

# Special Purpose Annual Report

LegaSea Limited

For the year ended 30 June 2023

Prepared by Phibbs & Co Limited

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# Directory

## LegaSea Limited For the year ended 30 June 2023

### Nature of Business

Ecological and Fisheries Protection

### Registered Office

Phibbs & Co Limited, 8 Murdoch Road, Grey Lynn, Auckland 1021

### Incorporation Number

3674320

### Directors

Peter Campbell  
Mark Connor

### Chartered Accountant

Phibbs & Co Limited, 8 Murdoch Road, Grey Lynn, Auckland 1021

### Bankers

ASB Bank

### Shareholders

New Zealand Sport Fishing Council Incorporated

100 Shares

### Legasea Governance Advisory Standing Committee

Peter Campbell (Chair)

Mark Connor

Ian Steele

Scott Macindoe

Richard Baker

Dirk Sieling



# Approval of Financial Report

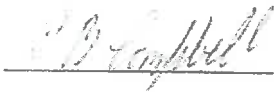
LegaSea Limited

For the year ended 30 June 2023

The Directors are pleased to present the approved financial report including the historical financial statements of LegaSea Limited for year ended 30 June 2023.

APPROVED

For and on behalf of the Board of Directors.



Peter Campbell

Date 25-8-2023



Mark Connor

Date 25/8/2023

# Statement of Income and Expenditure

LegaSea Limited

For the year ended 30 June 2023

	NOTES	2023	2022
<b>Revenue</b>			
<b>Donations Received - Advocacy, Research, Education &amp; Alignment</b>			
LegaSea Legends		104,542	116,096
Donations - Events		11,589	1,034
Public		11,554	10,365
Unaffiliated Clubs		10,164	7,730
<b>Total Donations Received - Advocacy, Research, Education &amp; Alignment</b>		<b>137,848</b>	<b>135,225</b>
<b>Distributions Allocated - Advocacy, Research, Education &amp; Alignment</b>			
Distributions Remitted - NZSFC		(135,636)	(132,385)
Distributions Remitted - LegaSea Hawke's Bay	3	(2,212)	(2,840)
<b>Total Distributions Allocated - Advocacy, Research, Education &amp; Alignment</b>		<b>(137,848)</b>	<b>(135,225)</b>
<b>Other Income</b>			
Platinum Partners		300,425	112,226
Gold Partners		117,609	88,215
Hawkes Bay Building LegaSea & LegaSea Works		5,450	6,250
Building LegaSea Sponsors		43,020	30,491
Sponsorship Income Distributed - LegaSea Hawke's Bay		(4,360)	(5,000)
LegaSea Works Sponsors		11,531	8,435
Donations - Affiliated Clubs		3,072	8,333
Merchandise Sales		19,670	16,205
Grants Received for LegaSea projects and running costs	4	452,286	663,877
Grants received for Free Fish Heads	4	-	4,500
<b>Total Other Income</b>		<b>948,702</b>	<b>933,531</b>
<b>Total Revenue</b>		<b>948,702</b>	<b>933,531</b>
<b>Expenditure</b>			
<b>Public Outreach</b>			
Communications Activities		78,099	114,707
Social Media Programme		20,050	19,294
Database Building, Research & Maintenance		9,601	11,105
Brochures & Collateral		4,981	2,539
Website Development & Maintenance		8,236	4,307
Event Management & Attendance	6	72,732	32,197
Alignment Programme		13,318	14,656
Volunteer Programme		7,947	9,483
Merchandise Purchases & Expenses		27,947	15,751
Shipping Costs - Packaging, Postage & Freight		2,406	1,204
NZSFC Reporting & Club Relationships		13,637	1,752
<b>Total Public Outreach</b>		<b>258,953</b>	<b>226,994</b>
<b>Fundraising</b>			
Partner Programme		122,741	40,831

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.

	NOTES	2023	2022
Building LegaSea & LegaSea Works		14,859	5,099
LegaSea Legends Sales & Collateral		7,196	7,525
Public Donor Fundraising		20,912	19,136
Grant Seeking - LegaSea establishment and running costs		7,770	10,736
<b>Total Fundraising</b>		<b>173,478</b>	<b>83,326</b>
<b>Governance, Strategy &amp; Planning</b>			
Budgeting		5,235	5,344
Governance		5,814	8,325
Planning Review & Reporting		72,550	71,367
Strategic Planning		10,423	14,513
<b>Total Governance, Strategy &amp; Planning</b>		<b>94,021</b>	<b>99,548</b>
<b>Administration</b>			
Accountancy & Audit Fees		9,580	6,906
Book Keeping		54,597	49,964
LegaSea - Depreciation		5,001	9,887
Professional Development		2,786	-
Office Maintenance & Expenses		22,110	14,432
Recruitment Expenses		17,598	9,055
Vega.Works Database Management System		11,120	10,686
<b>Total Administration</b>		<b>122,791</b>	<b>100,930</b>
<b>Campaigns</b>			
Fishcare		44,820	36,542
Kai Ika	7	195,429	225,562
Rescue Fish		3,565	27,932
Other Campaigns	5	71,885	63,297
<b>Total Campaigns</b>		<b>315,699</b>	<b>353,333</b>
<b>Total Expenditure</b>		<b>964,942</b>	<b>864,130</b>
<b>Net Surplus (Deficit) for the Year</b>		<b>(16,239)</b>	<b>69,401</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.

# Statement of Changes in Equity

LegaSea Limited

For the year ended 30 June 2023

	2023	2022
<b>Equity</b>		
Opening Balance	(165,287)	(234,689)
<b>Increases</b>		
Surplus for the Period	-	69,401
Retained Earnings	(100)	-
<b>Total Increases</b>	<b>(100)</b>	<b>69,401</b>
<b>Decreases</b>		
Deficit for the Period	16,239	-
<b>Total Decreases</b>	<b>16,239</b>	<b>-</b>
<b>Total Equity</b>	<b>(181,627)</b>	<b>(165,287)</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.

# Statement of Financial Position

## LegaSea Limited As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
<b>Assets</b>			
<b>Current Assets</b>			
Bank		107,307	143,474
Trade and Other Receivables		121,420	5,931
GST Receivable		13,743	33,182
Inventories		12,638	7,538
Income Tax Receivable	8	8	247
<b>Total Current Assets</b>		<b>255,115</b>	<b>190,372</b>
<b>Non-Current Assets</b>			
Computer Software, Websites, Plant & Equipment and Vehicles		141,212	157,671
<b>Total Non-Current Assets</b>		<b>141,212</b>	<b>157,671</b>
<b>Total Assets</b>		<b>396,327</b>	<b>348,043</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		139,065	95,935
Employee Entitlements - Accrued Annual Leave		17,377	11,872
Unspent Grants	4	116,512	100,623
<b>Total Current Liabilities</b>		<b>272,954</b>	<b>208,430</b>
<b>Non-Current Liabilities</b>			
Loans	10	155,000	255,000
Shareholder Current Accounts		150,000	49,900
<b>Total Non-Current Liabilities</b>		<b>305,000</b>	<b>304,900</b>
<b>Total Liabilities</b>		<b>577,954</b>	<b>513,330</b>
<b>Net Assets</b>		<b>(181,627)</b>	<b>(165,287)</b>
<b>Equity</b>			
Share Capital		100	100
Retained Earnings		(181,727)	(165,387)
<b>Total Equity</b>		<b>(181,627)</b>	<b>(165,287)</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.



# Shareholder Current Accounts

LegaSea Limited

For the year ended 30 June 2023

	2023	2022
<b>Shareholder Current Accounts</b>		
<b>New Zealand Sport Fishing Council Incorporated</b>		
Opening Balance	49,900	49,900
<b>Increases</b>		
Funds Introduced	100,100	-
Total Increases	100,100	-
<b>Total New Zealand Sport Fishing Council Incorporated</b>	<b>150,000</b>	<b>49,900</b>
<b>Total Shareholder Current Accounts</b>	<b>150,000</b>	<b>49,900</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.



# Depreciation Schedule

## LegaSea Limited

For the year ended 30 June 2023

ASSET TYPE	NAME	RATE	EXPENSE ACCOUNT	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
<b>Fixed Assets - Kai Ika</b>										
Plant & Equipment - Kai Ika	1.00 IO-100 Knife Sharpener	10.00%	Kai Ika Depreciation	7,422	5,762	-	-	576	2,237	5,185
Plant & Equipment - Kai Ika	Kai Ika Water Tank & Container Development	8.00%	Kai Ika Depreciation	20,099	16,672	-	-	1,334	4,761	15,338
Plant & Equipment - Kai Ika	Powered Cart	13.00%	Kai Ika Depreciation	1,095	-	1,095	-	83	83	1,012
Plant & Equipment - Kai Ika	Toshiba Tecra Z30t-B	50.00%	Kai Ika Depreciation	649	78	-	-	39	610	39
Plant & Equipment - Kai Ika	Wedderburn vacuum sealer	13.00%	Kai Ika Depreciation	6,660	-	6,660	-	289	289	6,371
Motor Vehicle - Kai Ika	1999 Isuzu Elf - LRF281	16.00%	Kai Ika Depreciation	15,826	8,380	-	-	1,341	8,787	7,039
Motor Vehicle - Kai Ika	Kai Ika Events Trailer	13.00%	Kai Ika Depreciation	46,202	43,199	-	-	5,616	8,619	37,583
Motor Vehicle - Kai Ika	Kai Ika Filleting Trailer	13.00%	Kai Ika Depreciation	29,114	25,055	-	-	3,257	7,316	21,798
Motor Vehicle - Kai Ika	Kai Ika Filleting Trailer	13.00%	Kai Ika Depreciation	25,937	18,781	-	-	2,442	9,597	16,339
Motor Vehicle - Kai Ika	Trailer Improvements 2022	13.00%	Kai Ika Depreciation	14,350	14,039	-	-	1,825	2,136	12,214
Motor Vehicle - Kai Ika	Trailer with attached chiller	13.00%	Kai Ika Depreciation	17,391	14,639	-	-	1,903	4,656	12,736
Kai Ika	Fish Crate 35ltr 713x442x222mm (Blue) AP6 x30		Kai Ika Depreciation	1,020	723	-	-	510	808	213
<b>Total Fixed Assets - Kai Ika</b>				<b>185,766</b>	<b>147,326</b>	<b>7,755</b>	<b>-</b>	<b>19,214</b>	<b>49,899</b>	<b>135,867</b>
<b>Fixed Assets - LegaSea</b>										
Plant and Equipment - LegaSea	LegaSea instant Marquee	25.00%	LegaSea - Depreciation	4,418	688	-	-	172	3,902	516
Computer Software - LegaSea	Website - Rescue Fish	50.00%	LegaSea - Depreciation	27,245	6,244	-	-	3,122	24,123	3,122
Computer Software - LegaSea	Websites	50.00%	LegaSea - Depreciation	34,497	3,414	-	-	1,707	32,790	1,707
<b>Total Fixed Assets - LegaSea</b>				<b>66,160</b>	<b>10,345</b>	<b>-</b>	<b>-</b>	<b>5,001</b>	<b>60,815</b>	<b>5,345</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.

Depreciation Schedule

ASSET TYPE	NAME	RATE	EXPENSE ACCOUNT	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE
<b>Total</b>				<b>251,926</b>	<b>157,671</b>	<b>7,755</b>	<b>-</b>	<b>24,214</b>	<b>110,714</b>	<b>141,212</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.

# Notes to the Financial Statements

## LegaSea Limited

### For the year ended 30 June 2023

#### 1. Reporting Entity

LegaSea Limited is a company incorporated under the Companies Act 1993 and is engaged in the business of Ecological and Fisheries Protection.

This special purpose financial report was authorised for issue in accordance with a resolution of directors.

#### 2. Statement of Accounting Policies

##### Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for the owners and for the purposes of meeting the company's income tax requirements.

##### Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

##### 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.

##### Inventories

Inventories are stated at the lower of cost and net realisable value.

##### Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

The Websites are considered fixed assets classified as Computer Software because they generate ongoing value over the foreseeable future.



## Depreciation

Account	Method	Rate
Computer Software	Diminishing Value	50%
Plant & Equipment	Diminishing Value	8 - 50%
Vehicles	Diminishing Value	13 - 16%

## Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

## Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

## Going Concern Assumption

The Company is technically insolvent due to the value of liabilities and contingent liabilities exceeding the value of assets. The Directors acknowledges that the on-going viability of the entity is solely reliant on ongoing funding to be provided by its Shareholders.

## Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The recognition of non-exchange revenue from Grants and Donations depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue. Stipulations that are 'conditions' specifically require the company to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied. Stipulations that are 'restrictions' do not specifically require the company to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

## Bank Accounts and Cash

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

## Accounts Receivables

There are no amounts overdue nor impaired as at year end relating to trade receivables from exchange and non-exchange transactions (2021:\$Nil).

The outstanding balances owed are receivable on normal trade terms and accordingly do not attract interest.

## 3. Donations from Hawke's Bay Region

80% of donations and sponsor income received from the Hawke's Bay region is remitted to LegaSea Hawke's Bay on a monthly basis.

#### 4. Grants Received

Funder	Project	Gross Received	Spent	Unspent
Guardians of the Sea 0045	Projects & Running Costs	\$300,000	\$300,000	\$0
Ministry for Environment	Feasibility Kai Ika	\$79,889	\$79,889	\$0
Lottery Community Auckland	Kai Ika	\$70,000	\$70,000	\$0
Auckland Council Waste Minimisation 2022-100	Kai Ika	\$25,000	\$25,000	\$0
Auckland Council Waste Minimisation 16320 claim 3	Kai Ika	\$3,920	\$3,920	\$0
Wellington City Council Waste Management Grant	Kai Ika	\$2,000	\$2,000	\$0
Guardians of the Sea 0046a	Projects & Running Costs	\$75,000	\$60,118	\$14,882
Guardians of the Sea 0046b	Projects & Running Costs	\$50,000	\$0	\$50,000
NZ Marine Research Foundation	Attendance at World Recreational Fishing Conference	\$12,320	\$6,044	\$6,276
NZ Marine Research Foundation	Artificial reef research	\$18,170	\$0	\$18,170
Putā Ora	Kai Ika	\$50,000	\$22,816	\$27,184
Funds brought forward from previous year		\$100,623	\$100,623	\$0
<b>GRAND TOTAL</b>		<b>\$786,922</b>	<b>\$670,410</b>	<b>\$116,512</b>

Funds brought forward of \$100,623 from the previous year were from:

Guardians of the Sea \$86,123, Marine Research Foundation \$10,000 & Kai Ora Fund \$4,500.

The \$786,922 is shown in the financial statements in the following accounts:

	2023	2022
<b>Accounts</b>		
Grants Received for LegaSea projects and running costs	452,286	663,877
Grants received for Free Fish Heads	-	4,500
Kai Ika Grants Received	218,125	86,230
Unspent Grants	116,512	100,623
<b>Total Accounts</b>	<b>786,922</b>	<b>855,230</b>

#### 5. Other Campaigns

Other Campaigns are Scallop Campaign, Hauraki Gulf Alliance, Artificial Reefs and Industry Transformation Plan.

## 6. Public Outreach - Event Attendances, Follow Up & Reporting

LegaSea attended no less than 60 events including major public events: Hutchwilco Boat Show, World Recreational Fishing Conference, On The Water Boat Show and Field Days.

## 7. Operating Income & Expenditure for Kai Ika Project. This does not include Capital Expenditure.

<b>Kai Ika Income</b>			<b>Notes</b>
Filleting - Westhaven OBC and events		119,465	
Sales - Fillet containers, Fogdog, knife sharpening		21,866	
Fish Parts removal from OBC		2,474	
Grants received		218,125	<b>1</b>
Donations		31,491	
<b>Total Income</b>		<b>393,421</b>	
<b>Kai Ika Expenses</b>			
Wages - filleting and events		215,886	<b>2</b>
Purchases - fillet containers, Fogdog, knife sharpening		20,220	
Distribution of kaimoana - marae and wider community distributions		70,160	
Vehicle expenses		20,233	
Fish bins and other consumables		4,900	
Project administration - rostering, training, payroll and accounting		49,000	
Project management - budgeting and planning		51,773	
Fundraising - grant seeking and accountability, Cans for Kai project		13,329	
Public awareness - website, Boat Show, social media, content creation.		21,375	
Strategic Planning Project		96,632	<b>3</b>
Credit card fees		1806	
Depreciation		19,214	
FreefishHeads Project		4,322	
<b>Total expenditure</b>		<b>588,850</b>	
<b>Surplus/Deficit</b>		<b>-195,429</b>	



	2023	2022
<b>8. Income Tax</b>		
Net Profit (Loss) Before Tax	(16,239)	69,401
<b>Deductions from Taxable Profit</b>		
Losses Carried Forward	(153,262)	(234,535)
Wages Accrual	17,377	11,872
<b>Total Deductions from Taxable Profit</b>	<b>(135,885)</b>	<b>(222,663)</b>
Taxable Profit	(152,124)	(153,262)
Tax Payable at 28%	-	-
<b>Deductions from Tax Payable</b>		
Opening Balance	(247)	(247)
Tax Liability	239	-
<b>Total Deductions from Tax Payable</b>	<b>(8)</b>	<b>(247)</b>
Income Tax Payable (Refund Due)	8	247
	2023	2022

**9. Imputation Credit Account****Imputation Credit Account**

<b>Opening Balance</b>		
Opening Balance	239	1
<b>Total Opening Balance</b>	<b>239</b>	<b>1</b>
<b>Increases</b>		
Income Tax Paid	-	-
Resident Withholding Tax Paid	-	238
<b>Total Increases</b>	<b>-</b>	<b>238</b>
<b>Decreases</b>		
Income Tax Refund	239	-
<b>Total Decreases</b>	<b>239</b>	<b>-</b>
<b>Total Imputation Credit Account</b>	<b>-</b>	<b>239</b>



## 10. Related Parties

Scott Macindoe has advanced unsecured, interest free Loans to LegaSea Limited for many years. This funding, in the absence of a bank facility, has been used to finance the establishment of LegaSea Limited and its initiative, The Kai Ika Project. The Loan balance peaked at \$410,000 (2020), with the 30th June 2023 Loan balance being \$155,000. The Loan is only repayable from monies received by LegaSea Limited that are either Capital Introduced or monies received specifically tagged for Loan repayment. There is now a surety in place that fully indemnifies both LegaSea Ltd, its Directors and the shareholder from any liability to repay the Loan. This surety also limits the amount of the Loan to a maximum of \$500,000. If there is any Loan balance owing on the 30th June 2033 it will be deemed a donation and treated as such by both the lender and the borrower.

On the 30th of July 2013 Scott took out a 10 year life insurance policy with a memorandum of understanding that \$500,000 would be available to LegaSea Limited in the event of his death. This insurance policy will expire on the 30th of July 2023. Scott has renewed the policy for a further 12 months.

The New Zealand Sports Fishing Council (NZSFC) is the sole shareholder of the company. 100% of all donations received by LegaSea Ltd from the public and unaffiliated clubs are passed on to the NZSFC the month following receipt. The NZSFC invests these monies in Advocacy, Education, Research and Alignment activities. Unspent monies are accounted for in the NZSFC accounts as the Unspent LegaSea Contribution Reserve for expenditure on future activities of this nature. As at 30th June 2023 this reserve balance is \$41,614. Donations from LegaSea to NZSFC was \$135,636.

The Directors of LegaSea Ltd are Mark Connor and Peter Campbell. Mark is a past President of the New Zealand Sport Fishing Council (2012, 13, 14, 15) and is the current Zone 7 (South Island) Board Representative. He also serves on the LegaSea Governance Advisory Standing Committee and the Fisheries Management Standing Committee. Peter Campbell is a co-opted Board member of the New Zealand Sport Fishing Council and serves as the LegaSea liaison as well as serving on the LegaSea Governance Advisory Standing Committee and the Fisheries Management Standing Committee. Scott Macindoe is a volunteer and acts in an advisory and support capacity to LegaSea. He has been co-opted onto the LegaSea Governance Advisory Standing Committee and the Fisheries Management Standing Committee.

Richard Baker is a Trustee of the NZ Marine Research Foundation and is also on the LegaSea Governance Advisory Standing Committee. LegaSea received Grants this year totalling \$30,490 from the NZ Marine Research Foundation.

## 11. Shareholding Disclosure

At balance date, the New Zealand Sport Fishing Council Incorporated held 100 fully paid ordinary shares in Legasea Limited.

## 12. Contingent Liabilities

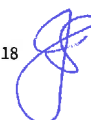
There are no contingent liabilities at the reporting date. (2022: \$Nil)

## 13. Contingent Commitments

There are no contingent commitments at the reporting date. (2022: \$Nil).

## 14. Events After Balance Date

The board is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these special purpose financial statements that have significantly or may significantly affect the operations of the company. (2022: \$Nil).



## INDEPENDENT AUDITOR'S REPORT

### To the Directors of LegaSea Limited

#### Opinion

We have audited the financial statements of LegaSea Limited on pages 3 to 17, which comprise the balance sheet as at 30 June 2023, and the statements of profit or loss and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LegaSea Limited as at 30 June 2023, and its financial performance for the year then ended, in accordance with the Special Purpose Financial Reporting Framework for use by For-Profit Entities (SPFR for FPEs) issued by CAANZ.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of LegaSea Limited in accordance with Professional and Ethical Standard 1 'International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, LegaSea Limited.

#### Directors' Responsibility for the Financial Statements

The Directors are responsible on behalf of the entity for determining that the Special Purpose Financial Reporting Framework for use by For-Profit Entities (SPFR for FPEs) adopted is acceptable in LegaSea Limited's circumstances, the preparation of financial statements, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

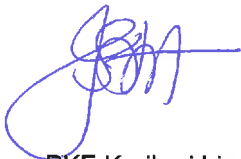
As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

#### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the owners and for the purposes of meeting the company's income tax requirements. As a result, the financial statements may not be suitable for another purpose.



PKF Kerikeri Limited  
Kerikeri  
25 August 2023