ASHBURTON LYNDHURST IRRIGATION LTD

Summary Financial Statements

For the Year Ended 30 June 2026

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Registered Office
144 Tancred Street, Ashburton

Accountants
Brophy Knight Limited, Ashburton

Directors
Philip Allan Lowe (Chairperson)
Steven Edzo Broeils Bierema
Suzanne Cheri Duncan
Alison Maria Van Polanen
Andrew Webster Macfarlane (appointed 16-Oct-2025)
Colin Wesley Glass (Retired 16-Oct-2025)

Date of Incorporation
22-Sept-89

Capital
1,299,804 Ordinary Shares

Solicitors
Tavendale and Partners Limited, Ashburton

Bankers
Bank of New Zealand, Christchurch

Auditors
BDO Christchurch Audit Limited, Christchurch

Chairman and Chief Executive's Report

For the Year Ended 30 June 2026

The 2025/26 year has been an important year for Ashburton Lyndhurst Irrigation Limited, marked by strong operational performance, continued cost control, renewed certainty through the regranting of discharge consent CRC185469, and further progress on initiatives that will support the long-term resilience of the scheme. The Board and management have remained focused on delivering reliable irrigation, protecting shareholder value, and ensuring ALIL continues to meet its environmental and regulatory responsibilities.

2025/26 Irrigation Season

The 2025/26 irrigation season was managed successfully across ALIL's 31,672 hectares of irrigated scheme area, with the piped network continuing to provide shareholders with reliable, pressurised delivery. Total ALIL water use for the year was 74.447 million m^3, compared with 66.578 million m^3 in 2024/25. While this was higher than the previous season, it remained below the high-use years of 2020/21 and 2023/24, reflecting a season with periods of strong demand but not sustained peak use across the full irrigation year.

Demand was concentrated through the spring and early summer period, with ALIL use increasing from 4.900 million m^3 in September to 12.531 million m^3 in October, peaking at 21.762 million m^3 in November, and remaining high at 17.049 million m^3 in December. Demand reduced significantly through January and February before lifting again in March. The operations team maintained a strong focus on network performance, service delivery, and timely response to operational issues throughout these variable demand periods.

Reliable water delivery remains central to ALIL's value. It supports productive and flexible land use across a large, irrigated area, gives shareholders confidence in their farm systems, and contributes to the wider strength of the community. The season again demonstrated the importance of well-maintained infrastructure, operational capability, and continued investment in long-term reliability.

Water Charges

The Board has continued to place strong emphasis on keeping total charges to shareholders as low as practicable while ensuring the Company remains financially sustainable. It was pleasing to be able to hold the water charges and environmental charges for the year ending 2026 at the same rate as year ending 2025. Looking forward to the 2027 season we have again been able to hold the overall water/environmental charge position for shareholders. The water charge reduced from $7.34 to $7.19, helping to offset the increase in the environmental charge, which will now be applied at $19.93 per ha. The environmental charge was previously $1,000 per FEP, and $10.50 per ha for ha over the first 50ha.

This outcome reflects disciplined budgeting, careful cost control, and a continued focus on ensuring that expenditure is directed toward activities that protect reliability, compliance, and long-term shareholder value. Holding total charges while absorbing higher environmental costs is an important result for shareholders and demonstrates the Board's focus on affordability and prudent financial management.

The Forks Project is also making a positive contribution to the 2027-year water charges. Additional water sales from the project help spread scheme costs across a broader revenue base, helping to maintain water charges at sustainable levels for all shareholders. Proceeds from share sales have also helped reduce debt and, in turn, the Company's interest exposure.

Long-Term Reliability and Storage

Following the completion of Pond 3A at McKendry's Road, ALIL has continued to progress opportunities to strengthen long-term scheme reliability and operational flexibility. Storage remains an important part of the Company's long-term strategy, particularly as the scheme responds to variable seasonal conditions and the need to support dependable irrigation supply for shareholders.

Post balance date ALIL secured access to land in the Pond 4 area for in-scheme water storage. The first stage of the development is to extend the existing Pond 4. The scheme is now working through design and consenting on the land beside the existing pond. The second stage is the potential development of a new pond on the 30-hectare School Block, with design concepts currently being worked through.

Alongside these in-scheme storage opportunities, ALIL continues to hold strategic interests in larger-scale storage at Klondyke through Mid-Canterbury Water Storage. Klondyke remains an important long-term option for the wider district, and any future decisions will continue to be guided by reliability modelling, consenting considerations, affordability, and shareholder consultation.

Consents and Environmental Compliance

Environmental compliance and the Company's licence to operate have remained major priorities. The regranting of discharge consent CRC185469 during the year was a significant milestone, providing renewed certainty for ALIL and its shareholders after a long and complex consenting process.

The regranted consent provides the framework for ALIL's ongoing environmental management, compliance programme, Farm Environment Plan performance, and approach to nutrient loss across the scheme. It also reinforces the importance of maintaining robust systems, good quality environmental data, and clear expectations across the shareholder base.

A key development has been ALIL's move from managing farms primarily against historical nutrient loss positions to a scheme-wide flat-line approach to nitrogen loss. This change is designed to provide greater land use flexibility for shareholders while maintaining scheme-level accountability and supporting continuous improvement. It is a more transparent and equitable framework for managing nutrient loss and will be an important part of how ALIL demonstrates environmental performance over time.

ALIL has also worked with Barrhill Chertsey Irrigation and Acton Farmers Irrigation to establish a Water Quality Group. This collaboration will support a stronger regional evidence base, more consistent monitoring and reporting, and a constructive response to water quality issues and regulatory expectations.

The appointment of Gary Rushworth as Environmental Scientist has further strengthened ALIL's technical capability. His role supports the collection, analysis, and interpretation of environmental data, helping ensure the Company's decisions continue to be informed by sound evidence.

Financial Performance

The Company delivered a materially improved financial result for the 2025/26 year, while continuing to focus on prudent management, reliable service delivery, and investment in assets that support long-term scheme performance. Total gross income was $10.395 million, compared with $10.321 million in the prior year, with water charges of $9.630 million and environmental management charges of $415,318.

The company benefited from reduced interest costs over the year. Total interest-related costs before fair value movements reduced from $4.730 million in 2024/25 to $4.098 million in 2025/26, reflecting lower costs across the Stage 1, Stage 2, and Ponds and Telemetry facilities. The fair value movement on interest rate swaps also improved substantially, moving from a $1.993 million expense in the prior year to a $20,843 gain in 2025/26. This fair value movement is not a cash flow or direct cost to ALIL and is not recovered through water charges; rather, it reflects the wider market's expected movement in interest rates and the resulting impact on ALIL's interest rate swaps.

Share capital increased to $44.496 million following the issue of 3,995 ordinary shares during the year, bringing total ordinary shares on issue to 1,299,804. Total equity increased slightly to $38.947 million, despite the reported loss for the year, reflecting the additional share capital raised. Bank loans at balance date were $79.756 million, with all bank and internal capital management objectives met.

The Board remains focused on maintaining a strong balance sheet and ensuring that investment decisions are aligned with shareholder benefit, scheme reliability, affordability, and intergenerational value. The financial result demonstrates the importance of disciplined cost control, careful treasury management, and ongoing investment in infrastructure that supports long-term reliability for shareholders.

Stock Water

ALIL has continued to deliver stock water to shareholder farms under arrangements with Ashburton District Council. Transition planning remains important as Council moves toward its planned exit from stock water supply. ALIL will continue working through the operational, financial, and shareholder implications so that future arrangements are practical, clear, and well communicated.

Directors and Staff

Director succession has remained an important governance focus during the year. The Board continues to consider the skills, experience, and continuity required to oversee a complex irrigation business operating in a changing regulatory, environmental, and financial environment.

The Board has also valued the contribution made through the Associate Director role, which provides an important opportunity to broaden governance experience while adding depth and additional perspective to Board consideration of strategic, operational, and shareholder matters. We thank Linda Rollinson for her contribution in the Associate Director role through to December 2025 and thank Leighton Parker for his contribution since taking up the role in January 2026. Both Linda and Leighton have brought valuable skills and diversity of thought to the ALIL Board table.

The Board also acknowledges Colin Glass, who stepped down as Chair at the 2025 AGM after 13 years of service to ALIL. Colin made a significant contribution through a period of consolidation and strategic progress, bringing measured leadership, strong financial and governance expertise, and a deep commitment to the Company, its shareholders, and the wider community. Following Colin's retirement, we welcomed Andy Macfarlane to the Board during the year.

We thank all ALIL staff for their continued commitment and professionalism. Their work across operations, environmental management, administration, compliance, and shareholder support is central to the reliable service shareholders receive and to the confidence placed in the Company.

At the end of the financial year, we accepted Sarah Everest's resignation following her maternity leave and thank her for her contribution to ALIL. We have recently welcomed Chloe Dunne to the part-time role of Environmental Manager and Chloe Meadows to the role of Environmental Coordinator. These appointments, together with Gary Rushworth's Environmental Scientist role, strengthen ALIL's environmental capability at an important time for the scheme.

Looking Ahead

The year ahead will require continued focus on scheme reliability, environmental performance, consenting obligations, water charges, infrastructure investment, and stock water transition planning. ALIL is well placed to meet these challenges through strong governance, capable staff, reliable infrastructure, and the ongoing commitment of shareholders to good practice.

On behalf of the Board and management, we thank shareholders for their continued support and engagement. ALIL remains focused on delivering reliable irrigation, supporting flexible and sustainable land use, maintaining strong environmental performance, and protecting the long-term value of the scheme for current and future shareholders.

Ashburton Lyndhurst Irrigation Limited
Statement Of Comprehensive Income
For The Year Ended 30 June 2026

	Note		2026	2025
		$	$	$
Income				
Water Charges			9,629,662	9,595,918
Environmental Management Charges			415,318	422,656
Other Income			350,059	302,296
Total Gross Revenue			10,395,039	10,320,870
Less Expenses As Detailed:				
Governance Fees		110,337		106,805
Operating Expenses		3,171,944		3,028,980
Piping Stage 1 Interest Expenses		168,339		219,889
Piping Stage 2 Interest Expenses		2,645,087		3,074,581
Ponds & Telemetry Interest Expenses		1,284,939		1,435,287
Scheme Charges		525,479		573,989
Depreciation, Amortisation & Impairment		2,800,114		3,269,488
Total ALIL Operating Expenses			10,706,239	11,709,019
			(311,200)	(1,388,149)
Plus: Fair Value Movement of Interest Rate Swaps			20,843	(1,992,560)
Operating Profit			(290,357)	(3,380,709)
Plus: Share Of Associates Profit			83	(7,900)
Profit / (Loss) Before Income Tax			(290,274)	(3,388,609)
Taxation Benefit			-	-
PROFIT / (LOSS) FOR THE YEAR			$(290,274)	$(3,388,609)
Other Comprehensive Income			-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			$(290,274)	$(3,388,609)

BDO Christchurch

Ashburton Lyndhurst Irrigation Limited
Statement Of Movements In Equity
For The Year Ended 30 June 2026

	Share Capital	Accumulated Losses	Total
	$	$	$
Equity At 1 July 2024	42,930,883	(1,871,050)	41,059,833
Net Surplus / (Deficit) For The Period	-	(3,388,609)	(3,388,609)
Transactions with Owners:			
Net Share Capital Issued / Surrendered	926,400	-	926,400
Equity At 30 June 2025	$43,857,283	$(5,259,660)	$38,597,623
Equity At 1 July 2025	43,857,283	(5,259,660)	38,597,623
Net Surplus / (Deficit) For The Period	-	(290,274)	(290,274)
Transactions with Owners:			
Net Share Capital Issued / Surrendered	639,201	-	639,201
Equity At 30 June 2026	$44,496,484	$(5,549,934)	$38,946,550

Cash Flow Statement
For The Year Ended 30 June 2026

	Note	2026	2025
		$	$
Net Cash Inflow From Operating Activities	3	2,369,228	1,260,629
Net Cash Outflow From Investing Activities		(3,706,493)	(2,752,596)
Net Cash Inflow From Financing Activities		1,331,600	1,504,195
Net Increase/ (Decrease) in Cash		(5,665)	12,228
Opening Cash		90,554	78,326
Closing Cash		$84,889	$90,554

Ashburton Lyndhurst Irrigation Limited
Statement Of Financial Position
As At 30 June 2026

	2026		2025
	$	$	$
Current Assets			
Cash And Cash Equivalents	84,889		90,554
Receivables	1,783,596		1,758,861
Loan Swap Asset	6,292		34,205
Related Party Advances	148,108		11,660
Total Current Assets		2,022,885	1,895,280
Non-Current Assets			
Total Other Non-Current Assets	4,602,276		4,602,192
Total Property, Plant, Equipment & Intangibles	114,822,895		113,769,805
		119,425,171	118,371,997
Total Assets		$121,448,056	$120,267,277
Current Liabilities			
Payables	1,386,988		1,262,319
Lease Liabilities	16,647		14,740
Loans & Swap Liabilities	80,809,825		80,102,395
Total Current Liabilities		82,213,460	81,379,454
Non-Current Liabilities			
Lease Liabilities	288,046		290,200
Total Non-Current Liabilities		288,046	290,200
Total Shareholder's Equity		38,946,550	38,597,623
Total Shareholders' Funds And Liabilities		$121,448,056	$120,267,277

Chairman ______________________ **Dated** 15/09/2026

Director SL Duncan **Dated** 15/09/2026

BDO Christchurch

Ashburton Lyndhurst Irrigation Limited
Notes to the Summary Financial Statements
For the Year Ending 30 June 2026

All disclosures in these Summary Financial Statements have been extracted from the audited full financial statements. The information is presented in New Zealand Dollars (NZD) and rounded to the nearest dollar.

The full Financial statements were authorised for issue on the 14th September 2026. The full financial statements were prepared in accordance with NZ IFRS.

The summary financial statements have been prepared in accordance with *FRS 43 'Summary Financial Statements'.* These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") as they relate to summary financial statements.

There have been no changes in the accounting policies used to prepare the financial statements for the year ending 30 June 2026.

1. STAGE 1 PIPING SCHEME (GREENLINE)	**2026**	**2025**
Total Scheme Charges Received	446,606	462,478
Less:		
Interest	168,339	219,889
Principal paid	244,800	230,440
	413,139	450,329
Excess Monies Received over Expenditure	33,467	12,149
Opening Position	188,804	176,655
Closing Position	$222,271	$188,804

Within the Company's equity there is a amount of $222,271 (2025: $188,804), which equates to the cumulative reserve for the stage 1 piping scheme. Funds supporting this are held in the Company's assets.

2. STAGE 2 PIPING	**2026**	**2025**
Total Scheme Charges Received	3,899,640	3,852,220
Shares Issued	592,864	1,649,960
	4,492,504	5,502,180
Less:		
Interest	2,645,087	3,074,581
Principal paid	564,000	543,680
	3,209,087	3,618,261
Excess Monies Received over Expenditure	1,283,417	1,883,919
Opening Position	3,964,391	2,080,472
Closing Position	$5,247,808	$3,964,391

Within the Company's equity there is a amount of $5,247,808 (2025: Amount of $3,964,391), which equates to the cumulative reserve for the stage 2 piping scheme. Funds supporting this are held in the Company's assets.

3. STATEMENT OF CASH FLOW RECONCILIATION WITH REPORTED PROFIT	**2026**	**2025**
Profit/(Loss) For Year	(290,274)	(3,388,609)
Non Cash Items	2,754,900	5,269,937
Movement in Net Current Assets / Liabilities	(95,386)	(620,200)
Items Classified as investing activities	(12)	(499)
Net Cash Flow From Operating Activities	$2,369,228	$1,260,629

Ashburton Lyndhurst Irrigation Limited
Notes to the Summary Financial Statements
For the Year Ending 30 June 2026

4. CONTINGENCIES & PROVISION

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. The facility was renewed on the same terms and conditions with an updated expiry date of 30th March 2027.

There are no other contingencies or provision owed by the Company (2025: None).

5. EVENTS SUBSEQUENT TO BALANCE DATE

1) On the 7th July 2026 the Company exercised a Right of First Refusal on a parcel of land at 326 Springfield Road, Lauriston, near to an existing scheme pond. The Company will purchase two blocks of land, totalling 47ha for a total purchase price of $3.5 million. Contemporaneously, the Company will sell 14ha of land already owned by the Company at the same per hectare price. The agreements are subject to survey and subdivision.

On the 31st July 2026 the Company completed the purchase of one block of land for 31ha at a purchase price of $2.3 million. The purchase of the remaining 16ha, along with the sale of the 14ha block, are still in progress. As both transactions occur at the same per hectare price, the outstanding liability to the Company is $150,000.

2) The Company has agreed to increase the maximum exposure of their guarantee provided to MCWSL in relation to two new loan facilities taken out by MCWSL. The maximum exposure has been increased to $4.285 million plus interest and costs.

Directors Disclosures:

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

The Company is a shareholder in Rangitata Diversion Race Management Limited. Philip A Lowe was the Company's director representative with Suzanne C Duncan as his alternate. During the year the Company paid $525,479 (2025: $573,989) for operational contributions. The operational amount owed at 30 June 2026 was $50,465 (2025: $50,349).

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. During the year the Company paid $11,753 for use of software (2025: $6,050). At 30 June 2026 the company did not owe any monies (2025: $Nil).

The Company is a shareholder in Mid Canerbury Water Storage Limited. Steven E B Bierema and Andrew W Macfarlane are the Company's director representatives. During the year the Company paid $21,778 for services (2025: $129,904). At 30 June 2026 the company owed $5,360 (2025: $15,042).

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

	2026	2025
Philip A Lowe (Chairperson)	28,888	16,396
Steven E B Bierema	18,529	16,721
Suzanne C Duncan	17,779	15,908
Alison M Van Polanen	17,775	11,808
Andrew W Macfarlane (appointed 16-Oct-2025)	13,003	-
Colin W Glass (Former Chair. Retired 16-Oct-2025)	9,363	31,253
Randal D Hanrahan (retired 17-Oct-2024)	-	4,719
	$105,337	$96,805

The Summary Financial Statements cannot be expected to provide as complete an understanding as provided by the full financial statements. A copy of the full financial report can be obtain by contacting the Registered Office c/o Brophy Knight Limited, 144 Tancred Street, Ashburton or viewing on the Company's website www.alil.co.nz

The full financial statements have been audited by BDO Christchurch Audit Limited, Christchurch who have issued an unqualified audit report.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ASHBURTON LYNDHURST IRRIGATION LIMITED

Opinion

The summary financial statements on pages 6 to 10, which comprise the summary statement of financial position as at 30 June 2026, and the summary statement of comprehensive income, summary statement of movements in equity and summary statement of cash flows for the year then ended, and related notes are derived from the audited financial statements of Ashburton Lyndhurst Irrigation Limited ("the Company") for the year ended 30 June 2026.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with FRS-43: *Summary Financial Statements* issued by the New Zealand Accounting Standards Board.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Chairman and General Manager's Report, but does not include the summary financial statements and our auditor's report thereon.

Our opinion on the summary financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon. We have read the other information and, in doing so, considered whether the other information is materially inconsistent with the summary financial statements, or our knowledge obtained in the audit of the summary financial statements or otherwise appears to be materially misstated. We have nothing to report in this regard.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 15 September 2026. The auditors report on the audited financial statements includes communication of key audit matters.

Directors' Responsibilities for the Summary Financial Statements

Directors are responsible on behalf of the entity for the preparation of the summary financial statements in accordance with FRS-43: *Summary Financial Statements*.

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

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised) *Engagements to Report on Summary Financial Statements*.

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

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 2026