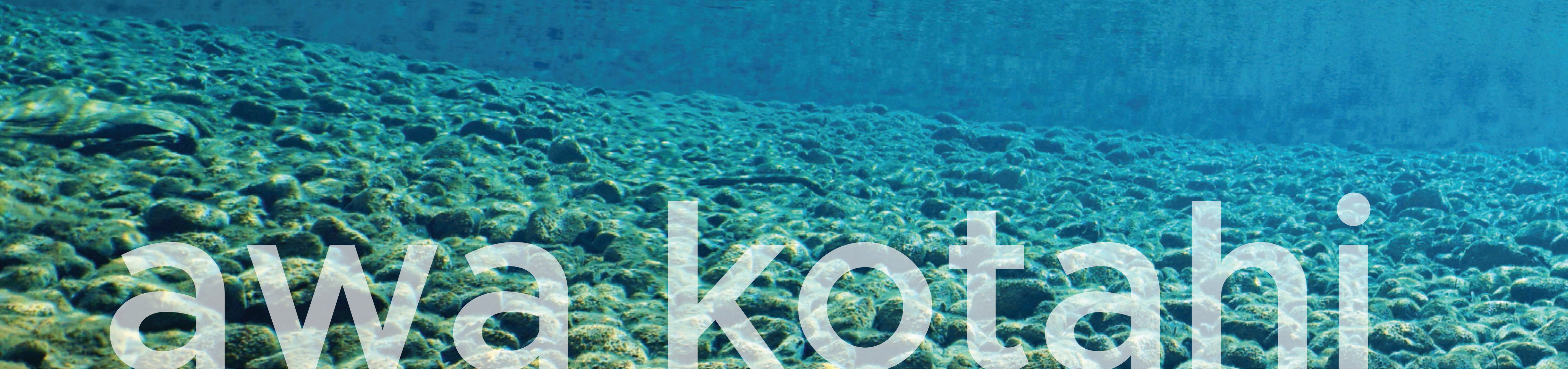
annual report 2023

NORTH OTAGO
Irrigation Company



Our performance at a glance

Water supplied 36 million m3
(+60% versus 22 million m3 2021-22)

Irrigation season
273 days

FEP audit grades

Grade	2023	2023
A	71%	40%
B	26%	57%
C	3%	3%
D	0%	0%

Lost-time injuries	1
Incidents	6
Hazards mitigated	14

Assets $157.8m

Scheduled debt repayments target a 16% reduction in debt by 2031

Share fixed charge
$696
+5.5% on last year

Share variable charge/m3
$0.08
+$0.01 on last year

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, adminsitration 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.

INSIDE THIS REPORT

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 a well-developed environmental management system based around audited Farm Environment Plans (FEPs).

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.

In the 2022/23 irrigation season 58 farms were audited with 97% of those farms receiving a pass grade and 71% of those an A grade.

The independent auditor noted that Shareholders were engaged and generally well prepared for audit.

NOIC is 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 Farm Environment Plans and the independent auditing of these on a regular basis.

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.

In the 2022/23 year the Company has maintained full compliance with its resource consents and has continued to help Shareholders understand and interpret the multitude of new legislation directed at food and fibre growers.

We have spent $106,000 on environmental initiatives including:

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

NOIC worked with NIWA and local iwi restoration group, Whiria te Waitaki, on an independent audit of ika/fish and tuna/eel at Bortons Pond intake.

Our commitment is zero harm

HEALTH AND SAFETY 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 can be affected by our work.

The Board maintains a Health and Safety Charter and reviews it on a regular basis. 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.

The Company recorded one lost time injury during the year.

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

During the year protecting staff around water and at height continued to be a high priority. Additional guarding was installed around machinery, additional safety inspections were implemented following a part failure in another industry, and active fatigue management was employed throughout major urgent pipeline repair projects.

NOIC Operator Barry Johnston clearing weed from the Kakanui discharge weed wiper.

The year in review

REPORT FROM THE CHAIR AND CHIEF EXECUTIVE

As we look in the rear vision mirror at the year to June, we are grateful to have had a year without COVID disruptions and without the need for any major capital upgrades.

This has allowed us to focus on getting the fundamentals right — delivering water reliably to farmers during the season and managing costs.

We have been able to hold an increase in water charges for FY24 to less than the cost of inflation, while delivering on some key, long-term initiatives — in particular commissioning our Asset Management System (ADAPT).

ADAPT will deliver value right across the Company in a variety of ways for years to come — in asset condition and maintenance management, in capital planning, in task allocation and in financial recording and reporting.

We have had the space to undertake training for our operations staff that will shorten the time and cost it takes to repair pipeline leaks, and to support our farmers with their Farm Environment Plans. This has led to a record 97% pass rate from the audits, with a fantastic 71% achieving A Grades.

While it was a year of strong performance by the Company, we do want to acknowledge what a difficult year it has been for farming.

Commercial returns have deteriorated over the year as commodity prices suffer and costs escalate. At the same time, the array of regulations being imposed on farming is… (what is a polite word?)… "unreasonable" in their scope and workability. We are aware of this and remain focussed on supporting our Shareholders to help them understand and implement the changes required, while managing the Company as effectively as possible to keep the cost of water reasonable for you.

However, we are conscious that costs will increase in time, especially those related to capital works as some parts of the scheme age. Therefore the Board devotes a good deal of its time on the high-cost areas for the Company.

These are, primarily, debt-servicing, power and insurance. Our primary hedge against interest rates are Swaps. These have proved invaluable for us in these high-interest times.

We have also secured a change to our facility agreement with the Waitaki District Council which has brought our debt amortisation of the Council loan more in line with our long-term bank loan. There are benefits in this for both the Council and for NOIC and we acknowledge, again, what a tremendous and supportive partner the Waitaki District Council has been.

Insurance is going through a particularly challenging period, with a very small number of underwriters active in New Zealand who are willing to insure irrigation scheme assets. This lack of competition is reflected in premiums rising for all schemes in the country. The increase for NOIC has been 24% year on year, which appears to be the average change schemes have experienced.

The Company is undertaking a technical review with the aim of introducing loss limits as a means of containing soaring premiums. We will also look at options to broaden the pool of underwriters we have access to, but although we are insuring $151 million of assets, along with other policy cover, the lack of scale limits our ability to attract alternative insurers.

This lack of scale is a fairly common issue for irrigation schemes. While NOIC is a relatively large scheme, additional scale would open up the potential to leverage down certain costs.

For this reason, and to ensure a stronger voice and consistent approach to environmental management in the Waitaki, the NOIC Board has advanced discussions with the Boards of Kurow-Duntroon Irrigation Company, Maerewhenua District Water Resource Company and Lower Waitaki Irrigation Company on options for an increased level of collaboration.

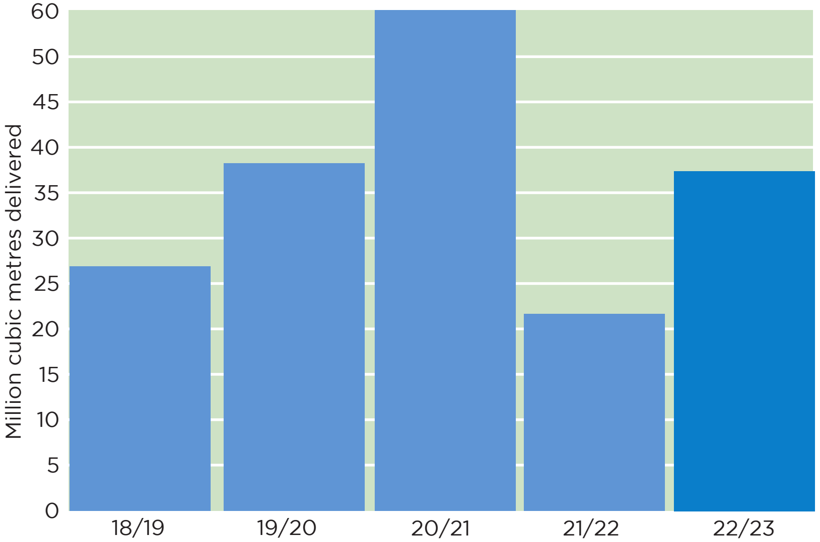
There are always risks attached to increasing scale and these would need to be carefully managed, but on balance the Boards feel that scale will advantage all the schemes, albeit in different ways, will ultimately lead to better and more efficient services to Shareholders, containment of rising costs and ensure a seamless and consistent approach to environmental compliance as we approach reconsenting of our river water takes.

This is a natural extension of the contract management arrangements we have in place now.

This idea has been flagged with Shareholders over the past year and we are now at the point where we would like to discuss our thinking around this with our Shareholders.

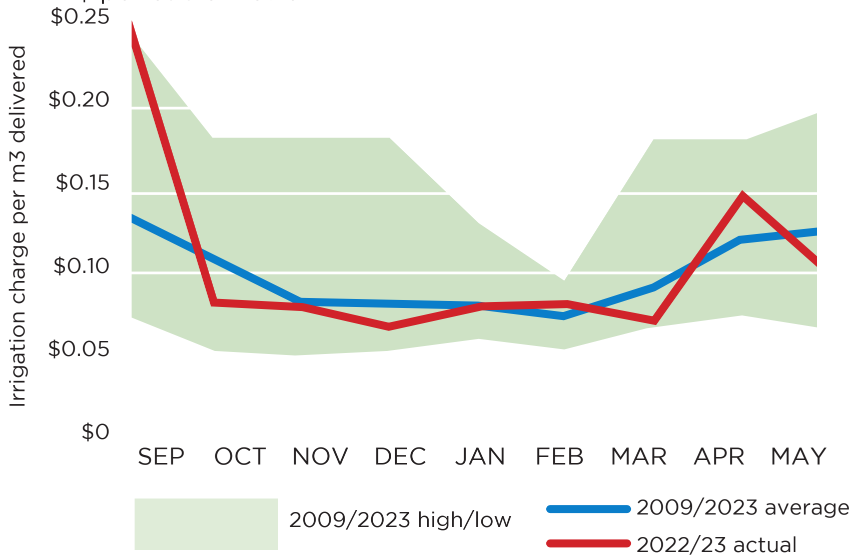
That we are in the position where four neighbouring irrigation schemes are having this conversation is a reflection of the times we are now in, and a recognition of the very

WATER DELIVERED LAST FIVE SEASONS



IRRIGATION SUPPLY CHARGES

$ per cubic metre



good work the NOIC team has undertaken for its neighbours.

Providing management services to these schemes without missing a beat for NOIC has put a good deal of pressure on staff, but they have risen to the occasion admirably. The team took on this extra work, knowing the reason for taking these contracts on was strategic — to see whether there was a future together under some form of collaborative structure.

KEY FEATURES 2022-23

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 $15.5 million.

> Fixed charges of $696 per share were 5.5% higher than the $660 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 1.

> Variable supply charges, at $0.08 per cubic meter, were $0.01 per cubic meter more than last year.

> Of our main costs:
  - Electricity was 56% higher driven by a 60% increase in water volume delivered to farmers.
  - Interest costs increased 21% 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 fair value gain on interest rate swaps of $1.9 million reflects the positive value of our interest rate hedging which fixes the cost on 53% of our debt.

> The Company ended the year with prudent levels of liquidity on hand to cover contingencies.

Health and safety system review

The Company engaged a specialist consultancy to review NOIC's H&S systems. On balance, they were found to be very good, but there is always room for improvement. Therefore, we have adopted improved measures particularly around contractor management and on-site safety practices.

Collaborative management

Management of Kurow-Duntroon Irrigation Company, Maerewhenua District Water Resource Company and Lower Waitaki Irrigation Company schemes has paved the way for discussions around closer collaboration.

Share sales (IM3)
An Information Memorandum containing an Offer for Shares was prepared during the year and released after the close of the FY23 financial year.

The approach taken by the Company has been novel – an offer to apply for shares under a tender process. We have seen a very strong uptake from this, with 99% of available shares applied for. The major constraining factor may be capacity at certain points in the scheme (depending on where the water is wanted).

We will work methodically through this with the aim of connecting all shares applied for and look forward to updating shareholders on progress at the Annual General Meeting.

Community engagement
We continue to ensure NOIC is well connected to 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 on the Board of IrrigationNZ.

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

Student scholarship
NOIC remains committed to supporting the education of our young people with the NOIC Tertiary Scholarship. In 2022, Ben Strang was selected from a strong field of applicants from schools across the Waitaki region. Ben is studying a Bachelor of Forestry Science at Canterbury University.

OUR PEOPLE
We have acknowledged the special effort our people went to in picking up the significant additional work involved in supporting Kurow-Duntroon Irrigation Company, Maerewhenua District Water Resource Company and Lower Waitaki Irrigation Company schemes.

It is important to note they did this without additional staff or any drop in the high standards they set themselves for NOIC.

Right across the team, we see complete professionalism in their interactions with Shareholders — whether at the offtake, on commercial issues, or at the front desk — and a desire to look for opportunities that will benefit the company and its shareholders.

Our thanks to the Board. The four Shareholder-elected farmer Directors and two independent Directors bring skills, experience, enthusiasm, leadership and an unwavering focus on outcomes that position the Company to manage an increasingly complex future.

We have missed the calm and thoughtful presence of Geoff Plunket who was an independent Director on the NOIC board for six years. Geoff's commercial experience was invaluable, and we take this opportunity to acknowledge the contribution he made in his time with NOIC.

Lastly, on behalf of the Board, thanks go to Andrew and the team. We are fortunate to have such a capable group who, day-in and day-out, seek the best outcomes for Shareholders.

There has been plenty to do and a good deal of it quite challenging at times. However, all tasks, whether from the office or in the field, are 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

NORTH OTAGO
Irrigation Company

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 2023

CONTACT US
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Website 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 (appointed 25 October 2022)
Paul B Hope
Gareth L Isbister
Callum R Kingan
Grant Isbister (resigned 25 October 2022)
Geoff Plunkett (resigned 31 December 2022)

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, Invercargill

The Board of Directors (clockwise from left): Paul Hope, Callum Kingan, Matt Ross, Jo Hay, Sina Cotter Tait and Gareth Isbister.

Directors' Responsibility Statement

For the year ended 30 June 2023

The Directors of North Otago Irrigation Company Limited are pleased to present the financial statements for the Company for the year ended 30 June 2023 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 2023.

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 26 September 2023.

Matt Ross
Director
26 September 2023

Paul Hope
Director

Audit Report

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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 45, which comprise the statement of financial position as at 30 June 2023, 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 a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2023, 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
Valuation of Infrastructure Assets	
The Company's Infrastructure Assets total $147 million and represent 93% 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 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: ▪ Reviewing minutes and reports of the directors and management to identify any critical maintenance discussions. ▪ Assessing the nature of costs incurred in capital projects by testing a sample of costs and determining whether the expenditure met the capitalisation criteria. ▪ Reviewing the company's assessment of impairment of infrastructure assets to gain comfort over the appropriateness of the carrying value. ▪ Reviewing the company's assessment of useful lives allocated to all major assets. ▪ Substantively testing the prior period error identified by management, by agreeing to the relevant supporting documentation, and reviewing the associated disclosures under NZ IAS 8, and recommending a journal adjustment to restate the opening balances of the relevant accounts as per Note 29.

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 in the Report from the Chair and Chief Executive on pages 6 to 8 and the Company Information on page 10 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 on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 were 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 auditor's 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 Shareholders, as a body. Our audit has been undertaken so that we might state to the 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 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 Michael Lee

For and on behalf of:

Crowe

Crowe New Zealand Audit Partnership
CHARTERED ACCOUNTANTS

Dated at Dunedin this 26th day of September 2023

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Statement of Comprehensive Income

For the year ended 30 June 2023	Note	2023	2022
		$000	$000
Revenue	2	15,522	13,390
Expenses			
Scheme power		4,216	2,695
Environmental		106	106
Scheme operations		199	70
Scheme repairs and maintenance		1,156	585
Accounting and finance		71	54
Audit fees		36	23
Directors' fees		112	120
Insurance		620	548
Other general and administration expenses		2,022	1,846
Depreciation and amortisation	3	3,477	3,547
Net finance costs	4	5,792	4,774
Total expenses		**17,807**	**14,368**
Net profit/(loss) prior to other gains and tax		**(2,285)**	**(978)**
Fair value gain/(loss) on interest rate swaps		1,921	4,493
Profit/(Loss) before income tax		**(364)**	**3,515**
Income tax (expense)/credit	5	53	(644)
Net profit/(loss) for the year		**(311)**	**2,871**

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
2023						
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		—	—	—	—	—
Balance 30 June 2023		(11,539)	53,250	23,634	(6)	65,339
2022						
Opening balance 1 July 2021		(14,246)	52,258	26,381	(6)	64,387
Issue of share capital		(147)	—	2,747	—	2,600
Opening balance 1 July 2021 restatement		(14,099)	52,258	23,634	(6)	61,787
Profit/(Loss) for the year		2,871	—	—	—	2,871
Total income for the year		2,871	—	—	—	2,871
Issue of share capital	6	—	992	—	—	992
Total transactions with owners recorded directly in equity		—	992	—	—	992
Balance 30 June 2022		(11,228)	53,250	23,634	(6)	65,650

Statement of Financial Position

As at 30 June 2023	Note	**2023**	Restated 2022
		$000	$000
Current assets			
Cash and cash equivalents		187	4,844
Receivables and prepayments	16	1,426	1,562
Inventories	17	740	1,007
Derivative financial instruments	8	35	—
		2,388	7,413
Non-current assets			
Intangible assets	20	125	140
Property, plant and equipment	18	151,077	154,034
Right-of-use asset	19	1,552	1,618
Derivative financial instruments	8	2,640	754
Investments	21	3	3
		155,397	156,549
TOTAL ASSETS		**157,785**	**163,962**
Current liabilities			
Trade and other payables	10	668	619
Employee benefits	15	44	39
Lease liabilities	19	131	136
Borrowings	14	1,963	1,724
		2,806	2,518
Non-current liabilities			
Borrowings	14	81,391	87,354
Lease liabilities	19	2,790	2,928
Deferred tax	5	5,459	5,512
		89,640	95,794
TOTAL LIABILITIES		**92,446**	**98,312**
TOTAL NET ASSETS		**65,339**	**65,650**
Equity			
Share capital	6	53,250	53,250
Accumulated (losses)		(11,539)	(11,228)
Asset revaluation reserve	7	23,634	23,634
Treasury stock		(6)	(6)
TOTAL EQUITY		**65,339**	**$65,650**

For and on behalf of the Board, who authorise these financial statements for issue on 26 September 2023.

Matt Ross
Director

Paul Hope
Director

The accompanying notes form part of these financial statements

CROWE NEW ZEALAND

Statement of Cash Flows

For the year ended 30 June 2023	Note	**2023 $000**	2022 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		15,616	13,351
Interest received		22	9
Other		—	—
		15,638	13,360
Cash was disbursed to:			
Payments to suppliers		(7,071)	(5,344)
Payments to and on behalf of employees		(1,320)	(1,245)
Interest paid		(5,734)	(4,721)
GST		(20)	46
		(14,145)	(11,264)
Net cash flows from operating activities	**22**	**1,493**	**2,096**
Cash flows from investing activities			
Cash was disbursed to:			
Purchase of irrigation infrastructure		(284)	(611)
		(284)	(611)
Net cash flows/(outflows) from investing activities		**(284)**	**(611)**
Cash flows from financing activities			
Cash was provided from:			
Call on shares and shares issued		—	992
Payment for right-of-use asset		—	1,459
		—	2,451
Cash was provided to:			
Repayment of borrowings		(5,724)	(2,678)
Payment of lease liabilities		(142)	(40)
		(5,866)	**(2,718)**
Net cash flows from financing activities		**(5,866)**	**(267)**
Net increase/(decrease) in cash held		(4,657)	1,218
Cash and cash equivalents at the beginning of year		4,844	3,626
Cash and cash equivalents at end of year		**187**	**4,844**

The accompanying notes form part of these financial statements

Notes to and forming part of the Financial Statements

For the year ended 30 June 2023

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 2023 were authorised for issue with a resolution of the Directors on 26 September 2023.

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.

Significant 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 it recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of comprehensive income.

c) Provisions
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Employee entitlements
Short-term employee benefits
Employee benefits, previously earned from past services, that the Company expect to be settled within 12 months or reporting date are measured based on accrued entitlements at current rate of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

d) 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.

e) 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.

f) 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.

g) Significant 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 vale 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.

h) Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three

months or less plus bank overdrafts. Bank overdrafts are shown on the balance sheet as current liabilities, within short term borrowings. Cash and cash equivalents are shown in note 9.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

i) 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.

	2023 $000	2022 $000
Revenue		
Fixed infrastructure revenue	12,205	11,443
Variable water revenue	2,898	1,646
Total revenue	15,103	13,089
Other revenue		
Depreciation recovered	43	-
Other revenue	363	262
Environmental Farm Plan audit cost recovery	13	39
Total other revenue	419	301
Total operating revenues	**15,522**	**13,390**

	Note	**2023 $000**	2022 $000
3 Depreciation and amortisation			
Depreciation expense	18	3,396	3,477
Lease depreciation	19	66	55
Water permit amortisation	20	15	15
Losses on disposal	18	—	—
Total depreciation and amortisation		**3,477**	**3,547**
4 Net finance costs			
Interest income on bank deposits		(22)	(9)
Finance expenditure			
Bank interest		5,277	4,264
Waitaki District Council interest		459	472
Lease interest		78	47
Total finance expenditure		5,814	4,783
Total net finance costs		**5,792**	**4,774**

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.

	2023	2022
Tax expense		
Profit/(Loss) for the year before tax	(364)	3,515
Income tax at 28%	(102)	984
Plus/(Less) tax effect of:		
Expenses not deductible for tax purposes	2	1
Adjustment to deferred tax	47	(341)
Tax expense/(credit)	(53)	644

Deferred tax asset/(liability)

	Opening asset (liability)	Other comp. income	Charged to income	Closing asset (liability)
2023				
Property, plant and equipment	(10,256)	—	(161)	(10,417)
Employee benefits	11	—	1	12
IFRS 16 transactions	(11)	—	11	—
Tax losses	4,351	—	230	4,581
Leaseback liability	393	—	(28)	365
	(5,512)	—	53	(5,459)

	Restated opening asset (liability)	Other comp. income	Charged to income	Closing asset (liability)
2022				
Property, plant and equipment	(11,699)	—	432	(11,267)
Adjustment for correction error (note 29)	1,011	—	—	1,011
Property, plant and equipment restatement	(10,688)	—	432	(10,256)
Employee benefits	12	—	(1)	11
IFRS 16 transactions	(1)	—	(10)	(11)
Tax losses	5,388	—	(1,037)	4,351
Leaseback liability	421	—	(28)	393
	(4,868)	—	(644)	(5,512)

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.

Imputation credit account		
Balance at beginning of year	—	—
Resident withholding tax received	—	—
Balance at end of year	**—**	**—**

6 Share capital

	2023 Shares	($000)	2022 Shares	($000)
Ordinary shares				
Opening balance	17,825	53,250	17,427	52,258
Shares issued in year fully paid	—	—	198	887
Shares issues partly paid	—	—	200	105
Closing balance	**17,825**	**53,250**	**17,825**	**53,250**
Total share capital		**53,250**		**53,250**

17,825 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 2023. There have been no movements during the year.
17,825 shares as at 30 June 2023 have been issued. 200 shares are only partly paid (2022:17,825, 200 partly paid).

7 Asset revaluation reserve

	2023 $000	Restated 2022 $000
Balance at beginning of year 1 July 2021	23,634	26,381
Adjustment for correction of error (note 29)	—	(2,747)
Balance at beginning of year 1 July 2021 restated	—	23,634
Net change in fair value of irrigation infrastructure assets	—	—
Balance at end of year	23,634	23,634

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

Restatement of comparatives

NOIC is currently implementing an asset management program to administer, record and manage the assets of the Company.

As part of the reconciliation between the assets currently held to be transferred to the new asset management program it was identified that in previous revaluations of the scheme infrastructure there was a double up of a part of the infrastructure.

An adjustment has been made to restate the comparatives to reflect that issue and a prior period adjustment of $3,815,115 has been made to correct the position to reflect the correct carrying cost.

This adjustment reduces the scheme infrastructure carrying cost and decreases the revaluation reserves from past years.

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
2023 $000				
Financial assets				
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
Total	**2,678**	**1,613**		**4,291**
Financial liabilities				
Trade creditors and other payables	—	—	668	668
Loans and borrowings	—	—	83,338	83,338
Total	**—**	**—**	**84,006**	**84,006**
2022 $000				
Financial assets				
Cash and cash equivalents	—	4,844	—	4,844
Trade debtors and other receivables	—	1,562	—	1,562
Investments	3	—	—	3
Interest rate swaps	754	—	—	754
Total	**757**	**6,406**		**7,163**
Financial liabilities				
Trade creditors and other payables	—	—	619	619
Loans and borrowings	—	—	89,051	89,501
Interest rate swaps	—	—	—	—
Total	**—**	**—**	**89,670**	**89,670**

9 Distributions to owners

There have been no distributions to shareholders (2022: Nil).

10 Current trade and other payables

	2023 $000	2022 $000
Trade payables	545	358
Sundry payables and accruals	23	141
GST payable	100	120
Total payables	**668**	**619**

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 derecognized 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
As at 30 June 2023									
Financial assets									
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	—	—	—	—	—	—	—	—	—
Financial liabilities									
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	—	—	—	—	—	—	—	—	—
As at 30 June 2022									
Financial assets									
Cash and cash equivalents	—	4,844	—	—	—	—	—	—	4,844
Trade and other receivables	—	1,562	—	—	—	—	—	1,562	—
Interest rate derivatives	—	5	(307)	(325)	—	—	1,381	—	754
Forward exchange contracts	—	—	—	—	—	—	—	—	—
Financial liabilities									
Trade and other payables	—	619	—	—	—	—	—	619	619
Borrowings – ASB	5.235%	5,254	5,184	5,114	5,044	4,974	85,317	—	110,887
Borrowings – WDC	3.26%	840	1,062	1,480	1,714	1,720	10,580	—	17,396
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 customers 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 it's 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 $71,117,300 (2022: $62,617,300).

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 $416,691 lower/ higher (2022: $445,255).

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
2023 financial liabilities at fair value through the Statement of Financial Position				
Interest contracts	—	—	—	—
Total liabilities	—	—	—	—
2023 financial assets at fair value through the Statement of Financial Position				
Interest contracts	—	2,675	—	2,675
Total liabilities	—	2,675	—	2,675
2022 financial liabilities at fair value through the Statement of Financial Position				
Interest contracts	—	—	—	—
Total liabilities	—	—	—	—
2022 financial assets at fair value through the Statement of Financial Position				
Interest contracts	—	754	—	754
Total liabilities	—	754	—	754

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

2023	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Irrigation infrastructure	—	146,045	—	146,045
Other scheme infrastructure	—	1,260	—	1,260
Total carrying amount	**—**	**147,305**	**—**	**147,305**

There are no transfers between Levels 1 and 3 during the year.

Restated 2022	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Irrigation infrastructure	–	148,507	–	148,507
Other scheme infrastructure	–	1,376	–	1,376
Total carrying amount	**–**	**150,233**	**–**	**150,233**

There are 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	2023	2022	Restated 2022
Equity contribution rate	Minimum 25%	41%	41%	40%
Debt percentage	60 - 75%	53%	59%	60%
Debt service cover ratio	> 1.0	1.59:1	1.3:1	1.3:1

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 1:1 for the financial year to 30 June 2023. This covenant is measured and tested annually.

14 Borrowings

	2023 $000	2022 $000
Current		
Bank loans	1,336	1,336
Waitaki District Council loan	611	377
Vehicle funding	16	11
	1,963	1,724
Non-current		
Bank loans	68,178	73,514
Waitaki District Council loan	13,213	13,824
Vehicle funding	—	16
	81,391	87,354
Total borrowings	**83,354**	**89,078**

Repayable as follows:

	2023 $000 Less than 1 year	2022 $000 Less than 1 year	**2023 $000** Between 1-5 years	2022 $000 Between 1-5 years	**2023 $000** Greater than 5 years	2022 $000 Greater than 5 years
Bank loans	1,336	1,336	6,679	6,679	61,499	66,835
Waitaki District Council loan	611	377	6,466	5,711	6,747	8,113
Vehicle funding	16	11	—	16	—	—
Total	**1,963**	**1,724**	**13,145**	**12,406**	**68,246**	**74,948**

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 2023.

15 Employee entitlements

	2023 $000	2022 $000
Balance at beginning of year	39	41
Additional provision (reduction)	5	(2)
Balance at end of year	44	39
This is represented by:		
Current liability	44	39
Non-current liability	—	—
Balance at end of year	44	39

16 Receivables and pre-payments

	2023 $000	2022 $000
Trade receivables	1,353	1,468
Sundry receivables	15	1
Prepayments	58	93
Total receivables and prepayments	1,426	1,562

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.

	2023 Gross $000	Impairment $000	2022 Gross $000	Impairment $000
Not yet due	1,331	—	1,448	—
Overdue 0-31 days	22	—	20	—
Overdue 32-92 days	—	—	—	—
Overdue 93-184 days	—	—	—	—
Total trade receivables	1,353	—	1,468	—

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.

	2023 **$000**	2022 $000
Parts and spares	740	1,007
Balance at end of year	740	1,007

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/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 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 2023 is $108.796 million (2022: $119.031m).

(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
Offtakes	15 years
Pumps and motors	25 years
Major electrical equipment	45 years
Control equipment	25 years
HDPE linings	30 years
Buildings	50 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 $73.514 million. The loan is secured over the company assets of $151.077 million, which is the total Property, Plant & Equipment shown below less the Electricity Reticulation assets sold to NWL.

The company has a hire purchase agreement with monthly payments of $892, maturity date of 12 November 2023 and is secured over the motor vehicle it relates to.

	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
2023								
Gross carrying amount								
Balance 1 July 2022	1,320	169	664	1,998	152,050	2,361	—	158,562
Additions	—	10	111	17	319	—	—	457
Disposals	—	—	(61)	—	—	—	—	(61)
Balance 30 June 2023	**1,320**	**179**	**714**	**2,015**	**152,369**	**2,361**	**—**	**158,958**
Accumulated depreciation and impairment								
Balance 1 July 2022	—	(48)	(497)	(622)	(3,193)	(168)	—	(4,528)
Current year depreciation	—	(15)	(53)	(133)	(3,131)	(64)	—	(3,396)
Revalued during year	—	—	—	—	—	—	—	—
Disposals	—	—	43	—	—	—	—	43
Balance 30 June 2022	**—**	**(63)**	**(507)**	**(755)**	**(6,324)**	**(232)**	**—**	**(7,881)**
Carrying amount 30 June 2023	**1,320**	**116**	**207**	**1,260**	**146,045**	**2,129**	**—**	**151,077**
2022 restated								
Gross carrying amount								
Balance 1 July 2021	1,320	159	591	1,897	155,212	2,361	—	161,540
Adjustment for correction (note 29)	—	—	—	—	(3,611)	—	—	(3,611)
Balance 1 July 2021 restated	1,320	159	591	1,897	151,601	2,361	—	157,929
Additions	—	10	73	101	449	—	—	633
Revalued during year	—	—	—	—	—	—	—	—
Transfer NWL assets	—	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—	—
Balance 30 June 2022	**1,320**	**169**	**664**	**1,998**	**152,050**	**2,361**	**—**	**158,562**
Accumulated depreciation and impairment								
Balance 1 July 2021	—	(32)	(442)	(473)	—	(104)	—	(1,051)
Current year depreciation	—	(16)	(55)	(149)	(3,193)	(64)	—	(3,477)
Revalued during year	—	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—	—
Balance 30 June 2022	**—**	**(48)**	**(497)**	**(622)**	**(3,193)**	**(168)**	**—**	**(4,528)**
Carrying amount 30 June 2022	**1,320**	**121**	**167**	**1,376**	**148,857**	**2,193**	**—**	**154,034**

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 19 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.

	2023	2022
	$000	$000
Right of use assets		
Buildings and electricity reticulation		
Balance at 1 July	1,618	545
Additions	—	1,128
Depreciation charge for the year	(66)	(55)
Balance at end of year	**1,552**	**1,618**

	2023 $000	2022 $000
Lease liabilities		
Maturity analysis – contractual undiscounted cash flow		
Less than one year	222	212
One to five years	789	994
More than five years	4,175	4,154
Total undiscounted lease liabilities at 30 June	**5,186**	**5,360**
Lease liabilities included in the statement of financial position at 30 June		
Current liability	131	136
Non-current liability	2,790	2,928
Balance at end of year	**2,921**	**3,064**
Amounts recognised in profit or loss		
Interest on lease liabilities	78	47
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	8	8
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	142	40

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.

	2023 $000	2022 $000
Gross carrying amount		
Opening balance	315	315
Additions – separately acquired		
Closing balance	**315**	**315**
Amortisation and impairment		
Opening Balance	175	160
Amortisation	15	15
Closing balance	**190**	**175**
Carrying amount	**125**	**140**

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
Total investments	**3**	**3**

Investments are stated at cost.

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

	Note	**2023 $000**	2022 $000
Net after tax profit/(loss) for the year		**(311)**	**2,871**
Adjustments for:			
Depreciation	18	3,396	3,477
Depreciation recovered	18	(43)	—
Amortisation of intangible property	20	15	15
Losses on disposal		—	—
Lease depreciation	19	66	55
Fair value loss/(gain) on interest rate swaps		(1,921)	(4,493)
Changes in assets and liabilities:			
Increase/(Decrease) in payables		(40)	(249)
Increase/(Decrease) in deferred taxation payable		(53)	644
(Increase) Decrease in inventory		267	(218)
GST received/(paid)		(20)	46
(Increase)/Decrease in receivables		137	(52)
Net cash flows from operating activities		**1,493**	**2,096**

23 Related parties

a) Inter entity transactions and balances

Services provided to Waitaki Irrigators Collective Limited	Nil	Nil
Services received from Waitaki Irrigators Collective Limited	8	21
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 2023

Receiving entity	Related party name	Nature of relationship	Amount for the year	Owing at balance date	Description of transactions
Sales to North Otago Irrigation Company Limited					
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	$13.824m	Loan for the development of irrigation infrastructure.
Purchases from North Otago Irrigation Company Limited					
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.
Other related party transactions					
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 2022

Receiving entity	Related party name	Nature of relationship	Amount for the year	Owing at balance date	Description of transactions
Sales to North Otago Irrigation Company Limited					
Irrigation New Zealand Inc	A A Rodwell	Board Member	$34,113	Nil	Payments for service.
Waitaki District Council	P B Hope	Group Manager	$471,826	$14.201m	Loan for the development of irrigation infrastructure.
Purchases from North Otago Irrigation Company Limited					
GSI Trading Limited	G L Isbister	Director/Shareholder	$33,870	$3,743	Shareholder water and overhead charges.
Kokoamo Farms Limited	M F Ross	Director/Shareholder	$144,659	$17,110	Shareholder water and overhead charges.
Maerewhenua District Water Resource Company Limited	M F Ross	Shareholder	$21,500	$6,181	Shareholder water and overhead charges.
Isa Holdings Limited	G A Isbister	Director/Shareholder	$766,965	$77,974	Shareholder water and overhead charges.
Lower Waitaki Irrigation Limited	G A Isbister	Shareholder	$2,831	Nil	Shareholder water and overhead charges.
Enfield Farm Limited	C R Kingan	Director/Shareholder	$38,693	$3,428	Shareholder water and overhead charges.
Windsor Park Dairies Limited	C R Kingan	Director/Shareholder	$43,568	$4,406	Shareholder water and overhead charges.
Windsor Park Farms Limited	C R Kingan	Director/Shareholder	$133,675	$15,840	Shareholder water and overhead charges.
Whitestone Contracting Limited	S Cotter Tait	Director	$5,268	Nil	Shareholder water and overhead charges.
Waitaki Irrigators Collective Limited	A A Rodwell	Director	$3,188	Nil	Shareholder water and overhead charges.
Serpentine Trust	G L Isbister	Trustee	$61,529	$6,609	Shareholder water and overhead charges.
North Otago Sustainable Land Management	C R Kingan	Member	$9,500	Nil	Partnership funding.
Other related party transactions					
Windsor Park Dairies Limited	C R Kingan	Director/Shareholder	$18,000	Nil	The company leases an industrial site at 486 Coal Pit Road.

24 Key management compensation

	2023 $000	2022 $000
Salaries and other short-term benefits	285	250
Total key management personnel compensation	**285**	**250**

25 Contingent liabilities

As at 30 June 2023 there are no contingent liabilities (2022: Nil).

26 Commitments

	2023 $000	2022 $000
Capital commitments		
Estimated commitments for the acquisition of property, plant and equipment contracted for at balance date but not provided for	106	97

27 Events after balance date

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. (2022: Nil).

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.

- Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1).
- Aotearoa New Zealand Climate Standards
- Insurance Contracts (Amendments to NZ IFRS 17)
- Disclosure of Accounting Policies (Amendments to NZ IAS 1)
- Definition of Accounting Estimates (Amendments to NZ IAS 8)
- Lease Liability in a Sale and Leaseback (Amendments to NZ IFRS 16)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to NZ IFRS 10 and NZ IAS 28)

29 Restatement of comparatives

Correction of error

During the year, it was discovered that material Infrastructure Assets had been doubled counted during the valuation in the 2017 financial year. Consequently, as the error occurred prior to the earliest presented period, the opening balances were required to be restated. Balances are restated as at 1 July 2021 (the beginning of the 2022 financial year, which is the earliest financial year presented in these financial statements). Extracts (being only those line items which were affected) are disclosed below.

	Note	2022 Reported $000	Adjustment $000	2022 Restated $000
Non-current assets				
Property, plant and equipment	18	157,645	(3,611)	154,034
Total non-current assets		160,160	(3,611)	156,549
Total assets		167,573	(3,611)	163,962
Non-current liabilities				
Deferred tax	5	6,523	1,011	5,512
Total non-current liabilities		96,805	1,011	95,794
Total liabilities		99,323	1,011	98,312
Equity				
Accumulated losses		(11,375)	147	(11,228)
Asset revaluation reserve	6	26,381	2,747	23,634
Total equity		68,250	2,600	65,650

Adjustment	Note	2021 Reported $000	Adjustment $000	2021 Restated $000
Non-current assets				
Property, plant and equipment	18	160,489	(3,611)	156,878
Total non-current assets		161,192	(3,611)	157,581
Total assets		168,676	(3,611)	165,065
Non-current liabilities				
Deferred tax	5	5,879	1,011	4,868
Total non-current liabilities		101,634	1,011	100,623
Total liabilities		104,289	1,011	103,278
Equity				
Accumulated losses		(14,246)	147	(14,099)
Asset revaluation reserve	6	26,381	2,747	23,634
Total equity		64,387	2,600	61,787

The statement that has the prior period error is the Statement of Financial Position.

The impact on the statement of comprehensive income flows through prior to the earliest presented period.

The impact on the statement of changes in equity flows through prior to the earliest presented period.

There was no effect on the 2022 statement of comprehensive income.

Statutory information
Remuneration
Directors' remuneration and other benefits paid during the year or due and payable are as follows:

	2023	2022
G A Isbister	$4,667	$14,000
G P Plunket	$9,000	$18,000
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	$10,500	—

One employee received remuneration and benefits of between $280,000 and $290,000, one employee between $150,000 and $160,000 (2022: one between $250,000 and $260,000, one between $150,000 and $160,000 and one between $130,000 and $140,000).

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 2023. 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 NZ Audit Partnership have audited these financial statements and continue to act as the company's auditor. Crowe provide 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 2023.

Name	Name of company/entity	Nature of interest
M F Ross	Kokoamo Farms Limited	Director/Shareholder
	Bortons Agri Limited	Director/Shareholder
	Maerewhenua District Water Resource Co	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	Director
G L Isbister	GSI Trading Limited	Director/Shareholder
	Serpentine Trust	Trustee
C R Kingan	Windsor Park Dairies Limited	Director/Shareholder
	Windsor Park Farms Limited	Director/Shareholder
	Enfield Farm Limited	Director/Shareholder
	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
	Lewis Bradford & Associates Limited	Shareholder
	Otautahi Community Housing Trust	Trustee
J R Hay	Springbank Trust	Trustee
	North Otago Sustainable Land Management	Steering Committee
	B+LNZ	Farming Councilor
	Meat the Need	Trustee

NORTH OTAGO
Irrigation Company