



Summary Financial Statements

For the Year Ended 30 June 2024

Contents	Page
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.

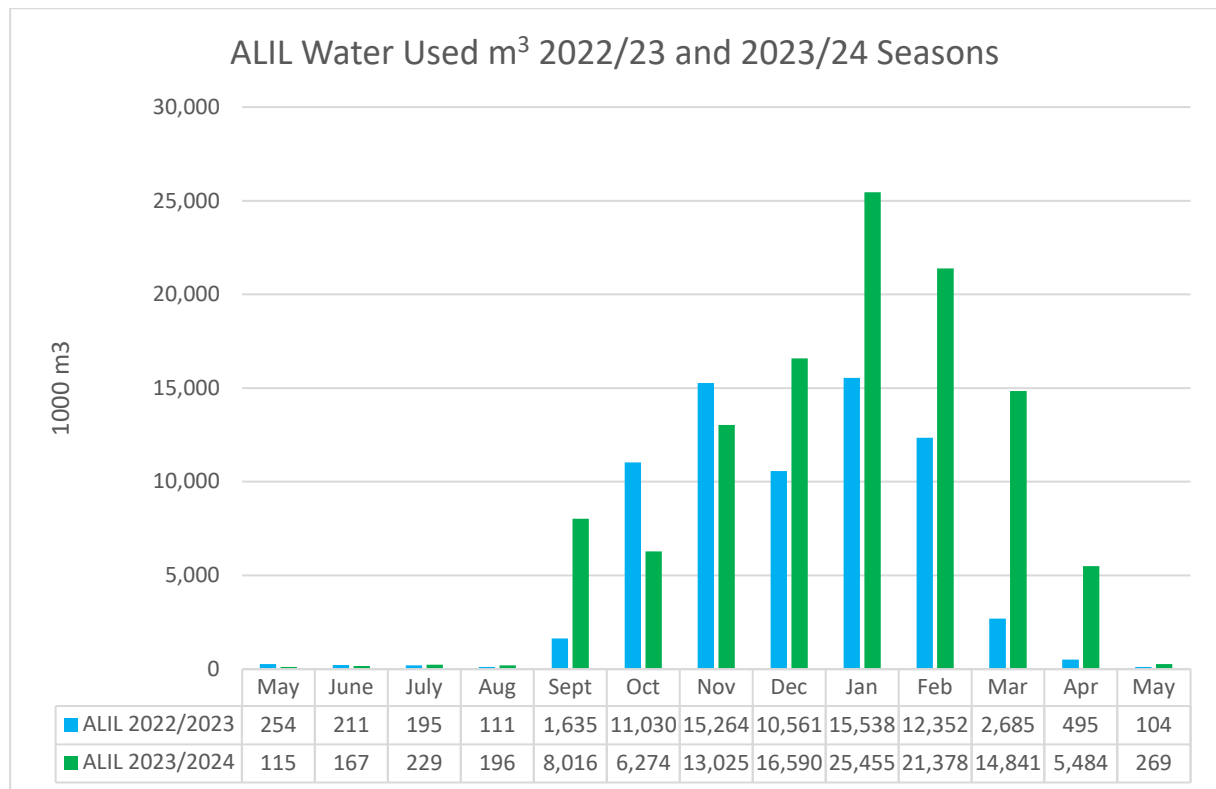


Figure 1: ALIL Supply from RDRML 2022/23 2023/24 Monthly water use (m³)

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 315,000m³ 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 23rd and 24th 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'.

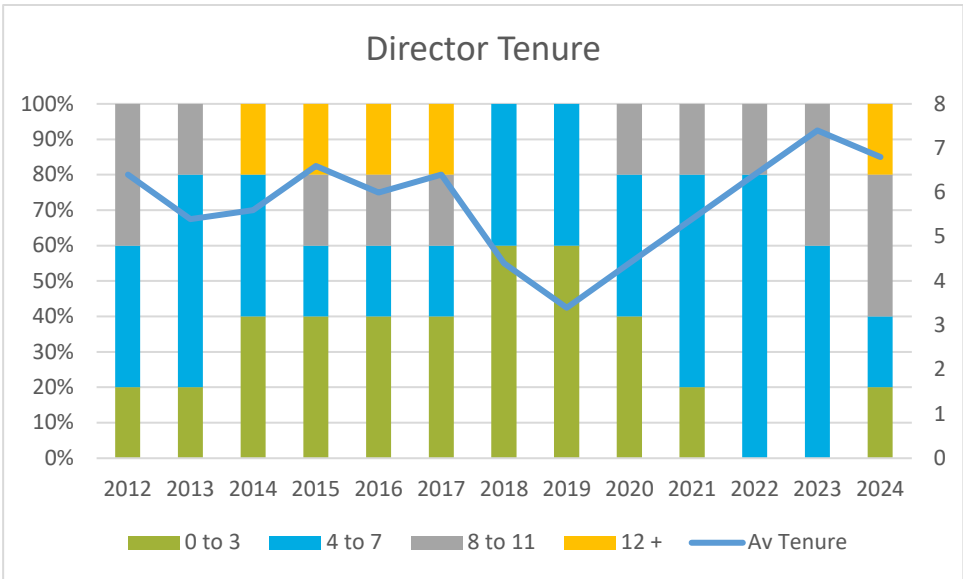
It was pleasing to see the increase in properties audited to Advanced Mitigation and the reduction in B grade audits. The low grades were issued due to irrigation management, sediment risk to waterbodies, and on-farm ponding of water in gateways.

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
		\$	\$
Income			
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
Less Expenses As Detailed:			
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
Operating Profit		(3,136,786)	5,277
Plus: Share Of Associates Profit		(16,848)	11,029
Profit / (Loss) Before Income Tax		(3,153,634)	16,306
Taxation Benefit		(279,502)	(1,139)
PROFIT / (LOSS) FOR THE YEAR		\$(2,874,132)	\$17,445
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$(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
	\$	\$	\$
Equity At 1 July 2022	39,431,672	985,637	40,417,309
Net Surplus / (Deficit) For The Period	-	17,445	17,445
Transactions with Owners:			
Net Share Capital Issued / Surrendered	3,339,371	-	3,339,371
Equity At 30 June 2023	<u>\$42,771,043</u>	<u>\$1,003,082</u>	<u>\$43,774,125</u>
Equity At 1 July 2023	42,771,043	1,003,082	43,774,125
Net Surplus / (Deficit) For The Period	-	(2,874,132)	(2,874,132)
Transactions with Owners:			
Net Share Capital Issued / Surrendered	159,840	-	159,840
Equity At 30 June 2024	<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)
Closing Cash		<u>\$78,326</u>	<u>\$86,426</u>

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

	2024		2023
	\$	\$	\$
Current Assets			
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
Non-Current Assets			
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
Total Assets		\$121,349,867	\$121,175,266
Current Liabilities			
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
Non-Current Liabilities			
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
Total Shareholders' Funds And Liabilities		\$121,349,867	\$121,175,266

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.

1. STAGE 1 PIPING SCHEME (GREENLINE)	2024	2023
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.

2. STAGE 2 PIPING	2024	2023
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.

3. STATEMENT OF CASH FLOW RECONCILIATION WITH REPORTED PROFIT	2024	2023
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)
Net Cash Flow From Operating Activities	<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

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