



20<sup>th</sup> September 2024

## Notice of Annual Meeting

As a shareholder of Ashburton Lyndhurst Irrigation Ltd we are pleased to invite you to our Annual Meeting to be held at the **Hotel Ashburton, Racecourse Road, Ashburton on Thursday 17<sup>th</sup> October 2024. The meeting will start at 7.30pm.**

### Business to be conducted at the AGM

1. To review and consider the Chairman and Chief Executive's Report and Accounts to 30 June 2024.
2. To resolve that BDO be appointed as auditors of Ashburton Lyndhurst Irrigation Ltd, for the year ending 30 June 2025 and to authorise the Board to fix the Auditor's remuneration.
3. To authorise the payment of Directors Fees for the year ended 30 June 2025 as per the Remuneration Committee recommendation: -

**Move:**

***The Remuneration Committee recommends to shareholders that the total pool of Directors fees for the 2024/25 financial year be set at a maximum of \$102,000.00 and be allocated to Directors Fees and Associate Director training costs, as the Board see fit.***

4. Election of Remuneration Committee.
5. To elect two Directors for the Directorate. Steven Bierema retires by rotation. Randal Hanrahan has advised he will be stepping down at this year's annual meeting. Steven Bierema seeks re-election.

At the close of nominations, one nomination was received in favour of Alison van Polanen. The Board seeks approval of the re-appointment of Steven Bierema and appointment of Alison van Polanen, as Directors.

Information on Steven and Alison is attached.

6. Consideration of Budget and Water Charges for the year.
7. General Business.
  - Electronic Communications

## **Proxy Form**

It is important that all Companies have a proxy or a signed authorisation, even if you are a Director of that Company and will be attending on the Companies behalf. Please refer to Proxy Form Notes attached to General Proxy Form.

A proxy form is forwarded with this notice. Proxies must be lodged at the office of Ashburton Lyndhurst Irrigation Ltd, 326 Burnett Street, Ashburton, or via email to [carmen@alil.co.nz](mailto:carmen@alil.co.nz) no later than 4.30pm, Tuesday 15<sup>th</sup> October 2024. If you have sent us a permanent proxy nothing further is required to be done.

## **By Order of the Board**



**Colin Glass**  
**Chairman**

# Nominees for Director

In accordance with the Rules of the Company Steven Bierema retires by rotation & offers himself for re-election. Randal Hanrahan has advised he will step down at this year's annual meeting. Following the closure of nominations, we have received one nomination for the vacant position being Alison van Polanen.

## Steven Bierema – elected 5<sup>th</sup> October 2017



Steven, originally from the Netherlands, migrated to New Zealand in 2004 with his wife Freda & three sons and purchased a farm on Thompsons Track in Rakaia, which is run as a mixed cropping farm & lamb fattening operation. Irrigation development & purchasing a neighbouring property provided the opportunity to join the ALIL scheme. The farming operation is now run in partnership with son Pieter-Taco Bierema.

Alongside his ALIL Directorship, Steven is a Rabobank Client Council member, Mid Canterbury Arable Research Group member & National Board Chair (FAR).

## Alison van Polanen



I am Alison van Polanen; married to Andrew, and together we are 50:50 sharemilkers on a 220ha dairy farm in Winchmore. Alongside sharemilking, I operate an agri environmental consultancy - EnviroPlan Limited.

I have developed governance experience and skills through a one-year Emerging Director position with Ashburton Contracting Limited and

more recently a board observer role with Ashburton Lyndhurst Irrigation Limited. These roles also enabled training with the Institute of Directors and Mayfield Group (co-operative focussed).

Having worked in resource consent management of renewable energy, water infrastructure, telecommunications, and land development projects I have an understanding of the economics and functionality of large-scale investments and believe this would be of value to Ashburton Lyndhurst Irrigation Limited. More recently I have supported farmers implement good environmental management into their daily farming activities and management so that they develop sustainable farming businesses.

I have strong collaborative relationship skills with a diverse range of people and groups. I am a practical and respected intermediary between farmers and regional / national government being able to articulate the goals and constraints of both and am also presently a member of a Regional Council reference and technical working group. Being an analytical and strategic thinker, I have the ability to use this thought process to support those I am working with.

I enjoyed the year I was able to contribute to the Ashburton Lyndhurst Irrigation board discussion and appreciate the opportunity to put my name forward to be able to contribute as an elected member.

Alison van Polanen – Ph 021 946 419

# Ashburton Lyndhurst Irrigation Limited

Draft Minutes of the Annual Meeting of Shareholders held at The Methven Memorial Hall, on Thursday 19<sup>th</sup> October 2023 at 7.30pm.

## **Present:**

C Glass presided over an attendance of 28 shareholders representing 37 shareholdings (19.99% of shares).

## **In Attendance:**

R Whillans, C Foster, S Hayman & R Pilling.

## **Apologies:**

Amanda Verrall, Richard Wright, John & Joanne van Polanen, Andrew Griffiths, Chris Curd, Barney & Tim Parsons, Randal Hanrahan, Neil Brown, Karl Henderson.

## **Moved:**

***That apologies be accepted.***

***Steven Bierema / Gerard Murphy***

***Carried.***

## **2022 Minutes:**

The Minutes of last year's Annual Meeting were circulated with the Notice of Meeting. C Glass advised that these Minutes were reviewed and approved by the Board of Directors at the November 2022 Board meeting, subject to there being no changes raised by shareholders at the 2023 Annual Meeting.

While the Board and the Chair have the ability to approve these minutes, our practice has been to circulate these prior to the subsequent Annual Meeting and if there are no points of contention raised by shareholders, then the minutes are approved.

There was a point of clarification made in regards to the 2022 Annual Meeting Minutes. Andy Grant was recorded as an apology however A Grant was present & is recorded in the minutes as moving & seconding various motions. A Grant was noted to be Andy's late father, Alan Grant. With this clarification, the minutes were noted to be correct.

There were no further points of clarification raised, and therefore the minutes were confirmed.

## **Matters Arising:**

There were no matters arising from the minutes.

## **Business:**

### **Chairman and Chief Executive's Report and Financial Reports:**

C Glass presented the Chairman & Chief Executive's Report as read.

C Glass updated the meeting on the following items:-

- The scheme reported lower irrigation use during the 2022/2023 season. Peak use was recorded in November & January & as normal; use dropped off in February.
- El Nino weather patterns are predicted for the 2023/2024 season, meaning

demand may be put on the scheme, that has not been seen since the completion of the Stage 2 upgrade.

- The Board has had a strong focus on containing costs, following discussion at the 2022 Annual Meeting. It was pleasing to be able to advise shareholders that the Water Charges would remain unchanged for the 2023/2024 financial year.
- Discussions were held with BNZ regarding the company's banking covenants and retaining sufficient headroom in back facilities over the year.
- Managing the Land Use Discharge Consent continues to be a big piece of work, as does attending to shareholder requests for Land Use changes. The key for the Board is trying to be consistent while allowing as much flexibility for shareholders while being mindful of the future nutrient loss reduction requirements.
- ADC has transferred 79 l/s of stock water to ALIL. All shareholders rights to stock water in the scheme are equal. However, this requires approval.
- ALIL is the second respondent in the legal proceedings brought by Environmental Law Initiative (ELI) against ECan. A hearing was held in May 2023. The decision has not yet been received, nor is the timeframe for a judgement known.
- The current Board Observer position will be renamed to Associate Director for the 2024 year.
- S Duncan was thanked for putting her name forward for this year's Director vacancy. Shareholders were reminded of the existing Board's tenure & that greater engagement by shareholders in the governance of their company is required into the future for the cooperative to be successful. The Board is willing to provide training to any direct or indirect shareholder wanting to undertake Governance training.

There was further discussion regarding the Bank's interest cover covenant. This requires a minimum 1.0x cover at the end of each financial year. During the past year the documentation has been amended that allows the company to use any prior year surplus up to \$300,000 (headroom), to achieve the required 1.0x cover. This change and the creation of additional headroom has meant that water charges are not required to increase in the next financial year, at this time.

R Whillans presented the Chief Executive's update, along with a review of the Financial Statements & 2024 Budget

The following discussion points were noted:-

- Water charges & Environmental charges remain the same for 2024 financial year.
- Greenline water charges are being under-recovered this year, as prior year surplus's (retained earnings) are being utilised.
- RDR Water Charges have increased following completion of the Fish Screen upgrade.
- Electricity charges for 2023 were reflective of the reduced irrigation use. These have been budgeted as being higher for the 2024 financial year.
- Inflationary increases have been budgeted for both Rates & Insurance expenses.

R Whillans also presented the Treasury Report, representing the Board's Finance Committee. She further advised that professional advice is received from Bancorp who provide quarterly reporting to the Board against the Treasury Policy. The following points were noted:-

- The company is compliant within the Treasury Policy bands.
- 66% of the Company's debt is floating
- The monthly Floating rate is currently 7.57% vs an average fixed Swap rate of 5.19%.

This cover is providing benefit to the company.

The chair highlighted the importance of the Treasury Policy, and thanked Andy Grant for his contribution towards the management of the company's debt as the chair of the Finance Committee.

**Moved:**

***That the ALIL Financial Reports and Chairman & Chief Executive's Report for the year ended 30 June 2023 as circulated be received.***

***James Anderson / Graeme Buick***

***Carried.***

**Auditor:**

Last year BDO were appointed by the Board for a 3-year term. BDO have undertaken a thorough but seamless audit for the year ending 30 June 2023. However, the appointment of an auditor is an annual requirement under the Companies Act.

**Moved:**

***That BDO be appointed as auditors of Ashburton Lyndhurst Irrigation Ltd for the year ending 30 June 2024 and to authorise the Board to fix the Auditor's remuneration.***

***Colin Glass / Andy Grant***

***Carried.***

**Director Nominations:**

C Glass advised, in accordance with the rules of the Company, Andy Grant & Randal Hanrahan retire by rotation. Being eligible, R Hanrahan offers himself for re-election; however, A Grant does not seek re-election.

At the close of nominations, one nomination was received for the appointment of Sue Duncan. The company seeks approval of the reappointment of R Hanrahan & appointment of S Duncan as Directors. C Glass advised that the company is required to vote at the Annual Meeting to appoint each director even though the number of nominations is equal to the vacancies.

S Duncan was invited to introduce herself to the meeting.

**Moved:**

***That R Hanrahan be reappointed as a Director of ALIL.***

***James Anderson / John Robinson***

***Carried.***

**Moved:-**

***That S Duncan be appointed as a Director of ALIL.***

***Roger Henderson / Graeme Blair***

***Carried.***

Phil Lowe was invited to make a presentation to Andy Grant, retiring Director. P Lowe acknowledged A Grants 8 years of service to ALIL.

A Grant thanked P Lowe. In his response he advised he had enjoyed his term, had learnt a lot & the governance training he had completed had enabled his governance skills to develop. A Grant wished the scheme all the best for the future.

C Glass, also thanked A Grant for his service, stating he had been a staunch & active director. He wished A Grant all the best for his next governance endeavours.

**Directors Fees:**

G Murphy was invited to address the meeting as chair of the Remuneration Committee.

The remuneration committee consisting of Gerard Murphy, John Robinson & James Anderson met on 5<sup>th</sup> September. Shareholders noted that the remuneration committee's recommendation was included in the notice of meeting sent to shareholders. A sum of \$98,000 was recommended, up from \$95,000 in the prior year.

This recommendation was based on:-

- Not-for profit organisations
- Other irrigation schemes being comparable; RDR Management Ltd, North Otago Irrigation Company & Morgan Glenavy Ikawai
- MHV Water Ltd, Barrhill Chertsey Irrigation & Central Plains Water were paid much higher directors fees & all had independent directors
- How regularly the Board met, being every 6-weeks

The ALIL director fees were comparable but at the lower end of the range for the comparable schemes.

G Murphy thanked directors & staff, noting that water charges had been maintained, the schemes infrastructure was also being well maintained. He further thanked A Grant for his time on the Board & welcomed S Duncan as a director.

**Moved:**

***That the Remuneration Committee's recommendation for Directors fees for the year ending 30 June 2024 be set at a maximum of \$98,000 for Directors, Board sub-committee's and training for the Associate Director, with this to be allocated as the Board determines, be approved.***

***Gerard Murphy / Chris Olley***

***Carried.***

C Glass thanked the remuneration committee for their efforts over the past year.

**Remuneration Committee:**

The current Remuneration Committee comprises Gerard Murphy, John Robinson & James Anderson. Nominations were called for the Remuneration Committee.

**Moved:**

***That G Murphy, J Robinson & J Anderson, being the current committee members, be confirmed as the Remuneration Committee for the year.***

***Gavin Briggs / Graeme Blair***

***Carried.***

**Scheme Update:**

R Whillans provided the following updates:-

- 2022/2023 Irrigation Season use
- Stock Water Connections
  - Stock water charges will be implemented from 1 July 2024, at the same rate (on a volumetric basis) as irrigation water, to be applied on a per hectare

basis . Those outside of the scheme will be charged 4 x the rate of shareholders.

- Land Use and Discharge Consent
- Environmental Audit Grades Over Time & Targets
  - Those shareholders who receive B grades will be re-audited within 12-months of their audit. The scheme will work with those shareholders to help them achieve Good Management Targets.
- Water Quality Monitoring
  - Point sources – shareholders were reminded to make sure they weren't putting fertiliser into water races, ensure effluent ponds are sealed & that wells are capped off.
  - ECan will be using the first 5 years of ALIL's data captured under our Land Use Discharge Consent to set a baseline for the future.
- Surface Water Monitoring – Year 1 Themes & Macroinvertebrate Trends
  - 12 months of data now collected
  - Mid Canterbury Catchment Collective (MCCC) are creating a number of community groups. There is MPI funding available for the formation of catchment groups, but this will run out in around 18 months. R Whillans invited any interested shareholders to get in touch with her regarding the formation of a catchment groups within the scheme.
  - ALIL is undertaking water sampling below the Main Road as sampling a wider area (and outside of the scheme) builds a bigger picture.
  - Employment of a Water Ecologist is being considered as a joint investment between ALIL, BCI, MHV & MCCC.
  - The Foothills discussion group have noted strange anomalies from their recent testing. It was acknowledged that Gorse & Broom give off a lot of nitrogen & water test results are also dependant on the substructure of the land & leaching through soils.
  - Hekeao / Hinds Water Enhancement Trust (HHWET) have applied for a consent for Managed Aquifer Recharge (MAR) that covers all of Mid-Canterbury. They have also applied to RDRML for 500 l/s of water. If ALIL deems that some of the MAR water is needed within the scheme area, then HHWET will provide a source for this in the future.
- FAVA Triggers
- Enhanced Reliability and Water Sales
  - ALIL Shares remain available to purchase however, the Board is considering leasing this water, on a short-term annual basis. If any shareholder is looking to purchase additional shares, would like to discuss terms, or leasing of water then they were encouraged to speak with the Chief Executive in the first instance.

### **RDRML Update:-**

R Whillans provided the following update regarding RDRML operations:-

- Fishscreen
- Flood Damage
- Insurance

C Glass thanked R Whillans for the update & invited Ali van Polanen, Board Observer to address the meeting.

### **Observer Position:**

A van Polanen, Board Observer spoke to the meeting & provided information relating to



her qualifications, work history & learnings since being appointed as the 2023 Board Observer.

A van Polanen advised she had been encouraged to fully participate in discussions at Board meetings, found it was an inclusive environment & her contributions were considered alongside the other Directors. She further advised that there had been a number of Farm Activity Variation Applications (FAVA's) that had required consideration by the Board. These were challenging & equitable considerations were always given, whilst the shareholder's identity remained anonymous.

A van Polanen encouraged any shareholder considering a governance role to put themselves forward, even if they didn't consider themselves ready or feel they had sufficient knowledge. "You can't underestimate your own, or on-farm knowledge" and she looked forward to giving back to the scheme in the future.

C Glass thanked A van Polanen and spoke to the meeting regarding the following matters:-

#### Current Board & Director Tenure:

As previously signalled, C Glass will be retiring at the 2025 meeting. He reminded shareholders of the importance of Board succession. A key strength of a shareholder board is having a common understanding of farming, desire to keep water charges to a minimum, being flexible with FAVA applications, at the same time as being mindful of the ability to be able to farm into the future. Currently, specialist advice is covered by way of consultancy firms, however if directors deem an Independent Director is required in future, this would be considered by the Board, at the time.

The Board Observer Role will be renamed to Associate Director from January 2024. Shareholders were encouraged to apply for the position once this was advertised.

#### Klondyke Storage

Mid Canterbury Water Storage Ltd is a 50/50 joint venture company with MHV Water Ltd, incorporated to purchase the land and consents to build storage at Klondyke. Storage is a key part of the Board's long-term strategy for reliability and resilience. This purchase provides optionality to use this land as water storage in the future. Modelling that has been completed, in conjunction with ECan's requirement to increase minimum flows in the Ashburton River, shows that ALIL will need up to 7.5M m<sup>3</sup> of storage, (including in-scheme storage) to maintain the schemes reliability, but the number of days required, is unknown.

Funding of the land and consents at Klondyke has been on a 50/50 basis with MHV. The interest cost has been included in ALIL's current year's budget.

#### In-scheme Storage

Further in-scheme storage at McKendry's Road, known as Palmers Pond, is progressing. Consent applications have been submitted to ECan & ADC. Once these have been approved, construction will begin. At completion of the Palmers Pond, there will be approx.. 1M m<sup>3</sup> of effective in-scheme storage.

Additional storage on the company's property at Pole Road has not progressed as it would only be able to supply Line 5 shareholders. The Board has also looked at storage on the land owned on Ledgerwoods Road, however construction was prohibitive & the breach analysis was less favourable. The Board has not discussed whether these sites

will be retained long-term or not.

Closing Comments

The chair acknowledged the Chief Executive's work that had gone into Klondyke Storage for the scheme. He further acknowledged the greater engagement with ECan regarding the Regional Policy Statement & the Catchment Groups currently being formed.

Further thanks were extended to R Whillans, all staff, current Board & the Board Observer.

**General Business:**

Nil General Business.

There being no further business the meeting closed at 9.31pm & shareholders were invited to remain for supper.

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Date \_\_\_\_\_



## Summary Financial Statements

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For the Year Ended 30 June 2024

<b>Contents</b>	<b>Page</b>
Chairman and General Manager's Report	2 - 5
Statement of Comprehensive Income	6
Statement in Movements in Equity	7
Cash Flow Statement	8
Statement of Financial Position	9
Notes to the Summary Financial Statements	9 - 10
Audit Report	11 - 12

### Directory

#### Registered Office

144 Tancred Street, Ashburton

#### Accountants

Brophy Knight Limited, Ashburton

#### Directors

Colin Wesley Glass (Chairperson)

Randal David Hanrahan

Steven Edzo Broeils Bierema

Philip Allan Lowe

Suzanne Cheri Duncan (appointed 19-Oct-2023)

Andrew James Ronald Grant (resigned 19-Oct-2023)

#### Date of Incorporation

22-Sep-89

#### Capital

1,290,019 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 2024

At the 2023 Ashburton Lyndhurst Irrigation Limited (ALIL) Annual Meeting, updates were provided to shareholders on several initiatives. These included:

- Changes in water charges
- Land Use and Discharge consent
- Stock water and Storage
- Environmental Law Initiative Court Case
- Board Succession

### 2023/24 Irrigation Season

Peak water use rose in 2023/24 compared with the prior season. Seasonal peaks moved from November and January to the latter half of the season with demand remaining relatively high through March.

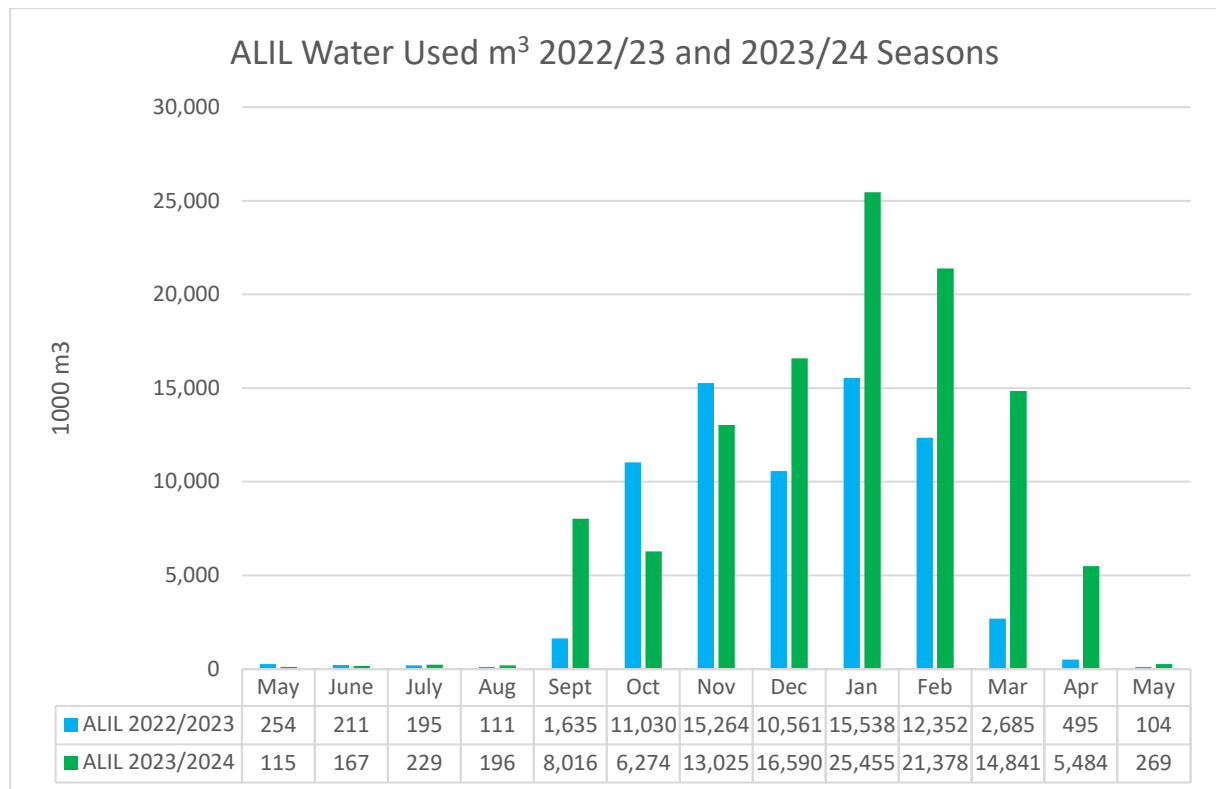


Figure 1: ALIL Supply from RDRML 2022/23 2023/24 Monthly water use (m<sup>3</sup>)

ALIL received 112,039,000 cubic metres of irrigation water, up 58% from 70,970,518 cubic metres in the prior year. Spread over the scheme's irrigated area this equates to 353mm, compared with 245mm in the 2022/23 year and 214 mm in the 2021/22 year.

The efficiency of our piped network and spray application was evident through the season in maintaining our scheme reliability through some very dry periods when the supply from the RDR was under restriction.

There were no days of restriction for the 2023/24 season. The scheme accessed 5.5 days stored water at 500 litres per second via Barrhill Chertsey Irrigation Limited (BCI). This compared with 0 days of restriction and 0 days of BCI water in the 2022/23 season.

## **Water Charges**

Water Charges for the 2024/25 financial year have remained relatively unchanged from the 2023/24 financial year. Stage 2 and Greenline (Stage 1) charges are now both \$7.38 per share. The Greenline will continue to utilise some of the prior years' surpluses.

The Environmental Charges lifted in response to anticipated legal costs in the coming year and are at \$1,000 for the first 50ha and \$10.40 per each additional hectare managed under a Farm Environment Plan (FEP). The fee for Authorised Properties is \$200 per property.

In preparing this year's budget the Company has continued to be mindful of the cost pressure being experienced on-farm and is appreciative of the feedback from shareholders at last year's annual meeting to contain scheme costs.

We are continuing to benefit from the Company's structured treasury policy, which has smoothed the effect of interest rate changes.

Like many businesses, ALIL has seen an increase in operating expenses. These increases have been fully offset by reduced principal repayments on the Stage 2 loan, and the sale of further water shares, allowing the water charge per share to remain relatively unchanged for 2024/25.

## **Long Term Reliability**

Following the piping of the scheme and further share sales, the scheme's long-term reliability has been re-assessed. A small amount of in-scheme storage is required to maintain reliability in excess of 98%, and this is currently under construction with the Palmer's pond. Additional storage will be required into the future should river allocations, minimum river flows or climate change impact the scheme's supply or demand.

The Palmer's pond will provide additional in-scheme storage of 315,000m<sup>3</sup> on McKendrys Road to ensure shareholders reliability is maintained to optimise water use. This project is due to be completed in late December 2024.

The purchase of land and consents at Klondyke from RDRML has been completed. This land will provide large scale storage optionality for the future should the reliability of the Company's water takes be compromised. Feedback from

shareholders will be sought before any decisions are made to construct large scale storage.

Over the last 2½ years the Board has made three offers of shares; the first to its existing shareholders and the second and third to shareholders and farmers within our wider scheme area. We have sold 21,254 shares, raising capital of \$4.1M. An application for ALIL shared water to be delivered outside the current scheme area is currently under consideration. Water sales will assist with funding storage construction costs and provide further water charge income.

## **Stock Water**

As part of the new Long Term Plan, Ashburton District Council (ADC) is planning to exit its stock water service by 30 June 2027. ALIL are continuing to work with ADC on the transition of stock water to the irrigation schemes.

This year ALIL is delivering stock water to 59 shareholders (69 offtakes), covering 8,393 hectares of farmland. This stock water is sourced from ADC's water entitlement in RDRML that has previously been transferred to ALIL.

## **Land Use and Discharge Consent (LUC) and Environmental Law Initiative (ELI) Judicial Review**

In 2022 ELI brought a judicial review against the Canterbury Regional Council (ECan) in relation to ALIL's Discharge Consent. The case was heard in the High Court on 23<sup>rd</sup> and 24<sup>th</sup> May 2023 and a decision was delivered on 20 March 2024.

The High Court found in favour of ECan on their notification decision and in favour of ELI in relation to the consideration of the coastal policies and the application of section 107 in the Resource Management Act regarding the grant of a discharge consent.

Since the High Court decision in March, ALIL has been operating under continuance utilising its previous discharge consent. This allows ALIL to manage the nutrient load for land within its command area while ECan reconsiders the decision on resource consent CRC185469 it reached in June 2020.

The scheme complied with all conditions under this consent in the December 2023 report.

A total of 37 Farm Environment Plan (FEP) audits were completed for ALIL shareholders in the 2023/24 season and all completed within the compliance monitoring deadlines. Audit results included:

- 11% achieving Advanced Mitigation,
- 83% achieving an 'A', and
- 6% receiving a 'B'.

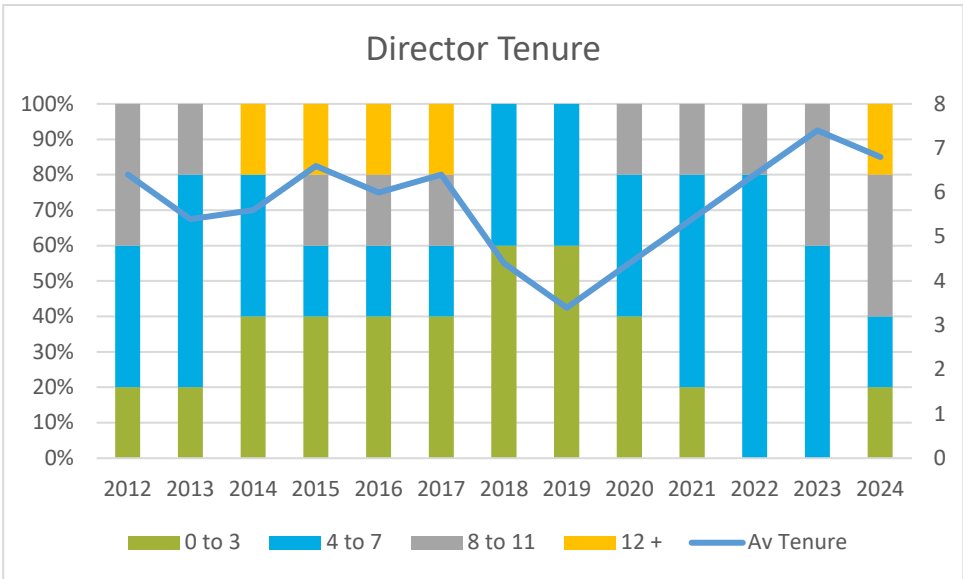
It was pleasing to see the increase in properties audited to Advanced Mitigation and the reduction in B grade audits. The low grades were issued due to irrigation management, sediment risk to waterbodies, and on-farm ponding of water in gateways.

Of the land area under ALIL Discharge Consent, 10% is now graded at A+ (Advanced Mitigation) and 84% is at an A, combined these make up 94% of the scheme area, compared with 95% A grade last year. Compliance with the Discharge Consent is strongly linked to on-farm actions, so maintaining an A grade across the scheme is an important focus to demonstrate environmental improvement over time.

The monitoring of surface and ground water quality in the catchment is compiling a robust data set to better understand the trends and set a baseline of water quality.

**Directors and Staff**

The Board is in a period of succession. Sue Duncan joined the Board at the 2023 Annual Meeting and is making a valuable contribution to the Governance of the Scheme. There is a vacancy this year with the retirement of Randal Hanrahan, and there will be a further vacancy in 2025 as Colin Glass has indicated he will not be seeking re-election at next year’s Annual Meeting.



Our thanks to Ali van Polanen for her contribution as the Board Observer [now Associate Director] in 2023, and we welcomed Johnny Rowe who actively brings his finance skills to Board Meetings. The Associate Director role will be advertised again for 2025 following the 2024 Annual Meeting.

Our thanks to all Directors for their continued engagement and support over the past year. Our special thanks to Randal Hanrahan for eight years of service, including roles on the finance and stock water committees and as a Director on FEP Dashboard Limited.

We would like to thank the ALIL staff; Carmen Foster, Mike King, Rachel Pilling, Luke Leitis, Brett Evans, and Sarah Hayman for their efforts in providing the highest level of shareholder service in the past year.

Colin Glass  
Chairman

Rebecca Whillans  
Chief Executive

# Ashburton Lyndhurst Irrigation Limited

## Statement Of Comprehensive Income

### For The Year Ended 30 June 2024

	Note	2024	2023
		\$	\$
<b>Income</b>			
Water Charges		9,485,069	9,472,114
Environmental Management Charges		292,926	308,697
Other Income		264,976	154,397
Total Gross Revenue		10,042,971	9,935,208
<b>Less Expenses As Detailed:</b>			
Governance Fees		91,625	98,239
Operating Expenses		2,985,910	2,409,515
Piping Stage 1 Interest Expenses		272,172	245,421
Piping Stage 2 Interest Expenses		3,340,766	3,090,559
Ponds & Telemetry Interest Expenses		1,446,205	948,039
Scheme Charges		493,900	459,437
Turbine Interest Expenses		-	3,247
Depreciation & Amortisation		3,586,498	3,565,680
Total ALIL Operating Expenses		12,217,076	10,820,137
		(2,174,105)	(884,929)
Plus: Fair Value Movement of Interest Rate Swaps		(962,681)	890,206
<b>Operating Profit</b>		(3,136,786)	5,277
Plus: Share Of Associates Profit		(16,848)	11,029
<b>Profit / (Loss) Before Income Tax</b>		(3,153,634)	16,306
Taxation Benefit		(279,502)	(1,139)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		\$(2,874,132)	\$17,445
<b>Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		\$(2,874,132)	\$17,445



# Ashburton Lyndhurst Irrigation Limited

## Statement Of Movements In Equity

### For The Year Ended 30 June 2024

	Share Capital	Retained Earnings / (Accumulated Losses)	Total
	\$	\$	\$
<b>Equity At 1 July 2022</b>	39,431,672	985,637	40,417,309
Net Surplus / (Deficit) For The Period	-	17,445	17,445
<b>Transactions with Owners:</b>			
Net Share Capital Issued / Surrendered	3,339,371	-	3,339,371
<b>Equity At 30 June 2023</b>	<u>\$42,771,043</u>	<u>\$1,003,082</u>	<u>\$43,774,125</u>
<b>Equity At 1 July 2023</b>	42,771,043	1,003,082	43,774,125
Net Surplus / (Deficit) For The Period	-	(2,874,132)	(2,874,132)
<b>Transactions with Owners:</b>			
Net Share Capital Issued / Surrendered	159,840	-	159,840
<b>Equity At 30 June 2024</b>	<u>\$42,930,883</u>	<u>\$(1,871,050)</u>	<u>\$41,059,833</u>

## Cash Flow Statement

### For The Year Ended 30 June 2024

	Note	2024	2023
		\$	\$
Net Cash Inflow From Operating Activities	3	1,477,610	2,453,467
Net Cash Outflow From Investing Activities		(4,883,391)	(2,573,688)
Net Cash Inflow From Financing Activities		3,397,681	218,073
Net Increase/ (Decrease) in Cash		(8,100)	97,852
Opening Cash		86,426	(11,426)
<b>Closing Cash</b>		<u>\$78,326</u>	<u>\$86,426</u>

**Ashburton Lyndhurst Irrigation Limited**  
**Statement Of Financial Position**  
**As At 30 June 2024**

	2024		2023
	\$	\$	\$
<b>Current Assets</b>			
Cash And Cash Equivalents	78,326		86,426
Receivables	1,248,570		1,530,007
Loan Swap Asset	1,131,299		2,014,253
Related Party Advances	11,660		17,939
Total Current Assets		2,469,855	3,648,625
<b>Non-Current Assets</b>			
Total Other Non-Current Assets	4,610,092		31,940
Total Property, Plant, Equipment & Intangibles	114,269,920		117,494,701
		118,880,012	117,526,641
<b>Total Assets</b>		<b>\$121,349,867</b>	<b>\$121,175,266</b>
<b>Current Liabilities</b>			
Payables	648,665		823,604
Lease Liabilities	13,088		11,251
Loans & Swap Liabilities	79,337,030		76,005,368
Total Current Liabilities		79,998,783	76,840,223
<b>Non-Current Liabilities</b>			
Lease Liabilities	291,251		281,416
Deferred Tax	-		279,502
Total Non-Current Liabilities		291,251	560,918
Total Shareholder's Equity		41,059,833	43,774,125
<b>Total Shareholders' Funds And Liabilities</b>		<b>\$121,349,867</b>	<b>\$121,175,266</b>

Chairman  \_\_\_\_\_

Dated 18/09/2024 \_\_\_\_\_

Director  \_\_\_\_\_

Dated 18/09/2024 \_\_\_\_\_

# Ashburton Lyndhurst Irrigation Limited

## Notes to the Summary Financial Statements

### For the Year Ending 30 June 2024

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 18th September 2024. 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 2024.

<b>1. STAGE 1 PIPING SCHEME (GREENLINE)</b>	<b>2024</b>	<b>2023</b>
Total Scheme Charges Received	439,936	503,132
Less:		
Interest	272,171	245,421
Principal paid	217,200	224,250
	<u>489,371</u>	<u>469,671</u>
Excess Monies Received over Expenditure	(49,435)	33,461
Opening Position	226,090	192,629
Closing Position	<u>\$176,655</u>	<u>\$226,090</u>

Within the Company's retained earnings there is a amount of \$176,655 (2023: \$226,090), which equates to the cumulative reserve for the stage 1 piping scheme. Funds supporting this are held in the Company's assets.

<b>2. STAGE 2 PIPING</b>	<b>2024</b>	<b>2023</b>
Total Scheme Charges Received	3,980,766	4,529,963
Shares Issued	159,840	3,339,371
	<u>4,140,606</u>	<u>7,869,334</u>
Less:		
Interest	3,340,766	3,090,559
Principal paid	571,200	596,220
Transfer from Turbine Scheme	-	84,410
	<u>3,911,966</u>	<u>3,771,189</u>
Excess Monies Received over Expenditure	228,640	4,098,145
Opening Position	1,851,832	(2,246,313)
Closing Position	<u>\$2,080,472</u>	<u>\$1,851,832</u>

Within the Company's retained earnings there is a amount of \$2,080,472 (2023: Amount of \$1,851,832), which equates to the cumulative reserve for the stage 2 piping scheme. Funds supporting this are held in the Company's assets.

<b>3. STATEMENT OF CASH FLOW RECONCILIATION WITH REPORTED PROFIT</b>	<b>2024</b>	<b>2023</b>
Profit/(Loss) For Year	(2,874,132)	17,445
Non Cash Items	4,245,530	2,646,732
Movement in Net Current Assets / Liabilities	106,499	(209,777)
Items Classified as investing activities	(287)	(933)
<b>Net Cash Flow From Operating Activities</b>	<u>\$1,477,610</u>	<u>\$2,453,467</u>

# Ashburton Lyndhurst Irrigation Limited

## Notes to the Summary Financial Statements

### For the Year Ending 30 June 2024

#### 4. CONTINGENCIES & PROVISION

The Company was named as second respondent in a High Court judicial review proceeding (Environmental Law Initiative v Canterbury Regional Council & Anor) in August 2022. Costs have been awarded to ELI. Current estimates have these around \$38,000, which will be shared between Ecan and ALIL.

On the 20th March 2024 the High Court found in favour of ELI on two of the three counts. The Nutrient Discharge Consent was set aside with Ecan having to reconsider ALIL's application on two points. Ecan has advised the Commissioner to proceed with the re-consideration of the application. Ecan and ALIL have appealed the High Court's decision to the Court of Appeal. This appeal has been set down to be heard in late 2025.

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 (2023: nil). MCWSL has provided security interest over its property in respect of this loan.

There are no other contingencies or provision owed by the Company (2023: None).

#### 5. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to Balance Date the Company has entered into a settlement agreement with R J Hall to settle the dispute relating to the inlet and outlet structures at the Greenline silt pond.

R J Hall have agreed to pay compensation to the Company for the underperforming structures and ALIL's legal fees incurred.

#### 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 \$493,900 (2023: \$459,437) for operational contributions. The operational amount owed at 30 June 2024 was \$55,431 (2023: \$50,898).

The Company is a shareholder in FEP Dashboard Limited. Randal D Hanrahan is the Company's director representative along with the General Manager, Rebecca Whillans. During the year the Company paid \$15,210 for use of software (2023:\$22,913). At 30 June 2024 the company did not owe any monies (2023: \$Nil).

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. During the year the Company paid \$4,595,000 for share capital. At 30 June 2024 the company did not owe any monies (2023: \$Nil).

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

	2024	2023
Colin W Glass (Chairperson)	29,521	28,000
Randal D Hanrahan	15,492	14,000
Steven E B Bierema	15,979	14,000
Philip A Lowe	15,317	16,051
Suzanne C Duncan (appointed 19-Oct-2023)	10,756	-
Andrew J R Grant (resigned 19-Oct-2023)	4,560	14,937
	\$91,625	\$86,988

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](http://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 2024, and the summary statement of comprehensive income, summary statement of changes 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 2024.

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 18 September 2024. 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  
18 September 2024

**PROXY FORM FOR ANNUAL MEETING OF SHAREHOLDERS OF  
ASHBURTON LYNDHURST IRRIGATION LIMITED**

The Annual Meeting of Shareholders of Ashburton Lyndhurst Irrigation Limited will be held on **Thursday 17<sup>th</sup> October 2024 at 7.30pm** at the Hotel Ashburton, Racecourse Road, Ashburton. If you will not attend the Annual Meeting but wish to be represented by proxy, please complete, and return this form (in accordance with the lodgment instructions below) to Ashburton Lyndhurst Irrigation Limited, 326 Burnett Street, Ashburton 7700, no later than 4.30pm on Tuesday 15<sup>th</sup> October 2024, being at least 48 hours prior to the meeting.

**Appointment of proxy**

- A proxy need not be a Shareholder and may be appointed by completing the proxy details on this form. The appointment of a proxy or representative does not preclude a Shareholder from attending and voting at the Annual Meeting, in lieu of that proxy. You may appoint the Chairman of the Annual Meeting as your proxy.
- A company shareholding entity must appoint a person to attend and vote at the Annual Meeting as its representative.

**Voting of your holding**

Direct your proxy how to vote by making the appropriate election on this Proxy Form, in respect of each item of business (on the next page). If you make more than one election in respect of a Resolution your vote will be invalid on that Resolution.

**Appointing the Chairman of the Meeting as your proxy**

The Chairman of the Annual Meeting is willing to act as a proxy.

**Attending the meeting**

If you wish to vote in person, you should attend the Annual Meeting.

**Signing instructions for proxy forms**

*Individual*

In the case of an individual holder, the proxy form should be signed by that person in his or her usual signature or by the attorney of that holder.

*Joint Holding*

If the holding is jointly held (as with a husband and wife or trustees) the proxy form must be signed by all holders.

*Company / Corporate Shareholder*

If a member is a company, then this proxy form must be signed by a person who has express or implied authority to sign the proxy form as a representative of the company. If the member is another type of incorporated body the proxy form must be signed by the authorised signatories of that body as required by the constitution of that body or by a person who has express or implied authority to sign the proxy as a representative of that body. If a company, two directors must sign or if there is only one director that director must sign, and the signature must be witnessed.

*Power of Attorney*

If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney under which it was signed (if not previously provided to the Company), and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.

**Permanent Proxy**

If you have lodged a permanent proxy that proxy will be applicable to this meeting and your proxy so appointed can vote at the Annual Meeting.

**Please forward to:**

Ashburton Lyndhurst Irrigation Ltd  
326 Burnett Street  
Ashburton 7700  
Email: [carmen@alil.co.nz](mailto:carmen@alil.co.nz)

**PROXY/CORPORATE REPRESENTATIVE FORM**

**STEP 1: APPOINT A PROXY TO VOTE ON YOUR BEHALF**

***(Shareholding Entity)***

I/We, being a Shareholder/s of Ashburton Lyndhurst Irrigation Limited hereby appoint:

The Chairman of the Meeting  (tick)

Or \_\_\_\_\_ (name) of \_\_\_\_\_ (address)

As my/our proxy to act generally at the Annual Meeting on my/our behalf and to vote in accordance with the following directions at the Annual Meeting of Ashburton Lyndhurst Irrigation Limited to be held at 7.30pm on Thursday 17<sup>th</sup> October 2024 at the Hotel Ashburton, Racecourse Road, Ashburton and at any adjournment of that meeting.

**STEP 2: ITEMS OF BUSINESS – PROXY VOTING INSTRUCTIONS**

Unless otherwise instructed, the proxy will vote as he or she thinks fit. Should you wish to direct the proxy how to vote please indicate with a (✓) in the appropriate boxes below.

		Tick (✓) in box to vote	
		For	Against
1	To resolve that BDO be appointed as Auditors of Ashburton Lyndhurst Irrigation Ltd for the year ending 30 June 2025 and authorise the Board to fix the Auditors remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
2	To approve the payment of Directors Fee's for the 2024/25 financial at a maximum of \$102,000.00 and be allocated to Directors Fees and Associate Director training costs, as the Board see fit.	<input type="checkbox"/>	<input type="checkbox"/>
3	To approve the re-appointment of Steven Bierema and appointment of Alison van Polanen as Directors.	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3: SIGN: SIGNATURE OF SECURITY HOLDER(S) This section must be completed**

***Joint or Individual (including Trustees) Signing:***

***Company/Corporate Signing***  
*(if only one director, must be witnessed)*

\_\_\_\_\_

\_\_\_\_\_  
*Director/Authorised Person*

\_\_\_\_\_

\_\_\_\_\_  
*Director / Authorised Person*

\_\_\_\_\_

*in the presence of:*

Name:  
Occupation:  
Address:

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_\_