

# Annual Report

Innovative Waste Kaikōura Ltd  
For the year ended 30 June 2019

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Prepared by: WK-Advisors and Accountants Limited

# Contents

3	Directory
5	Directors Report - Disclosure
7	Statement of Profit or Loss
8	Statement of Movement in Equity
9	Balance Sheet
10	Statement of Cash Flows
11	Statement of Accounting Policies
16	Notes to the Financial Statements
24	Statement of Service Performance
27	Audit Report

# Directory

## Innovative Waste Kaikoura Ltd For the year ended 30 June 2019

### Date of Incorporation

30 June 2000

### Company Number

CH1045695

### Registered Office

Innovative Waste Kaikoura Limited  
80 Scarborough Street  
Kaikoura

### Company Status

Registered Company

### Issued Capital

100 Shares

### Shareholders

Kaikoura Enhancement Trust - 100 Ordinary Shares

### Directors

J Parfitt Appointed on 16 October 2017  
~~NS Pabliecheque Appointed on 10 March 2017 - Resigned on 27 July 2017; Re-appointed on 16 October 2017~~  
CM Gregory Appointed on 16 October 2017  
GC Harmon Appointed on 06 May 2018  
JM Howden Appointed 01 May 2019  
GR Hughes Appointed 20 July 2018  
P Numan Appointed on 16 October 2017 - Resigned 24 May 2019

### Business Location

80 Scarborough Street  
Kaikoura 7300

### Nature of Business

Operation of Kaikoura Recovery Centre & Landfill.

Contracted maintenance service for Council's Three waters assets.

### IRD Number

76-884-188

### GST Status

Payments Basis, Two Monthly Returns, Coinciding with Balance Date

**Chartered Accountants**

WK Advisors and Accountants Limited  
P O Box 349  
Blenheim 7240  
Contact - Neil Sinclair

**Auditors**

Audit New Zealand on behalf of Auditor-General

**Barrister and Solicitors**

Hardy Jones Clark  
Blenheim

**Bankers**

Bank of New Zealand  
Kaikoura

# Directors Report - Disclosure

## Innovative Waste Kaitioura Ltd For the year ended 30 June 2019

The Directors present their annual report including the financial statements of the company for the year ended 30 June 2019.

### Principal activities

The business of the company is operation of the Kaitioura resource recovery centre & landfill. The company also has a five year contract to provide contractual maintenance services in Kaitioura for the Council for storm water, waste water and water supply.

The nature of the company's business has not changed during the year.

### Auditors

The company's Auditors were Audit New Zealand on behalf of Auditor-General.

Audit New Zealand are willing to continue as the company auditors.

### Directors Disclosures

**There were no entries recorded in the Register of Interests.**

**No Director acquired or disposed of any interest in shares in the company.**

### The following Directors held office:

J Parfitt  
PM Numan  
NS Pablecheque  
CM Gregory

GC Harmon

GR Hughes  
JM Howden

No other person was a Director at any time.

### Directors' Remuneration


No Directors remuneration was paid by the Company during the year.

### The following Directors resigned:

Date of Resignation
PM Numan 24 May 2019

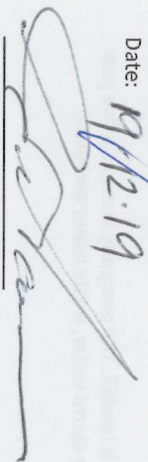
**The Board of Directors received no notices from Directors wishing to use company information received in their capacity as Directors which would not have ordinarily been available.**

Signed for and on behalf of the Board of Directors



Director

Date: 19/12.19



Director

Date: 19.12.19

# Statement of Profit or Loss

## Innovative Waste Kaikoura Ltd For the year ended 30 June 2019

	NOTES	2019 (\$)	2018 (\$)
<b>Revenue</b>			
Revenue	1	2,513,723	2,467,593
<b>Cost of Goods Sold</b>			
Cost of Goods Sold		1,922,387	1,609,797
<b>Gross Surplus / (deficit)</b>		<b>591,336</b>	<b>857,796</b>
<b>Expenses</b>			
Operating Expenses	2	542,076	413,253
Finance Costs	3	4,912	13,470
Depreciation	7	105,563	86,148
Loss / (Gain) on disposal of Property, Plant and Equipment		(478)	(740)
<b>Total Expenses</b>		<b>652,072</b>	<b>512,130</b>
<b>Operating surplus / (deficit) before Tax</b>		<b>(60,736)</b>	<b>345,666</b>
<b>Income Tax</b>			
Income tax for the year		(15,273)	97,160
<b>Net Surplus after Tax</b>		<b>(45,463)</b>	<b>248,506</b>
<b>Other comprehensive income / expenses</b>			
Other comprehensive Income / Expenses		-	-
<b>Total comprehensive surplus after tax</b>		<b>(45,463)</b>	<b>248,506</b>

*These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditor's report*

# Statement of Movement in Equity

## Innovative Waste Kaikoura Ltd For the year ended 30 June 2019

	2019 (\$)	2018 (\$)
<b>Equity at Start of Year</b>		
Opening Balance	758,433	509,927
Total Comprehensive Revenue and Expense	(45,463)	248,506
<b>Equity at End of Year</b>	<b>712,970</b>	<b>758,433</b>

	2019 (\$)	2018 (\$)
Share Capital	2,000,000	2,000,000
Reserves	512,970	558,433
<b>Total Equity</b>	<b>2,512,970</b>	<b>2,558,433</b>
Share Capital	2,000,000	2,000,000
Reserves	512,970	558,433
<b>Total Equity</b>	<b>2,512,970</b>	<b>2,558,433</b>

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors report



# Balance Sheet

## Innovative Waste Kaikoura Ltd As at 30 June 2019

	NOTES		
	2019 (\$)	2018 (\$)	
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	94,471	218,130
Debtors & Other Receivables	6	184,557	177,586
<b>Total Current Assets</b>		<b>279,028</b>	<b>395,716</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	904,084	847,131
<b>Total Non-Current Assets</b>		<b>904,084</b>	<b>847,131</b>
<b>Total Assets</b>		<b>1,183,111</b>	<b>1,242,847</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8	106,848	78,376
Employee Benefit Liabilities	9	165,482	135,390
Income Tax	18	-	6,021
Loans	10	40,098	56,745
GST		42,621	50,474
<b>Total Current Liabilities</b>		<b>355,049</b>	<b>327,006</b>
<b>Non-Current Liabilities</b>			
Loans	10	-	27,042
Deferred Tax Liability		115,092	130,365
<b>Total Non-Current Liabilities</b>		<b>115,093</b>	<b>157,408</b>
<b>Total Liabilities</b>		<b>470,142</b>	<b>484,414</b>
<b>Net Assets</b>			
		<b>712,970</b>	<b>758,433</b>
<b>Equity</b>			
Share Capital	13	100	100
Retained Earnings	14	712,870	758,333
<b>Total Equity</b>		<b>712,970</b>	<b>758,433</b>

Signed by:

Director

Director

Date:

*These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditor's report.*

# Statement of Cash Flows

## Innovative Waste Kaikoura Ltd For the year ended 30 June 2019

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating</b>		
Cash was provided from		
Receipts from customers	2,137,470	2,478,790
Grants received	381,488	250,985
Interest Received	46	359
<b>Total Cash was provided from</b>	<b>2,519,003</b>	<b>2,730,133</b>
Cash was applied to		
Payments to suppliers and employees	(2,433,397)	(2,333,302)
Interest paid	(6,703)	(6,515)
Net GST	(7,408)	(11,909)
Income Tax Paid	(6,501)	(130,516)
<b>Total Cash was applied to</b>	<b>(2,454,008)</b>	<b>(2,482,242)</b>
<b>Total Cash Flows from Operating</b>	<b>64,995</b>	<b>247,891</b>
<b>Cash Flows from Investing</b>		
Cash was provided from		
Receipts from sale of property, plant and equipment	1,026	6,412
<b>Total Cash was provided from</b>	<b>1,026</b>	<b>6,412</b>
Cash was applied to		
Payments to acquire property, plant and equipment	(159,064)	(346,280)
<b>Total Cash was applied to</b>	<b>(159,064)</b>	<b>(346,280)</b>
<b>Total Cash Flows from Investing</b>	<b>(158,038)</b>	<b>(339,868)</b>
<b>Cash Flows from Financing</b>		
Cash was applied to		
Repayments of loans borrowed from other parties	(30,616)	(60,089)
<b>Total Cash was applied to</b>	<b>(30,616)</b>	<b>(60,089)</b>
<b>Total Cash Flows from Financing</b>	<b>(30,616)</b>	<b>(60,089)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(123,659)</b>	<b>(152,066)</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	218,130	370,196
Cash and cash equivalents at end of period	94,471	218,130
<b>Net change in cash for period</b>	<b>(123,659)</b>	<b>(152,066)</b>

These financial statements are to be read in conjunction with the Notes to the Financial Statements and are subject to the Auditors report.

# Statement of Accounting Policies

## Innovative Waste Kaitioura Ltd For the year ended 30 June 2019

### Reporting Entity

The financial statements are of Innovative Waste Kaitioura Limited ("the Company"). Innovative Waste Kaitioura Limited is a company incorporated in New Zealand registered under the Companies Act 1993. Innovative Waste Kaitioura Limited is engaged in the business of operation of Kaitioura resource recovery centre & landfill. The company secured a five year contract in July 2015 to provide contractual maintenance services in Kaitioura to the Council for the storm water, wastewater and water supply. The company is wholly owned by Kaitioura Enhancement Trust, a subsidiary of Kaitioura District Council, therefore the company is a council controlled organisation as defined in section 6 of the Local Government Act 2002.

The financial statements of Innovative Waste Kaitioura Limited have been prepared in accordance with the reporting requirements of Section 11 of the Financial Reporting Act 1993.

The primary objective of the company is to contribute to a sustainable Kaitioura through sustainable resource recovery and waste management processes and practices, rather than making a financial return. Accordingly, the company has designated itself as a public benefit entity for financial reporting purposes.

The financial statements for the company are for the year ended 30 June 2019 and were authorised for issue by the directors on the 19th December 2019.

### Measurement Base

The financial statements of Innovative Waste Kaitioura Limited have been prepared on an historical cost basis, except as noted otherwise below. The statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

The financial statements have been prepared in accordance with NZ PBE IPSAS Tier 2 RDR accounting standards. They comply with New Zealand generally accepted accounting practices (NZ GAAP). The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the company is New Zealand dollars.

### Changes in Accounting Policies

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

### Significant Accounting Policies

In the preparation of these financial statements, the specific accounting policies are as follows:

## 1. Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment. Depreciation is calculated using the straight line basis, apart from site development, to allocate their cost over their useful life. The following rates have been used:

Asset type	2019 (%)
Site development	0.0%
Buildings	2.0% - 22.65% SL
Motor vehicles	6.5% - 13.5% SL
Office equipment	5.0% - 67.0% SL
Plant & equipment	4.0% - 33.0% SL

All property & equipment is stated at cost less depreciation and impairment, except for land that is not depreciated.

Leased assets are depreciated over the unexpired term of the lease or over the estimated useful life, whichever is shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably.

An item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

### Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably.

### 2. Impairment

Assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits or service potential. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of an asset is reduced to its recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment is recognised in surplus or deficit.

### 3. Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### 4. Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the surplus or deficit, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### 5. Leases

#### *Operating Leases*

Operating leases are those which all the risks and benefits are substantially retained by the lessor. Operating lease payments are expensed in the periods the amounts are payable.

Lease incentives received are recognised in the surplus or deficit over the lease term as an integral part of the total lease expense.

#### *Finance Leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the company recognises finance leases as assets and liabilities in the Balance Sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the company will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### 6. 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.

## 7. Financial Assets

Financial assets are initially recognised at fair value on the trade date, which includes transaction costs when the contractual rights or obligations exist. After initial recognition, financial instruments are measured as set out below:

### Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method.

### Impairments

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised in the surplus or deficit. Impairment is established when there is evidence that the company will not be able to collect amounts due according to the original terms.

### De-recognition of Financial Instruments

The de-recognition of a financial instrument takes place when the company sells the instrument, or all cash flows attributable to the instrument are passed to an independent third party.

### 8. Revenue

Revenue is measured at the fair value of consideration received.

### Grants

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation the grants are initially recorded as grants received in advance, and recognised as revenue when conditions of the grant are satisfied.

### Other Revenue

Products held for sale are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in gate expenses.

Where a physical asset is donated or vested in the company for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the company are recognised as revenue when control over the asset is obtained.

Volunteer services received are not recognised as revenue or expenditure as the company is unable to reliably measure the fair value of the services received.

Interest income is recognised using the effective interest method.

Revenue from a contract to provide services is recognised by reference to stage of completion of the contract at year end balance date.

### 9. Receivables

Trade and other receivables are recorded at their fair value less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

## 10. Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected using an appropriate discount rate.

## 11. Employee Entitlements

A liability for holiday pay entitlements is recognised in the balance sheet.

Where the payment is expected to be longer than 12 months of balance date, the liability is recorded at its present value. Where the payment is expected to be less than 12 months, the provision is the amount expected to be paid.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

## 12. Finance Costs

Finance costs are recognised as an expense in the period in which they are incurred.

## 13. Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value.

## 14. Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date. Borrowings where the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date are classified as non-current liabilities.

# Notes to the Financial Statements

## Innovative Waste Kaikoura Ltd

For the year ended 30 June 2019

	2019	2018
<b>1. Operating revenue</b>		
<b>Sales</b>		
Contract Income - Fixed	445,723	583,426
Contract Income - Variation	402,126	260,724
Landfill management fee	180,000	-
Other Maintenance Services	23,363	-
Landfill sales and services	849,445	906,853
Trees for Travellers	16,515	-
Resource Recovery Centre	85,714	-
3 Waters Recovery	128,997	456,116
<b>Total Sales</b>	<b>2,131,883</b>	<b>2,207,119</b>
<b>Other Revenue</b>		
Grants Received	381,488	250,985
Interest Income	353	359
Insurance Payout	-	9,131
<b>Total Other Revenue</b>	<b>381,841</b>	<b>260,475</b>
<b>Total Revenue</b>	<b>2,513,723</b>	<b>2,467,594</b>
<b>2. Operating expenses</b>		
<b>General Expenses</b>		
Audit Fees	23,035	22,500
Bad Debts written off	-	1,502
Insurance	31,940	25,144
Rents	5,136	4,950
<b>Total Operating expenses</b>	<b>542,076</b>	<b>413,253</b>
<b>3. Finance Costs</b>		
Interest Charges	4,912	13,470
<b>Total Finance Costs</b>	<b>4,912</b>	<b>13,470</b>
<b>4. Dividends paid</b>		
	2019	2018
<b>5. Cash and cash equivalents</b>		
BNZ Bank Account	90,826	218,020
BNZ - Credit Card	3,535	-
Cash Float	110	110
<b>Total Cash and cash equivalents</b>	<b>94,471</b>	<b>218,130</b>





Depreciation	
Balance at 1 July	144,131
Current year depreciation	8,079
Disposal	-
Balance at 30 June	152,210
	144,131
<b>Total cost less accumulated depreciation</b>	<b>279,610</b>
	275,199
	2019
	2018

**Motor Vehicles**

Balance at 1 July	
Opening Balance	347,570
Additions	-
Disposals	-
Balance at 30 June	347,570
	347,570
<b>Depreciation</b>	
Balance at 1 July	126,104
Current year depreciation	27,762
Disposals	-
Balance at 30 June	153,866
	126,104
<b>Total cost less accumulated depreciation</b>	<b>193,704</b>
	221,466
	2019
	2018

**Equipment**

Cost	
Balance at 1 July	85,971
Additions	67,321
Disposals	-
Balance at 30 June	153,292
	85,971
<b>Depreciation</b>	
Balance at 1 July	29,985
Current year depreciation	14,749
Disposal	-
Balance at 30 June	44,733
	29,985
<b>Total cost less accumulated depreciation</b>	<b>108,559</b>
	55,987
	2019
	2018

**Plant & Equipment Yard**

Cost	
Balance at 1 July	804,825
Additions	83,730
Balance at 30 June	888,555
	804,825

Depreciation	
Balance at 1 July	510,346
Current year depreciation	54,973
Disposals	1,026
Balance at 30 June	566,345
	510,346
Total cost less accumulated depreciation	322,210
	294,480
	2019
	2018

### Total Property, Plant and Equipment

Cost	
Balance at 1 July	1,657,696
Additions	162,516
Balance at 30 June	1,820,212
	1,657,696
Depreciation	
Balance at 1 July	810,565
Current year depreciation	105,563
Balance at 30 June	916,128
	810,565
Total cost less accumulated depreciation	904,084
	847,131
	2019
	2018

No impairment losses have been recognised for property, plant and equipment (2018: nil).

8. Trade and other payables	
Accounts Payable	86,131
Accrued Expenses	20,717
Total Trade and other payables	106,848
	2019
	2018

9. Employee benefits and liabilities	
Accrued Wages & Salaries	40,544
Wages Deductions Payable	-
PAYE Due	22,295
Provision for annual leave	102,643
Fringe benefit tax payable	-
Total Employee benefits and liabilities	165,482
	2019
	2018

Salaries & Wages	
Salaries & Wages	1,203,438
	993,885

Increase / (decrease) in employee entitlements	30,092	8,175
<b>Total Salaries &amp; Wages</b>	<b>1,233,530</b>	<b>1,002,060</b>

	2019	2018
<b>10. Borrowings</b>		
BNZ Term Loans	27,074	83,788
MacQuarie Pacific Funding	13,024	-
<b>Total Borrowings</b>	<b>40,098</b>	<b>83,788</b>
	2019	2018

**Repayable as follows**

Not later than 1	40,098	56,745
Later than 1 year and not later than 5 years	-	27,042
<b>Total Repayable as follows</b>	<b>40,098</b>	<b>83,788</b>

**11. Operating Lease commitments**

	2019	2018
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**Non-cancellable operating leases**

Not later than 1 year	13,030	13,030
Later than 1 year and not later than 5 years	1,085	14,115
<b>Total Non-cancellable operating leases</b>	<b>14,115</b>	<b>27,145</b>

The lease commitment is the lease of the Company premises and three motor vehicles. The premises contract is for 5 years term commencing 1 April 2012 with review of the rental on a two yearly basis. The motor vehicle leases are for a 5 year term commencing 17 July 2015 with no right of renewal.

**12. Related parties**

The Company is owned by Kaikoura Enhancement Trust, which itself is owned by the Kaikoura District Council. The Company has a landfill management contract with Kaikoura District Council.

As of 01 July 2015 the Company also has a five year contract with Kaikoura District Council to provide contractual maintenance services for Council's storm water, sewerage and water supply infrastructure.

The total value of related party transactions for the current and prior year with the Kaikoura Enhancement Trust and Kaikoura District Council are as follows:

	2019	2018
<b>Sales to Kaikoura District Council</b>		
Landfill management fee	180,000	180,000
Kerbside recycling and public rubbish fee	127,492	128,722
Other sales	1,278,960	1,257,448
<b>Total Sales to Kaikoura District Council</b>	<b>1,586,452</b>	<b>1,566,170</b>

	2019	2018		
<b>Purchases from Kaikoura District Council</b>				
Rent	5,136	4,950		
Other purchases	91	31,236		
<b>Total Purchases from Kaikoura District Council</b>	<b>5,227</b>	<b>36,186</b>		
Kaikoura District Council receivables of \$104,433 (2018: \$125,081) and payables of NIL (2018: \$460)				
Other Related party transactions for the year include:				
John Diver Electrical was a related party until 13 October 2017, as a result of having a shared director (Stuart Grant). Purchases \$60,100 (2017: \$82,046) and sales of \$117 (2017: \$977).				
Director Stuart Grant (resigned 13 October 2017) provided relief operational oversight to the 3 Waters division of the Company following the November 2016 earthquake events.				
S G Consulting was a related party until 13 October 2017 as a result of having a shared director (Stuart Grant). There was \$6,863 of fees charged By S G Consulting for the period up to 11 October 2017. (2017: \$36,302, payable at 30 June 2017 \$7,403).				
Any transactions by or with the directors were at normal terms and this disclosure is made for completeness purposes. No related party debtors have been written off or forgiven during the year.				
<b>Key management personnel</b>				
Key management personnel compensation	230,670	75,394		
In the current year Key Management personnel consistent of the Directors, the General Manager and the Utilities Manager.				
In the prior year, the General Manager role was vacated on the 1st February 2018, and between 1 February 2018 - 24 June 2018 EcoCentral Ltd provided contract management services.				
The current General Manager was appointed on the 25 June 2018.				
<b>13. Share capital</b>				
	Number of Shares	Amount (\$)	Number of Shares	Amount (\$)
	2019	2019	2018	2018
Balance as at 30 June	100	100	100	100
There was no consideration received for the shares.				
		2019		2018
<b>14. Retained earnings</b>				
Opening balance		758,333		509,827
Net profit after tax		(45,463)		248,506
Retained earnings closing balance		712,870		758,333

**15. Financial instruments categories**

	2019	2018
<b>Financial assets</b>		
Cash and cash equivalents	90,936	218,130
<b>Debtors and other receivables</b>		
Accounts Receivable	169,872	176,458
<b>Total Debtors and other receivables</b>	<b>169,872</b>	<b>176,458</b>
<b>Total loans and receivables</b>		
	<b>260,807</b>	<b>394,588</b>
	2019	2018

**Financial liabilities**

Trade and other payables	106,848	78,376
Borrowings - secured and unsecured	40,098	83,788
<b>Total financial liabilities at amortized cost</b>	<b>146,946</b>	<b>162,164</b>

**16. Contingent assets and liabilities**

As at 30 June 2019 there are no known contingent assets or liabilities. Innovation Waste Kaitiaki Limited has not granted securities in respect of liabilities payable by any other party whatsoever.

As at 30 June 2019 the Company's assets are insured jointly through the wider insurance portfolio of Kaitiaki District Council in order to benefit from the Council's combined purchasing power.

Currently, the Company has only made one insurance claim with the total value of \$49,937 incl which was settled in the year ended 30 June 2018.

**17. Significant events after balance date**

No significant events occurred after balance date (2018: nil)

**18. Taxation**

	2019	2018
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**Components of tax expense recognised in statement of comprehensive revenue and expense:**

<b>Income tax expense</b>		
Current Taxation	-	25,918
Deferred Taxation	(15,273)	71,242
<b>Income tax expense</b>	<b>(15,273)</b>	<b>97,160</b>
Income tax expense	(15,273)	97,160

	2019	2018
<b>Relationship between tax expense and accounting profit</b>		
Surplus / (deficit) before tax	(60,736)	345,666
Tax at 28%	(17,006)	96,787
<b>Add/(less) tax effect of:</b>		
Prior period adjustments	-	-
(Non taxable Income)/Non Deductible Expenditure	1,734	374
<b>Total Add/(less) tax effect of:</b>	<b>1,734</b>	<b>374</b>
Income Tax Expense	(15,272)	97,161
	2019	2018

**Movement in tax (refund) / payable:**

Balance at start of year	6,021	103,504
Taxation (paid) / refunded	(6,021)	(123,401)
Provided for this year	-	25,918
Balance at the end of the year	-	6,021

**Movement in temporary differences**

	Balance 30 June 2018	Recognised in profit/loss	Recognised in equity	Balance 30 June 2019
Property, plant and equipment	(147,513)	(17,262)	-	(164,775)
Losses to carry forward	-	23,011	-	23,011
Employee benefits	17,145	9,523	-	26,668
	(130,367)	15,273	-	(115,096)

	Balance 30 June 2017	Recognised in profit/loss	Recognised in equity	Balance 30 June 2018
Property, plant and equipment	(82,113)	(65,400)	-	(147,513)
Accruals	3,360	(3,360)	-	-
Employee benefits	19,630	(2,485)	-	17,145
	(59,123)	(71,244)	-	(130,367)

**19. Breach of legislation**

Section 67 of the Local Government Act 2002 requires that the company adopts its annual report within three months after the end of the financial year. The company was not able to meet requirement for the year ended 30 June 2019 and the annual report was not adopted until 19 December 2019.

## Statement of Service Performance

For the year ended 30 June 2019

Target	Performance target to achieve the output	Achievements as at 30 June 2019
Client satisfaction	<p>98% of all urgent or callouts, applicable to the contract are responded to within one hour or two hours respectively from the time of the notification to the time that service personnel depart to the site. <sup>(1)</sup></p> <p>98% of all non-urgent call outs, applicable to the contract are responded to within 48 hours from the time the notification to the time that service personnel attend site. <sup>(1)</sup></p> <p>Service requests received about recycling collections is less than 100 per year.</p>	<p><b><u>Results not available</u></b></p> <p>All service requests are logged through KDCs Ozone programme and advised via phone and/or email to IWK.</p> <p>All responses are then checked on a weekly/monthly basis with KDC.</p> <p>All Urgent requests are attended to immediately.</p> <p><b><u>Results not available</u></b></p> <p>All non-urgent call outs are responded to within 24 hours.</p> <p><b><u>No service requests received during the year.</u></b></p> <p>Service Requests regarding recycling are rung through to KDC to be recorded in Ozone.</p>



Service Performance	<p>Zero abatement notices or infringements issued to KDC for non-compliance with resource consent conditions.</p> <p>The number of complaints received per year being due to a service request not being actioned appropriately is less than 25. <sup>(2)</sup></p>	<p><b><u>Achieved</u></b></p> <p>No non-compliance notices or infringements issued to KDC.</p> <p>5 complaints in total</p>
Health & Safety	<p>5% reduction in TRIF (Total Recordable Incident Frequency) accident rates</p> <p>LTIFR (LTI per 200,000 hours worked) &lt;6</p>	<p><b><u>Achieved</u></b></p> <p>TRIFR rate for 2017/18 was 28.98 (6 TRI x 200,000/41,406 (hours worked)).</p> <p>TRIFR rate for 2018/19 was 18.41 (3 TRI x 200,000/32,590 (hours worked)).</p> <p><b><u>Not achieved</u></b></p> <p>LTIFR rate for 2018/19 was 12.27 (2 x LTI x 200,000/32590 (hours worked)).</p>
Staff Engagement	<p>Establish baseline of staff satisfaction through annual survey.</p>	<p><b><u>Achieved</u></b></p> <p>Average engagement score of 4.0</p>
Financial Performance Targets	<p><b>Revenue \$2,212,100</b></p>	<p><b><u>Achieved</u></b></p> <p>\$2,513,723</p>

	NPAT \$254,800	-\$45,463	<u>Not Achieved</u>
	Return on Equity 32%	-6%	<u>Not Achieved</u>
	Shareholder Funds/Total Assets 57%	60%	<u>Achieved</u>
	Equity \$805,600	\$712,970	<u>Not Achieved</u>
	Debt to Debt + Equity 9%	6%	<u>Not Achieved</u>
	Earnings per Share \$2,540	-\$454	<u>Not Achieved</u>
	Dividend Ratio 10%	0	<u>Not Achieved</u>

There was 55.18% total diversion of recyclable material from landfill in this financial year against last two years were reported to be 78% and 75% respectively. IWK have worked to amend the last 5 years of diversion rates reported which has reduced the reported diversion totals of the two years prior significantly. The last two years therefore being 51.25% and 44.81% respectively. The reported rates did include a large amount of clean-fill waste that was produced from the November 2016 earthquake, with the closure of the Kowhai Cleanfill site the amounts have reduced radically. Despite the reduction to the prior two years rates of diversion, the cleanfill weights remain the same. The earthquake recovery continues to see a large amount of demolition waste being bought to the landfill.

(1) These measures relate to our water rate maintenance activity as part of our contract with Kaikoura District Council

(2) These measures relate to our services provided within the contract with Kaikoura District Council for water maintenance and rubbish collection activity.