



## **Financial Accounts**

For The Year Ended 30 June 2025

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# Ashburton Lyndhurst Irrigation Limited

## Company Directory

<b><i>Registered Office</i></b>	144 Tancred Street, Ashburton
<b><i>Directors</i></b>	Colin Wesley Glass (Chairperson) Steven Edzo Broeils Bierema Philip Allan Lowe Suzanne Cheri Duncan Alison Maria Van Polanen (appointed 17-Oct-2024) Randal David Hanrahan (retired 17-Oct-2024)
<b><i>Bankers</i></b>	Bank of New Zealand, Christchurch
<b><i>Accountants</i></b>	Brophy Knight Limited, Ashburton
<b><i>Solicitors</i></b>	Tavendale and Partners Limited, Ashburton
<b><i>Auditors</i></b>	BDO Christchurch Audit Limited, Christchurch
<b><i>Date Of Incorporation</i></b>	22-September-1989
<b><i>Capital</i></b>	1,295,809 Ordinary Shares

# Chairman and Chief Executive’s Report

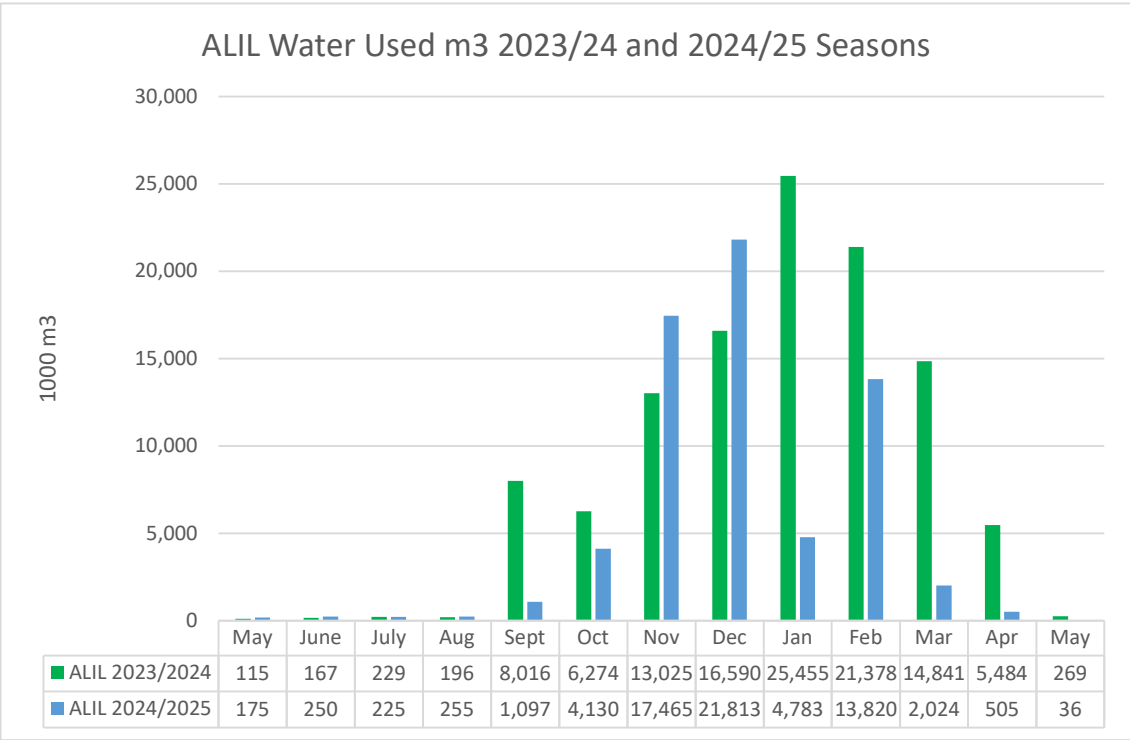
## For the Year Ended 30 June 2025

At the 2024 Ashburton Lyndhurst Irrigation Limited (ALIL) Annual Meeting, updates were provided to shareholders on:

- Progress of storage construction (McKendrys Road Pond, now Pond 3A)
- Land Use and Discharge Consent process
- Water charges, scheme costs and scheme expansion
- Stock water
- Board succession

## 2024/25 Irrigation Season

The 2024/25 season was characterised by high demand for irrigation water in November and December, followed by reduced demand across the remainder of the season.



Despite fluctuating seasonal demand, scheme reliability was maintained through the piped network and good practice irrigation. There were no irrigation restrictions recorded, demonstrating the scheme's resilience.

## **Water Charges**

The Board continues to have a strong focus on keeping the scheme's water charges as low as possible. It is therefore pleasing to be able to advise that there will be no change to the Water, Environmental or Stock Water Charges for the 2025/26 financial year.

Last season Environmental Charges increased due to the legal fees associated with the Environmental Law Initiative (ELI) High Court decision and subsequent appeal that impacted the granting of ALIL's discharge consent. While ALIL subsequently withdrew its appeal, there remain ongoing fees associated with the re-hearing of the consent application.

This year the Board has agreed to cover shareholder's subscription fees for Overseer, ensuring continuous access to up-to-date catchment nitrogen losses to support scheme-wide environmental management.

## **Long Term Reliability and Storage**

The major milestone this year was the completion of Pond 3A (McKendrys Road Pond), providing 315,000m<sup>3</sup> of in-scheme storage. This additional storage strengthens scheme reliability and provides flexibility during dry periods.

The Company continues to own land and larger-scale storage consents at Klondyke through its share in Mid Canterbury Water Storage. Future decisions on storage development will continue to be guided by scheme reliability assessments and shareholder consultation.

## **Consents and Environmental Compliance**

The scheme continues to operate under section 124 continuance while awaiting Environment Canterbury's decision on the nutrient discharge consent application. The hearing of this consent has concluded, and a decision is expected within the next month.

During the year, compliance monitoring and Farm Environment Plan (FEP) audits demonstrated strong shareholder commitment to good practice. The season ahead will focus on all shareholders achieving an A

grade audit as a minimum. This is an important part of our wider scheme consent compliance programme.

The scheme continues to build a robust dataset on groundwater and surface water quality to inform management decisions and demonstrate environmental performance.

## **Financial Performance**

The Company delivered a strong operating result with water charges to shareholders unchanged compared with the prior season, while interest expenses reduced due to lower wholesale interest rates, despite an increase in scheme debt to fund storage at McKendrys Road pond and Klondyke. Legal and compliance costs relating to the discharge consent judicial review and re-hearing have reduced slightly compared with the prior year.

Capital investment in Pond 3a (McKendrys Road Pond) was funded by:

- \$1.65m of new share capital issued, lifting total share capital to \$43.86m across 1,295,809 ordinary shares.
- Positive operating cash inflows of \$1.26m.

While the scheduled principal repayments on Stage 1 and 2 loans were maintained.

The Board's focus on operational prudence and capital investment has strengthened the Company's balance sheet, and secured future irrigation reliability, while containing shareholder water charges.

## **Stock Water**

ALIL continues to deliver stock water to shareholder farms under arrangements with Ashburton District Council (ADC). Transition planning is ongoing ahead of ADC's planned exit from stock water supply in 2027.

## **Directors and Staff**

The Board continues to focus on governance succession.

In October 2024, Alison van Polanen joined the Board, bringing further expertise in environmental management, as we thanked Randal Hanrahan for his dedicated service as a director of both ALIL and Irrigation NZ.

Our thanks also go to **Johnny Rowe** for his valued contribution as an Associate Director during 2024. We welcomed **Linda Rollinson** into the role in January 2025 and look forward to her input at the Board table.

We acknowledged, with deep sadness, the passing of Brett Evans, who was tragically killed in an avalanche while skiing on 25<sup>th</sup> September 2024. Brett was a highly respected and valued member of the ALIL team, and his contribution to the scheme and to his colleagues will be long remembered.

Our thanks go to the ALIL staff – Carmen Foster, Mike King, Rachel Pilling, Luke Leitis, Sarah Everest, and Mark Hancock – for their continued efforts in delivering a reliable service to shareholders throughout the year.

At the Annual Meeting, I will be retiring from the ALIL Board after 13 years as a director and 8 years as Chair. Over this time the company has changed dramatically. Today the entire scheme receives delivery at pressure, our reliability has been enhanced through storage, our shareholders have maintained their licence-to-farm, and our scheme area has increased by approximately 10,000 hectares. These changes have reduced our water charges, after allowing for inflation, and our farmers are supported by our dedicated and loyal staff, ably led by Rebecca, who share the aspiration for ALIL to be “simply the best”.

Thank you to my fellow directors and associate directors. But most of all thank you to the ALIL shareholders. We have a brilliant scheme that is second-to-none. This doesn't just happen. It is because we, as shareholders, are personally invested in securing viable businesses through reliable irrigation, flexible land use, sustainable practices and a thriving community.

# Ashburton Lyndhurst Irrigation Limited

## Annual Report

### For The Year Ended 30 June 2025

The business of the Company is Water Scheme Management. The nature of the company's business has not changed during the year under review.

As required by Section 211 of the Companies Act 1993 we disclose the following information:

#### Directors' Interests

The following transactions were entered into by the Directors of the Company:

For the year ended 30 June 2025

During the year all the Directors purchased water on the same normal trading terms from Ashburton Lyndhurst Irrigation Limited (ALIL) as other shareholders.

In addition the following entries were recorded in the Directors interest register:

On the 17th July 2024, Colin W Glass declared an interest in the response received from Dairy Holdings Limited regarding the sale of their assets and purchase of ALIL shares.

On the 17th July 2024, Philip A Lowe declared an interest in the decision to grant a FAVA Application for FEP #199.

On the 28th August 2024, Colin W Glass declared an interest in the FAVA Application FEP #267 and associated discussions.

On the 28th August 2024, Colin W Glass declared an interest in the FAVA Application and on-charging of external consultant costs.

On the 28th August 2024, Colin W Glass declared an interest in the purchase of assets from Alford Park Limited and whether they were of value to ALIL.

On the 28th August 2024, Colin W Glass declared an interest in the discussions around Affected Party Approval in relation to Upperlands Farms Limited.

On the 13th September 2024, Colin W Glass declared an interest in the share application received from Alford Park Limited, Forks Road Dairy Limited, and Dairy Holdings Limited, or their Nominee.

On the 20th November 2024, Alison M Van Polanen declared an interest in the share transfer and water supply agreements between J & J Van Polanen Family Trust and Hinaiu Farms Limited.

On the 16th December 2024, Steven E B Bierema declared an interest in the FAVA Application for FEP #288.

On the 16th December 2024, Philip A Lowe declared an interest in the decisions to grant FAVA Applications for FEP #203 and #309.

On the 12th March 2025, Suzanne C Duncan declared an interest in the share transfer and water supply application received between Browns Farm Limited and Melrose Pastoral Limited.

On the 12th March 2025, Philip A Lowe declared an interest in the share applications received from Spreadeagle Holdings Limited and Spring River Holdings Limited.

On the 28th April 2025, Colin W Glass declared an interest in the FAVA received from FEP #280 and #292 in relation to FEP #204.

On the 28th April 2025, Steven E B Bierema declared an interest in the discussions regarding FAVA Application FEP #155.

On the 11th June 2025, Steven E B Bierema declared an interest in the share transfer and water supply agreements between Ballymore (Winchmore) Farm Limited and Somerton Station Farm Limited, and Somerton Station Farm Limited and Craigellachie Mitcham Farm Limited.

# Ashburton Lyndhurst Irrigation Limited

## Annual Report

### For The Year Ended 30 June 2025

As at 30 June 2025 the Directors have disclosed the following general interests:

<i>Company</i>	<i>Position</i>
Colin W Glass	
Dairy Holdings Limited	Chief Executive Officer
Dairy Holdings Limited subsidiary companies	Chief Executive Officer & Director
Glass Farms Limited	Director & Shareholder
Glenroy Community Irrigation Company Limited	Director
Pasture Conferences Limited	Director
Rakaia Irrigation Limited	Director
Tamlaght Farm Limited	Director & Shareholder
Tamlaght Farm Partnership	Partner
Tindall Farm Limited	Director & Shareholder
Westward Ho Farming Limited	Director & Shareholder
Westward Ho Limited	Director & Shareholder
Methven Adventures Limited (Opuke Hot Pools)	Shareholder
Steven E B Bierema	
Foundation of Arable Research NZ	Chairperson
Rabobank Client Council	Client Council Member
S & F Bierema Family Trust	Trustee
Somerton Station Farm Limited	Director & Shareholder
Ballymore (Winchmore) Farm Limited	Director
Philip A Lowe	
Phidon Farm Limited	Director & Shareholder
Philip Lowe Family Trust	Trustee
Spreadeagle Holdings Limited	Director & Shareholder
Spring River Farms Partnership Limited	Director & Shareholder
Spring River Holdings Limited	Director & Shareholder
Suzanne C Duncan	
Pinefields Limited	Director & Shareholder
Fairton Dairy Limited	Director & Shareholder
Willowfields Limited	Director & Shareholder
R H & S C Duncan	Partner
R & S Duncan Family Trust	Trustee
Browns Farm Limited	General Disclosure
Alison M Van Polanen	
J & J Van Polanen Family Trust	Beneficiary
Enviroplan Limited	Director & Shareholder
Van Black Farming Limited	Director & Shareholder
Kanuka Trust	Trustee
Ashburton Hinds Dancing Association	Treasurer



# Ashburton Lyndhurst Irrigation Limited

## Annual Report

### For The Year Ended 30 June 2025

#### Use of Company Information

The Board received no notices during the year from Directors requesting to use company information received in their capacity as Directors which would not have been otherwise available to them.

#### Share Dealing

On the 12th September 2024, Colin W Glass, as Director of Tamlaght Farm Limited, was issued 1,500 fully paid shares under the May 2024 Information Memorandum at an issue price of \$160 per share.

On the 13th September 2024, Colin W Glass, as Director of Alford Park Limited (3,500 shares), Forks Road Dairy Limited (7,000 shares), and Dairy Holdings Limited (23,600 shares), or their Nominee, applied for 34,100 shares at \$160 per share. The shares are currently still under consideration by the Board. At Balance Date a 10% deposit has been paid with the balance due when ALIL is able to supply water.

On the 20th November 2024, Alison M Van Polanen, as Beneficiary of the J & J Van Polanen Family Trust, acquired 6,922 fully paid shares from Hinau Farms Limited.

On the 11th June 2025, Steven E B Bierema, as Director of Somerton Station Farm Limited, acquired 9,258 fully paid shares from Craigellachie Mitcham Farm Limited.

On the 11th June 2025, Steven E B Bierema, as Director of Ballymore (Winchmore) Farm Limited, acquired 4,608 fully paid shares from Somerton Station Farm Limited.

At 30 June 2025 the Directors held interests in the following shares:	2025	2024
<b>Colin W Glass</b>		
Jaline Farm Limited (Dairy Holdings Limited Subsidiary company)	6,697	6,697
Ketson Holdings Limited (Dairy Holdings Limited Subsidiary company)	6,635	6,635
Tamlaght Farm Limited	8,020	6,520
Westward Ho Farming Company Limited	4,500	4,500
Westward Ho Limited	4,500	4,500
	<u>30,352</u>	<u>28,852</u>
<b>Steven E B Bierema</b>		
Somerton Station Farm Limited	13,558	8,908
Ballymore (Winchmore) Farm Limited	4,608	-
	<u>18,166</u>	<u>8,908</u>
<b>Philip A Lowe</b>		
Spreadeagle Holdings Limited	4,800	4,800
Spring River Holdings Limited	8,873	8,873
	<u>13,673</u>	<u>13,673</u>
<b>Suzanne C Duncan</b>		
Fairton Dairy Limited	6,922	6,922
Pinefields Limited	7,912	7,912
	<u>14,834</u>	<u>14,834</u>
<b>Alison M Van Polanen</b>		
J & J Van Polanen Family Trust	35,018	28,096
	<u>35,018</u>	<u>28,096</u>
<b>Randal D Hanrahan</b>		
Merope Holdings Limited	12,674	12,674
	<u>12,674</u>	<u>12,674</u>

# Ashburton Lyndhurst Irrigation Limited

## Annual Report

### For The Year Ended 30 June 2025

#### Remuneration and other benefits

Directors remuneration paid during the year or due and payable is as follows:

	2025	2024
Colin W Glass (Chairman)	31,253	29,521
Steven E B Bierema	16,721	15,979
Philip A Lowe	16,396	15,317
Suzanne C Duncan	15,908	10,756
Alison M Van Polanen	11,808	-
Randal D Hanrahan	4,719	15,492
Andrew J R Grant	-	4,560
	<u>\$96,805</u>	<u>\$91,625</u>

The Directors of the company as at reporting date are listed in the Directory, no other person held the office of Director at any time during the year.

The Company has insured all its Directors against liabilities to other parties that may arise from their positions as directors. At reporting date the level of cover is \$5,000,000 for directors and officers liability and \$2,000,000 for defence costs.

#### Employee Remuneration

The number of employees whose total remuneration, including non-cash benefits, was over \$100,000 during the year ended 30 June 2025 are specified in the following bands:

Band	Number of Staff
\$110,000 - \$120,000	2
\$120,000 - \$130,000	1
\$230,000 - \$240,000	1

#### Audit Fees

Audit fees of \$25,209 were paid to BDO Christchurch Audit Limited in respect of the audit for the year (2024: \$23,000).

For and on behalf of the Board



..... Chairman

.....15/09/2025... Date



..... Director

.....15/09/2025... Date

# Ashburton Lyndhurst Irrigation Limited

## Statement Of Comprehensive Income

### For The Year Ended 30 June 2025

	Note	2025	2024
		\$	\$
<b>Income</b>			
Water Charges	4	9,595,918	9,485,069
Rentals Received	5	35,638	35,638
Interest Received		499	287
Other Income	6	266,159	229,051
Environmental Management Charges		422,656	292,926
Total Gross Income		10,320,870	10,042,971
<b>Less Expenses As Detailed:</b>			
Administration & Operating Expenses	7	3,114,666	3,056,698
Interest		21,118	20,837
Piping Stage 1 Interest Expenses	10 & 11	219,889	272,172
Piping Stage 2 Interest Expenses	10 & 12	3,074,581	3,340,766
Ponds & Telemetry Interest Expenses	10	1,435,287	1,446,205
Share of R.D.R. Costs	13	573,989	493,900
Depreciation & Amortisation		2,942,617	3,586,498
Impairment Loss		326,871	-
Total ALIL Operating Expenses		11,709,018	12,217,076
		(1,388,149)	(2,174,105)
Plus: Fair Value Movement of Interest Rate Swaps		(1,992,560)	(962,681)
<b>Operating Loss</b>		(3,380,709)	(3,136,786)
Share Of Associates Profit/(Loss)	28	(7,900)	(16,848)
<b>Profit/(Loss) Before Income Tax</b>		(3,388,609)	(3,153,634)
Less Taxation Benefit	14	-	(279,502)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		\$(3,388,609)	\$(2,874,132)
Other Comprehensive Income			
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS</b>		\$(3,388,609)	\$(2,874,132)

**Ashburton Lyndhurst Irrigation Limited**  
**Statement Of Movements In Equity**  
**For The Year Ended 30 June 2025**

			2024	
	Note	Share Capital	Retained Earnings / (Accumulated Losses)	Total
		\$	\$	\$
Equity At 1 July 2023		42,771,043	1,003,082	43,774,125
Total Comprehensive Loss		-	(2,874,132)	(2,874,132)
<b>Transactions with Owners:</b>				
Share Capital Issued	24(a)	159,840	-	159,840
Equity At 30 June 2024		<u>\$42,930,883</u>	<u>\$(1,871,050)</u>	<u>\$41,059,833</u>

			2025	
	Note	Share Capital	Retained Earnings / (Accumulated Losses)	Total
		\$	\$	\$
Equity At 1 July 2024		42,930,883	(1,871,050)	41,059,833
Total Comprehensive Loss		-	(3,388,609)	(3,388,609)
<b>Transactions with Owners:</b>				
Share Capital Issued	24(a)	926,400	-	926,400
Equity At 30 June 2025		<u>\$43,857,283</u>	<u>\$(5,259,660)</u>	<u>\$38,597,623</u>

**Ashburton Lyndhurst Irrigation Limited**  
**Statement Of Financial Position**  
**As At 30 June 2025**

	Note		2025		2024
		\$	\$	\$	\$
<b>Current Assets</b>					
Cash And Cash Equivalents	17		90,554		78,326
Trade And Other Receivables	18		1,758,861		1,248,570
Loan Swap Asset	17		34,205		1,131,299
Related Party Advance					
FEP Dashboard Limited	28		4,448		4,448
Mid Canterbury Water Storage Limited	28		7,212		7,212
Total Current Assets				1,895,280	2,469,855
<b>Non-Current Assets</b>					
Investments In:					
Ashburton Trading Society Limited	17	1,440			1,440
Farmlands Co-operative Society Limited	17	500			500
FEP Dashboard Limited	28	4,198			4,179
Mid Canterbury Water Storage Limited	28	4,566,054			4,573,973
RDR Management Limited	13	30,000			30,000
			4,602,192		4,610,092
Property, Plant And Equipment	19	112,912,236			113,534,405
Intangible Assets	20	572,473			444,823
Right Of Use Assets	21	285,096			290,692
			113,769,805		114,269,920
Total Non-Current Assets				118,371,997	118,880,012
<b>Total Assets</b>				<b>\$120,267,277</b>	<b>\$121,349,867</b>

# Ashburton Lyndhurst Irrigation Limited

## Statement Of Financial Position

### As At 30 June 2025

	Note	\$	2025 \$	\$	2024 \$
<b>Current Liabilities</b>					
Trade And Other Payables	22		331,640		536,715
GST Payable			163,398		74,690
Employee Entitlements			43,721		37,261
Deposits on Unissued Shares	24(a)		723,560		-
Lease Liability	21		14,740		13,088
Loans	17		79,000,172		79,130,273
Swap Liabilities	17		1,102,223		206,757
Total Current Liabilities				81,379,454	79,998,784
<b>Non-Current Liabilities</b>					
Lease Liability	21		290,200		291,251
Total Non-Current Liabilities				290,200	291,251
<b>Equity</b>					
Share Capital			43,857,283		42,930,882
Retained Earnings / (Accumulated Losses)			(5,259,659)		(1,871,050)
Total Equity	24			38,597,623	41,059,832
<b>Total Shareholders' Funds And Liabilities</b>				<b>\$120,267,277</b>	<b>\$121,349,867</b>

For and on behalf of the Board of Directors:

Chairman 

Dated 15/09/2025

Director 

Dated 15/09/2025

# Ashburton Lyndhurst Irrigation Limited

## Statement of Cash Flows

### For the Year Ended 30 June 2025

	Note	2025	2024
		\$	\$
<b>Cash Flows From Operating Activities</b>			
Cash receipts from Customers		10,266,988	9,831,005
Cash paid to Suppliers		(3,425,847)	(2,503,417)
Cash paid to Employees		(777,234)	(798,362)
Cash Generated From Operations		6,063,907	6,529,226
GST		(7,554)	(15,977)
Interest Paid		(4,795,664)	(5,035,668)
Income Tax		(60)	29
		(4,803,278)	(5,051,616)
<b>Net Cash Inflow From Operating Activities</b>		1,260,629	1,477,610
<b>Cash Flows From Investment Activities</b>			
Cash Receipts from Associates		-	13,491
Cash Investments in Associates & Joint Ventures		-	(4,602,212)
Cash Received for Property, Plant, Equipment		65	55,198
Cash Paid for Property, Plant, Equipment		(2,625,510)	(350,155)
Cash Paid for Intangibles		(127,650)	-
Interest Received		499	287
<b>Net Cash Inflow/(Outflow) From Investing Activities</b>		(2,752,596)	(4,883,391)
<b>Cash Flows From Financing Activities</b>			
Cash Receipts from Loan Proceeds		7,596,863	5,187,500
Cash Receipts from Share Capital	24(a)	1,649,960	159,840
Principal Paid on Lease Liabilities		(15,665)	(14,094)
Repayment of Loans		(7,726,963)	(1,935,565)
<b>Net Cash Inflow/(Outflow) From Financing Activities</b>	27	1,504,195	3,397,681
Net Increase/(Decrease) in Cash		12,228	(8,100)
Opening Cash Equivalents		78,326	86,426
<b>Closing Cash Equivalents</b>		\$90,554	\$78,326

# Ashburton Lyndhurst Irrigation Limited

## Statement of Cash Flows

### For the Year Ended 30 June 2025

	2025	2024
	\$	\$
<b>Reconciliation With Reporting Trading Profit</b>		
Profit/(Loss) For Year	(3,388,609)	(2,874,132)
<b>Non Cash Items</b>		
Depreciation & Amortisation	2,941,397	3,586,498
Impairment Loss	326,871	-
Loss on Disposal of Assets	1,208	-
Depreciation Recovery Income	-	(40,995)
Profit from Associates	7,900	16,848
Fair Value Movement of Interest Rate Swaps	1,992,561	962,681
Movements in Deferred Tax	-	(279,502)
	5,269,937	4,245,530
<b>Movement in net Current Assets / Liabilities</b>		
Increase in Accounts Payable	(110,348)	(31,586)
Increase in Accounts Receivable	(502,238)	287,028
Increase in Income Tax	(60)	29
Prepayment	-	(132,995)
GST	(7,554)	(15,977)
	(620,200)	106,499
<b>Items Classified as investing activities:</b>		
Interest Received	(499)	(287)
	(499)	(287)
<b>Net Cash Inflow/(Outflow) From Operating Activities</b>	<b>\$1,260,629</b>	<b>\$1,477,610</b>



# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### Note

#### 1. REPORTING ENTITY

Ashburton Lyndhurst Irrigation Limited ('the Company') is a co-operative company registered under the Co-operative Companies Act 1996 on the 22nd September 1989 and domiciled in New Zealand.

The Company is an issuer for the purposes of the Financial Markets Conduct Act 2013, and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The financial statements of the Company have been prepared in accordance with the Financial Markets Conduct Act 2013.

The Company is a water supply management company receiving its share of water from Rangitata Diversion Race Management Limited and distributing this water through a piped network to its shareholder members. The Company's scheme area is within the Mid Canterbury area.

#### 2. BASIS OF PREPARATION

##### (a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and other applicable Financial Reporting Standards. They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), as appropriate for profit orientated entities.

The Company is a Tier 1 for-profit entity.

The information is presented in New Zealand Dollars (NZD), which is also the Company's functional currency, and rounded to the nearest dollar.

The financial statements were approved by the Board of Directors on 15th September 2025.

##### (b) Basis of Measurement

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the company, with the exception that certain assets and liabilities specified below have been revalued.

Judgement and estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note A valuation of property, plant & equipment

Note B intangible assets

Note C financial instruments

Note I impairment

Note J income Tax

Note M determination of fair values

Note N investments in associates & joint ventures

##### (c) New or Amended Accounting Standards and Interpretations Adopted

The Company has adopted all of the new or amended Accounting Standards and interpretations issued by the New Zealand Accounting Standards Board ("NZASB") that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or financial position of the Company and hence no adjustment to the opening equity balance at 1 July 2024 was made.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### (d) Going Concern

The Financial Statements have been prepared using the going concern assumption. The Company is dependent on the continuing support of its Shareholders and Financiers.

### 3. MATERIAL ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of profit and the financial position have been applied.

#### A. Property Plant & Equipment

##### (1) Owned Assets

Except for land and buildings, items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

##### (2) Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when the cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

##### (3) Depreciation

Depreciation is provided for on the diminishing balance method and straight line method on property, plant & equipment assets. Depreciation is charged to the Statement of Comprehensive Income. Land is not depreciated. The following rates have been used.

Asset Category	Depreciation Rates & Method		Estimated Useful Life
Scheme Structures	3% - 6%	diminishing balance method	7 - 50 Years
	2% - 14%	straight line method	
Buildings	3%	diminishing balance method	50 Years
Plant & Equipment	4% - 67%	diminishing balance method	3 - 50 Years
Motor Vehicles	20% - 26%	diminishing balance method	8 - 10 Years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

#### B. Intangible Assets

##### Resource Consents

Resource consents are held by the Company to enable the scheme to operate. The useful life of the resource consent varies with the consent.

Intangible assets have been recorded at their historical cost less amortisation.

Following judicial review proceedings on ECan's decision to grant ALIL's discharge consent, the consent has been set aside for reconsideration by ECan. Changes to s.107 of the Resource Management Act (RMA) since the judicial review allow for discharge consents to be granted with conditions that provide for improvement in the environmental outcomes. ECan's hearing to reconsider the application is now in its final stages. Until the application has been reconsidered, no amortisation has been claimed and the consent is carried at cost. ALIL continues to operate under a section 124 continuance.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### C. Financial Instruments

##### Recognition, initial measurement and derecognition

Financial instruments are recognised when the Company becomes a party to a financial contract. Financial instruments are measured initially at fair value, adjusted by transaction costs, except for those carried at fair value through profit and loss; these costs are expensed. They include bank funds, bank overdrafts, receivables, payables, investments in and loans to others, and term borrowings.

In addition, the Company is a party to financial instruments to meet its financing needs and to reduce exposure to fluctuations in interest rates. These financial instruments include bank overdraft facilities and swaps.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- \* amortised cost
- \* financial instruments at fair value through profit and loss (FVTPL)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within interest expense or interest income, except for impairment of trade receivables which is presented within other expenses.

##### (1) Amortised Cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

The Company applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period to the period end. The historical loss rates are then adjusted for current and forward-looking information factors that affect the Company's customers over the expected lives of the receivables.

##### (2) Financial assets at Fair Value through Profit and Loss

Financial assets at FVTPL include financial assets that are neither classified as at amortised cost or at fair value through other comprehensive income. Financial assets are initially recognised at fair value including directly attributable transaction costs.

##### Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within interest expenses.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### **Derivative financial instruments**

The Company uses interest rate swaps to manage its cash flow interest rate risk. These arrangements have been entered into to mitigate interest rate risk arising from changes in the interest rates available to the company.

All interest rate swaps are recognised initially at fair value and reported subsequently at fair value in the Statement of Financial Position.

All interest-related charges and changes in an instrument's fair value that are reported in profit or loss are included within interest expense or interest income.

#### **D. Revenue**

Water charges are levied on shareholder farmers in accordance with the water supply agreement entered into between the farmer and the Company. Charges are levied in accordance with the rates advised annually depending on the infrastructure used by the Company to deliver pressurised water to each farmer's farm gate. Charges are set based on the Company's expected maintenance, administration, operating and debt servicing costs for that financial year.

The water charges are recognised over time when the season for water delivery commences and is available for use by the shareholder. Shareholders are invoiced monthly, in arrears.

Interest income is reported on an accrual basis using the effective interest method.

#### **E. Cash Flows**

For the purpose of the cash flow statement, cash includes cash on hand and bank overdrafts.

#### **F. Employee Entitlements**

Liabilities for annual leave are accrued and recognised in the Statement of Financial Position.

Annual leave is recorded at the amount expected to be paid for the entitlement earned.

#### **G. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in "Interest Expense" (see Note 10).

#### **H. Cash and Cash Equivalents**

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

#### **I. Impairment**

If the recoverable amount of an item of property, plant and equipment is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item recorded at historical cost is recognised as an expense in the Statement of Comprehensive Income. When a revalued item is written down to recoverable amount, the write down is recognised as a downward revaluation to the extent of the corresponding revaluation reserve, and any balance recognised in the Statement of Comprehensive Income.

The carrying amount of an item of property, plant and equipment that has previously been written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down. The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred.

Reversals of impairment write downs are accounted for as follows:

- On property, plant and equipment that is not revalued, the reversal is recognised in profit & loss; and
- On revalued property, plant and equipment, the reversal is recognised as an upward revaluation in equity.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### **J. Income Tax Expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The deferred tax liability has been calculated at the Company's effective tax rate for the year in which the temporary differences are expected to be utilised.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **K. Goods and Services Tax (GST)**

The Statement of Comprehensive Income and Cash Flow Statement have been prepared so that all components are stated exclusive of GST. All items in the Balance Sheet are stated net of GST, except for receivables and payables, which include GST invoiced.

#### **L. Contingencies & Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A contingency is not recognised by the Company where there is a possible obligation on the company that may arise depending on an unknown future event, or where the Company has a present obligation but the payment is not considered probable.

#### **M. Determination of Fair Values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to that asset or liability.

##### **(1) Derivatives**

A derivative is a financial instrument or other contract within the scope of NZ IFRS 9 with all three of the following characteristics:

- a) its value changes in response to the change in a specified interest rate (sometimes called the 'underlying');
- b) it requires no initial net investment or any initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- c) it is settled at a future date.

The interest rate swaps with the Bank of New Zealand are derivatives and are recorded in the Company's Statement of Financial Position.

#### **N. Investments in associates & joint ventures**

Associates are those entities over which the Company is able to exercise significant influence but which are not subsidiaries.

Joint ventures are those entities over which the Company has joint control and has rights to the net assets of the entity.

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Company.

There are no restrictions on the payment of dividends.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### O. Standards and interpretations issued:

The Company has prepared the financial statements in accordance with the New Zealand International Financial Reporting Standards. The following new accounting standards and amendments to existing standards have been issued but not yet adopted by the Company for the year ended 30 June 2025.

#### Presentation and Disclosure in Financial Statements

##### Effective for annual reporting period on or after 1 January 2027

NZ IFRS 18 replaces NZ IAS 1 and introduces new requirements to improve how information is communicated in the financial statements, in particular information in the Statement of Profit or Loss. The Company will apply this new standard from 1 July 2027.

The Company is still considering the impact on the financial statements of implementing this standard.

#### Amendments to the Classification and Measurement of Financial Instruments

##### Effective for annual reporting periods on or after 1 January 2026

Provides clarification on accounting for the settlement of liabilities through electronic payment systems, and on the application of the classification requirements for financial assets, including financial assets with environmental, social and corporate governance and similar features.

It also introduces new disclosures for investments in equity instruments designated at fair value through other comprehensive income, and financial instruments with contingent features.

#### P. Leases:

The Company has entered into a lease for commercial office space. There are no financial restrictions placed upon the Company by entering into this lease. The lease contract contains market review clauses on every anniversary date along with options to renew for two additional terms.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### 4. WATER CHARGES

	2025	2024
Main Scheme Charges	5,281,220	5,064,367
Piping Scheme Stage 1 "Greenline" Charges	462,478	439,936
Piping Scheme Stage 2 Charges	3,852,220	3,980,766
	<u>\$9,595,918</u>	<u>\$9,485,069</u>

#### 5. RENTALS RECEIVED

	2025	2024
Springfield Farm Lease	9,600	9,600
Ledgerwoods Road	13,038	13,038
Springfield Road Scheme Operator's Cottage	13,000	13,000
	<u>\$35,638</u>	<u>\$35,638</u>

(1) The Scheme Operator's Cottage is rented to the Company employees. The rental on the Scheme Operator's cottage is negotiated annually as part of their remuneration package.

(2) The Scheme Operator's cottage is not an investment property in terms of NZIAS 40.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### 6. MISCELLANEOUS INCOME

	2025	2024
BCI Distribution Charge	51,801	62,022
Consultancy Income	20,567	-
Gain on Disposal of Property, Plant and Equipment	12	40,995
Licence Water	10,342	-
Share Transfer Fee	5,250	2,500
Shingle Sales	26,119	14,993
Stock Water Charges	21,245	-
Stock Water Offtakes	44,313	75,594
Other Sundry Income	86,510	32,947
	<u>\$266,159</u>	<u>\$229,051</u>

#### 7. ADMINISTRATION & OPERATING EXPENSES

	Note	2025	2024
Accounting		23,500	22,300
Audit Fees *		25,209	23,000
Communication, Mail & Stationery		25,784	22,800
Employment Expenses		760,979	749,285
Defined Contribution Pension Plan		22,715	22,554
Fringe Benefit Tax		38,938	31,639
Governance Fees	8	106,805	91,625
Insurance & Rates		649,880	509,151
Irrigation New Zealand Subscription		46,900	44,800
Operating Expenses	9	1,285,867	1,411,042
Other Subscriptions		18,026	13,846
Secretarial Expenses		7,699	3,555
Water Monitoring Costs		30,484	43,034
Other		71,880	68,067
		<u>\$3,114,666</u>	<u>\$3,056,698</u>

\* The Auditor does not provide any other service other than assurance services.

#### 8. GOVERNANCE FEES

	2025	2024
Directors Fees	96,805	91,625
Observer Training *	10,000	-
	<u>\$106,805</u>	<u>\$91,625</u>

\* The October 2024 Annual Meeting approved total Directors Fees and Training expenses for the 2025 year of \$102,000 (October 2023 Annual Meeting: \$98,000).

In March 2024 the training costs for the Associate Director was requested to be carried forward to the 2025 year. This was considered and approved by the Board and the remuneration committee was notified. These training costs were utilised in the 2025 financial year along with the costs approved from the 2024 Annual Meeting.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### 9. OPERATING EXPENSES

	2025	2024
Direct Irrigation Costs		
Contracted Stored Water	-	86,945
Electricity	412,584	482,726
Repairs & Maintenance	391,668	438,020
	<u>804,252</u>	<u>1,007,691</u>
Other Operating Costs		
Consultancy Expenses	42,233	25,287
Efficiency Costs	8,138	50,649
Environmental Management Expenses *	142,812	179,157
Health & Safety Costs	13,435	8,804
Legal Fees	36,737	55,704
MCWSL Charges	128,080	-
Resource Consent Costs	5,257	1,595
Vehicle Expenses	66,049	68,216
Other	38,874	13,939
	<u>481,615</u>	<u>403,351</u>
	<u>\$1,285,867</u>	<u>\$1,411,042</u>

\* The increase in Environmental Management Expenses is due to expenses incurred in the defence of the Environmental Law Initiative judicial review. Costs incurred for the year total \$8,085 (2024: \$51,500).

#### 10. INTEREST EXPENSE

	Piping Scheme Stage 1 (Greenline)	Piping Scheme Stage 2	Ponds & Telemetry	Total Interest
<b>Year Ended 30 June 2024</b>				
Bank Table Loan Interest	279,679	4,126,879	1,683,005	6,089,563
Plus Interest Rate Swap Debits Paid	(7,508)	(840,487)	(236,800)	(1,084,795)
Plus Undrawn Loan Facility Fees	-	54,374	-	54,374
	<u>272,171</u>	<u>3,340,766</u>	<u>1,446,205</u>	<u>5,059,142</u>
Net Change in fair value of Interest Rate Swap	22,942	708,994	230,745	962,681
	<u>\$295,113</u>	<u>\$4,049,760</u>	<u>\$1,676,950</u>	<u>\$6,021,823</u>
	Piping Scheme Stage 1 (Greenline)	Piping Scheme Stage 2	Ponds & Telemetry	Total Interest
<b>Year Ended 30 June 2025</b>				
Bank Table Loan Interest	218,865	3,392,351	1,488,521	5,099,737
Plus Interest Rate Swap Debits Paid	1,024	(334,825)	(75,701)	(409,502)
Plus Undrawn Loan Facility Fees	-	17,055	22,467	39,522
	<u>219,889</u>	<u>3,074,581</u>	<u>1,435,287</u>	<u>4,729,757</u>
Net Change in fair value of Interest Rate Swap	58,741	1,448,808	485,012	1,992,561
	<u>\$278,630</u>	<u>\$4,523,389</u>	<u>\$1,920,299</u>	<u>\$6,722,318</u>



# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

<b>11. STAGE 1 PIPING SCHEME (GREENLINE)</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Total Scheme Charges Received	<b>4</b>	462,478	439,936
Less:			
Interest	<b>10</b>	219,889	272,171
Principal paid		230,440	217,200
		<u>450,329</u>	<u>489,371</u>
Excess Monies Received over Expenditure		12,149	(49,435)
Opening Position		176,655	226,090
Closing Position		<u>\$188,804</u>	<u>\$176,655</u>

Within the Company's retained earnings (stated at note 24) there is an amount of \$188,804 (2024: \$176,655), which equates to the cumulative reserve for the stage 1 piping scheme. Funds supporting this are held in the Company assets.

<b>12. STAGE 2 PIPING</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Total Scheme Charges Received	<b>4</b>	3,852,220	3,980,766
Shares Issued		1,649,960	159,840
		<u>5,502,180</u>	<u>4,140,606</u>
Less:			
Interest	<b>10</b>	3,074,581	3,340,766
Principal paid		543,680	571,200
		<u>3,618,261</u>	<u>3,911,966</u>
Excess Monies Received over Expenditure		1,883,919	228,640
Opening Position		2,080,472	1,851,832
Closing Position		<u>\$3,964,391</u>	<u>\$2,080,472</u>

Within the Company's retained earnings (stated at note 24) there is an amount of \$3,964,391 (2024: \$2,080,472), which equates to the cumulative reserve for the stage 2 piping scheme. Funds supporting this are held in the Company's assets.

<b>13. RANGITATA DIVERSION RACE MANAGEMENT LIMITED (RDRML)</b>	<b>2025</b>	<b>2024</b>
Annual Contribution	573,989	493,900
Operating Expenses Recovered	728	-
	<u>\$574,717</u>	<u>\$493,900</u>
Trade Payables Owing	<u>\$50,349</u>	<u>\$55,431</u>

The Company is required to pay a share of RDRML operating and capital costs, as disclosed above.

The company holds 30,000 ordinary shares in RDRML (15%) at a cost price of \$1 per share and is entitled to be represented on its Board by one of 6 Directors. These shares have equal voting rights and share equally in dividends and surplus on winding up.

The procedure for sale or disposition of these shares is covered in a shareholder deed dated 14th January 2003, agreed and signed by all shareholders.

RDRML is neither an associate or subsidiary of ALIL.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### 14. TAXATION

##### Tax Reconciliation

	2025	2024
Profit/(loss) before income tax	(3,388,609)	(3,153,634)
Prima Facie income tax at 28%	(948,811)	(883,018)
Add (subtract) taxation effect of Permanent Differences		
Non-Deductible Expenses	92,055	613
Adjustment for Equity Accounted Investments	2,212	4,717
	94,267	5,330
Timing Difference		
Tax Losses Not Recognised	854,544	451,776
Deferred Tax Adjustment re Building Depreciation	-	146,410
	854,544	598,186
Income Tax Expense	-	\$(279,502)

The income tax expense is represented by

	2025	2024
Current Tax	-	-
Deferred Tax	-	(279,502)
Income Tax Expense for current year	-	\$(279,502)

#### 15. DEFERRED TAX ASSET / (LIABILITY)

	Depreciation	Swaps	Tax Losses	Other	Total
Balance 1 July 2023	(4,584,754)	(528,422)	4,816,682	16,992	(279,502)
Charged to Income	(394,661)	269,550	412,762	(8,149)	279,502
Charged to Other Comprehensive Income	-	-	-	-	-
Balance 30 June 2024	\$(4,979,415)	\$(258,872)	\$5,229,444	\$8,843	-
Balance 1 July 2024	(4,979,415)	(258,872)	5,229,444	8,843	-
Charged to Income	(176,497)	557,917	(382,177)	757	-
Charged to Other Comprehensive Income	-	-	-	-	-
Balance 30 June 2025	\$(5,155,912)	\$299,045	\$4,847,267	\$9,600	-

There are income tax losses of \$22,303,968 available to be carried forward (2024: \$20,290,071).

A deferred tax asset is recognised in relation to tax losses incurred in prior years to the extent that these losses offset deferred tax liabilities. A deferred tax asset has not been recognised in relation to tax losses of \$4,992,300 (2024: \$1,613,486).

ALIL is a Co-Operative Company, with a primary focus on cost recovery rather than generating taxable profits. This operational model transfers value from ALIL to its shareholders.

There are no unrecognised temporary differences (2024: Nil)

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### 16. IMPUTATION CREDIT ACCOUNT

	2025	2024
Opening Balance	8,720	8,749
Resident Withholding Tax Paid	141	80
Income Tax Paid (Refunded) During the Year	(80)	(109)
Closing Balance	<u>\$8,781</u>	<u>\$8,720</u>

#### 17. FINANCIAL INSTRUMENTS

##### Credit Risk

To the extent that the Company has a receivable from another party, there is a credit risk in the event of non-performance by that counterparty. Financial instruments which will potentially subject the Company to credit risk principally consist of bank balances, loans, receivables and swaps.

The Company manages its exposure to credit risk to minimise losses from bad debts.

The Company continuously monitors the credit quality of major financial institutions that are counter parties to its financial instruments, and does not anticipate non-performance by the counter parties. The Company from time to time minimises its credit exposure by limiting the amount of funds placed with any one financial institution at any one time.

Maximum exposures to credit risk at reporting date are the carrying amounts of financial assets:

	2025	2024
Bank Balance	89,706	77,838
BNZ - Business First Transact		
BNZ - Business First OnCall	848	488
	<u>\$90,554</u>	<u>\$78,326</u>
Receivables	<u>1,295,930</u>	<u>1,234,563</u>

The above maximum exposures are net of any recognised impairment losses on these financial instruments. No collateral is held on the above amounts.

##### Concentrations of Credit Risk

##### Bank Balances

The Company held \$90,554 (2024: \$78,326) worth of cash at reporting date as detailed above. It is the Company's policy to only bank with banks registered with the Reserve Bank of New Zealand.

##### Receivables

100% of Trade Receivables (2024: 98%) are owed from shareholder farmers within the scheme catchment. Management regularly reviews outstanding amounts to ensure that no impairment is suffered.

None of the receivables have been subject to a significant increase in credit risk since initial recognition, and consequently, no expected credit losses have been recognised.

##### Liquidity Risk

Liquidity risk represents the Company's ability to meet its financial obligations on time. For the most part the Company generates sufficient cash flows from its operating activities to make timely payments. It is the Company's policy that it will maintain committed funding facilities at a minimum of 105% of the projected peak debt levels over the ensuing twelve month period.

Members of the Finance Committee negotiate with Financiers to ensure that letters of offers are received by the Board three months before maturity date of facilities.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### Interest Risk

The Company has exposure to interest rate risk to the extent that it borrows or invests for a fixed term at fixed rates. The Company manages its cost of borrowing by placing limits on the proportion of borrowings at floating rate, and the proportion of fixed rate borrowing that is repriced in any year. These proportions have been decided on separately for the two different scheme loans (stage 1 piping and stage 2 piping (including ponds & telemetry)).

It is the Company's treasury policy to minimise interest costs and exposure to possible adverse interest rate movements. This will be achieved through the use of fixed interest rate swaps (including forward starting swaps), fixed rate term borrowings, forward rate agreements and interest rate options.

At reporting date the fair value of interest rate contracts outstanding were:

	2025	2024
Interest Rate Swaps:		
Derivatives - Stage 1 Piping	(74,815)	(16,074)
Derivatives - Ponds & Telemetry	(279,252)	205,760
Derivatives - Stage 2 Piping	(713,952)	734,856
Total derivative financial instruments	<u>\$(1,068,018)</u>	<u>\$924,542</u>

The change in the fair value of the derivative is recognised in profit or loss. The fair value of the derivatives is the benefit/(cost) that ALIL would receive/(pay) to exit the contracts at reporting date as calculated by the BNZ.

Details of interest rate swaps held at reporting date are:

	Face Value	Effective Date	Expiry Date	Interest Rate	Fair Value
Stage 1 Piping	1,500,000	7/06/2024	30/06/2031	4.56%	(74,815)
Ponds & Telemetry	10,000,000	7/06/2024	30/06/2027	4.74%	(306,433)
Stage 2 Piping	2,500,000	30/06/2027	29/06/2029	4.18%	(23,997)
Stage 2 Piping	8,000,000	30/11/2026	30/11/2028	4.45%	(142,942)
Stage 2 Piping	8,000,000	29/10/2027	31/10/2029	4.55%	(115,645)
Stage 2 Piping	10,000,000	29/08/2025	31/08/2027	4.21%	(201,808)
Stage 2 Piping	8,000,000	30/11/2028	30/11/2029	4.43%	(36,604)
Stage 2 Piping	10,000,000	30/10/2024	29/10/2027	3.24%	(11,125)
Ponds & Telemetry	2,000,000	30/09/2024	30/09/2027	3.23%	(2,112)
Stage 2 Piping	10,000,000	30/11/2022	30/11/2026	3.75%	(88,629)
Ponds & Telemetry	3,000,000	30/09/2021	30/09/2025	3.91%	(4,912)
Stage 2 Piping	10,000,000	31/08/2022	29/08/2025	4.01%	(11,693)
Stage 2 Piping	2,500,000	30/09/2027	28/09/2029	3.74%	(1,321)
Stage 2 Piping	2,500,000	30/11/2027	28/11/1931	4.06%	(5,041)
Stage 2 Piping	8,000,000	31/08/2027	30/08/1930	4.08%	(53,615)
Stage 2 Piping	2,500,000	31/03/2028	31/03/1932	4.35%	(21,531)
Total Interest Rate Swaps Liabilities					<u>(1,102,223)</u>
Ponds & Telemetry	1,000,000	30/09/2020	30/09/2026	0.31%	<u>34,205</u>
Total Interest Rate Swaps Assets					<u>34,205</u>
					<u><u>\$(1,068,018)</u></u>

Ponds & Telemetry weighted average swap rate	4.12%
Stage 2 Piping weighted average swap rate	4.06%

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### Interest Rate Sensitivity

The Company's policy is to minimise interest rate cash flow risk exposures on long-term borrowings by either entering into interest rate swap agreements or by borrowing at fixed interest rates.

The following analysis illustrates the sensitivity of profit and equity to a reasonable change in interest rates of +/- 0.25% (2024: +/- 0.25%). These changes are considered to be reasonably possible based on current market conditions.

The calculations are based on a change in the average market interest rates for each period and the financial instrument held at each reporting date that are sensitive to changes in interest rates.

All other variables are held constant.

	Profit for the Year		Equity	
	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
30 June 2025	(198,664)	198,664	(143,038)	143,038
30 June 2024	196,112	(196,112)	141,200	(141,200)

#### Fair Value

The fair values of financial instruments, including bank balances and overdrafts, receivables and payables do not differ to the carrying amounts in the Statement of Financial Performance.

#### Financial Instruments

	2025	2024
<b>Amortised Cost</b>		
Bank Balances	90,554	78,326
Accounts Receivable	1,295,930	1,234,563
	<u>1,386,484</u>	<u>1,312,889</u>
<b>Financial assets measured at Fair Value through Profit &amp; Loss</b>		
Shares in Ashburton Trading Society Limited	1,440	1,440
Shares in Farmlands Co-Operative Society Limited	500	500
Shares in Rangitata Diversion Race Management Limited	30,000	30,000
Interest Rate Swaps	34,205	1,131,299
	<u>66,145</u>	<u>1,163,239</u>
<b>Financial liabilities measured at amortised cost</b>		
Accounts Payable	331,640	536,715
GST Payable	163,398	74,690
BNZ Term Loan	79,000,172	79,130,273
	<u>79,495,210</u>	<u>79,741,678</u>
<b>Financial liabilities measured at Fair Value through Profit &amp; Loss</b>		
Interest Rate Swaps	1,102,223	206,757

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### Financial instruments measured at fair value

The following table presents the Company's financial assets and liabilities measured at fair value in the Statement of Financial Position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial liabilities. The fair value hierarchy has the following levels:

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows using published market swap rates as prepared by Bank of New Zealand.
- Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Year 2024	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Shares in Ashburton Trading Society Limited	-	-	1,440	1,440
Shares in Farmlands Co-Operative Society Limited	-	-	500	500
Shares in Rangitata Diversion Race Management L	-	-	30,000	30,000
Interest Rate Swaps	-	1,131,299	-	1,131,299
<b>Liabilities:</b>				
Interest Rate Swaps	-	206,757	-	206,757
<b>Year 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Shares in Ashburton Trading Society Limited	-	-	1,440	1,440
Shares in Farmlands Co-Operative Society Limited	-	-	500	500
Shares in Rangitata Diversion Race Management L	-	-	30,000	30,000
Interest Rate Swaps	-	34,205	-	34,205
<b>Liabilities:</b>				
Interest Rate Swaps	-	1,102,223	-	1,102,223

#### Maturity Analysis of Liabilities Repayable as follows:

Year 2024	Less than 1 year	Between 1-5 years	Greater than 5 years
<b>Liabilities:</b>			
GST Payable	74,690	-	-
Payables	536,715	-	-
Swaps *	-	-	-
Bank Mortgage *	81,200,848	-	-
<b>Total</b>	<b>\$81,812,253</b>	<b>-</b>	<b>-</b>
<b>Year 2025</b>	<b>Less than 1 year</b>	<b>Between 1-5 years</b>	<b>Greater than 5 years</b>
<b>Liabilities:</b>			
GST Payable	163,398	-	-
Payables	331,640	-	-
Swaps *	-	-	-
Bank Mortgage *	80,721,717	-	-
<b>Total</b>	<b>\$81,216,755</b>	<b>-</b>	<b>-</b>

\* These amounts represent the current principal and interest repayment obligations of the Company based on interest rates and agreements with the Bank of New Zealand in force at reporting date.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### 18. TRADE & OTHER RECEIVABLES

	2025	2024
Accounts Receivable	1,295,930	1,234,563
Prepayments	462,791	13,926
Income Tax Receivable	140	81
	<u>\$1,758,861</u>	<u>\$1,248,570</u>

#### 19. PROPERTY, PLANT & EQUIPMENT

	Scheme Structures	Buildings	Plant & Equipment	Motor Vehicle	Land	Total
<b>Year Ended 30 June 2024</b>						
Carrying Amount 1 July 2023	111,169,849	362,799	94,716	158,668	4,933,818	116,719,850
Additions	250,232	-	23,423	126,351	-	400,006
Disposals	(37,051)	-	-	(27,336)	-	(64,387)
Depreciation	(3,430,307)	(10,884)	(28,615)	(51,259)	-	(3,521,065)
Carrying Amount 30 June 2024	<u>\$107,952,723</u>	<u>\$351,915</u>	<u>\$89,524</u>	<u>\$206,424</u>	<u>\$4,933,818</u>	<u>\$113,534,404</u>
<b>30 June 2024</b>						
Cost	135,093,348	522,882	446,653	360,066	4,933,818	141,356,767
Accumulated Depreciation	(27,140,625)	(170,967)	(357,129)	(153,642)	-	(27,822,363)
Carrying Amount	<u>\$107,952,723</u>	<u>\$351,915</u>	<u>\$89,524</u>	<u>\$206,424</u>	<u>\$4,933,818</u>	<u>\$113,534,404</u>
	Scheme Structures	Buildings	Plant & Equipment	Motor Vehicle	Land	Total
<b>Year Ended 30 June 2025</b>						
Carrying Amount 1 July 2024	107,952,723	351,915	89,524	206,424	4,933,818	113,534,404
Additions	2,574,940	-	5,588	46,807	-	2,627,335
Disposals	(3,043)	-	(54)	-	-	(3,097)
Impairment	(326,871)	-	-	-	-	(326,871)
Depreciation	(2,825,119)	(10,557)	(23,663)	(60,196)	-	(2,919,535)
Carrying Amount 30 June 2025	<u>\$107,372,630</u>	<u>\$341,358</u>	<u>\$71,395</u>	<u>\$193,035</u>	<u>\$4,933,818</u>	<u>\$112,912,236</u>
<b>30 June 2025</b>						
Cost	137,338,374	522,882	448,837	406,873	4,933,818	143,650,784
Accumulated Depreciation	(29,965,744)	(181,524)	(377,442)	(213,838)	-	(30,738,548)
Carrying Amount	<u>\$107,372,630</u>	<u>\$341,358</u>	<u>\$71,395</u>	<u>\$193,035</u>	<u>\$4,933,818</u>	<u>\$112,912,236</u>

All property of the Company is subject to a General Security Agreement in favour of the Bank of New Zealand.

#### 20. INTANGIBLE ASSETS

	Resource Consents	Easement Costs	Total
<b>Year Ended 30 June 2024</b>			
Carrying Amount 1 July 2023	484,593	4,496	489,089
Amortisation	(40,990)	(3,276)	(44,266)
Carrying Amount 30 June 2024	<u>443,603</u>	<u>1,220</u>	<u>444,823</u>
<b>30 June 2024</b>			
Cost	596,669	98,375	695,044
Accumulated Amortisation	(153,066)	(97,155)	(250,221)
Carrying Amount	<u>443,603</u>	<u>1,220</u>	<u>444,823</u>

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### Year Ended 30 June 2025

Carrying Amount 1 July 2024

Additions

Disposals

Carrying Amount 30 June 2025

30 June 2025

Cost

Accumulated Amortisation

Carrying Amount

Resource Consents	Easement Costs	Total
443,603	1,220	444,823
128,870	-	128,870
-	(1,220)	(1,220)
572,473	-	572,473
572,473	-	572,473
-	-	-
572,473	-	572,473

## 21. RIGHT OF USE ASSETS & LEASE LIABILITIES

### Right Of Use Assets

Carrying Amount 1 July

Effect of Modification to Lease Terms

Depreciation

Carrying Amount 30 June

2025 2024

290,692 285,763

16,266 25,766

(21,862) (20,837)

\$285,096 \$290,692

### Lease Liability

Carrying Amount 1 July

Effect of Modification to Lease Terms

Lease Repayments

Carrying Amount 30 June

304,339 292,667

16,266 25,766

(15,665) (14,094)

\$304,940 \$304,339

Current Portion Lease Liability

Non-Current Portion Lease Liability

14,740 13,088

290,200 291,251

\$304,940 \$304,339

The Company leases office space that was previously rented by Irrigo Centre Limited, along with MHV Water Limited, Barrhill Chertsey Irrigation Limited and Acton Farmers Irrigation Co-Operative Limited.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate. At inception of the lease agreement, this rate was 7.56%.

## 22. TRADE & OTHER PAYABLES

Accounts Payables

2025 2024

331,640 536,715

\$331,640 \$536,715



# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### 23. TERM LIABILITIES

Previously ALIL entered into a loan agreement with the Bank of New Zealand (BNZ) to provide additional funding for the construction of stage 2 of the piping scheme.

On the 28th August 2024 ALIL entered into updated loan agreements with the BNZ for the facilities relating to the construction of stage 2 of the piping scheme. These facilities have a maturity date for bank review purposes of 16 September 2025. The loans have an extended repayment profile over the remaining 33 year term of the facility at a 6% p.a. interest rate amortisation profile.

On the 1st July 2025, the Company confirmed renewal terms with the BNZ for a further two year term. The new expiry date of the facilities was extended until 16 September 2027.

Under these facilities, ALIL has \$2,525,909 of undrawn funds available at reporting date.

There are two covenants attached to the BNZ facilities.

1) Debt servicing coverage ratio (EBITDA / Principal & Interest) to be greater than 1.0x at all times. The ratio is to be measured annually on a 12-month basis on the last day of each financial year.

2) Debt to Tangible Assets of less than 80% at all times. The ratio will be tested annually on the last day of each financial year.

The Company's monitors the covenant ratios throughout the year before it is reported to the BNZ. No indication exists to show that the covenants will not be met.

The loans are covered by registered first mortgages of the Company's properties at 266 Springfield Road, Dip Road, Franks Road, Cnr Dromore Methven Road & Braemar Lauriston Road, Cnr Cairnbrae & McKendry's Road, a negative pledge over remaining land assets, a general security agreement, an Assignment of Deed, being the irrigation supply agreement, between the Company and RDRML and a specific charge over 30,000 shares issued by RDRML.

#### 24. TOTAL EQUITY

	2025	2024
Share Capital	43,857,283	42,930,883
Retained Earnings	(5,259,659)	(1,871,050)
Total Equity	\$38,597,624	\$41,059,833

##### (a) Share Capital

##### 2024

	Number of Shares	Share Value
Opening Ordinary Shares	1,289,212	42,771,043
Ordinary shares issued	807	159,840
Closing Ordinary Shares	1,290,019	\$42,930,883

##### 2025

	Number of Shares	Share Value
Opening Ordinary Shares	1,290,019	42,930,883
Ordinary shares issued	5,790	926,400
Closing Ordinary Shares	1,295,809	\$43,857,283

Share capital has a par value of \$1 per share. All shares have been fully paid (2024: All shares have been fully paid).

The Company's capital is managed with the objective of issuing new shares to irrigate additional land within its scheme boundaries through water being available through its own efficiencies or that of RDRML. The Company's primary source of working capital funding is through an annual water charge to cover the Company's operational expenditure. The Company is able to pay dividends but its primary focus is to deliver reliable water in the most cost effective manner to its shareholders. There are currently no bank covenants restricting borrowings, other than a requirement to meet certain debt servicing ratios set by the bank. All bank and internal capital management objectives have been met. This has not changed since last year.

Subject to Board approval shareholders are able to sell their shares, typically through a tender process to either existing shareholders not fully contracted or new shareholders within the Scheme area. The Company facilitates this process.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### Share Issue:

On the 15th March 2024 the Company issued an Information Memorandum to existing shareholders in the scheme of a further issue of 40,000 shares in the Company at an issue price of \$160 per share. The offer closed on the 4th April 2024 with applications submitted from five shareholders. One application for 39 shares has been accepted by the Board with share call income received on the 18th April 2024. Shares were issued on the 20th May 2024.

At the Directors Meeting during October 2024 it was resolved to increase the number of shares available to be issued by a further 10,000 shares, to a maximum of 50,000 shares. The issue price remains unchanged however payment terms were modified to require 10% deposit on application and final payment due 10th September 2025. At balance date 5,829 shares have been issued and fully paid.

At the Directors Meeting during March 2025 it was resolved to increase the number of shares available to be issued by a further 10,000 shares, up to a maximum of 60,000 shares. The issue price and payment terms were unchanged from October 2024. At balance date applications for 45,410 shares have been received with deposits paid of \$723,560.

#### (b) Retained Earnings / (Accumulated Losses)

	2025	2024
Balance at beginning of the period	(1,871,050)	1,003,082
Profit for the year	(3,388,609)	(2,874,132)
Balance at end of the period	<u>\$(5,259,659)</u>	<u>\$(1,871,050)</u>

#### 25. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Share Capital	Leases	Loans & Borrowings	Interest Rate Swap Liabilities	Interest Rate Swap Assets	Total
<b>Year Ended 30 June 2024</b>						
Amounts at 1 July 2023	42,771,043	292,667	75,878,338	127,030	(2,014,253)	117,054,825
Net Financing Cash Flows	159,840	(14,094)	3,251,935	-	-	3,397,681
New Leases	-	25,766	-	-	-	25,766
Changes in Fair Value	-	-	-	79,727	882,954	962,681
Carrying Amount 30 June 2024	<u>\$42,930,883</u>	<u>\$304,339</u>	<u>\$79,130,273</u>	<u>\$206,757</u>	<u>\$(1,131,299)</u>	<u>\$121,440,953</u>

	Share Capital	Leases	Loans & Borrowings	Interest Rate Swap Liabilities	Interest Rate Swap Assets	Total
<b>Year Ended 30 June 2025</b>						
Amount at 1 July 2024	42,930,883	304,339	79,130,273	206,757	(1,131,299)	121,440,953
Net Financing Cash Flows	1,649,960	(15,665)	(130,100)	-	-	1,504,195
New Leases	-	16,266	-	-	-	16,266
Changes in Fair Value	-	-	-	895,466	1,097,094	1,992,560
Carrying Amount 30 June 2025	<u>\$44,580,843</u>	<u>\$304,940</u>	<u>\$79,000,173</u>	<u>\$1,102,223</u>	<u>\$(34,205)</u>	<u>\$124,953,974</u>

#### 26. CAPITAL COMMITMENTS

There are no capital commitments at reporting date (2024: Fixed-price contract with Ashburton Prestress Concrete Limited for the manufacturing and installation of a pond outlet structure on McKendrys Road for \$327,780).

#### 27. CONTINGENCIES & PROVISIONS

The company has acted as guarantor for an external loan arrangement for Mid Canterbury Water Storage Limited (MCWSL). The maximum exposure the company has is \$3.835 million (2024: \$3.835 million). MCWSL has provided security interest over its property in respect of this loan. This facility has an expiry date of the 27th March 2026. It is expected that the facility will be renewed on similar terms and conditions.

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### CONTINGENCIES & PROVISIONS (Cont.)

Following judicial review proceedings on ECan's decision to grant ALIL's discharge consent, the consent has been set aside for reconsideration by ECan. Changes to s.107 of the Resource Management Act (RMA) since the judicial review allow for discharge consents to be granted with conditions that provide for improvement in the environmental outcomes. ECan's hearing to reconsider the application is now in its final stages.

There are no other contingencies or provisions owed by the Company.

#### 28. ASSOCIATE COMPANY & JOINT VENTURE

##### i) FEP Dashboard Limited (FEPD)

The Company holds 50 ordinary shares (50%) in FEP Dashboard Limited (FEPD) and is represented on the Board by two Directors. The company has been set up to hold the rights to the software that delivers Farm Environmental Plan (FEP) dashboards.

FEPD is a joint venture where ALIL has joint control of the entity along with MHV Water Limited. ALIL applies the Equity method when accounting for its interest in FEPD.

##### ii) Mid Canterbury Water Storage Limited (MCWSL)

The Company holds 50 shares (50%) in Mid Canterbury Water Storage Limited and may appoint up to 3 directors to the Board, out of a maximum of 6. If fewer than 3 Directors are appointed, such shareholder-appointed Directors, together, are entitled to 3 votes on any Board vote. The company has been set up to purchase land and resource consents to facilitate the design, construction and operation of a water storage facility at Klondyke.

MCWSL is a joint venture where ALIL has joint control of the entity along with MHV Water Limited. ALIL applies the Equity method when accounting for its interest in MCWSL.

MCWSL is a separate incorporated company owned by ALIL and MHV Water Limited. MCWSL was incorporated to own the land and various consents to build and operate a water storage facility at Klondyke. The contractual arrangement provides ALIL with only the rights to the net assets of MCWSL, with the rights to the assets and obligations for liabilities of the joint venture resting primarily with MCWSL.

#### Results of Associates Reporting Date

	FEPD 31 March		MCWSL 31 May	
	2025	2024	2025	2024
Revenue	12,100	30,420	701,631	166,956
Operating Profit before tax	52	11,606	(36,277)	(42,054)
Taxation	(15)	(3,250)	10,157	-
Total Operating Surplus / (Loss)	\$37	\$8,356	\$(26,120)	\$(42,054)

No dividends were received from FEPD or MCWSL during the years ended June 2024 or 2025.

FEPD and MCWSL are private companies, therefore no quoted prices are available for their shares.

A reconciliation of the above summarised financial information to the carrying amount of the investment is summarised below:

2024	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Total Net Assets	% Held	Carrying Amount
FEPD	9,073	14,769	(6,602)	(8,882)	8,358	50.00%	4,179
MCWSL	148,007	16,801,412	(131,473)	(7,670,000)	9,147,946	50.00%	4,573,973
							\$4,578,152
2025	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Total Net Assets	% Held	Carrying Amount
FEPD	16,033	7,384	(6,140)	(8,882)	8,395	50.00%	4,198
MCWSL	181,708	16,727,092	(106,692)	(7,670,000)	9,132,108	50.00%	4,566,054
							\$4,570,252

# Ashburton Lyndhurst Irrigation Limited

## Notes to Financial Statements

### For the Year Ended 30 June 2025

#### 29. KEY MANAGEMENT PERSONNEL

Key management personnel includes the directors of the Company and the Chief Executive. During the year remuneration has been paid to these personnel as follows:

	2025	2024
Salaries & directors fees	\$330,402	\$317,591

During the year the directors were paid directors fees as detailed in the Annual Report. The amounts owing to directors at 30 June 2025 is \$26,305 (2024: \$24,372).

#### 30. TRANSACTIONS WITH RELATED PARTIES

The entities, the nature of the relationship and the types of transactions which the Company entered into are detailed below:

Related Entities	Nature of Relationship	Types of Transactions
FEP Dashboard Limited	Joint control	Funds Advanced / Software License Fees
Mid Canterbury Water Storage Limited	Joint control	Funds Advanced / Service Charges
		2025 2024
<b>Purchases of goods and services</b>		
Purchase of services from FEPD		6,050 15,210
Purchase of services from MCWSL		129,904 -
		\$135,954 \$15,210
<b>Trade balances with related parties</b>		
Trade balances payable - FEPD		- -
Trade balances payable - MCWSL		15,042 -
		\$15,042 -
<b>Related party loans</b>		
Related party loan receivable - FEPD		4,448 4,448
Related party loan receivable - MCWSL		7,212 7,212
		\$11,660 \$11,660

The loans to FEPD & MCWSL are non-interest bearing, unsecured and are repayable on demand.

Directors purchase water from the Company on the same terms and conditions as the other shareholders.

The Company is a shareholder in Rangitata Diversion Race Management Limited. Philip A Lowe was the Company's representative with Suzanne C Duncan as his alternate. Refer to note 13 for more detail.

The Company is a shareholder in FEP Dashboard Limited. Suzanne C Duncan is the Company's director representative along with the Chief Executive, Rebecca Whillans. Refer to note 28 for more detail.

The Company is a shareholder in Mid Canterbury Water Storage Limited. Colin W Glass and Steven E B Bierema are the Company's director representatives. Refer to note 28 for more detail.

The Company has created committees, with positions filled by both board members and independent individuals.

Current committees and their board member representatives are:

##### Finance Committee:

Suzanne C Duncan (Chair) & Steven E B Bierema.

##### Scheme Reliability & Collaboration Committee:

Philip A Lowe (Chair), Alison M Van Polanen & Colin W Glass.

##### Catchment & Water Quality Committee:

Alison M Van Polanen (Chair) & Philip A Lowe.

#### 31. EVENTS SUBSEQUENT TO BALANCE DATE

On the 1st July 2025 the Company confirmed renewal terms for the BNZ loan facilities to extend the expiry date of the loans for a further two year term. The new expiry date will now be 16 September 2027. All other conditions remain the same.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF ASHBURTON LYNDHURST IRRIGATION LIMITED**

**Opinion**

We have audited the financial statements of Ashburton Lyndhurst Irrigation Limited ("the Company"), which comprise the statement of financial position as at 30 June 2025, and the statement of comprehensive income, statement of movements in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS® Accounting Standards.

**Basis for Opinion**

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

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were no Key Audit Matters to be communicated as a result of our audit.

**Other Information**

The directors are responsible for the other information. The other information comprises the Company Directory, Chairman, Chief Executive's, and Annual Reports, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Directors' Responsibilities for the Financial Statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>.

This description forms part of our auditor's report.

## Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Warren Johnstone.

*BDO Christchurch Audit Limited*

BDO Christchurch Audit Limited  
Christchurch  
New Zealand  
15 September 2025