



WHITESTONE
CONTRACTING LIMITED

ANNUAL REPORT 2023



2023

**THE YEAR
IN REVIEW**

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THE YEAR IN REVIEW

FINANCIAL PERFORMANCE

The company recorded a \$618,709 surplus for the year to 30 June 2023 prior to sponsorships and tax. This compares to \$550,653 for last year.

The 2023 result, although improved on the prior year, was impacted by some contracts not meeting budgeted targets and the cost of employing staff. The company has spent significant amounts on inducting and training of staff particularly with the setup of the Waitaki Road Maintenance Contract. The company also invested heavily in recruitment to ensure the company has adequate staff resources on board to meet requirements.

The company's financial performance, although improved on the prior year, will need to continue to secure positive forward workflow to ensure an 8% return on shareholders funds.

PROJECTS

Work has occurred on a number of projects – including:

- Twizel Town Centre Construction
- Fairlie Golf Course Waste Water
- Bulk Water Filling Stations in Mackenzie,
- Lake Mckay Stage 1 in Luggate
- Waitaki District Pavement Rehabs
- Macraes Roothing
- Continuing Landscaping Works at Hanleys Farm
- Harbour Street Footpath
- Waitaki District Footpaths

to name a few of the many projects our team have completed during the year.

The company has a suite of Maintenance Contracts in Mackenzie District, Central Otago, Waitaki District and Dunedin City making up 38% of the Revenue to 30 June 2023.

PLANT AND MACHINERY

The company has made a \$3.4 million dollar investment in plant this year predominately to resource the Waitaki District Road Maintenance Contract.

INFORMATION TECHNOLOGY (IT)

The company is forging ahead with an IT plan with good quality infrastructure and a move to paperless online systems. The company has implemented Mango for its health and safety, environmental and compliance systems. This has delivered real time access to company procedures, auditing and reporting in the field. Electronic timesheets are in testing phase to be rolled out soon.

SAFETY PERFORMANCE

The company places high importance on both health and safety performance. The company reported no Lost time Injuries during the year.

The company had no serious Harm Incidents during the last 12 months.

The company remains focused on health and safety with all senior staff undergoing safety leadership training during the year.

ENVIRONMENT

The company has continued its efforts in the environmental space with three PHEV/Hybrid vehicles now in the fleet. The company again reduced its carbon footprint during 2022/23.

STAFF CARE

The company has continued to focus this year on employee wellbeing with the company being a partner with 'Mates In Construction' with a view to ensuring our staff remain well supported in difficult times. The company also has OCP counselling services available to support the team.

COMMUNITY

Our support to our community includes sponsorship of both Whitestone Contracting Stadium and the Oamaru Opera House as well as several small projects totaling \$71,335.

The company paid a dividend of \$225,531 related to the 2021/22 year.

Over \$3.4 million in benefits have been returned to the shareholder/ our community in the last 6 years.

The company has spent over \$4 million dollars back in the Waitaki District with local suppliers on top of the wages paid to local staff. Employment in the Waitaki District has increased from 48 staff last year to 77 staff in the Waitaki in 2023.

BOARD

I would like to thank my fellow directors for their dedication and commitment to the Company and to also express the Board's gratitude to Paul and his team for their efforts during what was a difficult year.



S W Grave
Chairman



OUR VISION

VISION

- To be an excellent Tier 2 Contractor

MISSION

- Our team delivers with pride and care

VALUES

- We are respectful
- We take ownership
- Safety starts with me
- We celebrate success



COMPANY OWNERSHIP

Waitaki District Council
(Parent Entity)

**Whitestone Contracting
Limited**
(CCTO)

Whitestone Contracting Limited is a Council Controlled Trading Organisation (CCTO) being 100% owned by the Waitaki District Council. Whitestone Contracting Limited is controlled by directors appointed by its shareholder the Waitaki District Council.

SERVICES

CIVIL WORKS AND PROPERTY MAINTENANCE

- Earthworks
- Pavement Construction
- Bridge Construction and Maintenance
- Road Realignments
- Road Shape Corrections
- Driveways and Car Parks
- Cattle Underpasses
- Culverts
- Property Maintenance
- Cable Locations
- Gravel Sales
- Plant Hire with Operator
- Hydro Excavation.

UTILITIES

- Reticulation Installation and Maintenance
- Intakes, Pumping Stations
- Treatment Plants
- Service Connections
- Drainage Systems.

LANDSCAPE SERVICES

- Landscaping
- Parks and Reserves Maintenance
- Mowing
- Landscape Supplies
- Turf Maintenance
- Garden Maintenance.

LANDFILL AND REFUSE OPERATIONS

- Maintenance of Landfills
- Solid Waste Disposal Facility
- Refuse Collection.

QUARRIES

- Gravel Sales
- Bulk Sales of all Gravel Products.

SEALING

- Bitumen Surfacing
- Asphalt supply and Lay.

SPRAYING

- Agricultural Spraying
- Vegetation and Weed Control.

OTHER SERVICES

- Mechanics Workshop
- Traffic Management
- Project Management.

BEST PRACTICE

Whitestone Contracting Limited prides itself on being the best it can be. The company is focused on continual improvement of systems and processes to improve the way we operate.



QUALITY

The company is ISO 9001:2015 accredited. The company has a management system in place which meets good practice and the company is audited every twelve months to verify compliance with the system.



ENVIRONMENTAL

Whitestone Contracting Limited is ISO 14001:2015 accredited. ISO14001 accreditation confirms the company has environmental systems in place and is committed to continually improving our environmental performance.



SAFETY

Whitestone Contracting Limited is ISO45001:2018 accredited. This means the company has safety systems in place of a very high standard. The company employs a full time Health, Safety and Environmental Coordinator.

Whitestone Contracting holds Green level (highest level) Sitewise accreditation.



SUSTAINABILITY

The company is a participant in the Toitū Envirocare accreditation scheme for carbon emissions. The company has a carbon emissions reduction plan in place.

Whitestone Contracting Limited is a member of the following organisations:

- Civil Contractors New Zealand
- Site Safe New Zealand
- Motor Trades Association.





**WE ARE
COMMITTED**

SOCIAL PERFORMANCE REPORT

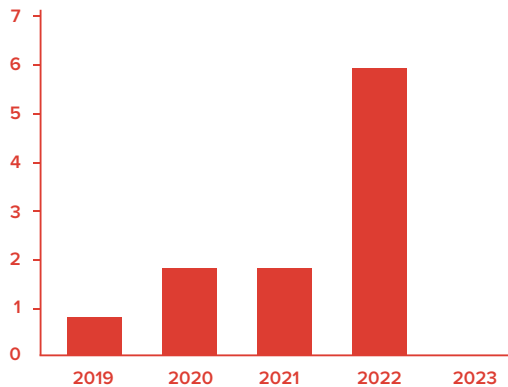
WE ARE COMMITTED TO:

- Attracting and retaining the best people for our organisation
- Maintaining a high level of transparent and effective communication with our shareholder
- Being an asset to the community through returns to the Shareholder
- Being an asset to the community by supporting local community initiatives
- Providing employment in the district and ensuring the community receives competitive prices for work done.

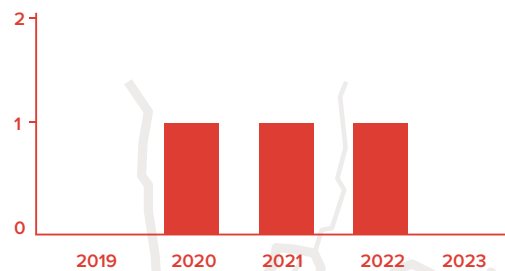
OUR PEOPLE AND COMMUNITIES:

- We utilise a wide range of training schemes via the industry training organisation's to continuously extend the skills of our staff. The company has a comprehensive internal training framework to support and develop staff
- Performance reviews are undertaken for all management and staff on an annual basis
- We are committed to work together to ensure safe and sustainable working conditions for our employees
- An employee assistance programme is in place to support our employees
- We have an employee wellness program that encourages physical and mental wellbeing.

TOTAL RECORDABLE INJURY RATE PER 200,000 HOURS



LOST TIME INJURIES



GIRLS IN HIGH VIS

This year the company supported the 'Girls in Hi Vis' programme promoting the industry to young women.

MEASURING OUR PERFORMANCE

Employee safety and investment

\$NZD	2023	2022
Number of full day time off workplace incidents	0	1
Lost time injury frequency rate per 200,000 hours	0	0.99
Training expenditure	401,511	203,594
Number of full-time equivalent employees at 30 June	124.1	91.35
Sponsorships And Donations		
Oamaru Opera House Charitable Trust	20,000	20,000
North Otago Rugby Union	35,000	35,000
Awamoa Bowling Club	500	500
Cancer Society	388	-
Central Mountain Biking	-	600
Craighead Rowing Club	500	-
Danseys Pass Trail Ride	3,126	-
Dunedin BMX Club	250	-
Dunstan Equestrian Centre	1,000	-
Fairlie Golf Club	100	100
North Otago 4WD Club	-	205
North Otago Basketball	-	125
Oamaru Xmas Parade	4,398	87
Oamaru Xmas Tree	1,847	-
Otematata Residents Association	440	-
Papakaio School	200	-
Starlight Child Foundation	575	-
Tarras Golf Club	250	250
Twizel Car Show	358	-
Waitaki District Council - Learn to Swim	783	-
Waitaki Road Safety	52	-
Waitaki Student Trust	1,000	1,000
Other	568	-
Total Donations & Sponsorships	71,335	57,867

COMMUNITY PARTNERS

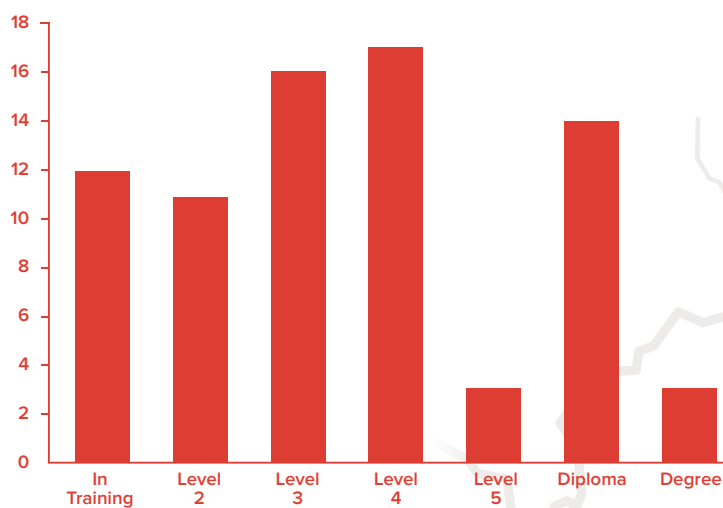
We are committed to supporting our community and take pride in partnering with a diverse range of community trusts and organisations.

- Mates in Construction
- North Otago Football Rugby Union
- Oamaru Opera House – The Waitaki Arts Festival
- Waitaki Student Support Trust
- Waitaki Aquatic Centre – Give a gift of swimming and save a life programme.
- Breast Cancer Foundation NZ – Pink Ribbon Breakfast Appeal

We are committed to working together to ensure safe and sustainable conditions for our employees.



NZQA QUALIFICATIONS AND ABOVE



ENVIRONMENTAL IMPACT REPORT

WE ARE COMMITTED TO:

- Enhancing environmental management systems
- Ensuring the company’s impact on the environment is consistent with the company’s environmental policy.

Positive Impacts on the Environment

Whitestone Contracting Limited provides a range of services which provide environmental benefits to the community. We provide tree care and landscaping services as well as vegetation and weed control services. We maintained parks and reserves for some Council clients as well as water and wastewater networks during the period.

The company is committed to economically sustainable waste minimisation initiatives.

The company has had no breaches of consents or environmental breaches during the year.

Areas of Negative Effects

The company uses significant quantities of gravel and ensures it has the necessary approvals from the Regional Council before extraction.

The company operates a modern asphalt plant which is consented and meets emission standards.

Carbon Reduce Programme

The company has measured its carbon output and had this confirmed by Toitū Envirocare.

The company carbon output was:

- 2018/19 2,393 Tonne CO₂e (audited)
- 2019/20 2,200 Tonne CO₂e (audited)
- 2020/21 2,083 Tonne CO₂e (audited)
- 2021/22 1,500 Tonne CO₂e (audited)
- 2022/23 1,753 Tonne CO₂e (unaudited).

This Year’s Environmental Activities

We continue to focus on maintaining our ISO 14001 accreditation and improving our focus on minimising work site environmental hazards through good job planning.

Climate Change Risk

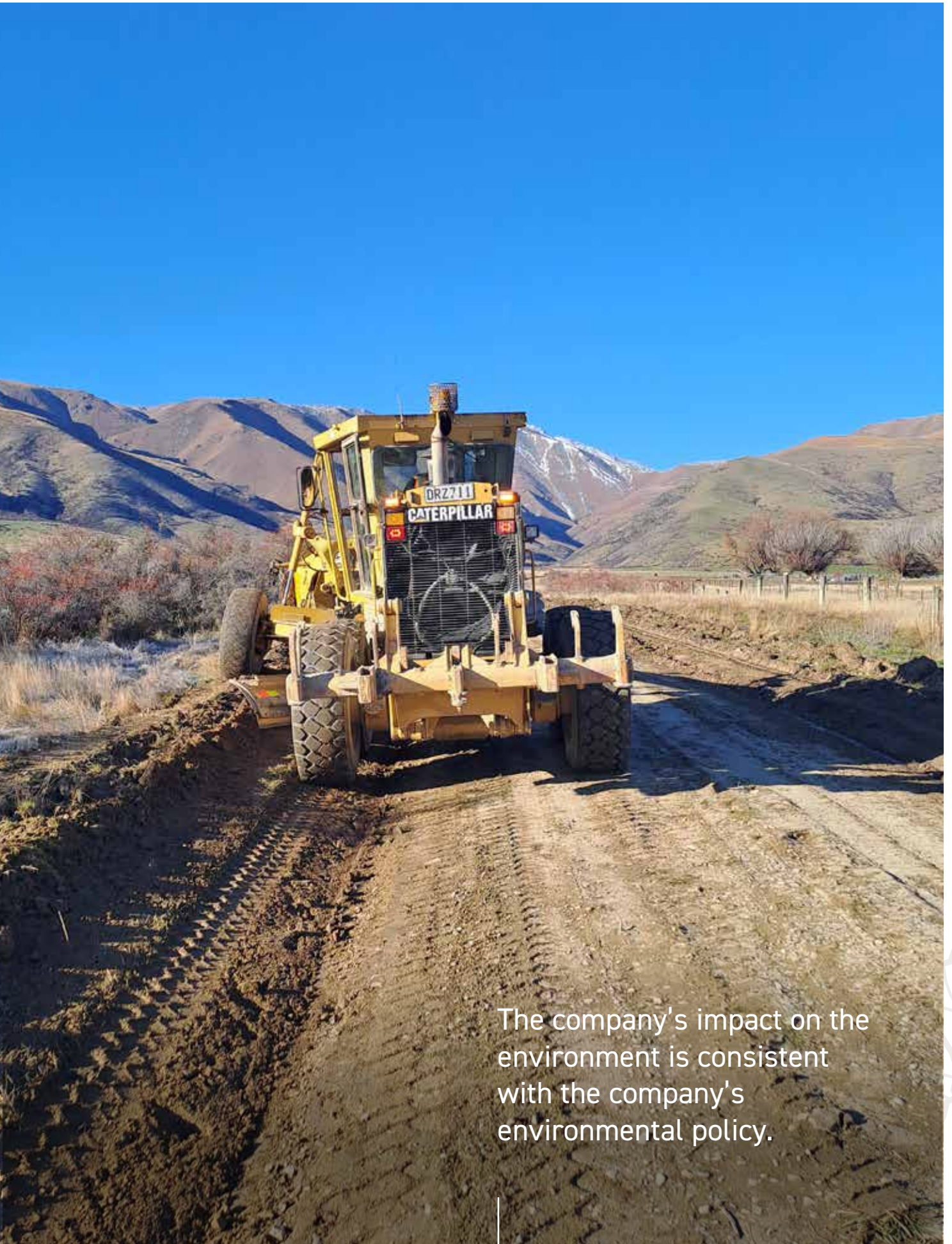
With the government legislative move to promoting hybrid and EV vehicles including a penalty imposed on the purchase of diesel utes the company is looking at the move to EV vehicles as suitable vehicles come on the market. The company now has three PHEV/Hybrid vehicles in the fleet.

There is a risk if the company doesn’t move with the changing landscape the market for our current fleet may decrease. A short-term increase in value may also be an outcome of the government’s changes. Readers of the financial statements should be aware of this risk and consider what may occur in the fleet valuation space.

OVER THE NEXT TWELVE MONTHS WE PLAN TO:

- Continue to consider the environment in all that we do
- Continue to develop and implement sustainable practices that protect the environment in which we work
- Continue to evaluate environmental initiatives to achieve the objectives in the company’s emissions management and reduction plan.





The company's impact on the environment is consistent with the company's environmental policy.

FINANCIAL PERFORMANCE REPORT

WE ARE COMMITTED TO:

- Increasing shareholder returns through both distributions and capital growth
- Maintaining the company with a risk averse approach while targeting sustainable long-term growth
- Exceed the targeted return on opening shareholder funds.

Our Finance and Risk Management Processes

To ensure reliable and timely financial information, the company has an effective management information system in place and an organisational structure that provides an appropriate division of responsibility and an efficient reporting framework. Enhancement of this system is continuous to ensure we meet or exceed market requirements. The company's Audit and Risk Committee provides the Board with additional assurance regarding the accuracy of reported financial information and is responsible for ensuring the Company has an effective internal control system in place. More information on policies and procedures the company has in place can be found in the Statement of Intent.

Highlights for 2023

In overall terms, 2023 has been a difficult year however the company:

- Delivered high quality outcomes for its clients
- Moved forward with online software
- Made a profit in a challenging inflationary environment

Measuring our Performance

The trend statement on page 16 shows key indicators highlighting the company's performance. Further information on the financial results of the company are contained in the financial statements.

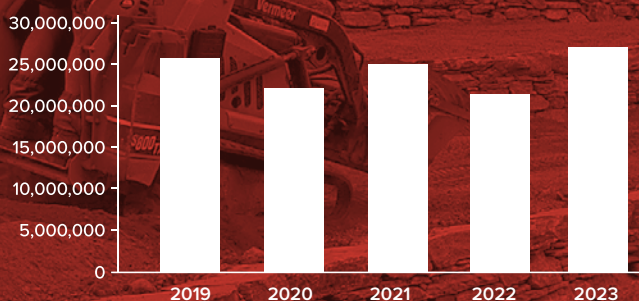
Over The Next 12 Months We Plan To:

- Target increased turnover to in turn increase earnings per share by continuing to improve contract performance and ensuring effective cost control measures
- Continue to maintain a diversified portfolio of work and clients to ensure continuity of returns to the shareholder
- Continue developing staff to achieve ongoing positive contract outcomes.

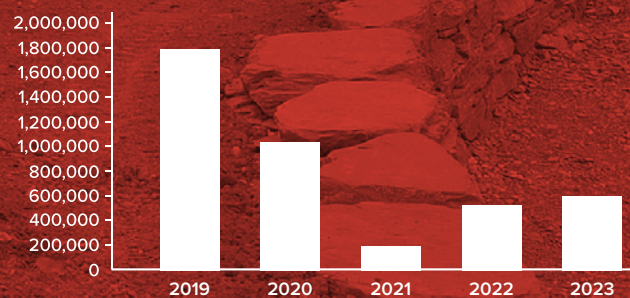


FINANCIAL PERFORMANCE CHARTS

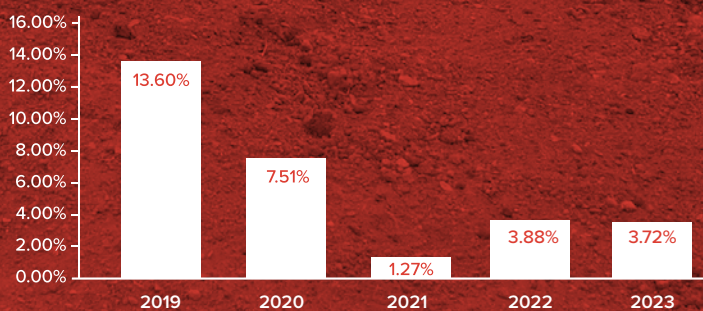
REVENUE



PROFIT BEFORE
DONATIONS & TAX



RETURN ON OPENING
SHAREHOLDERS FUNDS
PRE TAX AND DONATIONS



FINANCIAL PERFORMANCE

Trend Statement

\$NZD	2023	2022	2021	2020	2019
Revenue	27,162,137	21,630,033	25,127,005	22,116,081	25,884,599
Surplus Before Income Tax & Subvention Payments & Donations	618,709	550,653	184,675	1,045,389	1,803,695
Donations & Sponsorships	(71,335)	(57,867)	(68,002)	(62,378)	(73,598)
Subvention Payments	-	-	-	-	-
Surplus/(Deficit) before Income Tax	547,374	492,786	116,673	983,011	1,730,097
Income Tax	(174,481)	14,242	67,899	(142,321)	(396,520)
Net Surplus/(Deficit)	372,893	507,028	184,572	840,690	1,333,577
Financial Position					
Total Current Assets	4,680,512	5,042,654	4,983,159	4,536,318	5,043,751
Total Non-Current Assets	17,401,208	15,843,042	15,326,225	15,244,070	14,125,379
Total Assets	22,081,720	20,885,696	20,309,384	19,780,388	19,169,130
Total Current Liabilities	3,795,114	2,696,875	4,536,831	3,512,710	3,688,653
Total Non-Current Liabilities	1,526,033	1,575,610	1,588,834	1,678,090	1,555,754
Total Liabilities	5,321,147	4,272,485	6,125,665	5,190,800	5,244,407
Total Equity	16,760,573	16,613,211	14,183,719	14,589,588	13,924,723
Statistics					
Total Liabilities to Equity	32%	26%	43%	36%	38%
Return on Shareholders Funds Pre-Tax and Subvention Payments	3.27%	2.97%	0.82%	6.74%	12.42%
Return on Opening Shareholders Funds Pre-Tax Subvention Payments and Donations	3.72%	3.88%	1.27%	7.51%	13.60%
Shareholders Funds to Total Assets	75.9%	79.54%	69.84%	73.76%	72.64%

DIRECTORS RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the financial statements and ensuring that they comply with generally accepted accounting practice and present fairly the financial position of the company as at 30 June 2023 and the results of the operations and cash flows for the year ended on that date.

The Directors consider the Financial Statements of the company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that 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 facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider 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 reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of Whitestone Contracting Limited for the year ended 30 June 2023.

For and on behalf of the directors



S W Grave
Chairman



A C Wyatt
Director

29 August 2023

THE NUMBERS

WHITESTONE CONTRACTING LIMITED **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 30 JUNE 2023**

NZ\$	Note	2023	2022
Operating Revenue	2	26,822,145	21,132,122
Other Revenue	2	334,394	493,293
Total Revenue		27,156,539	21,625,415
Operating Expenses	3	(26,445,063)	(21,032,341)
		711,476	593,074
Finance Income		5,598	4,618
Finance Costs		(98,365)	(47,039)
Net Financing Profit	6	(92,767)	(42,421)
Operating Profit Before Subvention Payments, Donations and Tax		618,709	550,653
Less Sponsorships and Donations		(71,335)	(57,867)
Less Subvention Payments		-	-
Operating Profit/(Loss) Before tax		547,374	492,786
Taxation	4	(174,481)	14,242
Net Profit After Tax		372,893	507,028
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
- Revaluation of Property		-	2,132,932
- Deferred Tax Effect on Sale of Revalued Items		-	-
- Deferred Tax Effect on Revaluation		-	(178,959)
Other Comprehensive Income Net of Income Tax		-	1,953,973
Total Comprehensive Income		372,893	2,461,001

WHITESTONE CONTRACTING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

\$NZD	Note	Retained Earnings	Share Capital	Asset Revaluation Reserve	Total Equity
2023					
Balance 1 July 2022		6,761,886	4,600,000	5,251,325	16,613,211
Profit for the Year		372,893	-	-	372,893
Other Comprehensive Income Movements		-	-	-	-
Total Comprehensive Income for the Year		372,893	-	-	372,893
Dividends to Shareholders		(225,531)	-	-	(225,531)
Changes in Revaluation Surplus					
Realisation of Revaluation on Sale of Property		81,721		(81,721)	-
Balance 30 June 2023	19	6,990,969	4,600,000	5,169,604	16,760,573
2022					
Balance 1 July 2021		6,286,367	4,600,000	3,297,352	14,183,719
Profit for the Year		507,028	-	-	507,028
Other Comprehensive Income Movements		-	-	-	-
Total Comprehensive Income for the Year		507,028	-	-	507,028
Dividends to Shareholders		(31,509)			(31,509)
Realisation of Revaluation on Sale of Property		-	-	1,953,973	1,953,973
Balance 30 June 2022	19	6,761,886	4,600,000	5,251,325	16,613,211



WHITESTONE CONTRACTING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

\$NZD	Note	2023	2022
Current Assets			
Cash & Cash Equivalents	7	69,060	1,588,401
Trade & Other Receivables	8	2,998,088	2,031,425
Doubtful Debt Provision	8	(6,122)	(2,962)
Inventories	9	423,178	435,057
Work in Progress	10	761,452	400,649
Prepayments	11	65,903	62,836
Right of use Leased Assets	25	56,952	62,248
Property Held for Sale	12	312,001	465,000
Total Current Assets		4,680,512	5,042,654
Non-Current Assets			
Plant, Property & Equipment	12	17,306,884	15,791,463
Advance Removal of Overburden	13	18,727	29,971
Mix Designs		12,979	2,544
Resource Consents		62,618	19,064
Total Non-Current Assets		17,401,208	15,843,042
Total Assets		22,081,720	20,885,696
Current Liabilities			
Trade Payables	14	1,840,228	1,063,352
Bank Overdraft	7, 18	-	-
Borrowings	18	68,670	66,010
Lease Liabilities	25	70,610	46,998
Provision for Goods and Services Tax		319,735	197,476
Accrued Expenses		124,873	84,571
Accrued Employee Benefits - Current	16	1,211,805	948,360
Remediation Provision	15	95,775	105,000
Prepaid Income	17	63,418	185,108
Current Tax Liability	4	-	-
Total Current Liabilities		3,795,114	2,696,875
Non-Current Liabilities			
Deferred Tax Liability	4	566,984	537,442
Term Borrowings	18	879,360	948,030
Lease Liabilities - Non-Current	25	21,508	54,758
Accrued Employee Benefits - Non-Current	16	58,181	35,380
Total Non-Current Liabilities		1,526,033	1,575,610
Total Liabilities		5,321,147	4,272,485
Net Assets & Liabilities		16,760,573	16,613,211
Equity			
Share Capital	19	4,600,000	4,600,000
Retained Earnings	19	6,990,969	6,761,886
Property Revaluation Reserve	19	5,169,604	5,251,325
Total Equity		16,760,573	16,613,211

WHITESTONE CONTRACTING LIMITED

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2023

\$NZD	2023	2022
Cashflows from Operating Activities		
Cash was provided from:		
Receipts from Customers	25,517,335	22,325,472
Receipts from Other Income	25,121	163,625
Interest Received	5,598	4,618
	25,548,054	22,493,715
Cash was applied to:		
Payments to Suppliers and Employees	(23,676,275)	(20,051,500)
Donations and Sponsorships	(71,335)	(57,867)
Interest Paid	(98,365)	(47,040)
Income Tax (paid)/refunded	(144,939)	-
	(23,990,914)	(20,156,407)
Net Cashflows from Operating Activities	1,557,140	2,337,308
Cashflows From Investing Activities		
Cash was provided from:		
Proceeds from Property, Plant and Equipment	718,643	411,226
	718,643	411,226
Cash was applied to:		
Property, Plant and Equipment Purchased	(3,417,151)	(476,795)
Total Cash Applied	(3,417,151)	(476,795)
Net Cashflows to Investing Activities	(2,698,508)	(65,569)
Cashflows From Financing Activities		
Cash was provided from:	-	-
Proceeds from Borrowings	-	-
	-	-
Cash was applied to:		
Dividends Paid	(225,531)	(31,509)
Lease Payments	(86,432)	(63,608)
Repayment of Borrowings	(66,010)	(63,120)
	(377,973)	(158,237)
Net Cashflows from Financing Activities	(377,973)	(158,237)
Net Increase/(decrease) in Cash Held	(1,519,341)	2,113,503
Cash Held at the Start of the Year	1,588,401	(525,102)
Cash Held at the end of the year	69,060	1,588,401
Made up of:		
ANZ Current Accounts	1,757	1840
BNZ Current Accounts	67,143	1,586,381
Petty cash	160	180
	69,060	1,588,401



THE NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Accounting Policies

REPORTING ENTITY

The Financial Statements of Whitestone Contracting Limited are for the year ended 30 June 2023 and were authorised for issue by Directors on 29 August 2023.

The company deregistered its non-trading subsidiaries in September 2022.

The Financial Statements comply with the Financial Reporting Act 2013, the Companies Act 1993, the Local Government Act 2002 and comprise statements of the following:

- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Financial Position
- Statement of Cashflows
- Significant Accounting Policies
- Notes to the Financial Statements in this Annual Report.

BASIS OF PREPARATION

Whitestone Contracting Limited is a Council Controlled Organisation (as defined in Section 5 of the Local Government Act 2002) incorporated in New Zealand and is registered under the provisions of the Companies Act 1993. The company is wholly owned by the Waitaki District Council.

These Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). For the purposes of complying with NZ GAAP, the company is a for profit entity. These general purpose Financial Statements comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS (RDR)) and other applicable financial reporting standards, as appropriate for profit-oriented entities.

XRB A1 sets out which suite of accounting standards entities must follow. The company is eligible for and has elected to report in accordance with Tier 2 NZ IFRS (RDR) for the year ended 30 June 2022. The company has taken advantage of a number of disclosure concessions; however there was no recognition or measurement impact on adoption of NZ IFRS (RDR).

The Financial Statements have been prepared on an historical cost basis except for land and buildings which are revalued every three years. Next review is due 30 June 2025.

The Financial Statements are presented in New Zealand dollars, which is the company's functional currency.

The Financial Statements are prepared based on the reliance that the company is a going concern.

CHANGES IN ACCOUNTING POLICIES

There have been no changes to the accounting policies during the reporting period.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies that significantly affect the measurement of operating results, cashflows and financial position have been applied:

- Dividends are recognised when received.

REVENUE RECOGNITION

- Operating revenues represent the gross revenue from commercial operations in the ordinary course of business and are recognised when earned.
- Interest income is recognised using the effective interest method.

General Revenue Recognition Criterion

The first step for revenue recognition purposes is to identify the contracts and the performance obligations contained therein. The number of performance obligations that a contract has will depend on the type of contract.

In general the performance obligations in the contracts Whitestone Contracting Limited engages in are satisfied over time and not a specific point in time since Whitestone Contracting Limited creates or enhances an asset that the customer controls as the asset is created or enhanced.

With respect to the method for recognising revenue over time Whitestone Contracting Limited has established certain criteria that are consistently applied for similar performance obligations.

In this regard Whitestone Contracting Limited's chosen method for measuring progress towards complete satisfaction of a service obligation under an Installation Construction contract is the input method.

Under this method the entity recognises revenue based the proportion that costs incurred to date bear to the total costs expected to be incurred to complete the work, taking into account the expected margins of the whole project per the latest updated budget. This method involves measuring the proportion of the costs envisaged, and recognising revenue in proportion to the total expected revenue. Under this method the proportion that the contract costs bear to the estimated total costs is used to determine the revenue to be recognised.

Also, in routine or recurring service contracts (in which the services are substantially the same) such as maintenance services which are transferred with the same pattern of consumption over time and whose remuneration consists of a recurring fixed amount over the term of the contract in such a way as the customer receives and consumes the benefits of the services as the entity provides them. The method to recognise the revenue is the output method. Under this method revenue is recognised on a straight-line basis over the term of the contract and costs are recognised on an accrual basis.

As a general rule a single performance obligation is identified for construction contracts owing to the high degree of integration and customisation of the various goods and services to provide a combined output that is transferred to the customer over time.

If payments received from customers exceed the income recognised, then the difference is presented as a contract liability in the Statement of Financial Position.

BORROWING COSTS

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

LEASES

The Company as Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the Company uses its incremental borrowing rate.

The Company as a Lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee the contract is classified as a finance lease. All other leases are classified as operating leases. The Company does not have any finance leases.

Rental income from operating leases are recognised on a straight-line basis over the term of the relevant leases.





GOODS AND SERVICES TAX

These financial statements have been prepared on a GST exclusive basis and any net GST due or owing at balance date is included in debtors or creditors (as appropriate). Accounts receivable and accounts payable are stated inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset and expensed.

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 profit 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 substantially 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 profit.

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 profits 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 substantially enacted by balance date. Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

INVENTORIES

Inventories, comprising materials and work-in-progress, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis.

The write down from cost to net realisable value is recognised in the Statement of Comprehensive Income.

WORK IN PROGRESS

Work-in-progress includes materials and labour accumulated against jobs, but not invoiced as at balance date.



FINANCIAL INSTRUMENTS

Financial assets and liabilities are contracts that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments comprise cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables. The carrying value of the financial instruments approximates fair value.

FINANCIAL ASSETS

Financial assets are classified and subsequently measured at amortised cost or fair value.

Financial Assets at Amortised Cost:

These assets, mainly trade and other receivables including amount due from related parties, cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of Financial Assets at Amortised Cost:

The following financial assets are subject to the impairment requirements:

- Trade receivables – simplified model.

Simplified Model Impairment Policy:

The Company applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS9, which permits the lifetime expected loss provision for all trade receivables. The allowance for doubtful debts on trade receivables that are individually significant are determined by an evaluation of the exposures on a line by line basis. For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on number of days overdue and taking into account the historical loss experience in portfolios with a similar number of days overdue. The expected credit losses incorporate forward looking information and relevant macroeconomic factors.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses. With the exception of land and buildings which is carried at fair value as detailed below.

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.

In most instances, 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 as at the date of acquisition.

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 Statement of Comprehensive Income.

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.

DEPRECIATION

General

Unless otherwise stated, all fixed assets are depreciated on a diminishing value basis at rates that will write-off their cost or valuation, less any estimated residual value, over their expected useful lives.

Land

Land is not depreciated.

Buildings

Buildings are depreciated at rates from 2% to 80% dependent on the method of construction.

Other Assets

Small tools and equipment are not depreciated but replacements are expensed. All other assets are depreciated over their expected useful lives:

Asset Category	Depreciation Method Diminishing Value
Plant & Equipment	2.4% - 80.4%
Motor vehicles	12% - 40%
Office equipment	11.4% - 67%
Office furniture and fittings	11.4% - 67%
Computer software	40% - 60%
Computer hardware	20% - 50%

The Asphalt plant is depreciated on a straight-line basis at 5% per annum.

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

REVALUATIONS

Land and buildings are revalued every three years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

After recognition as an asset, an item of property, assets subject to revaluation whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation surplus is recognised in other comprehensive income and credited to the asset revaluation reserve in equity, unless the increase relates to a revaluation decrease of the same asset previously recognised in the profit and loss.

Any revaluation deficit is recognised in other comprehensive income and credited to the asset revaluation reserve in equity to the extent of the revaluation reserve balance accumulated from previous year gains. When no revaluation reserve balance is available to offset a revaluation loss the revaluation deficit is reported within profit or loss for that year.

Revaluations are completed on an asset basis and movements are evaluated on an asset class basis.

Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to retained earnings.

ASSETS HELD FOR SALE

Assets are classified as held for sale where Management are committed to a plan to sell an asset and there is an active program to locate a buyer at a price which is reasonable in relation to its current fair value. And the sale would be expected to be completed within one year from the date of classification.

ADVANCE REMOVAL OF OVERBURDEN AND WASTE ROCK UNSOLD

Advance removal of overburden and waste rock is amortised over the current year and succeeding income years in line with the expected benefit provided by the removal.

CAPITALISED QUARRY DEVELOPMENT EXPENDITURE

Quarry development expenditure is amortised at a rate of 20% per annum.

RESOURCE CONSENTS

Resource consents acquired by the company have finite lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

ASPHALT MIX DESIGNS

Asphalt mix designs developed by the company are regarded as having infinite lives. They are not amortised but tested annually for impairment.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have 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 or 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 assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a re-valued amount (other than goodwill) the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

EMPLOYEE ENTITLEMENTS

Short-term Benefits

Employee benefits that the company expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

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

The company recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year.

The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the company anticipates it will be used by staff to cover those future absences.

The company recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long Service Leave

Entitlements that are payable beyond 12 months, such as long service leave; have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements and;
- The present value of the estimated future cash flows. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is applied on the expected long-term increase in remuneration for employees.

The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is applied on the expected long-term increase in remuneration for employees.

Superannuation Schemes:

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income in periods during which the services are rendered by employees.

PROVISIONS

The company recognises a provision for future expenditure of uncertain amount of timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance expense.

Equity

Equity is the Shareholders interest in the Company as measured by total assets less total liabilities.

The components of equity are:

- Share Capital
- Retained Earnings
- Revaluation Reserve.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these Financial Statements the company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Construction Work in Progress

Construction work in progress is the significant area where estimates have been made. This has been calculated in accordance with the construction work in progress policy.

Revaluation of Property, Plant and Equipment

The Company carries its land and buildings (classified as property, plant and equipment) at revalued amounts.

Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of property.



NOTE 2 OPERATING REVENUE

\$NZD	2023	2022
Includes:		
Operating Income		
Maintenance Contract Revenue	10,427,873	6,297,474
Installation and Construction Revenue	10,571,921	9,421,798
Non Contract work	5,742,121	5,351,799
Rental Income	80,230	61,051
	26,822,145	21,132,122
Other Income:		
Government Subsidies	23,000	177,216
Dividends	2,121	14
Depreciation Recovered	306,213	281,333
Gain on Sale of Property, Plant and Equipment	3,060	34,730
Total Other Income	334,394	493,293
Total Income	27,156,539	21,625,415

NOTE 3 OPERATING EXPENSES

\$NZD	2023	2022
Included in operating expenses are the following items:		
Remuneration of The Auditor	55,725	27,275
Depreciation	1,718,731	1,529,618
Loss on Sale of Fixed Assets	15,406	5,247
Depreciation of Right-of-use Assets	69,401	70,554
Directors' Fees	209,475	213,343
Donations & Sponsorships	71,335	57,867
Rental and Operating Lease Costs	108,238	91,920
Changes in Provision for Doubtful Debts	2,748	(4,232)
Bad Debts Written Off	-	-
Fringe Benefit Tax	151,700	126,508
Insurance Premiums	309,391	276,321
Accident Insurance	142,257	107,138
Employee Benefits	9,972,380	8,442,024
Amortised Advance Removal Of Overburden	11,243	13,971
Stock Obsolescence Provision	-	-
Impairment Resource Consents	728	728
Impairment Asphalt Mix Designs	3,032	2,035
Materials	1,673,053	1,611,826

NOTE 4 TAX EXPENSE

\$NZD	2023	2022
Components of Tax Expense		
Current Tax Expense in Respect of Current Year	141,882	250,007
Adjustments to Current Tax in Respect of Prior Years	3,058	(180,856)
Tax Effect of Change To Tax Base of Buildings	-	-
Deferred Tax Expense in Respect of Current Year	53,351	(86,631)
Deferred Tax Expense in Respect of Prior Year	(23,810)	3,238
Tax Expense	174,481	(14,242)
Operating Profit Before Income Tax	547,374	492,786
Tax thereon at 28%	153,265	137,980
<i>Plus/(less) taxation effect of differences:</i>		
Tax Effect of Non Assessable Income	(7,297)	(59,345)
Tax Effect of Non Deductible Expense	50,638	84,742
Tax Effect of Prior Year Adjustment	(22,125)	(177,619)
Tax Effect of Change to Tax Base of Buildings	-	-
Tax Effect of Differences	21,216	(152,222)
Tax Expense	174,481	(14,242)
Current Tax Balances		
Tax Refund Available	-	-
Current Tax Liability	-	-
	-	-
Deferred Tax Balance		
Deferred Tax Asset	352,473	258,888
Deferred Tax Liability	(919,457)	(796,330)
Net Deferred tax (liability)	(566,984)	(537,442)

NOTE 4

TAX EXPENSE - CONTINUED

Deferred Tax	Opening Balance Sheet	Recognised in Other Comprehensive Income	Deferred Tax On Change in Building Tax Depreciation Recognition	Recognised in Profit or Loss	Closing Balance Sheet Assets	Closing Balance Sheet Liabilities	Closing Balance Sheet Net
2023							
Property, Plant and Equipment	(640,696)	-	-	19,554	-	(621,142)	(621,142)
Employee Benefits	210,898	-	-	59,393	270,291	-	270,291
Provisions	(107,644)	-	-	(108,489)	-	(216,133)	(216,133)
Balance at End of the Year	(537,442)	-	-	(29,542)	270,291	(837,275)	(566,984)
2022							
Property, Plant and Equipment	(473,292)	(178,959)	-	11,555	-	(640,696)	(640,696)
Employee Benefits	215,696	-	-	(4,798)	210,898	-	210,898
Provisions	(184,279)	-	-	76,635	-	(107,644)	(107,644)
Balance at End of the Year	(441,875)	(178,959)	-	83,392	210,898	(748,340)	(537,442)

The tax rate used in the above reconciliation is the corporate tax rate of 28% payable on taxable profits under New Zealand tax law.

NOTE 5

EMPLOYEE BENEFIT COSTS

\$NZD	2023	2022
Salaries and Wages	9,538,583	8,217,634
Severance Payments	10,108	18,687
Employer Contributions to Superannuation Schemes	258,378	216,247
Increase/(Decrease) in Employee Benefit Liabilities	165,311	(10,544)
Total Employee Benefit Costs	9,972,380	8,442,024
Key Management Personnel Compensation	2023	2022
Total Key Management Personnel Compensation	916,510	1,034,838

Key management personnel includes the Chief Executive and the Executive management team.

NOTE 6

FINANCE INCOME AND COSTS

\$NZD	2022	2022
Financing Income:		
Interest Income	5,598	4,618
Total Finance Income	5,598	4,618
Finance Expenditure:		
Interest Expense - Borrowings	90,577	38,501
Interest Expense - Lease Liabilities	7,788	8,538
Total Interest Expense on Borrowings	98,365	47,039
Net Finance Profit/Loss	(92,767)	(42,421)

NOTE 7

CASH AND CASH EQUIVALENTS

\$NZD	2022	2022
Cash at Bank	68,900	1,588,221
Petty Cash	160	180
Short Term Deposits Maturing Three Months or Less From Date of Acquisition	-	-
Total Cash and Equivalents	69,060	1,588,401
Bank Overdrafts	-	-
Net Cash Equivalents and Bank Overdrafts for the purposes of the Statement of Cashflows	69,060	1,588,401

NOTE 8 TRADE AND OTHER RECEIVABLES

\$NZD	2023	2022
Gross Trade and Other Receivables	1,870,382	1,513,623
Waitaki District Council	869,728	342,619
Waitaki District Council Retentions	30,473	31,557
Contract Retentions Other	227,505	143,626
	2,998,088	2,031,425
Allowance for Expected Credit Loss	(6,122)	(2,962)
Total Trade and Other Receivables	2,991,966	2,028,463

As at 30 June 2023 all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

\$NZD	2023			2022		
	Gross	Expected Credit Losses	Net	Gross	Expected Credit Losses	Net
Not past due	2,622,645	-	2,622,645	1,905,177	-	1,905,177
Past due 0 - 30 days	342,053	-	342,053	110,673	-	110,673
Past due 31 - 60 days	6,590	-	6,590	5,760	-	5,760
Past due >61	26,800	(6,122)	20,678	9,815	(2,962)	6,853
Total	2,998,088	(6,122)	2,991,966	2,031,425	(2,962)	2,028,463

Movements in Allowance For Expected Credit Loss

\$NZD	2023	2022
Opening Balance	2,962	7,829
Additional Provisions Made During the Year	3,160	(4,867)
Less Provision for Credit Losses Written Off	-	-
Balance at 30 June	6,122	2,962

NOTE 9 INVENTORIES

\$NZD	2023	2022
Metal and Soil Stocks	149,324	107,408
Other Supplies	273,854	327,649
Provision for Obsolescence	-	-
Total Inventories	423,178	435,057

No inventories are pledged as security for liabilities; however some inventories are subject to retention of title clauses.

NOTE 10 WORK IN PROGRESS

\$NZD	2023	2022
Work in Progress		
Construction Contracts	635,103	301,130
Maintenance Contracts	126,349	99,519
Total Work in Progress	761,452	400,649
Construction Contracts		
Cost	5,863,575	5,282,929
Profit Recognised to Date	1,180,872	1,784,437
Gross Construction WIP	7,044,447	7,067,366
Progress Billings	(6,446,557)	(6,938,018)
Net Construction Work in Progress	597,890	129,348
Represented as:		
Prepaid Income	(37,213)	(171,782)
Work In Progress	635,103	301,130
Net Construction Work In Progress	597,890	129,348

NOTE 11 PREPAYMENTS

\$NZD	2023	2022
Prepaid Trade Creditors	65,903	62,836
Total Prepayments	65,903	62,836

NOTE 12

PLANT PROPERTY AND EQUIPMENT

\$NZD	Plant & Equipment	Motor Vehicles	F&F Office Equip	Land	Buildings	Total
Balance at 1 July 2022	19,862,028	2,705,671	615,330	5,629,000	2,611,013	31,423,042
Revaluation	-	-	-	-	-	-
Additions	1,462,612	1,739,388	71,914	-	102,962	3,376,876
Capital Work in Progress	-	-	-	-	-	-
Disposals at Cost	(1,683,464)	(428,283)	(235,319)	-	-	2,347,066
Reclassification to Assets Held For Sale	-	-	-	-	6,535	6,535
Balance at 30 June 2023	19,641,176	4,016,776	451,925	5,629,000	2,720,510	32,459,387

Accumulated Depreciation and Impairment Losses

Balance at 1 July 2021	13,260,188	1,821,159	523,344	-	44,366	15,649,057
Depreciation Expense	1,210,691	361,103	48,646	-	98,292	1,718,732
Impairment Losses	-	-	-	-	-	-
Accumulated Depreciation Reversal	(1,592,797)	(387,170)	(235,319)	-	-	(2,215,286)
Balance at 30 June 2023	12,878,082	1,795,092	336,671	-	142,658	15,152,503

Carrying Amounts

30 June 2023	6,763,094	2,221,684	115,254	5,629,000	2,577,852	17,306,884
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Carrying Amounts

30 June 2022	6,617,957	885,873	91,986	5,629,000	2,566,647	15,791,463
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	2023	2023	2022	2022
\$NZD	Freehold Land	Freehold Buildings	Freehold Land	Freehold Buildings
Cost Excluding Revaluation	2,257,388	1,857,782	2,257,388	1,857,782
Accumulated Depreciation and Impairment	-	809,041	-	809,041
Net Carrying Amount	2,257,388	1,048,741	2,257,388	1,048,741

Carrying amounts if land and buildings were measured at cost less accumulated depreciation and impairment.

The land and buildings were revalued effective 30 June 2022. At that time the company engaged the services of Telfer Young. Telfer Young has estimated the amount for which the asset should exchange on the date of valuation between a willing buyer and a willing seller. The valuations were based on open market sales with appropriate adjustment for location, standard of improvements and general conditions. The next revaluation is June 2025.

PROPERTY HELD FOR SALE	2023	2022
Balance	312,001	465,000

In June 2023 the company sold some bare land in Holmes St Waimate for \$143,029 previously listed in property held for sale. The remainder is land and buildings in Waimate. A contract for sale is in place with settlement expected in November 2023.

NOTE 13 ADVANCE REMOVAL OF OVERBURDEN & CAPITALISED QUARRY EXPENDITURE

\$NZD	2023	2022
Opening Balance of Advance Removal of Overburden and Waste Rock	29,971	43,942
Amortisation	(11,244)	(13,971)
Total Capitalised Quarry Expenditure	18,727	29,971

NOTE 14 TRADE AND OTHER PAYABLES

\$NZD	2023	2022
Waitaki District Council	44,439	1,445
Waitaki District Council Compensatory Tax Payment	-	250,006
Trade Creditors	1,795,789	811,901
Total Accounts Payable	1,840,228	1,063,352



NOTE 15 PROVISIONS

\$NZD	2023	2022
Opening Provision	105,000	10,000
Movement in Provision For Restoration of Land	6,770	-
Movement in Provision For Remedial Works	(15,995)	95,000
Total Provisions	95,775	105,000

This provision is all current in nature.

This provision is for the restoration of gravel sites back to their agricultural use once gravel extraction activities have ceased and expected remedial works on construction contracts.

NOTE 16 EMPLOYEE BENEFIT LIABILITIES

\$NZD	2023	2022
Employee Entitlements		
Accrued Pay	433,447	277,412
Annual Leave	761,531	641,321
Sick Leave	30,177	14,637
Long Service Leave	44,831	50,370
Total	1,269,986	983,740
Comprising		
Current	1,211,805	948,360
Non-Current	58,181	35,380
	1,269,986	983,740

NOTE 17 PREPAID INCOME

\$NZD	2023	2022
Waitaki District Council	23,507	90,837
Other	39,911	94,271
Total Prepaid Income	63,418	185,108

This prepaid income is all current in nature.

NOTE 18 BORROWING

\$NZD	2023	2022
Bank Overdraft (Note 7)	-	-
Bank of New Zealand - Current	68,760	66,010
Bank of New Zealand - Term	879,270	948,030
Total Borrowings	948,030	1,014,040

The carrying value of borrowings repayable within one year approximate their fair value.

The group bank overdraft facility totals \$1,000,000. (2022: \$1,000,000)

The current interest rate on the overdraft facility is 8.89% (2022: 5.60%)

The company has a Customised Average Rate Loan facility of \$948,030 Interest rate 8.53% (2022:5.27%)

The company has a Credit Plus Facility of \$3,109,696 Interest rate 9.59% (2022: 5.97%)

Security

Loans from the Bank of New Zealand are secured by debenture over the company assets and undertakings including a registered first mortgage against:

- Deborah Depot
- 98 Geraldine-Fairlie Highway
- Camerons Pit
- 460 Palmerston Dunback Road
- 28-30 Ree Crescent Cromwell
- A security interest in specified plant and machinery.



NOTE 19 CAPITAL AND RESERVES

\$NZD	2023	2022
Opening Share Capital	4,600,000	4,600,000
Closing Share Capital	4,600,000	4,600,000
Retained Earnings		
Opening Balance	6,761,886	6,286,367
Net Surplus	372,893	507,028
Dividend Paid	(225,531)	(31,509)
Revaluation Reserve Realised	81,721	-
Closing Retained Earnings	6,990,969	6,761,886
Opening Property Revaluation Reserve	5,251,325	3,297,352
Movement in Revaluation Reserve	(81,721)	1,953,973
Closing Revaluation	5,169,604	5,251,325
Total Equity	16,760,573	16,613,211

The company has 4,600,000 shares issued. All shares carry equal voting rights in any surplus on winding up of the company. None of the shares carry fixed dividend rights nor have any par value. All shares are fully paid up.

Dividends declared and paid equates to \$225,531. (2022 \$31,509).

The property revaluation reserve arises in the revaluation of land and buildings. When revalued land and buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the property revaluation reserve will not be reclassified subsequently to the profit and loss.

NOTE 20 COMMITMENTS

\$NZD	2023	2022
The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:		
One Year or Less	136,671	159,250
One to Five Years	10,272	158,132
Over Five Years	-	-
Total	146,943	317,382

The Company was committed to the purchase of the following items at balance date: Plant and Equipment \$363,885.

NOTE 21

CONTINGENT LIABILITIES & CONTINGENT ASSETS

\$NZD	2023	2022
There are performance bonds as at 30 June 22 in favour of:		
Clutha District Council	29,759	29,759
K&L Accommodation Ltd	88,959	88,959
Mackenzie District Council	142,820	115,000
Waka Kotahi	32,181	64,362
Dunedin City Council	19,006	19,006
Queenstown Lakes District Council	11,269	134,432
RCL Henley Downs Ltd	369,426	191,985
Waimate District Council	26,851	-
Waitaki District Council	1,145,815	698,282
Total	1,866,086	1,341,785

Bonds are held guaranteeing fulfillment of obligations under particular contracts. The company is released from the obligations when the performance criteria under the contract are met.

Contingent Assets

The company has no contingent assets (2022 \$nil).



NOTE 22

RELATED PARTY TRANSACTIONS

A: INTERGROUP TRANSACTIONS AND BALANCES

\$NZD	2023	2022
(A) Intergroup Transactions and Balances		
Waitaki District Council		
Services Provided to Waitaki District Council	8,076,830	2,147,333
Services Received from Waitaki District Council	178,015	58,268
Amounts Owed to Council	44,439	1,445
Amounts Receivable from Council	900,200	374,176
Observatory Village Lifecare Limited		
Services Provided to Observatory Village	-	135
Amounts Receivable from Observatory Village	-	-

The company supplies civil construction and maintenance contracting services to the Waitaki District Council. The company also leases facilities to the Waitaki District Council.

The Company is related to other council owned enterprises such as Tourism Waitaki, Waitaki District Health Services and Omarama Airfield Ltd.

The amounts included in this note exclude goods and services tax. All services supplied were on normal commercial terms.

B: KEY MANAGEMENT AND DIRECTORS

SALES TO WHITESTONE CONTRACTING LIMITED

Supplying Entity	Related Party	Nature of Related Party	Amount for the Year	Owing at Balance Date	Description of Transactions
Delta Utility Services Ltd	S Grave	Director	-	-	Contracting services
Fulton Hogan Ltd	S W Grave	Shareholder	1,401,979	156,576	Material supplies and Contracting Services
Network Waitaki Ltd	J Kay	Director	15,085	5,178	Contracting Services
Road Metals Ltd	G Kelcher	Employee	689,078	115,599	Gravel supplies
Kiwi Concrete Ltd	G Kelcher	Consultant	11,168	-	Concrete supplies
ReCreative Communications Ltd	R Ryan	Waitaki District Councillor	5,552	-	Marketing Services

KEY MANAGEMENT AND DIRECTORS

PURCHASES FROM WHITESTONE CONTRACTING LIMITED

Supplying Entity	Related Party	Nature of Related Party	Amount for the Year	Owing at Balance Date	Description of Transactions
T S Read	T S Read	Executive Manager	4,005	306	Fuel, Workshop and Contracting services
J A Hardy	J A Hardy	Executive Manager	973	-	Material supplies, Workshop & Contracting services
Delta Utility Services	S Grave	Director	3,371	-	Contracting Services
S Grave	S Grave	Director	6,307	429	Fuel Supplies
Fulton Hogan Ltd	S W Grave	Shareholder	3,899,029	321,869	Contracting Services
Network Waitaki Ltd	J Kay	Director	1,170,065	136,116	Contracting Services
Road Metals Ltd	G Kelcher	Consultant	512,816	76,276	Contracting Services
North Otago Irrigation Co Ltd	S Cotter-Tait	Director	288	288	Contracting Services

Except for these transactions no other directors have entered into related party transactions with the group. The amounts outstanding at year end are payable on normal trading terms. No related party debts have been written off or forgiven during the year.

Key Management and Directors are stated inclusive of GST.

NOTE 23 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

\$NZD	2023	2022
Financial Assets Measured at Amortised Cost		
Trade and Other Receivables	2,991,966	2,028,463
Cash and Cash Equivalents	69,060	1,588,401
Total Loans and Receivables	3,061,026	3,616,864
Financial Liabilities Measured at Amortised Cost		
Trade and Other Payables	1,840,228	1,063,352
Bank Overdraft	-	-
Provision for Goods and Services Tax	319,735	197,476
Accrued Expenses	124,873	84,571
Total Financial Liabilities Measured at Amortised Costs	2,284,836	1,345,399

NOTE 24 GOING CONCERN

The Directors have assessed Whitestone Contracting Limited and have concluded that based on historical financial performance, forward outlook and secured long term contracts that the company is expected to continue operating beyond 12 months from the date of signing the financial statements.

NOTE 25 LEASES

The company leases buildings and office equipment. The average lease terms is 4 years.

At the end of the lease the Company is required to return the lease assets to the Lessor.

Right-of-use Assets	Buildings	Office Equipment	Total
Net carrying value			
30 June 2023	59,449	32,669	92,118
30 June 2022	62,248	-	62,248
Depreciation Expense for the Year			
30 June 2023	69,401	-	69,401
30 June 2022	66,714	3,840	70,554

New leases for Property and Office Equipment were entered into during the period ended 30 June 2023.

Amounts Recognised in Profit and Loss	2023	2022
Depreciation Expense on Right-of-use Assets	69,401	70,554
Interest Expense on Lease Liabilities	7,788	8,538
Expenses relating to Short-term Leases	53,879	38,268
Expenses relating to Leases of Low Value Assets	1,005	1,005

At 30 June 2023, the Company was committed to \$820 (2022 - \$1,880) for short term leases.

Lease Liabilities	2023	2022
Amounts Due for Settlement within 12 months (shown under Current Liabilities)	70,610	46,998
Amounts Due for Settlement after 12 months	21,508	54,758
Maturity Analysis		
Not later than 1 year	70,610	46,998
Later than 1 year and not later than 5 years	21,508	54,758
Later than 5 years	-	-
	92,118	101,756

The Company does not face a significant liquidity risk with regard to its lease liabilities.

Operating Leases Arrangements

Operating leases in which the Company is the lessor, relate to properties owned by the Company with lease terms of between 3 and 10 years with 2 year extension options. Operating leases contracts contain the right to review rates on renewal.

The main purpose for holding Property is part of its normal activities. Leasing is incidental to the main activity.

Maturity analysis of operating lease payments:

	2023	2022
Year 1	68,462	34,050
Year 2	39,829	34,050
Year 3	1,691	34,050
Year 4	908	1,333
Year 5	958	500
Year 6	833	917

NOTE 26 EVENTS AFTER BALANCE DATE

The company has received a notice regarding a property sold in previous years. The result of any negotiation or settlement is uncertain and cannot be quantified.

STATEMENT OF SERVICE PERFORMANCE

WHO ARE WE?

The nature of Whitestone Contracting Limited's activities will include those of a contractor and those activities of a trading organisation that the directors consider are profitable, appropriate and in the best long term interests of Whitestone Contracting Limited and the Shareholder.

The scope of activities undertaken by Whitestone Contracting Limited includes, but is not limited to, physical works for maintenance and construction including roading works, reticulation construction and maintenance, landscaping services, private sector contracting including mechanics workshop, quarry and landfill operations and equipment hire.

WHY DO WE EXIST?

The principal goal of Council-Controlled Organisations (CCTO) is to operate as a successful long-term business with the prime objective of managing the company's assets on an economic, environmental and socially sustainable basis.

Shareholder objectives for continued ownership and control include:

- Stimulating a competitive contracting sector in our district
- Supporting local opportunities for a diverse labour market
- Obtaining a good return on investment commensurate with the business risks of **Whitestone Contracting Limited** and the risk appetite of the Shareholder.



WHAT DO WE AIM TO DO?

The principal objective of Whitestone Contracting Limited is to operate as a successful business and grow shareholder wealth. Whitestone Contracting Limited has a vision to be an excellent tier 2 contractor thereby providing a financial return on investment to its Shareholder commensurate with risk; and thereby benefitting the region.

The Statement of Intent which is agreed between the directors of Whitestone Contracting Limited and the ultimate controlling entity The Waitaki District Council provides for the following performance targets:

Performance Measure	2022/23	2020/21
Achieve a before income tax return (prior to donations, sponsorships and subvention payments) on opening Shareholders funds that exceeds 8%	Not Achieved Actual 3.72% <i>This was due to the trading environment, holding costs prior to starting the Waitaki Road Maintenance contract, some contracts not meeting target and recruitment and training costs in a tight labour market.</i>	Not Achieved due to impact of Covid-19 Actual 3.88%
Grow turnover to between \$30-\$35 million over the next three years.	Making good progress towards the three year target this year Achieving \$27.16 million	Achieved \$21.6 million
Shareholders funds to total assets >40%	Achieved	Achieved
Maintain ISO9001 registration and related Quality Assurance programmes	Maintained	Maintained
Maintain a high standard of health and safety in relation to WCL's employees, customers, suppliers, subcontractors and the public, as measured by maintaining ISO45001 safety management systems accreditation	Maintained	Achieved
Maintain a total injury frequency rate of <2 per 200,000 hours worked or 10 per million hours worked	Achieved	Not Achieved Actual Rate 5.94
Maintain ISO 14001 standard to ensure the company has systems in place to environmental legislative and regulatory requirements	Maintained	Maintained
Maintain Toitu Envirocare Carbon reduce certification	Maintained	Maintained
Full Compliance with the Resource Management Act	Compliance Achieved	Compliance Achieved
Support the community initiatives with a minimum of \$50,000 sponsorship per annum to local community organisations and wellbeing initiatives where this aligns with the business objectives	Achieved	Achieved

STATUTORY INFORMATION

CURRENT DIRECTORS

Steven William Grave	1 January 2017
Edward George Kelcher	1 January 2020
Jonathan Anthony Kay	1 January 2022
Sina Kitona Cotter-Tait	23 November 2021
Alistair Craig Wyatt	1 January 2022

APPOINTED

DIRECTORS REMUNERATION

	Fees	Extra Fees	Travel
S Grave	62,475	-	3,570
G Kelcher	36,750	-	-
S Cotter-Tait	36,750	-	2,140
J Kay	36,750	-	3,083
C Wyatt	36,750	-	457
Other			-
Total	209,475	-	9,250

EMPLOYEES REMUNERATION

The company had 26 employees who received remuneration of \$100,000 or more per annum.

\$NZD (000s)	Number of employees
100-110	3
110-120	11
120-130	1
130-140	4
140-150	1
150-160	1
160-170	1
190-200	1
200-210	1
210-220	1
310-320	1

RECOMMENDED DIVIDEND

No further distributions have been resolved as at 30 June 2023.

SPONSORSHIPS AND DONATIONS

Sponsorships and donations totalled \$71,335 (\$57,867: 2022).

DIVIDEND POLICY

Whitestone Contracting Limited is committed to maximising the long-term sustainable distribution flow to the shareholder and maintain a distribution intent of paying a minimum annual dividend equal to the higher of \$200,000 or 50% of the surplus after tax.

Any distribution needs to be prudent in the circumstances and meet the solvency test.

Where it is anticipated that the minimum cash payment may impact negatively on the company's viability or growth strategy the Directors will discuss this with the Shareholder.

Some, or all, of the distributions to the Shareholder may be made, with agreement of the Shareholder, by subvention payment, or other mutually agreed method after taking account of all tax considerations.

Whitestone Contracting Limited will declare dividends and make subvention payments, or other distributions, consistent with the amounts recommended by the Directors as suited to sustain the viability of the business.

ENTRIES MADE IN THE INTERESTS REGISTER

- **Interests in transactions** No transactions have taken place between the directors and the company which are not in the ordinary course of the company's business and on its usual terms and conditions.
- **Use of Company Information by Directors** During the year the board received no notices from directors of the company requesting to use Company information received in their capacity as directors which would not otherwise have been available to them.
- **Shareholding by Directors** No directors hold shares in the Company.
- **Indemnity and insurance** During the year the company paid premiums insuring all directors of Whitestone Contracting Limited in respect of liability and costs permitted to be insured against by legislation.

DIRECTORS INTERESTS DISCLOSED

S Cotter Tait

Canterbury-Kaikoura Lotteries Committee Board	Board Member	North Otago Irrigation Company Ltd	Director
Christchurch Cathedral Reinstatement Review Panel	Member	Ōtautahi Community Housing Trust	Trustee
Collective Success Ltd	Director/Shareholder	Te Waihangā/The Infrastructure Commission	Board Member
Consulting Engineers Assurance Society	Director	UC-UoA Building Innovation Partnership	Board Member
Engineering NZ Foundation	Trustee	Idemnity & General Insurance Company Ltd	Director
Lewis Bradford and Associates Ltd	Shareholder		

S Grave

Buller Recreation Ltd	Director	Corde Ltd	Director
Buller Holdings Ltd	Director	WestReef Services Ltd	Director
Delta Utility Services Ltd	Director		
Fulton Hogan Ltd	Shareholder		

J Kay

Lone Wolf Enterprises Ltd	Director/Shareholder	Coollogic Refrigeration Limited	Director
Network Waitaki Ltd	Director	Horizon Energy Group Limited	Director
Waipa Networks Ltd	Director/Chair	Horizon Energy Limited	Director
Counties Energy Limited	Director	Horizon Services Limited	Director
Horizon Energy Distribution Ltd	Director	Aquaheat Facility Services Limited	Director
Aquaheat New Zealand Ltd	Director	Aquaheat Fire New Zealand Limited	Director
Caldwell and Levesque Ltd	Director		

G Kelcher

Reservoir Views Company Ltd	Director/Shareholder	
Reservoir Views Holding Company Ltd	Director/Shareholder	
Road Metals	Employee	
Waitaki District Council	Harbour Committee	Waitaki Area Chamber of Commerce Representative
Waitaki District Council	30-year Spatial Plan Working Group	Waitaki Area Chamber of Commerce Representative
Waitaki District Council	30-year Spatial Plan Working Group	Local transport Industry Representative

AC Wyatt

Crombie & Price Ltd	Director	Miers Laboratories Ltd	Shareholder
CVD Holdings Ltd	Shareholder	North Otago Irrigation Company Ltd	Shareholder
E.G. Ludemann Ltd	Shareholder	Pso Retirement Villages Ltd	Director/Chair
Fox Investments (Bv) Ltd	Shareholder	Te Anau Holdings Ltd	Shareholder
HGW Trustees Company Ltd	Director	Waianiwa Farm Ltd	Shareholder
Harvie Green Wyatt Ltd	Director/Shareholder	Waihopai Property Ltd	Shareholder
Helwick Street Properties Ltd	Shareholder	Windsor Blue Ltd	Shareholder
HGW Trustees 2018 Ltd	Director	Winslow Farm Ltd	Shareholder
HGW Trustees 2019 Ltd	Director	Woodfield Forest GP Ltd	Shareholder
HGW Trustees 2020 Ltd	Director		
HGW Trustees 2021 Ltd	Director		
HGW Trustees 2022 Ltd	Director		
HGW Trustees 2023 Ltd	Director		
HGW Trustees Ltd	Director		
Ikawai Farm Joint Venture Ltd	Shareholder		
Mercy Hospital Dunedin Ltd	Director		

Relevant Directorships and interests during the period have been disclosed in the Annual Report. A full listing is available in the company's interests register held at its head office.





AUDITORS REPORT

**Crowe New Zealand Audit
Partnership**

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www.crowe.nz

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF WHITESTONE CONTRACTING LIMITED'S FINANCIAL STATEMENTS
AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023**

The Auditor-General is the auditor of Whitestone Contracting Limited (the company). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 19 to 47, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 48 to 49.

In our opinion:

- the financial statements of the company on pages 19 to 47:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company on pages 48 to 49 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2023.

Our audit was completed on 29 August 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.



Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, 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.

- We 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of 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 and the performance information 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.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 17, 50 to 53 and 59 to 62, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.



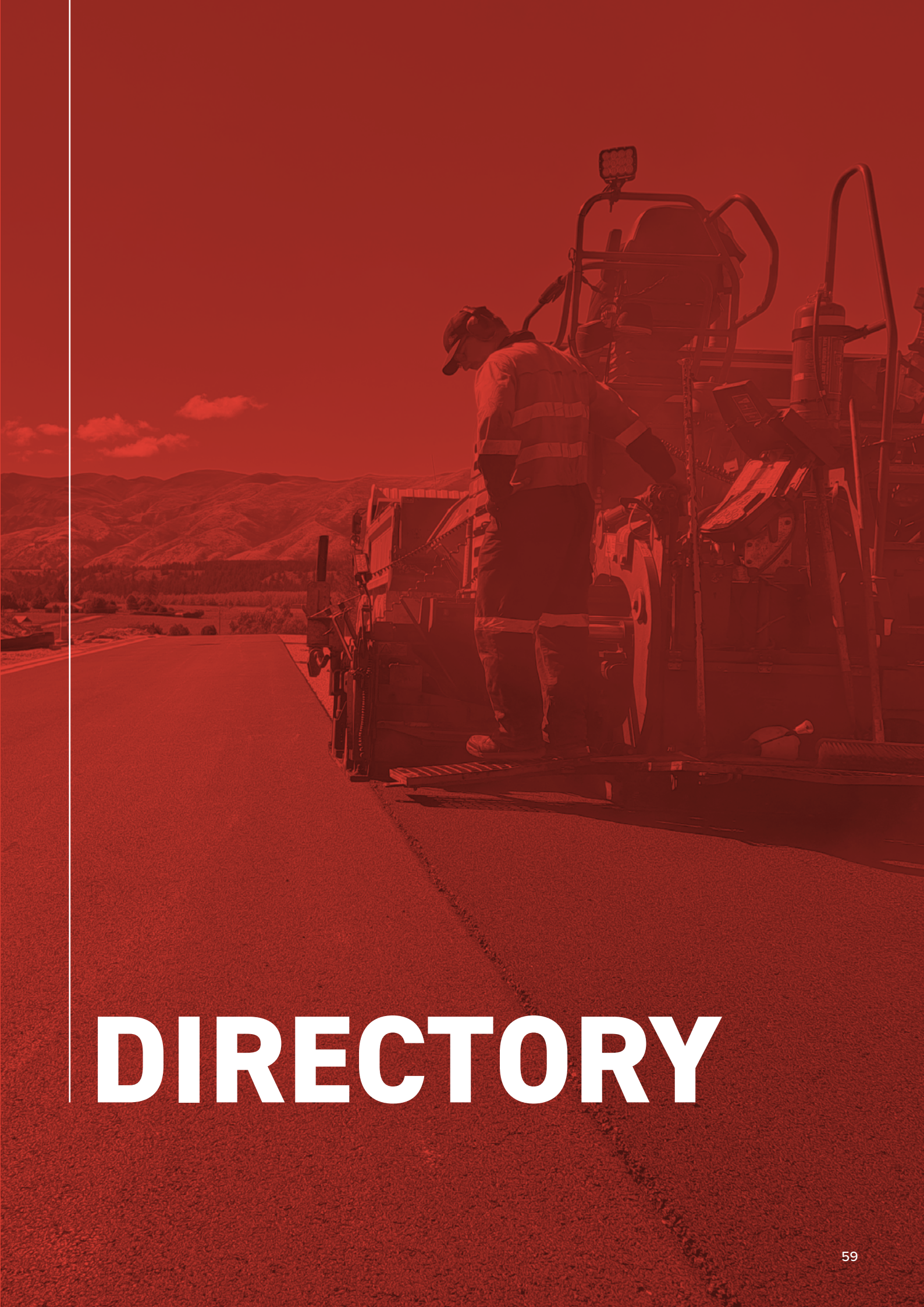
Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.

A handwritten signature in blue ink, appearing to read "Michael Lee", with a long horizontal flourish extending to the right.

Michael Lee
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Dunedin, New Zealand



DIRECTORY

DIRECTORS



Steven William Grave
*B.E (Hons) Civil, NZCE
(Civil)*
(Appointed 1 January 2017)



Edward George Kelcher
(Appointed 1 January 2020)



Sina Kitiona Cotter-Tait
*CP Eng, CMEngNZ, FEngNZ
MInstD M.B.A, B.E (Hons) Civil*
(Appointed 23 November 2021)



Alistair Craig Wyatt
*Bcom, F.C.A (PP), CMIInstD,
FNZIM*
(Appointed 1 January 2022)



Jonathan Anthony Kay
M.E, Dip(Bus), CMIInstD
(Appointed 1 January 2022)

DIRECTORY

Postal Address	PO Box 108, Oamaru
Phone	(03) 433 0240
Fax	(03) 434 1270
Auditors	M Lee, Crowe New Zealand Audit Partnership on behalf of the Controller and Auditor General, Wellington
Bankers	Bank of New Zealand ANZ
Solicitors	Berry & Co, Oamaru
Authorised Capital	4,600,000 Ordinary Shares
Company Number	DN 549270
Country of Incorporation	New Zealand
Registered Office	State Highway One, Deborah, Oamaru
Insurer	Marsh Ltd (Brokers)

EXECUTIVE MANAGERS

Chief Executive

Paul Bisset *NZCE (Civil), MInstD*

Executive Manager Construction & Surfacing

Julian Hardy *DipEng (Civil)*

Executive Manager Corporate Services

Tony Read *B.Com, ACIS, C.A*

Executive Manager Maintenance

Cameron Bullin

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