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# Annual Report

Innovative Waste Kaikoura Ltd  
For the year ended 30 June 2022

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Prepared by WK Advisors and Accountants Limited

# Contents

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

# Directory

## Innovative Waste Kaikoura Ltd For the year ended 30 June 2022

### Date of Incorporation

30 June 2000

### Company Number

CH1045695

### Registered Office

Innovative Waste Kaikoura Limited  
82 Scarborough Street  
Kaikoura

### Company Status

Registered Company

### Issued Capital

100 Shares

### Shareholders

Kaikoura Enhancement Trust - 100 Ordinary Shares

### Directors

NS Pablecheque	Appointed on 10 March 2017 - Resigned on 27 July 2017, Re-appointed on 16 October 2017
GC Harmon	Appointed on 06 May 2018
GR Hughes	Appointed on 20 July 2018
LJ Buurman	Appointed on 21 July 2020

### Business Location

82 Scarborough Street  
Kaikoura 7300

### Nature of Business

Operation of Kaikoura Recovery Centre & Landfill.

Contracted maintenance service for Council's 3 waters assets.

### IRD Number

076-884-188

**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**

Duncan Cotterill  
148 Victoria Street  
Christchurch

**Bankers**

Bank of New Zealand  
Kaikoura

# Directors Report - Disclosure

## Innovative Waste Kaikoura Ltd For the year ended 30 June 2022

The Directors present their annual report including the financial statements of the company for the year ended 30 June 2022.

### Principal activities

The business of the company is the operation of the Kaikoura resource recovery centre & landfill. The company also has a five year contract to provide contractual maintenance services in Kaikoura 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:

NS Pablecheque  
GC Harmon  
GR Hughes  
LJ Buurman

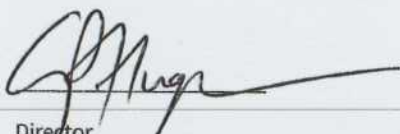
No other person was a Director at any time.

### Directors' Remuneration

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

**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: 30 November 2022



Director

Date:

## Statement of Profit or Loss

### Innovative Waste Kaikoura Ltd For the year ended 30 June 2022

	NOTES	2022 (\$)	2021 (\$)
<b>Revenue</b>			
Revenue	1	2,343,565	2,768,997
<b>Direct Expenses</b>			
Wages		1,204,793	1,333,905
Direct Costs		655,830	703,684
<b>Total Direct Expenses</b>		<b>1,860,623</b>	<b>2,037,589</b>
<b>Gross Surplus</b>		<b>482,942</b>	<b>731,408</b>
<b>Other Income</b>			
Wage Subsidy	1	31,779	-
<b>Total Other Income</b>		<b>31,779</b>	<b>-</b>
<b>Expenses</b>			
Operating Expenses	2	424,409	367,360
Finance Costs	3	1,823	887
Depreciation	6	147,895	165,178
Loss / (Gain) on disposal of Property, Plant and Equipment		2,729	1,558
<b>Total Expenses</b>		<b>576,856</b>	<b>534,983</b>
<b>Operating surplus / (deficit) before Tax</b>		<b>(62,135)</b>	<b>196,425</b>
<b>Income Tax</b>			
Income tax for the year	18	(28,598)	66,199
<b>Net Surplus/ (deficit) after Tax</b>		<b>(33,537)</b>	<b>130,226</b>
<b>Total comprehensive surplus/ (deficit) after tax</b>		<b>(33,537)</b>	<b>130,226</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 Movement in Equity

Innovative Waste Kaikoura Ltd  
For the year ended 30 June 2022

	NOTES	2022 (\$)	2021 (\$)
<b>Equity at Start of Year</b>			
Opening Balance		1,004,927	874,701
Total Comprehensive Revenue and Expense		(33,537)	130,226
<b>Equity at End of Year</b>		<b>971,390</b>	<b>1,004,927</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 2022

	NOTES	2022 (\$)	2021 (\$)
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	4	212,007	243,070
Debtors & Other Receivables	5	208,322	302,680
Income Tax	18	25,716	-
<b>Total Current Assets</b>		<b>446,044</b>	<b>545,749</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	6	933,667	999,262
Deferred Tax Asset		7,392	-
<b>Total Non-Current Assets</b>		<b>941,059</b>	<b>999,262</b>
<b>Total Assets</b>		<b>1,387,103</b>	<b>1,545,011</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	129,032	132,053
Employee Benefit Liabilities	8	156,430	190,609
Income Tax	18	-	43,552
Loans	9	75,000	95,000
GST		38,173	57,663
<b>Total Current Liabilities</b>		<b>398,636</b>	<b>518,878</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability		-	21,206
Accounts Payable		17,078	-
<b>Total Non-Current Liabilities</b>		<b>17,078</b>	<b>21,206</b>
<b>Total Liabilities</b>		<b>415,714</b>	<b>540,084</b>
<b>Net Assets</b>		<b>971,390</b>	<b>1,004,927</b>
<b>Equity</b>			
Share Capital	12	100	100
Retained Earnings	13	971,290	1,004,827
<b>Total Equity</b>		<b>971,390</b>	<b>1,004,927</b>

Signed by:


  
 Director                      Director

Date:

30 November 2022

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 Cash Flows

### Innovative Waste Kaikoura Ltd For the year ended 30 June 2022

	2022 (\$)	2021 (\$)
<b>Cash Flows from Operating</b>		
<b>Cash was provided from</b>		
Receipts from customers	2,430,152	2,576,153
Interest Received	33	131
MSD Wage Subsidy	31,779	-
<b>Total Cash was provided from</b>	<b>2,461,964</b>	<b>2,576,284</b>
<b>Cash was applied to</b>		
Payments to suppliers and employees	(2,296,871)	(2,301,892)
Interest paid	(2,368)	(342)
Net GST	(19,490)	1,875
Income Tax Paid	(69,269)	(59,617)
<b>Total Cash was applied to</b>	<b>(2,387,998)</b>	<b>(2,359,976)</b>
<b>Total Cash Flows from Operating</b>	<b>73,966</b>	<b>216,308</b>
<b>Cash Flows from Investing</b>		
<b>Cash was provided from</b>		
Receipts from sale of property, plant and equipment	9,130	-
<b>Total Cash was provided from</b>	<b>9,130</b>	<b>-</b>
<b>Cash was applied to</b>		
Payments to acquire property, plant and equipment	(94,159)	(309,685)
<b>Total Cash was applied to</b>	<b>(94,159)</b>	<b>(309,685)</b>
<b>Total Cash Flows from Investing</b>	<b>(85,029)</b>	<b>(309,685)</b>
<b>Cash Flows from Financing</b>		
<b>Cash was provided from</b>		
Proceeds from loans borrowed from other parties	-	87,282
<b>Total Cash was provided from</b>	<b>-</b>	<b>87,282</b>
<b>Cash was applied to</b>		
Repayments of loans borrowed from other parties	(20,000)	(2,136)
<b>Total Cash was applied to</b>	<b>(20,000)</b>	<b>(2,136)</b>
<b>Total Cash Flows from Financing</b>	<b>(20,000)</b>	<b>85,146</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(31,063)</b>	<b>(8,231)</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	243,070	251,300
Cash and cash equivalents at end of period	212,007	243,070
Net change in cash for period	(31,063)	(8,231)

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 Kaikoura Ltd For the year ended 30 June 2022

### Reporting Entity

The financial statements are of Innovative Waste Kaikoura Limited ("the Company"). Innovative Waste Kaikoura Limited is a company incorporated in New Zealand registered under the Companies Act 1993. Innovative Waste Kaikoura Limited is engaged in the business of operation of Kaikoura resource recovery centre & landfill. The company secured a five year contract in July 2021 to provide contractual maintenance services in Kaikoura to the Council for the storm water, wastewater and water supply. The company is wholly owned by Kaikoura Enhancement Trust, a subsidiary of Kaikoura 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 Kaikoura Limited have been prepared in accordance with the reporting requirements of Section 11 of the Financial Reporting Act 1993.

The objectives of the company are to deliver excellent services, educate the community, be a good employer, be innovative and consider expansion and diversification within the District. 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 2022 and were authorised for issue by the directors on (TO BE UPDATED).

### Measurement Base

The financial statements of Innovative Waste Kaikoura 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	2022 (%)
Buildings	2.0% - 22.65% SL
Motor vehicles	6.5% - 13.5% SL
Office equipment	6.5% - 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.

## 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. Work in Progress

Work in progress is stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

## 8. 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.

## 9. 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.

## 10. 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.

## 11. 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.

## 12. 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.

## 13. Finance Costs

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

#### 14. Creditors and Other Payables

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

#### 15. 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 2022

	2022	2021
<b>1. Operating revenue</b>		
<b>Sales</b>		
Contract Income - Fixed	249,097	266,750
Contract Income - Variation	971,912	1,075,167
Landfill Management Fee	176,436	180,000
Landfill Sales and Services	690,454	871,817
Trees for Travellers	-	1,592
Resource Recovery Centre	169,866	202,862
3 Waters Recovery	71,894	170,678
RB - Sales	13,873	-
Interest Income	33	131
<b>Total Sales</b>	<b>2,343,565</b>	<b>2,768,997</b>
<b>Other Revenue</b>		
Wage Subsidy	31,779	-
<b>Total Other Revenue</b>	<b>31,779</b>	<b>-</b>
<b>Total Revenue</b>	<b>2,375,344</b>	<b>2,768,997</b>

The Company's non-exchange revenue transactions in the 2022 financial year include wage subsidy income. This revenue has conditions attached which specify that the future economic benefits or service potential is required to be consumed as specified (used to retain and pay employees) or must be returned to the transferor.

	2022	2021
<b>2. Operating expenses</b>		
General Expenses	316,840	302,587
Audit Fees	26,481	25,799
Bad Debts written off	-	2,349
Carbon Credits	27,706	-
Insurance	41,254	36,625
Rents	12,128	-
<b>Total Operating expenses</b>	<b>424,409</b>	<b>367,360</b>
<b>3. Finance Costs</b>		
Interest Charges	1,823	887
<b>Total Finance Costs</b>	<b>1,823</b>	<b>887</b>

	2022	2021
<b>4. Cash and cash equivalents</b>		
BNZ Bank Account	214,998	246,047
BNZ - Credit Card	(2,992)	(3,188)
Cash Float	-	210
<b>Total Cash and cash equivalents</b>	<b>212,007</b>	<b>243,070</b>
	<b>2022</b>	<b>2021</b>

<b>5. Debtors and other receivables</b>		
Accounts Receivable	194,504	287,407
Payments in advance	13,817	15,273
<b>Total Debtors and other receivables</b>	<b>208,322</b>	<b>302,680</b>

Trade debtors are shown net of impairment losses arising from the likely non payment of a small number of customers.

As at 30 June 2022 all overdue receivables had been assessed for impairment an appropriate provisions applied. The ageing of receivables are as follows:

	2022			2021		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Not past due - under 30 days	180	-	180	276	-	276
Past due - 30 to 60 days	11	-	11	11	-	11
Past due - 60 to 90 days	2	-	2	-	-	-
Past due - over 90 days	-	-	-	-	-	-
	<b>193</b>	<b>-</b>	<b>193</b>	<b>287</b>	<b>-</b>	<b>287</b>

Movement in the provision for impairments of receivables as follows:

	2022	2021
Opening balance	-	-
Plus: Increase of provision	-	-
Less: Receivables written off	-	-
Balance as at 30 June	-	-

All receivables are from exchange transactions. No receivables are considered impaired (2021: nil).



## 6. Property, Plant &amp; Equipment

	2022	2021
<b>Buildings</b>		
<b>Cost</b>		
Balance at 1 July	383,307	431,820
Disposals	-	(48,513)
<b>Closing Balance at 30 June</b>	<b>383,307</b>	<b>383,307</b>
<b>Depreciation</b>		
Balance at 1 July	120,479	160,601
Current year depreciation	8,391	8,391
Depreciation recovered	-	(48,513)
<b>Balance at 30 June</b>	<b>128,870</b>	<b>120,479</b>
<b>Total cost less accumulated depreciation</b>	<b>254,437</b>	<b>262,828</b>
	2022	2021
<b>Motor Vehicles</b>		
<b>Balance at 1 July</b>		
Opening Balance	575,569	360,287
Additions	61,231	218,394
Disposals	(75,255)	(3,111)
<b>Balance at 30 June</b>	<b>561,546</b>	<b>575,569</b>
<b>Depreciation</b>		
Balance at 1 July	203,618	162,927
Current year depreciation	54,281	43,801
Depreciation recovered	(66,396)	(3,111)
<b>Balance at 30 June</b>	<b>191,502</b>	<b>203,618</b>
<b>Total cost less accumulated depreciation</b>	<b>370,044</b>	<b>371,952</b>
	2022	2021
<b>Equipment</b>		
<b>Cost</b>		
Balance at 1 July	194,708	164,275
Additions	11,880	41,192
Disposals	(2,644)	(10,759)
<b>Balance at 30 June</b>	<b>203,944</b>	<b>194,708</b>
<b>Depreciation</b>		
Balance at 1 July	105,268	70,195
Current year depreciation	27,067	43,418
Depreciation recovered	(2,416)	(8,345)
<b>Balance at 30 June</b>	<b>129,919</b>	<b>105,268</b>
<b>Total cost less accumulated depreciation</b>	<b>74,026</b>	<b>89,441</b>

	2022	2021
<b>Plant &amp; Equipment Yard</b>		
<b>Cost</b>		
Balance at 1 July	901,802	925,750
Additions	21,051	43,187
Disposals	(109,827)	(67,135)
<b>Balance at 30 June</b>	<b>813,026</b>	<b>901,802</b>
<b>Depreciation</b>		
Balance at 1 July	626,761	624,188
Current year depreciation	58,156	69,568
Depreciation recovered	(107,052)	(66,995)
<b>Balance at 30 June</b>	<b>577,865</b>	<b>626,761</b>
<b>Total cost less accumulated depreciation</b>	<b>235,161</b>	<b>275,041</b>
	2022	2021

**Total Property, Plant and Equipment**

	2022	2021
<b>Cost</b>		
Balance at 1 July	2,055,387	1,882,132
Additions	94,161	302,773
Disposals	(187,726)	(129,518)
<b>Balance at 30 June</b>	<b>1,961,822</b>	<b>2,055,387</b>
<b>Depreciation</b>		
Balance at 1 July	1,056,125	1,017,911
Current year depreciation	147,895	165,178
Depreciation recovered	(175,865)	(126,964)
<b>Balance at 30 June</b>	<b>1,028,155</b>	<b>1,056,125</b>
<b>Total cost less accumulated depreciation</b>	<b>933,667</b>	<b>999,262</b>

No impairment losses have been recognised for property, plant and equipment (2021: nil).

	2022	2021
<b>7. Trade and other payables</b>		
Accounts Payable	100,188	66,324
Accrued Expenses	28,844	65,729
<b>Total Trade and other payables</b>	<b>129,032</b>	<b>132,053</b>

	2022	2021
<b>8. Employee benefits and liabilities</b>		
Accrued Wages & Salaries	10,713	13,008
PAYE Due	33,468	50,052
Provision for annual leave	112,249	127,549
<b>Total Employee benefits and liabilities</b>	<b>156,430</b>	<b>190,609</b>

	2022	2021
<b>Salaries &amp; Wages</b>		
Salaries & Wages	1,204,793	1,333,905
<b>Total Salaries &amp; Wages</b>	<b>1,204,793</b>	<b>1,333,905</b>

	2022	2021
<b>9. Borrowings</b>		
Kaikoura District Council - Term Loan	75,000	95,000
<b>Total Borrowings</b>	<b>75,000</b>	<b>95,000</b>

	2022	2021
<b>Repayable as follows</b>		
Not later than 1 year	20,000	20,000
Later than 1 year and not later than 5 years	55,000	75,000
<b>Total Repayable as follows</b>	<b>75,000</b>	<b>95,000</b>

**10. Operating Lease commitments**

	2022	2021
<b>Non-cancellable operating leases</b>		
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	-	-
<b>Total Non-cancellable operating leases</b>	<b>-</b>	<b>-</b>

**11. Related parties**

The Company is owned by Kaikoura Enhancement Trust, which itself is owned by the Kaikoura District Council. As of July 2021, the Company has a five year contract with Kaikoura District Council to provide landfill management and 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:

**KDC Loan**

On 26 February 2021, a loan was drawn down from Kaikoura District Council for \$100,000. The loan term is 5 years, with earlier repayment allowed.

The initial interest rate is 2.14%. The interest rate will be reset two years after Commencement date and again four years after Commencement date.

Principal and interest are paid to KDC quarterly with the first payment date being 20 May 2021, and all other payments being three-monthly thereafter. 20 equal principal payments of \$5,000 are to be made, along with the interest due.

IWK repaid \$20,000 on their term loan from Kaikoura District Council during the year. The loan was drawn down on 26/02/2021.

	2022	2021
<b>Sales to Kaikoura District Council</b>		
Landfill management fee	180,000	180,000
Kerbside recycling and public rubbish fee	72,771	121,418
Other sales	1,427,759	1,355,255
<b>Total Sales to Kaikoura District Council</b>	<b>1,680,530</b>	<b>1,656,673</b>

	2022	2021
<b>Purchases from Kaikoura District Council</b>		
Rent	12,128	-
Interest - Loan	1,871	-
Other purchases	31,861	7,193
<b>Total Purchases from Kaikoura District Council</b>	<b>45,860</b>	<b>7,193</b>

Kaikoura District Council receivables of \$159,692 (2021: \$247,577)

Kaikoura District Council payables of \$17,078 (2021: \$11,238)

	2022	2021
<b>Key management personnel</b>		
Key management personnel compensation	251,579	247,258

In the current year Key Management personnel consistent of the Directors, the General Manager and the Utilities Manager.

During the year there have been the following transactions with companies owned by key management personnel:

Kaikoura Liquid Waste  
 - Purchases \$2,900 (2021 - \$6,651)  
 - Sales \$2,657 (2021 - \$448).

There were no outstanding balances at year end.

## 12. Share capital

	Number of Shares	Amount (\$)	Number of Shares	Amount (\$)
	2022	2022	2021	2021
Balance as at 30 June	100	100	100	100

There was no consideration received for the shares.

	2022	2021
<b>13. Retained earnings</b>		
Opening balance	1,004,827	874,601
Net profit after tax	(33,537)	130,226
Retained earnings closing balance	971,290	1,004,827

## 14. Financial instruments categories

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents	214,998	246,257
<b>Debtors and other receivables</b>		
Accounts Receivable	194,504	287,407
<b>Total Debtors and other receivables</b>	<b>194,504</b>	<b>287,407</b>
<b>Total loans and receivables</b>	<b>409,503</b>	<b>533,664</b>
<b>Financial liabilities</b>		
Trade and other payables	129,032	132,053
<b>Total financial liabilities at amortized cost</b>	<b>129,032</b>	<b>132,053</b>

## 15. Contingent assets and liabilities

As at 30 June 2022 there are no known contingent assets or liabilities. Innovation Waste Kaikoura Limited has not granted securities in respect of liabilities payable by any other party whatsoever.

As at 30 June 2022 the Company's assets are insured jointly through the wider insurance portfolio of Kaikoura District Council in order to benefit from the Council's combined purchasing power.

## 16. Impact of COVID-19

The company assesses that COVID-19 has a minimal impact on its operational results for both the current and previous years. On the 17th of August 2021, Innovative Waste Kaikoura was impacted by the Government's nationwide COVID Level 4 lockdown. As an essential service, the recycling facility continued to operate during this time and the refuse stations also continued to operate for essential customers only. The company's shop was closed and didn't reopen until the return to Level 2 on the 8th of September 2021. The company experienced a loss of revenue during the first two weeks of the lockdown and received a wage subsidy from the government for this period.

### 17. Three Waters Reform

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the Kaikoura District Council will no longer deliver three waters services or own the assets required to deliver these services. The Bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities."

This may include changes to the Government's proposal, or the progress of the Bill through the House. Currently there is uncertainty about likely impacts of the reform on the Company's operations.

### 18. Taxation

	2022	2021
<b>Components of tax expense recognised in statement of comprehensive revenue and expense:</b>		
<b>Income tax expense</b>		
Current Taxation	-	68,100
Deferred Taxation	(28,598)	(1,901)
<b>Income tax expense</b>	<b>(28,598)</b>	<b>66,199</b>
Income tax expense	(28,598)	66,199
	2022	2021
<b>Relationship between tax expense and accounting profit</b>		
Surplus / (deficit) before tax	(62,135)	196,425
Tax at 28%	(17,398)	54,999
<b>Add/(less) tax effect of:</b>		
Deferred tax adjustment	(11,200)	11,200
<b>Total Add/(less) tax effect of:</b>	<b>(11,200)</b>	<b>11,200</b>
Income Tax Expense	(28,598)	66,199

2022 2021

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

Balance at start of year	43,552	35,069
Taxation (paid) / refunded	(69,269)	(59,617)
Provided for this year	-	68,100
<b>Balance at the end of the year</b>	<b>(25,717)</b>	<b>43,552</b>

**Movement in temporary differences**

	Balance 30 June 2021	Recognised in profit/loss	Recognised in equity	Balance 30 June 2022
Property, plant and equipment	(50,580)	12,829	-	(37,751)
Losses to carry forward	-	19,394	-	19,394
Employee benefits	29,371	(3,626)	-	25,745
	(21,209)	28,598	-	7,389

	Balance 30 June 2020	Recognised in profit/loss	Recognised in equity	Balance 30 June 2021
Property, plant and equipment	(53,390)	2,810	-	(50,580)
Losses to carry forward	-	-	-	-
Employee benefits	30,280	(909)	-	29,371
	(23,110)	1,901	-	(21,209)

## Statement of Service Performance

Innovative Waste Kaikoura Ltd  
For the year ended 30 June 2022

Target	Performance target to achieve the output	Achievements as at 30 June 2022
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. (1)</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>KDC have implemented an Asset Management system to capture all calls and send direct to IWK, where IWK can update all info required, the system became operational in June 2022.</p> <p>All 0800 calls are captured on invoice spreadsheet sent to KDC.</p> <p>All Urgent requests are attended to immediately.</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. (1)</p>	<p><b><u>Results not available</u></b></p> <p>All non-urgent call outs are responded to within 24 hours.</p>



	<p>Service requests received about recycling collections is less than 20 per year.</p> <p>Compliance with and provision of all KPI information as per contracts</p> <p>Obtaining an unqualified audit opinion</p>	<p><b><u>Achieved</u></b></p> <p>Service Requests regarding recycling are rung through or entered through the Service Request portal on KDCs website for KDC to record in Ozone.</p> <p>1 received – Mill Road</p> <p><b><u>Measure not relevant 2022</u></b></p> <p>New contract for 3 Waters started 1 July 2020 (3 year term) – no further KPIs than service response attached.</p> <p>New contract for Resource Recovery implemented 1 October 2021 (5 year term) and has a quarterly review attached.</p> <p><b><u>Not achieved</u></b></p> <p>Qualified Audit opinion received in 2021/22 – in relation to the Statement of Service Performance</p>
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Statement of Service Performance

<p>Service Performance</p>	<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 10. <sup>(2)</sup></p>	<p><b><u>Achieved</u></b></p> <p>No non-compliance notices or infringements issued to KDC in relation to IWKs contracts or works.</p> <p>3 complaints in total</p>
<p>Health &amp; Safety</p>	<p>5% reduction in TRIF (Total Recordable Incident Frequency) rates</p> <p>LTIFR (LTI per 200,000 hours worked) &lt;6</p>	<p><b><u>Achieved</u></b></p> <p>TRIFR rate for 2020/21 was 131.48 (18 TRI x 200,000/27,116 (hours worked)).</p> <p>TRIFR rate for 2021/22 was 79.86 (12 TRI x 200,000/30,053 (hours worked)).</p> <p><b><u>Achieved</u></b></p> <p>LTIFR rate for 2021/22 was 0.00 (0 LTI x 200,000/30,053 (hours worked)).</p>
<p>Staff Engagement</p>	<p>Staff engagement score at 4.0 or better</p>	<p><b><u>Not achieved</u></b></p> <p>Average engagement score of 3.9 – survey undertaken in August 2022 due to workloads of the research company used.</p>

Statement of Service Performance

<p>Diversion</p>	<p>55% (as per Ministry for Environment methodology)</p>	<p><b><u>Achieved</u></b> <b><u>55.9%</u></b></p>
<p>Financial Performance Targets</p>	<p>Revenue \$2,308,499</p> <p>NPAT \$170,175</p> <p>Return on Equity 10%</p> <p>Equity \$1,021,296</p> <p>Liquidity ratio (excl Holiday pay accrual) 1.31</p> <p>Wages as a % of revenue 53.38%</p> <p>R &amp; M as a % of revenue 6.38%</p>	<p>\$2,293,079 <b><u>Not Achieved</u></b></p> <p>(\$ 32,441) <b><u>Not Achieved</u></b></p> <p>-3% <b><u>Not Achieved</u></b></p> <p>\$ 972,486 <b><u>Not Achieved</u></b></p> <p>2.24 <b><u>Achieved</u></b></p> <p>52.54% <b><u>Achieved</u></b></p> <p>1.96% <b><u>Achieved</u></b></p>

(1) These measures relate to our water 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.