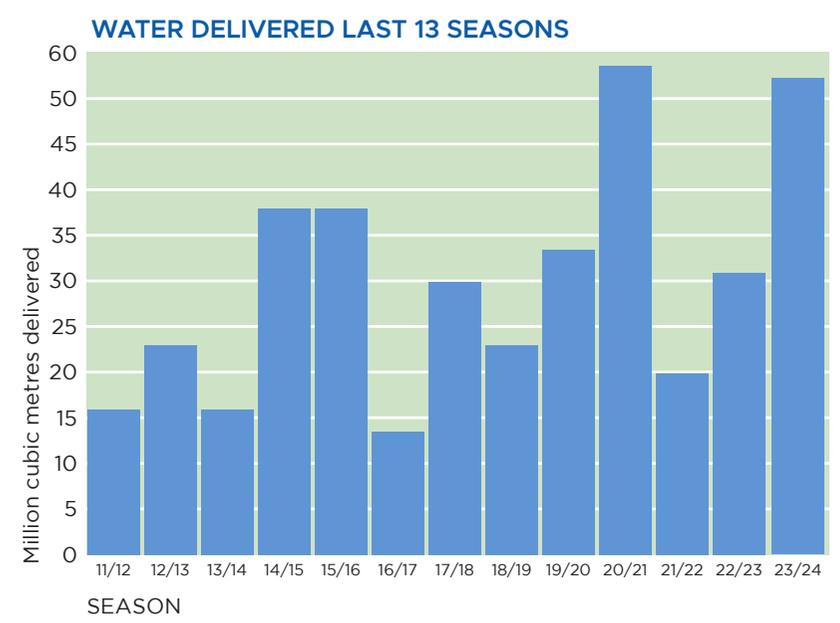
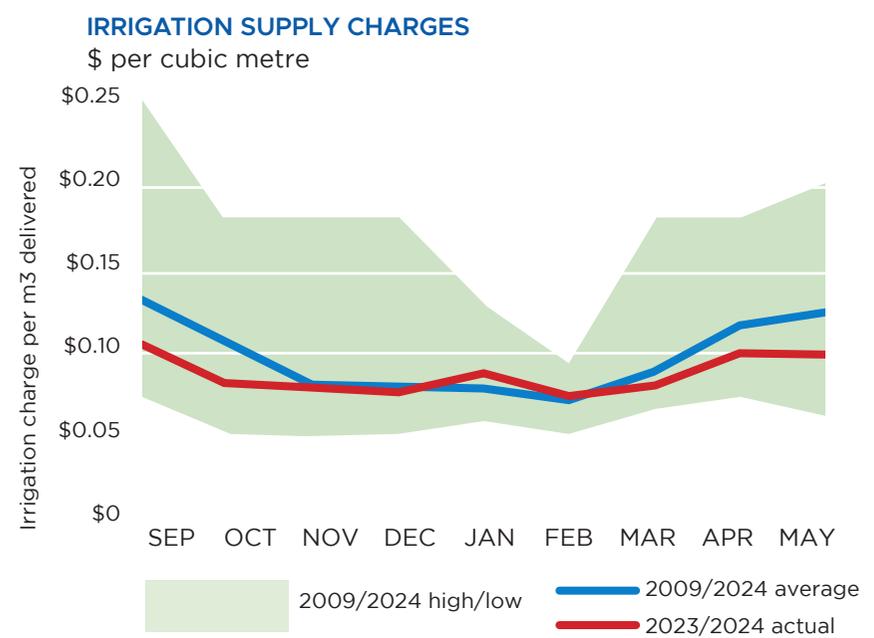
Two of the more significant events for NOIC in the year were the sale of 2034 shares, leaving just 141 of the 20,000 available shares to sell (at the time of writing this job has also been completed). With all 20,00 shares in use, the NOIC scheme will be fully utilised, with the fixed costs amortised over the maximum possible number of shares.

The other was the partnership with Lower Waitaki and the formation of Aqus. This became the logical step after NOIC had managed Kurow-Duntroon, Maerewhenua and Lower Waitaki for several years, proving the value of strong collaboration and shares services among irrigation schemes.

The model adopted by the NOIC and LWIC boards was to form a management company, jointly owned by NOIC and LWIC, which is structured to provide management services to those schemes, as well as Maerewhenua and KDIC.

**Aqus commenced life on July 1 and while its performance is best evaluated when we write future Annual Reports, we can tell you that the NOIC board is very pleased with how this has come together, its performance to date and its continued focus on shareholders' interests.**

In the current operating environment, and as we embark on the path to reconstituting, your Board has confidence that working together



will produce more effective outcomes for the irrigation community.

Insurance remains challenging, with a very small number of underwriters active in New Zealand who are willing to insure irrigation scheme assets, resulting in the continued escalation of premiums. As noted in last year’s report, the company undertook a technical review of the scheme-wide risk and based on that the Board is working with our broker to set appropriate loss limits as a means of containing soaring premiums. We will also endeavour to align the insurance arrangements of the four schemes Aqus manages to leverage scale to achieve improved premiums for all.

**KEY FEATURES 2023-24**

**Financial performance**

Financial performance was positive and consistent. As is our policy we did not seek to generate more in revenue than was needed to meet our costs:

- > Income from all sources was \$18.9 million.
- > Fixed charges of \$738 per share were 6% higher than the \$696 per share last year. Inflation and interest rates contributed to this, while part of the increase in interest rates was offset by using cash reserves no longer necessary now that a second transformer is commissioned at Pump Station One.
- > Variable supply charges, at \$0.08 per cubic meter, were the same as last year.
- > Of our main costs:
  - Scheme power was 54% higher driven by a 67% increase in water volume delivered to farmers.
  - Net finance costs increased 5.5% reflecting increased market interest rates.
- > Depreciation, for accounting purposes, was more than capital expenditure for the year, and operating cashflow was no more than necessary to cover necessary costs and scheduled loan repayments.
- > The company ended the year with prudent levels of liquidity on hand to cover contingencies.

**Health and safety**

Following an extensive review in 2023, the company implemented the recommendations provided by the specialist consultant we engaged, and while the existing system was rated as “very good”, we believe the changes made have shored up a couple of areas and the system is now extremely robust and fit-for-purpose.

**Importantly, there were zero major H&S incidents through the year.**

### Community engagement

We continue to ensure NOIC is well connected in the community and with our stakeholders through our funding of NOSLaM (the local catchment group), representation on the board of the Waitaki Irrigators Collective (WIC) and membership of IrrigationNZ.

Further stakeholder relationships with the Irrigation Scheme CEOs' Forum and with Te Rūnanga o Moeraki are critical to our role as members of the Waitaki and wider irrigation community.

### Student scholarship

We remain committed to supporting the education of our young people with the NOIC Tertiary Scholarship.

In 2023, Lily Wickham was selected from a strong field of applicants from schools across the Waitaki region. Commencing in 2024, Lily is studying a Bachelor of Science majoring in animal science at the University of Canterbury.

### Our people

The significant effort our people went to through 2022/23 picking up the additional work involved in supporting LWIC, KDIC and Maerewhenua continued through 2023/24.

This was done with willingness, as we could clearly see the value for the companies and their shareholders in taking a shared approach to providing services.

The AGMs of the companies and shareholder meetings confirmed support for the establishment of Aqus, and staff could see that from the start of the new financial year they would be part of an appropriately resourced management company.

**I'd like to thank each and every member of the NOIC team for their efforts over the year, and their support and enthusiasm as we stood up their new employer, Aqus.**

My thanks also to the directors of the NOIC Board for their support throughout the year, and for their foresight that has led to the creation of Aqus and a truly significant shift in the way irrigation in the Waitaki will be delivered.

The Board was pleased to welcome Dave Hazlehurst as an independent director to replace Geoff Plunket. Dave brings a strong commercial and financial background as a past CFO at LIC and Zespri.

He has experience in company structure, operating systems and M&A predominantly in the primary sector. Dave joins the NOIC, LWIC and Aqus Boards to help us maintain consistency in our governance processes so that we may capture the synergies identified in the 'working together' philosophy that underpins Aqus and our future operating model.

Lastly, on behalf of the Board, thanks go to Andrew and the team. It has been another solid year on delivery with a number of key milestones being achieved. The NOIC scheme and now the wider irrigation community is starting to really benefit from the compounding effect of consistent year on year performance.

We are fortunate to have such a capable group who, day-in and day-out seek the best outcomes for all shareholders. There is still plenty to do and a good deal of it remains complex and challenging, however the task at hand is consistently met with a positive can-do attitude and the company is in a very good place as a consequence.

All the best for the season ahead.

**Matt Ross**  
Director

**Andrew Rodwell**  
Chief Executive



## Strategic Plan



### VISION:

To be a strong, adaptable water infrastructure company.

### MISSION:

To deliver cost-effective, reliable water; be committed to environmental leadership and enable positive social and economic outcomes.

### STRATEGIC PRIORITIES:

- > Shareholder value
  - Water security
  - Scheme integrity
  - Economic sustainability
- > Environmental leadership
- > Staff development
- > Community engagement (social capital/thriving Waitaki).

### VALUES:

- > Respect - we will value and respect relationships with our shareholders, our people and our community
- > Safety - we will prioritise the wellbeing of all people
- > Leadership - we will strive to be good environmental stewards, setting aspirational standards and acting with integrity

- > Transparency and fairness - we will maintain strong co-operative principles
- > Prosperity - we will operate in the best interests of our shareholders
- > Personal achievement - we will aspire to improve, to be excellent in all that we do.

### MEASURES OF SUCCESS:

- > No increase in nominal charges for water/ha
- > All shares subscribed/relative cost of water declines
- > Core services are provided to other schemes, with mutual benefit
- > A successful outcome on the Water Allocation Plan (2025) and the renewal of our consent (2030)
- > NOIC is recognised for its farmer engagement and environmental leadership.

## Company information

For the year ended 30 June 2024

### CONTACT US

Phone 03 433 1201  
 Email [office@noic.co.nz](mailto:office@noic.co.nz)  
 Postal PO Box 216, Oamaru 9444  
 Website [www.noic.co.nz](http://www.noic.co.nz)

### NATURE OF BUSINESS

Management and operation of irrigation infrastructure

### BUSINESS LOCATION

North Otago, New Zealand

### DIRECTORS

Matt F Ross (Chair)  
 Sina Cotter Tait  
 Jo R Hay  
 David J Hazlehurst (appointed 2 May 2024)  
 Paul B Hope  
 Gareth L Isbister  
 Callum R Kingan

### CHIEF EXECUTIVE

Andrew A Rodwell

### REGISTERED OFFICE

Harvie Green Wyatt  
 229 Moray Place, Dunedin

### ADDRESS FOR SERVICE

Harvie Green Wyatt  
 229 Moray Place, Dunedin

### SHARE REGISTRAR

Harvie Green Wyatt  
 229 Moray Place, Dunedin

### BANKER

ASB Rural Corporate, Auckland

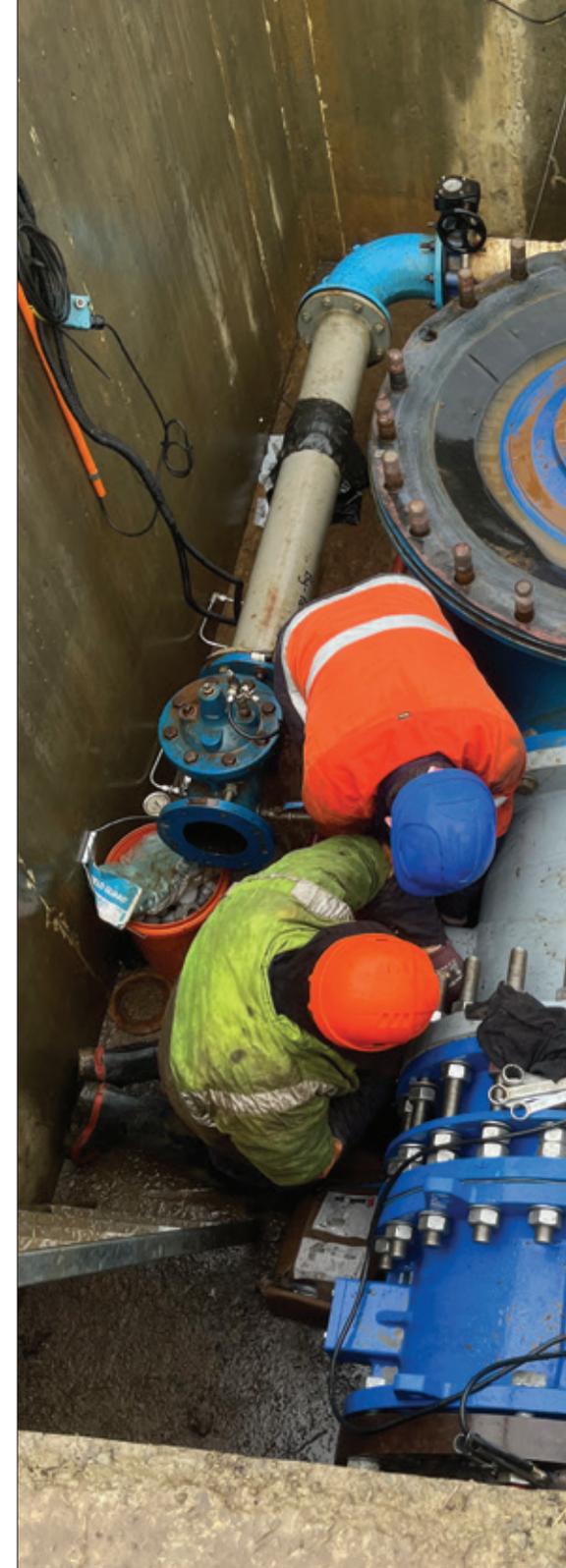
### SOLICITORS

Berry & Co Barristers and Solicitors, Oamaru

### AUDITORS

Crowe New Zealand Audit Partnership, Dunedin

Replacing the PRV isolation valve at Windsor Corner.



## Directors' Responsibility Statement

For the year ended 30 June 2024

The Directors of North Otago Irrigation Company Limited are pleased to present the financial statements for the Company for the year ended 30 June 2024 to Shareholders.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which fairly reflects the financial position for the Company and the results of its operations and cash flows as at 30 June 2024.

The Directors consider the financial statements of the Company have been prepared using accounting policies that have been consistently applied that are supported by reasonable judgments and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Company and the compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Annual Financial Statements are signed for on behalf of the Board, and were authorised for issue on the 25 September 2024.



**Matt Ross**  
Director  
25 September 2024



**David Hazlehurst**  
Director



# Audit Report



**Crowe New Zealand Audit Partnership**  
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 Dunedin 9016  
 C/- Crowe Mail Centre Private Bag  
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 Invercargill 9840 New Zealand  
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 Fax +64 3 474 1564  
 www.crowe.nz

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of North Otago Irrigation Company Limited

### Opinion

We have audited the financial statements of North Otago Irrigation Company Limited (the Company) on pages 14 to 42, which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

### 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 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, 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 auditor we have no relationship with, or interests in, the Company.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How we addressed the Key Audit Matter
<b>Valuation of Infrastructure Assets</b>  The Company's Infrastructure Assets total \$148 million and represent 94% of the Company's Total Assets as per Note 18. The infrastructure assets are revalued by an independent valuer every 5 years with the last revaluation being completed as at 30 June 2021. The directors are required to consider the appropriateness of the carrying value of these infrastructure assets in the periods between valuations.  As the Infrastructure Assets comprise a significant portion of the Company's Assets, and are revalued on a cyclical basis, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our procedures included, but were not limited to: <ul style="list-style-type: none"> <li>Reviewing minutes and reports of the directors and management to identify any critical maintenance discussions.</li> <li>Assessing the nature of costs incurred in capital projects by testing a sample of costs and determining whether the expenditure met the capitalisation criteria.</li> <li>Reviewing the company's assessment of impairment of infrastructure assets to gain comfort over the appropriateness of the carrying value.</li> <li>Reviewing the company's assessment of useful lives allocated to all major assets.</li> <li>Considering the adequacy of disclosures made in the notes to the financial statements which sets out the key judgements and estimates.</li> </ul>

### Information Other Than the Financial Statements and Auditor's Report

The Directors are responsible for the other information. The other information comprises the information included on pages 3 to 11 and the statutory information on pages 43 to 44 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 fair presentation of the financial statements in accordance with NZ IFRS, 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.

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### 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.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be



communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Restriction on Use

This report is made solely to the Company's Shareholders, as a body. Our audit has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them 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 the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Philip Sinclair.

For and on behalf of:

**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS

Dated at Dunedin this 25th day of September 2024

# Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000
<b>Revenue</b>	2	18,902	15,522
<b>Expenses</b>			
Scheme power		6,495	4,216
Environmental		65	106
Scheme operations		114	199
Scheme repairs and maintenance		710	1,156
Accounting and finance		70	71
Audit fees		40	36
Directors' fees		133	112
Insurance		616	620
Wages and salaries		1,286	1,213
Other general and administration expenses		872	809
Depreciation and amortisation	3	3,457	3,477
Net finance costs	4	6,108	5,792
<b>Total expenses</b>		<b>19,966</b>	<b>17,807</b>
<b>Net profit/(loss) prior to other gains and tax</b>		<b>(1,064)</b>	<b>(2,285)</b>
Fair value gain/(loss) on interest rate swaps		(297)	1,921
<b>Profit/(Loss) before income tax</b>		<b>(1,361)</b>	<b>(364)</b>
Income tax (expense)/credit	5	329	53
<b>Net profit/(loss) for the year</b>		<b>(1,032)</b>	<b>(311)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(1,032)</b>	<b>(311)</b>

The accompanying notes form part of these financial statements



# Statement of Changes in Equity

For the year ended 30 June	Note	Accumulated (Losses) \$000	Share Capital \$000	Asset Revaluation Reserve \$000	Treasury Stock \$000	Total Equity \$000
<b>2024</b>						
Opening balance 1 July 2023		(11,539)	53,250	23,634	(6)	65,339
Profit/(Loss) for the year		(1,032)	-	-	-	(1,032)
Total income for the year		(1,032)	-	-	-	(1,032)
Issue of share capital	6	-	620	-	-	620
Total transactions with owners recorded directly in equity		-	620	-	-	620
<b>Balance 30 June 2024</b>		<b>(12,571)</b>	<b>53,870</b>	<b>23,634</b>	<b>(6)</b>	<b>64,927</b>
<b>2023</b>						
Opening balance 1 July 2022		(11,228)	53,250	23,634	(6)	65,650
Profit/(Loss) for the year		(311)	-	-	-	(311)
Total income for the year		(311)	-	-	-	(311)
Issue of share capital	6	-	-	-	-	-
Total transactions with owners recorded directly in equity		-	-	-	-	-
<b>Balance 30 June 2023</b>		<b>(11,539)</b>	<b>53,250</b>	<b>23,634</b>	<b>(6)</b>	<b>65,339</b>

The accompanying notes form part of these financial statements



# Statement of Financial Position

As at 30 June 2024

	Note	2024 \$000	2023 \$000
<b>Current assets</b>			
Cash and cash equivalents		2,517	187
Receivables and prepayments	16	1,577	1,426
Inventories	17	776	740
Taxation refund due		2	-
Derivative financial instruments	8	19	35
Other assets	19	358	-
		5,249	2,388
<b>Non-current assets</b>			
Intangible assets	20	110	125
Property, plant and equipment	18	148,122	151,077
Right to use asset	19	1,172	1,552
Derivative financial instruments	8	2,358	2,640
Investments	21	3	3
		151,765	155,397
<b>TOTAL ASSETS</b>		<b>157,014</b>	<b>157,785</b>
<b>Current liabilities</b>			
Trade and other payables	10	630	668
Employee benefits	15	56	44
Lease liabilities	19	500	131
Borrowings	14	1,603	1,963
		2,789	2,806
<b>Non-current liabilities</b>			
Borrowings	14	81,847	81,391
Lease liabilities	19	2,320	2,790
Deferred tax	5	5,130	5,459
		89,297	89,640
<b>TOTAL LIABILITIES</b>		<b>92,087</b>	<b>92,446</b>
<b>TOTAL NET ASSETS</b>		<b>64,927</b>	<b>65,339</b>
<b>Equity</b>			
Share capital	6	53,870	53,250
Accumulated (losses)		(12,571)	(11,539)
Asset revaluation reserve	7	23,634	23,634
Treasury stock		(6)	(6)
<b>TOTAL EQUITY</b>		<b>64,927</b>	<b>65,339</b>

For and on behalf of the Board, who authorise these financial statements for issue on 25 September 2024.



**Matt Ross**  
Director



**David Hazlehurst**  
Director

The accompanying notes form part of these financial statements



# Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000
<b>Cash flows from operating activities</b>			
<i>Cash was provided from:</i>			
Receipts from customers		18,749	15,616
Interest received		41	22
		18,790	15,638
<i>Cash was disbursed to:</i>			
Payments to suppliers		(8,931)	(7,071)
Payments to and on behalf of employees		(1,407)	(1,320)
Interest paid		(6,149)	(5,734)
GST		(1)	(20)
		(16,488)	(14,145)
<b>Net cash flows from operating activities</b>	22	<b>2,302</b>	<b>1,493</b>
<b>Cash flows from investing activities</b>			
<i>Cash was disbursed to:</i>			
Purchase of irrigation infrastructure		(525)	(284)
		(525)	(284)
<b>Net cash flows/(outflows) from investing activities</b>		<b>(525)</b>	<b>(284)</b>
<b>Cash flows from financing activities</b>			
<i>Cash was provided from:</i>			
Call on shares and shares issued		620	-
Received from borrowings		2,000	-
		2,620	-
<i>Cash was provided to:</i>			
Repayment of borrowings		(1,904)	(5,724)
Payment of lease liabilities		(163)	(142)
		(2,067)	(5,866)
<b>Net cash flows from financing activities</b>		<b>553</b>	<b>(5,866)</b>
Net increase/(decrease) in cash held		2,330	(4,657)
Cash and cash equivalents at the beginning of year		187	4,844
<b>Cash and cash equivalents at end of year</b>		<b>2,517</b>	<b>187</b>

The accompanying notes form part of these financial statements



# Notes to and forming part of the Financial Statements

For the year ended 30 June 2024

## 1 Reporting entity

North Otago Irrigation Company Limited ('the Company') is a profit-oriented company incorporated and domiciled in New Zealand, registered under the Companies Act 1993.

The Company is an issuer for the purposes of the Financial Markets Conduct Act 2013. Its principal activity is the management and operation of an irrigation scheme.

The financial statements for the year ended 30 June 2024 were authorised for issue with a resolution of the Directors on 25 September 2024.

### Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Companies Act 1993 and the Financial Markets Conduct Act 2013. The financial statements have also been prepared on an historical cost basis, except for derivative financial instruments, which have been measured at fair value and irrigation infrastructure which is carried at optimised depreciated replacement cost.

The financial statements are presented in New Zealand dollars which is the Company's functional currency. All amounts have been rounded to the thousand, unless otherwise indicated.

The financial statements are prepared on an accrual basis.

### Statement of compliance

These financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

### Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparatives have been reclassified to conform with the current year's presentation.

#### a) Financial instruments

Financial instruments are recognised in the statement of financial position when the Company becomes party to a financial contract. They include cash balances, receivables, payables, investments, interest rate swaps and term borrowings. For the purposes of risk management, the Company currently enters into interest rate swap contracts, which are classified as 'fair value through profit or loss' instruments. The contracts are fair valued at each reporting date and recorded as an asset if the fair value is positive to the Company or as a liability if it is negative to the Company.

The movement in fair value of the contracts are recorded in the statement of comprehensive income.

### Financial assets

Financial assets consist of cash and cash equivalents, trade and other receivables and equity investments. Financial assets are measured at amortised



cost using the effective interest method less any expected credit loss. Trade debtors are not expected to have any credit losses. This is because if a customer defaults on its debt, the Company can forfeit the customers shares by exercising its rights under the Property Law Act and the Land Transfer Act.

Derivative financial instruments (interest rate swaps) are classified as financial assets 'at fair value through profit or loss' (FVTPL).

#### **Financial liabilities**

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Trade and other payables and loans and borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective interest basis.

#### **b) Impairment of non-financial assets**

The carrying amount of Company assets are reviewed at each balance date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income.

#### **c) Lease payments**

In applying NZ IFRS 16, the Company has used the following practical expedients permitted by the standard:

- Relying on previous assessments applying NZ IAS 17 and NZ IFRIC 4 determining whether an arrangement contains a Lease.
- Accounting for operating leases with a remaining lease term of less than 12 months as short-term leases
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Per the practical expedients above, short-term and low value leases are recognised as an expense on a straight-line basis over the term of the lease.

#### **d) Finance income and expenses**

Finance income comprises interest income on funds invested, dividend income, and change in the fair value of financial assets at fair value through the statement of comprehensive income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

#### **e) Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **(i) Irrigation infrastructure**

Irrigation infrastructure is valued at optimised depreciated replacement cost as determined by independent valuers.

#### **(ii) Other non-derivative financial instruments**

The carrying values less impairment provisions of trade receivables and payables are assumed to approximate their fair value.

The carrying values of loans and borrowings approximate their fair values.



**f) Material accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, fair value swaps, revenue recognition and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

**(i) Impairment of non-financial assets**

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include performance, technology, economic and political environments and future use expectations. If an impairment trigger exists, the recoverable amount of the asset is determined.

**(ii) Depreciated replacement cost of infrastructure assets**

Independent valuers are used to determine the optimised depreciated replacement cost of infrastructure assets. The values are estimated amounts for the replacement cost of a modern equivalent asset.

**(iii) Estimated useful lives of infrastructure assets**

Useful lives for infrastructure assets are estimated based on the typical total useful life for each particular type of asset. Remaining useful lives have been determined using the total useful life less the period of service.

**(iv) Resource consent lives**

The useful lives of the infrastructure assets are dependent on renewal of the Company's water rights resource consents, which are currently set to expire between 2030 and 2033. The independent valuer's valuation is based on the assumption the existing resource consent will be renewed. The valuation assigns standard lives of components of the scheme between 15 and 100 years.

**g) Changes in accounting policies**

There were no changes in accounting policies during the year. All accounting policies have been applied on a basis consistent with the prior year.

**2 Revenue**

Revenue comprises the fair value of consideration received or receivable for the delivery of water for irrigation or stock and other income in the ordinary course of the Company's activities. The Company's performance obligations are typically satisfied when water is made available.

**Fixed infrastructure revenue**

Fixed infrastructure revenue covers all the costs of operating, maintaining and renewing scheme infrastructure, environmental services, Company administration, debt servicing, capital works and other expenditure needed to ensure continued development and operation of the Company. Fixed infrastructure revenue is invoiced as "monthly fixed charges" and is recognised over a 12-month period as the infrastructure is made available.



### Variable water revenue

Variable water revenue covers the direct and indirect variable cost of supplying the volume of water utilised by irrigators. Variable supply revenue is invoiced as “supply charges” and is recognised at a point in time as water is consumed during the irrigation season which runs from 1 September to 31 May each year.

### Management support revenue

North Otago Irrigation Company Limited charges management services to Lower Waitaki Irrigation Company Limited, Kurow Duntroon Irrigation Company Limited and Maerewhenua District Water Resource Company Limited for assisting them to provide irrigation services to their schemes.

	Note	2024 \$000	2023 \$000
<b>Revenue</b>			
Fixed infrastructure revenue		13,237	12,205
Variable water revenue		5,014	2,898
<b>Total revenue</b>		<b>18,251</b>	<b>15,103</b>
<b>Other revenue</b>			
Depreciation recovered		2	43
Management support revenue		507	253
Other revenue		136	110
Environmental Farm Plan audit cost recovery		6	13
<b>Total other revenue</b>		<b>651</b>	<b>419</b>
<b>Total operating revenues</b>		<b>18,902</b>	<b>15,522</b>
<b>3 Depreciation and amortisation</b>			
Depreciation expense	18	3,306	3,396
Lease depreciation	19	83	66
Water permit amortisation	20	15	15
Losses on disposal	18	53	-
<b>Total depreciation and amortisation</b>		<b>3,457</b>	<b>3,477</b>

	2024 \$000	2023 \$000
<b>4 Net finance costs</b>		
Interest income on bank deposits	(41)	(22)
<b>Finance expenditure</b>		
Bank interest	5,298	5,277
Waitaki District Council interest	772	459
Lease interest	79	78
Total finance expenditure	6,149	5,814
<b>Total net finance costs</b>	<b>6,108</b>	<b>5,792</b>

#### 5 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reported date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax losses are available to the Company and have been recognised as a deferred tax asset and there are no tax losses unrecognised for the year ended 30 June 2024.

#### Tax expense

Profit/(Loss) for the year before tax	(1,361)	(364)
Income tax at 28%	(381)	(102)
<i>Plus/(Less) tax effect of:</i>		
Expenses not deductible for tax purposes	1	2
Adjustment to deferred tax	51	47
<b>Tax expense/(credit)</b>	<b>(329)</b>	<b>(53)</b>



**Deferred tax asset/(liability)**

	Opening asset (liability) \$000	Other comp. income \$000	Charged to income \$000	Closing asset (liability) \$000
<b>2024</b>				
Property, plant and equipment	(10,417)	-	(184)	(10,601)
Employee benefits	12	-	3	15
Tax losses	4,581	-	538	5,119
Leaseback liability	365	-	(28)	337
	(5,459)	-	329	(5,130)
<b>2023</b>				
Property, plant and equipment	(10,256)	-	(161)	(10,417)
Employee benefits	11	-	1	12
IFRS 16 transactions	(1)	-	11	-
Tax losses	4,351	-	230	4,581
Leaseback liability	393	-	(28)	365
	(5,512)	-	53	(5,459)

The Company has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised before they expire.

	Note	2024 \$000	2023 \$000
<b>Imputation credit account</b>			
Balance at beginning of year		-	-
Resident withholding tax received		2	-
<b>Balance at end of year</b>		<b>2</b>	-

<b>6 Share capital</b>	2024 Shares	(\$000)	2023 Shares	(\$000)
Ordinary shares				
Opening balance	17,825	53,250	17,825	53,250
Shares issued in year fully paid	618	86	-	-
Shares issues pending/partly paid	-	534	-	-
<b>Closing balance</b>	<b>18,443</b>	<b>53,870</b>	<b>17,825</b>	<b>53,250</b>
<b>Total share capital</b>		<b>53,870</b>		<b>53,250</b>

18,443 ordinary shares have been issued of 20,000 authorised for issue. All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up and have no-par value.

### Share repurchase held as Treasury Stock

Treasury Stock of 3 shares valued at \$5,550 was held at 30 June 2024. There have been no movements during the year. 18,443 shares as at 30 June 2024 have been issued. Two hundred shares are only partly paid (2023:17,825, 200 partly paid).

### 7 Asset revaluation reserve

	2024 \$000	2023 \$000
Balance at beginning of year	23,634	23,634
Net change in fair value of irrigation infrastructure assets	-	-
<b>Balance at end of year</b>	<b>23,634</b>	<b>23,634</b>

The asset revaluation reserve relates to the revaluation of scheme infrastructure. A full valuation was undertaken as at 30 June 2021.

### 8 Financial instruments

#### Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2024 \$000</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	2,517	-	2,517
Trade debtors and other receivables	-	1,577	-	1,577
Investments	3	-	-	3
Interest rate swaps	2,377	-	-	2,377
<b>Total</b>	<b>2,380</b>	<b>4,094</b>	<b>-</b>	<b>6,474</b>
<b>Financial liabilities</b>				
Trade creditors and other payables	-	-	630	630
Loans and borrowings	-	-	83,450	83,450
<b>Total</b>	<b>-</b>	<b>-</b>	<b>84,080</b>	<b>84,080</b>

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2023 \$000</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	187	-	187
Trade debtors and other receivables	-	1,426	-	1,426
Investments	3	-	-	3
Interest rate swaps	2,675	-	-	2,675
<b>Total</b>	<b>2,678</b>	<b>1,613</b>	<b>-</b>	<b>4,291</b>
<b>Financial liabilities</b>				
Trade creditors and other payables	-	-	668	668
Loans and borrowings	-	-	83,338	83,338
Interest rate swaps	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>84,006</b>	<b>84,006</b>

## 9 Distributions to owners

There have been no distributions to shareholders (2023: Nil).

## 10 Current trade and other payables

	2024 \$000	2023 \$000
Trade payables	486	545
Sundry payables and accruals	45	23
GST payable	99	100
<b>Total payables</b>	<b>630</b>	<b>668</b>

## 11 Financial instruments

### Recognition and measurement

Financial instruments are recognised when the Company becomes party to a financial contract. Financial instruments are measured initially at fair value, adjusted by transaction costs, except for those carried at fair value through the statement of comprehensive income, which are initially measured at fair value. They include funds deposited with a bank, receivables, payables, investments in and loans to others, and term borrowings.

In addition, the Company is party to interest rate swaps to reduce exposure to fluctuations in interest rates.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **Classification and subsequent measurement of financial assets**

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Financial instruments at fair value through other comprehensive income (FVTOCI)
- Financial instruments at fair value through profit and loss (FVTPL).

All financial instruments, except for those at FVTPL, are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category.

#### **Amortised cost**

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method less any expected credit loss. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

#### **Financial instruments at fair value through profit and loss (FVTPL)**

Financial assets at FVTPL include financial assets that are neither classified at amortised cost or at fair value through other comprehensive income. Financial assets are initially recognised at fair value including directly attributable transaction costs.

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities designated as FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments are accounted for at FVTPL. All interest related charges and, if applicable, changes in an instruments fair value that are reported in the statement of comprehensive income are reported as fair value movement for interest rate swaps.

**Maturity profile of financial instruments**

	Effective average interest rate	0-1 Yrs	1-2 Yrs	Maturity dates 2-3 Yrs	3-4 Yrs	4-5 Yrs	5+ Yrs	Non-interest bearing	Total \$000
<b>As at 30 June 2024</b>									
<b>Financial assets</b>									
Cash and cash equivalents		2,517	-	-	-	-	-	-	2,517
Trade and other receivables		1,577	-	-	-	-	-	1,577	1,577
Interest rate derivatives		(19)	-	-	(1,016)	(835)	(507)	-	(2,377)
Forward exchange contracts		-	-	-	-	-	-	-	-
<b>Financial liabilities</b>									
Trade and other payables		630	-	-	-	-	-	630	630
Borrowings – ASB	8.39%	7,202	7,090	6,978	6,866	6,754	73,746	-	108,636
Borrowings – WDC	8.03%	1,353	1,331	1,310	1,289	1,267	14,130	-	20,680
Interest rate derivatives	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2023</b>									
<b>Financial Assets</b>									
Cash and cash equivalents		187	-	-	-	-	-	-	187
Trade and other receivables		1,424	-	-	-	-	-	1,424	1,424
Interest rate derivatives		(35)	(88)	-	-	(1,136)	(1,416)	-	(2,675)
Forward exchange contracts		-	-	-	-	-	-	-	-
<b>Financial liabilities</b>									
Trade and other payables		668	-	-	-	-	-	668	668
Borrowings – ASB	8.55%	7,279	7,165	7,051	6,937	6,822	78,609	-	113,863
Borrowings – WDC	3.26%	1,062	1,491	1,751	1,791	1,783	9,309	-	17,187
Interest rate derivatives	-	-	-	-	-	-	-	-	-

**Financial instrument risk management**

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk.

**Credit risk**

Financial instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable. The carrying amount of these financial instruments represents the maximum exposure to credit risk. Management has a credit policy in place under which each new customer is individually analysed for credit worthiness. The Company does not require collateral in respect of trade and other receivables. This is because if a customer defaults on its debt, the Company can forfeit the customer's shares by exercising its rights under the Property Law Act and the Land Transfer Act. Cash handling is only carried out with the counterparties that have an investment grade credit rating.

Further detail in relation to the credit quality of financial assets is provided note 16.

**Liquidity risk**

Liquidity risk represents the Company's ability to meet its contractual obligations. The Company evaluates its liquidity requirements on an ongoing basis. In general, the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has cash reserves in place to cover potential shortfalls and meet capital expenditure requirements.

**Market risk**

Market risk is the risk that market prices, with interest rates will affect the Company's income or the value of its holding in other instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Most of the Company's transactions are carried out in New Zealand Dollars (NZD).

**Interest rate risk**

The Company enters into derivative arrangements in the ordinary course of business to manage interest rate risks.

The Company uses interest rate swaps to hedge its exposure to interest rate risk arising from financing activities by providing a mix of fixed and floating rate exposure.

Interest rate swap contracts are recognised in the statement of financial position at their fair value. The gain or loss on re-measurement to fair value is recognised immediately in the Statement of Comprehensive Income.

The principal or contract amount of interest rate swap contracts outstanding at balance date was \$62,859,400 (2023: \$71,117,300).

**Sensitivity analysis**

The following sensitivity analysis assumes the total amount of borrowings outstanding at year end was outstanding for the whole year. If interest rates were 50 basis points higher/lower and all other variables were held constant the Company's profit would have been \$417,249 lower/ higher (2023: \$416,691).



## 12 Fair value measurement

The following presents the Company's assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair values.

**Level 1:** Quoted prices, unadjusted in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly, as prices or indirectly derived from prices.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows using published market swap rates.

**Level 3:** Inputs for the asset or liability that are not based on observable market data.

Interest rate derivatives	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>2024 financial liabilities at fair value through the Statement of Financial Position</b>				
Interest contracts	-	-	-	-
Total liabilities	-	-	-	-
<b>2024 financial assets at fair value through the Statement of Financial Position</b>				
Interest contracts	-	2,377	-	2,377
Total liabilities	-	2,377	-	2,377
<b>2023 financial liabilities at fair value through the Statement of Financial Position</b>				
Interest contracts	-	-	-	-
Total liabilities	-	-	-	-
<b>2023 financial assets at fair value through the Statement of Financial Position</b>				
Interest contracts	-	2,675	-	2,675
Total liabilities	-	2,675	-	2,675

## Property, plant and equipment

An independent valuation of the irrigation infrastructure was performed by valuers to determine the fair value as at 30 June 2021.

### 2024

Irrigation infrastructure	-	144,109	-	144,109
Other scheme infrastructure	-	294	-	294
<b>Total carrying amount</b>	-	<b>144,403</b>	-	<b>144,403</b>

There were no transfers between levels 1 and 3 during the year.

### 2023

Irrigation infrastructure	-	146,045	-	146,045
Other scheme infrastructure	-	1,260	-	1,260
<b>Total carrying amount</b>	-	<b>147,305</b>	-	<b>147,305</b>

There were no transfers between levels 1 and 3 during the year.



### Valuation techniques used to derive level 2 fair values

The Level 2 fair value of irrigation infrastructure has been derived using optimised depreciated replacement cost. The most significant inputs into this valuation approach include obtain and review asset data, the calculation of replacement costs, assumptions about the useful lives, residual value, and the term of the consents to extract water from the Waitaki River. The replacement costs have been largely determined using recent cost information based on similar projects, local council pipe installation rates, and the original installation costs in 2005 and 2017 escalated by the capital goods price index between 2005 and 2017 and 2018. The useful lives have been derived from observable sources including the Commerce Commission guidelines for electrical equipment and various council asset valuation databases and are disclosed per the depreciation policy. Irrigation equipment has been assumed to have nil residual value due to its specific nature and use. It has been assumed that the Regional Council will renew resource consents at the time of expiry.

A significant increase (decrease) in the suspected useful life of the Irrigation Infrastructure would result in a significantly higher (lower) fair value measurement.

A full valuation was undertaken as at 30 June 2021 of the completed irrigation infrastructure.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

### 13 Capital risk management

The Company's capital includes share capital, debt, reserves and retained earnings. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence. The Directors' objective is to ensure the entity continues as a going concern.

Refer to note 14 for the Company's debt financing and note 6 for the Company's share capital, including changes from the prior period.

The Company meets its objectives for managing capital through its investment decisions on the acquisition, disposal and development of assets.

The Company's policy is to maintain the following debt ratios and within treasury policy limits:

	Target	2024	2023
Equity contribution rate	Minimum 25%	41%	41%
Debt percentage	40 - 75%	53%	53%
Debt service cover ratio	Minimum 0.75:1	1.01:1	1.59:1

The exception to the above policy is when there is a temporary movement away from these ratios as approved by the board and lenders to the Company.

The Company has a financial covenant to maintain a debt service cover ratio of not less than 0.75 for the financial year to 30 June 2024. This covenant is measured and tested annually.



	2024 \$000	2023 \$000
<b>14 Borrowings</b>		
<b>Current</b>		
Bank loans	1,336	1,336
Waitaki District Council loan	267	611
Vehicle funding	-	16
	<u>1,603</u>	<u>1,963</u>
<b>Non-current</b>		
Bank loans	68,588	68,178
Waitaki District Council loan	13,259	13,213
Vehicle funding	-	-
	<u>81,847</u>	<u>81,391</u>
<b>Total borrowings</b>	<u>83,450</u>	<u>83,354</u>

**Repayable as follows:**

	2024 \$000	2023 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
	Less than 1 year	Less than 1 year	Between 1-5 years	Between 1-5 years	Greater than 5 years	Greater than 5 years
Bank loans	1,336	1,336	6,679	6,679	61,909	61,499
Waitaki District Council loan	267	611	1,335	6,466	11,924	6,747
Vehicle funding	-	16	-	-	-	-
<b>Total</b>	<b>1,603</b>	<b>1,963</b>	<b>8,014</b>	<b>13,145</b>	<b>73,833</b>	<b>68,246</b>

The Company's borrowings include bank loans and a loan from the Waitaki District Council secured against Company property. The bank loans require maintenance of a debt service cover ratio. The Company has complied with all debt covenant requirements for the year to 30 June 2024.

**15 Employee entitlements**

Balance at beginning of year	44	39
Additional provision/(reduction)	12	5
<b>Balance at end of year</b>	<b>56</b>	<b>44</b>
This is represented by:		
Current liability	56	44
Non-current liability	-	-
<b>Balance at end of year</b>	<b>56</b>	<b>44</b>

	2024 \$000	2023 \$000
<b>16 Receivables and prepayments</b>		
Trade receivables	1,525	1,353
Sundry receivables	52	15
Prepayments	-	58
<b>Total receivables and prepayments</b>	<b>1,577</b>	<b>1,426</b>

Trade debtors are initially recognised as fair value less an allowance for impairment. Collectability of trade debtors is reviewed on an ongoing basis and assessed for the need to recognise any impairment. There are no overdue debtors considered impaired.

#### Credit risk

The following table details the aging of the Company's trade receivables at balance date.

	2024 Gross \$000	Impairment \$000	2023 Gross \$000	Impairment \$000
Not yet due	1,371	-	1,331	-
Overdue 0-31 days	154	-	22	-
Overdue 32-92 days	-	-	-	-
Overdue 93-184 days	-	-	-	-
<b>Total trade receivables</b>	<b>1,525</b>	<b>-</b>	<b>1,353</b>	<b>-</b>

#### 17 Inventories

Inventories comprise critical spares, spare parts and other consumables which are used to maintain service to irrigators and repair the Company's infrastructure assets. Inventories are stated at the lower of cost and net realisable value. Cost is based on first-in first-out.

Parts and spares	776	740
<b>Balance at end of year</b>	<b>776</b>	<b>740</b>



## 18 Property, plant and equipment

### (i) Recognition and measurement

Except for irrigation infrastructure, items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Land is not depreciated.

The initial cost includes the purchase price and any costs directly attributable to bringing the asset to the state of being ready for use in location. These costs can include installation costs, borrowing costs, professional design fees and project management costs. Any feasibility costs are expensed.

The Company has seven classes of property, plant and equipment:

- > Freehold land;
- > Freehold buildings and structures;
- > Plant and equipment;
- > Irrigation Infrastructure;
- > Other scheme infrastructure;
- > Electricity reticulation;
- > Capital work in progress.

### (ii) Irrigation Infrastructure recognition and measurement

Infrastructure assets are initially stated at cost. On a five-yearly basis expected 30 June 2026 or sooner if the Directors deem necessary, such assets are valued by an independent valuer, the valuation approach being optimised depreciated replacement cost. The depreciated replacement cost includes, among other things, estimates and assumptions about the useful lives, replacement costs and residual value of the assets and water resources consents term.

A valuation was undertaken at 30 June 2021 by Rationale Limited. They have done all previous valuations and been involved since the company's inception. The valuation was carried out in accordance with NZIFRS 13 (cost approach) standard and is an optimised depreciated replacement cost valuation.

The key assumptions of the valuation are:

- > The asset register compiled is an accurate reflection of the NOIC scheme;
- > The unit rates and total useful lives derived by Rationale Ltd, as described in the valuation report, are a suitable basis to determine fair value of both Stage 1 and Stage 2 assets, along with subsequent additions, as at 30 June 2021;
- > The pipeline unit rates are consistently applied across Stage 1 and Stage 2.

Any gain arising from a change in the value of the assets is recognised in the statement of comprehensive income as other comprehensive income. A loss is only recognised in other comprehensive income to the extent that a gain has previously been recognised for that asset, with any residual recognised in profit and loss.

The carrying amount of the revalued irrigation infrastructure had the cost method been used at 30 June 2024 is \$114.488 million (2023: \$108.796m).

### (iii) Subsequent expenditure

Subsequent expenditure is added to the gross carrying amount of an item of property, plant or equipment, if that expenditure increases the future economic benefits of the asset beyond its existing potential, or is necessarily incurred to enable future economic benefits to be obtained and its cost can be measured reliably.



**(iv) Disposal of property, plant or equipment**

When an item of such is disposed of, the gain or loss is recognised in the Statement of Comprehensive Income at the difference between the net sale price and the net carrying amount of the item.

**(v) Depreciation**

Depreciation is calculated on an appropriate basis to allocate the cost of an asset, less its residual value, over its useful life. The estimated useful lives of significant asset categories are:

> Buildings	4 – 50 years
> Plant and equipment	1 – 100 years
> Irrigation infrastructure:	15 – 100 years
- Pipelines	100 years
- Buildings	50 years
- Major electrical equipment	45 years
- HDPE linings	30 years
- Pumps and motors	25 years
- Control equipment	25 years
- Offtakes	15 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

**(vi) Security**

The Company's ASB loan has a maturity date of 31 October 2030, a facility limit of \$69.924 million and an overdraft facility of \$2 million. The loan is secured over the company assets of \$148.045 million, which is the total property, plant and equipment shown below less the electricity reticulation assets sold to NWL.

**(vii) Subsequent to balance date**

Subsequent to balance date North Otago Irrigation Company Limited has sold certain plant and equipment to Aqus Limited. This is a new management services company set up by North Otago Irrigation Company Limited and Lower Waitaki Irrigation Company Limited to manage irrigation services for both organisations.

	Land (cost) \$000	Buildings (cost) \$000	Plant and equipment (cost) \$000	Other scheme infrastructure (cost) \$000	Irrigation infrastructure (valuation) \$000	Electricity reticulation (cost) \$000	Capital work in progress (cost) \$000	Total \$000
<b>2024</b>								
<b>Gross carrying amount</b>								
Balance 1 July 2023	1,320	179	700	746	153,652	2,361	-	158,958
Additions	-	2	30	45	261	-	77	415
Disposals	-	-	(14)	-	-	-	-	(14)
<b>Balance 30 June 2024</b>	<b>1,320</b>	<b>181</b>	<b>716</b>	<b>791</b>	<b>153,913</b>	<b>2,361</b>	<b>77</b>	<b>159,359</b>
<b>Accumulated depreciation and impairment</b>								
Balance 1 July 2023	-	(63)	(507)	(399)	(6,680)	(232)	-	(7,881)
Current year depreciation	-	(13)	(55)	(98)	(3,074)	(65)	-	(3,306)
Revalued during year	-	-	-	-	-	-	-	-
Disposals	-	-	2	-	(52)	-	-	(50)
<b>Balance 30 June 2024</b>	<b>-</b>	<b>(76)</b>	<b>(562)</b>	<b>(497)</b>	<b>(9,806)</b>	<b>(297)</b>	<b>-</b>	<b>(11,237)</b>
<b>Carrying amount 30 June 2024</b>	<b>1,320</b>	<b>105</b>	<b>154</b>	<b>294</b>	<b>144,109</b>	<b>2,063</b>	<b>77</b>	<b>148,122</b>
<b>2023</b>								
<b>Gross carrying amount</b>								
Balance 1 July 2022	1,320	169	650	729	153,333	2,361	-	158,562
Additions	-	10	111	17	319	-	-	457
Disposals	-	-	(61)	-	-	-	-	(61)
<b>Balance 30 June 2023</b>	<b>1,320</b>	<b>179</b>	<b>700</b>	<b>746</b>	<b>153,652</b>	<b>2,361</b>	<b>-</b>	<b>158,958</b>
<b>Accumulated depreciation and impairment</b>								
Balance 1 July 2022	-	(48)	(497)	(266)	(3,549)	(168)	-	(4,528)
Current year depreciation	-	(15)	(53)	(133)	(3,131)	(64)	-	(3,396)
Revalued during year	-	-	-	-	-	-	-	-
Disposals	-	-	43	-	-	-	-	43
<b>Balance 30 June 2023</b>	<b>-</b>	<b>(63)</b>	<b>(507)</b>	<b>(399)</b>	<b>(6,680)</b>	<b>(232)</b>	<b>-</b>	<b>(7,881)</b>
<b>Carrying amount 30 June 2023</b>	<b>1,320</b>	<b>116</b>	<b>207</b>	<b>1,260</b>	<b>146,045</b>	<b>2,129</b>	<b>-</b>	<b>151,077</b>

## 19 Leases

The Company recognises a right-of use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less and lease incentives received.

The right-to-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company is leasing office space at 277 Thames Street with a right of renewal every five years and an expiry date of 30 September 2035. An industrial site at 486 Coal Pit Road with right of renewal every three years and an expiry date of 30 December 2030.

### Short-term and low-value leases

The Company has elected not to recognise right-of use assets and lease liabilities for the short-term lease of office space that had a lease term of 12 months or less and leases of low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Sale and leaseback

In December 2020 the Company entered an agreement with Network Waitaki Limited to sell certain electrical assets for \$1.56 million. These assets are shown separately in note 18 and had a carrying value of \$2.3 million and useful live of 36 years. The Company then leased the assets back from Network Waitaki Limited and entered into a Private Network Service Agreement.

In December 2021 as agreed in the Private Service Agreement the second transformer at Black Point Substation was installed and commissioned in June 2022. The final capital cost was \$1.13 million and has an estimated useful life of 50 years.

Subsequent to balance date as disclosed in note 27 North Otago Irrigation Company Limited has novated the lease of its Thames St premises and a motor vehicle lease to Aqus Limited. This is the new management services company set up by North Otago Irrigation Company Limited and Lower Waitaki Irrigation Company Limited to manage irrigation services for both organisations.

	2024 \$000	2023 \$000
<b>Right of use assets</b>		
<b>Buildings, motor vehicles and electricity reticulation</b>		
Balance at 1 July	1,552	1,618
Additions	61	-
Depreciation charge for the year	(83)	(66)
Novated leases to Aqus Limited	(358)	-
<b>Balance at end of year</b>	<b>1,172</b>	<b>1,552</b>
<b>Other assets</b>		
Novated leases to Aqus Limited	358	-
<b>Balance at end of year</b>	<b>358</b>	<b>-</b>



	2024 \$000	2023 \$000
<b>Lease liabilities</b>		
<b>Maturity analysis – contractual undiscounted cash flow</b>		
Less than one year	166	222
One to five years	622	789
More than five years	3,719	4,175
<b>Total undiscounted lease liabilities at 30 June</b>	<b>4,507</b>	<b>5,186</b>
<b>Lease liabilities included in the statement of financial position at 30 June</b>		
Current liability	500	131
Non-current liability	2,320	2,790
<b>Balance at end of year</b>	<b>2,820</b>	<b>2,921</b>
<b>Amounts recognised in profit or loss</b>		
Interest on lease liabilities	79	78
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-to-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets	6	8
<b>Amounts recognised in the statement of cash flows</b>		
Total cash outflow for leases	163	142

## 20 Intangible assets

Intangible assets acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses. The Company's intangible assets comprise acquired Water Permits.

Amortisation is recognised on a straight-line basis over the estimated useful life of the asset, from the date they are available for use, and disclosed within expenses. The following amortisation rates have been applied to each class of intangible assets:

Water permit                      20 - 23 years.

Residual values and useful lives are reviewed at each reporting date.

### Disposals

Gains or losses on disposal are determined by comparing the proceeds with the carrying amount of the intangible asset and reported in the statement of comprehensive income.

	2024 \$000	2023 \$000
<b>Gross carrying amount</b>		
Opening balance	315	315
Additions – separately acquired	-	-
<b>Closing balance</b>	<b>315</b>	<b>315</b>
<b>Amortisation and impairment</b>		
Opening balance	190	175
Amortisation	15	15
<b>Closing balance</b>	<b>205</b>	<b>190</b>
<b>Carrying amount</b>	<b>110</b>	<b>125</b>

All intangible assets are included in the floating charge security in favour of the Company's lenders.

## 21 Investments

Waitaki Irrigators Collective Limited shares	2	2
Farmlands shares	1	1
<b>Total investments</b>	<b>3</b>	<b>3</b>

Investments are stated at cost.

## 22 Reconciliation of reported surplus after taxation with cash flows from operating activities

	Note		
<b>Net after tax profit/(loss) for the year</b>		<b>(1,032)</b>	<b>(311)</b>
Adjustments for:			
Depreciation	18	3,306	3,396
Depreciation recovered	18	(2)	(43)
Amortisation of intangible property	20	15	15
Losses on disposal		53	-
Lease depreciation	19	83	66
Fair value loss/(gain) on interest rate swaps		297	(1,921)
<b>Changes in assets and liabilities:</b>			
Increase/(Decrease) in payables		101	(40)
Increase/(Decrease) in deferred taxation payable		(329)	(53)
(Increase)/Decrease in inventory		(36)	267
GST received/(paid)		(1)	(20)
(Increase)/Decrease in receivables		(153)	137
<b>Net cash flows from operating activities</b>		<b>2,302</b>	<b>1,493</b>



	2024 \$000	2023 \$000
<b>23 Related parties</b>		
<b>a) Inter-entity transactions and balances</b>		
Services provided to Waitaki Irrigators Collective Limited	Nil	Nil
Services received from Waitaki Irrigators Collective Limited	3	8
Shares in Waitaki Irrigators Collective Limited	2	2
Amounts receivable from Waitaki Irrigators Collective Limited	Nil	Nil
Amounts due to Waitaki Irrigators Collective Limited	Nil	Nil

Transactions with Directors are conducted on normal commercial terms no more favourable than other Shareholders.

The Company has a 16.67% equity interest in Waitaki Irrigators Collective Limited.

**(b) Key Management and Directors 2024**

Receiving entity	Related party name	Nature of relationship	Amount for the year	Owing at balance date	Description of transactions
<b>Sales to North Otago Irrigation Company Limited</b>					
Irrigation New Zealand Inc	A A Rodwell	Board Member	\$28,400	Nil	Payments for service.
Waitaki District Council	P B Hope	Group Manager	\$1,212,164	\$13,526,000	Loan for the development of irrigation infrastructure.
<b>Purchases from North Otago Irrigation Company Limited</b>					
GSI Trading Limited	G L Isbister	Director/Shareholder	\$38,064	Nil	Shareholder water and overhead charges.
Kokoamo Farms Limited	M F Ross	Director/Shareholder	\$198,344	\$12,731	Shareholder water and overhead charges.
Enfield Farm Limited	C R Kingan	Director/Shareholder	\$55,595	\$3,536	Shareholder water and overhead charges.
Windsor Park Dairies Limited	C R Kingan	Director/Shareholder	\$62,469	\$4,244	Shareholder water and overhead charges.
Windsor Park Farms Limited	C R Kingan	Director/Shareholder	\$156,430	\$12,023	Shareholder water and overhead charges.
Waitaki Irrigators Collective Limited	A A Rodwell	Director	\$2,973	Nil	Shareholder water and overhead charges.
Springbank Trust	J R Hay	Trustee	\$46,007	\$3,183	Shareholder water and overhead charges.
Serpentine Trust	G L Isbister	Trustee	\$131,521	\$11,033	Shareholder water and overhead charges.
North Otago Sustainable Land Management	C R Kingan	Member	\$8,500	Nil	Partnership funding.
<b>Other related party transactions</b>					
Windsor Park Dairies Limited	C R Kingan	Director/Shareholder	\$18,000	Nil	The company leases an industrial site at 486 Coal Pit Road.

**(b) Key Management and Directors 2023**

Receiving entity	Related party name	Nature of relationship	Amount for the year	Owing at balance date	Description of transactions
<b>Sales to North Otago Irrigation Company Limited</b>					
Irrigation New Zealand Inc	A A Rodwell	Board Member	\$28,580	Nil	Payments for service.
Waitaki District Council	P B Hope	Group Manager	\$458,502	\$13,824,000	Loan for the development of irrigation infrastructure.
<b>Purchases from North Otago Irrigation Company Limited</b>					
GSI Trading Limited	G L Isbister	Director/Shareholder	\$40,515	\$3,249	Shareholder water and overhead charges.
Kokoamo Farms Limited	M F Ross	Director/Shareholder	\$154,870	\$12,006	Shareholder water and overhead charges.
Maerewhenua District Water Resource Company Limited	M F Ross	Shareholder	\$151,998	\$5,750	Shareholder water and overhead charges.
Isa Holdings Limited	G A Isbister	Director/Shareholder	\$824,476	\$74,159	Shareholder water and overhead charges.
Enfield Farm Limited	C R Kingan	Director/Shareholder	\$40,956	\$3,335	Shareholder water and overhead charges.
Windsor Park Dairies Limited	C R Kingan	Director/Shareholder	\$50,183	\$4,002	Shareholder water and overhead charges.
Windsor Park Farms Limited	C R Kingan	Director/Shareholder	\$150,722	\$11,339	Shareholder water and overhead charges.
Waitaki Irrigators Collective Limited	A A Rodwell	Director	\$7,835	\$1,140	Shareholder water and overhead charges.
Serpentine Trust	G L Isbister	Trustee	\$96,074	\$8,348	Shareholder water and overhead charges.
North Otago Sustainable Land Management	C R Kingan	Member	\$5,667	Nil	Partnership funding.
<b>Other related party transactions</b>					
Windsor Park Dairies Limited	C R Kingan	Director/Shareholder	\$18,000	Nil	The company leases an industrial site at 486 Coal Pit Road.

	2024 \$000	2023 \$000
<b>24 Key management compensation</b>		
Directors' fees	133	112
Salaries and other short-term benefits	308	285
Total key management personnel compensation	441	397
<b>25 Contingent liabilities</b>		
As at 30 June 2024 there are no contingent liabilities (2023: Nil).		
<b>26 Commitments</b>		
Capital commitments		
Estimated commitments for the acquisition of property, plant and equipment contracted for at balance date but not provided for	89	106

#### **27 Events after balance date**

On 31 May 2024 North Otago Irrigation Company Limited and Lower Waitaki Irrigation Company Limited jointly incorporated a new management services company Aqus Limited each with a 50% shareholding. This company did not operate during the June 2024 financial year and had no assets or liabilities at 30 June 2024. Aqus Limited commenced trading on 1 July 2024 and is providing management services to irrigation schemes in the Waitaki region, including its two shareholders. North Otago Irrigation Company Limited subsequent to balance date sold assets to Aqus Limited, novated its lease commitments disclosed in note 19 for the premises and the leases of motor vehicles. Aqus Limited will pay for the assets and the net leasing costs.

During the year the company made an offer to issue shares. Post balance date the company issued 1,076 fully paid shares under the terms of this offer. (2023: The company is launching an offer to issue the remaining shares. This offer will close on 15 September 2023 and is open only to eligible investors that control irrigable land in the North Otago downlands).

#### **28 Standards and interpretations issued**

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective in future accounting periods that the Company has decided not to adopt early. These standards are not expected to have a material impact on the company in the current or future reporting periods on foreseeable future transactions.



	2024 \$	2023 \$
<b>Statutory information</b>		
<b>Remuneration</b>		
Directors' remuneration and other benefits paid during the year or due and payable are as follows:		
G A Isbister	-	4,667
G P Plunket	-	9,000
G L Isbister	14,000	14,000
P B Hope	14,000	14,000
M F Ross	28,000	28,000
C R Kingan	14,000	14,000
S Cotter Tait	18,000	18,000
J R Hay	14,000	10,500
D J Hazlehurst	31,375	-

One employee received remuneration and benefits of between \$300,000 and \$310,000, one employee between \$160,000 and \$170,000 (2023: \$280,000 and \$290,000, one employee between \$150,000 and \$160,000).

The Board received notices during the year from Directors that they had an interest in transactions or proposed transactions by the Company.

Directors' and Officers' liability insurance has been taken prior to 30 June 2024. The Company has indemnified Directors for liabilities that may arise out of normal performance of their duties.

#### **Donations**

No donations were made by the Company during the year.

#### **Auditor's fees**

Crowe New Zealand Audit Partnership have audited these financial statements and continue to act as the company's auditor. Crowe provides no other services to the Company. All amounts paid are shown as a separate amount in the financial statements.

## Interest register

The following disclosures of existing and new interests have been made in the interest's register for the year to 30 June 2024.

Name	Name of company/entity	Nature of interest
M F Ross	Kokoamo Farms Limited	Director/Shareholder
	Bortons Agri Limited	Director/Shareholder
	Kurow Duntroon Irrigation Company Limited	Ratepayer
	Waitaki Independent Irrigators Assoc. (WII)	Member
	Irrigation New Zealand Incorporated	Member
	Livestock Improvement Corporation (LIC)	Director
	LIC Agritechnology Company Limited Aqus Limited	Director Director
G L Isbister	GSI Trading Limited	Director/Shareholder
	Serpentine Trust	Trustee
	Otago Rural Support Trust	Vice Chair
C R Kingan	Windsor Park Dairies Limited	Director/Shareholder
	Windsor Park Farms Limited	Director/Shareholder
	Enfield Farm Limited	Director/Shareholder
	Aqus Limited	Director
	North Otago Sustainable Land Management	Steering Committee Member
P B Hope	Waitaki District Council	Group Manager
	Kurow Duntroon Irrigation Company Limited	Observer
S Cotter Tait	Collective Success Limited	Director/Shareholder
	Indemnity & General Insurance Company Limited	Director
	Whitestone Contracting Limited	Director
	Te Waihanga	Director
	Kiwirail Holdings Limited	Director
	Lewis Bradford & Associates Limited	Shareholder
	Otautahi Community Housing Trust	Trustee
J R Hay	Springbank Trust	Trustee
	North Otago Sustainable Land Management	Steering Committee
	Meat the Need	Trustee
D J Hazlehurst	Lower Waitaki Irrigation Company Limited	Independent Director
	Aqus Limited	Independent Director
	Dairy Goat Co-operative (N.Z.) Limited	Director





