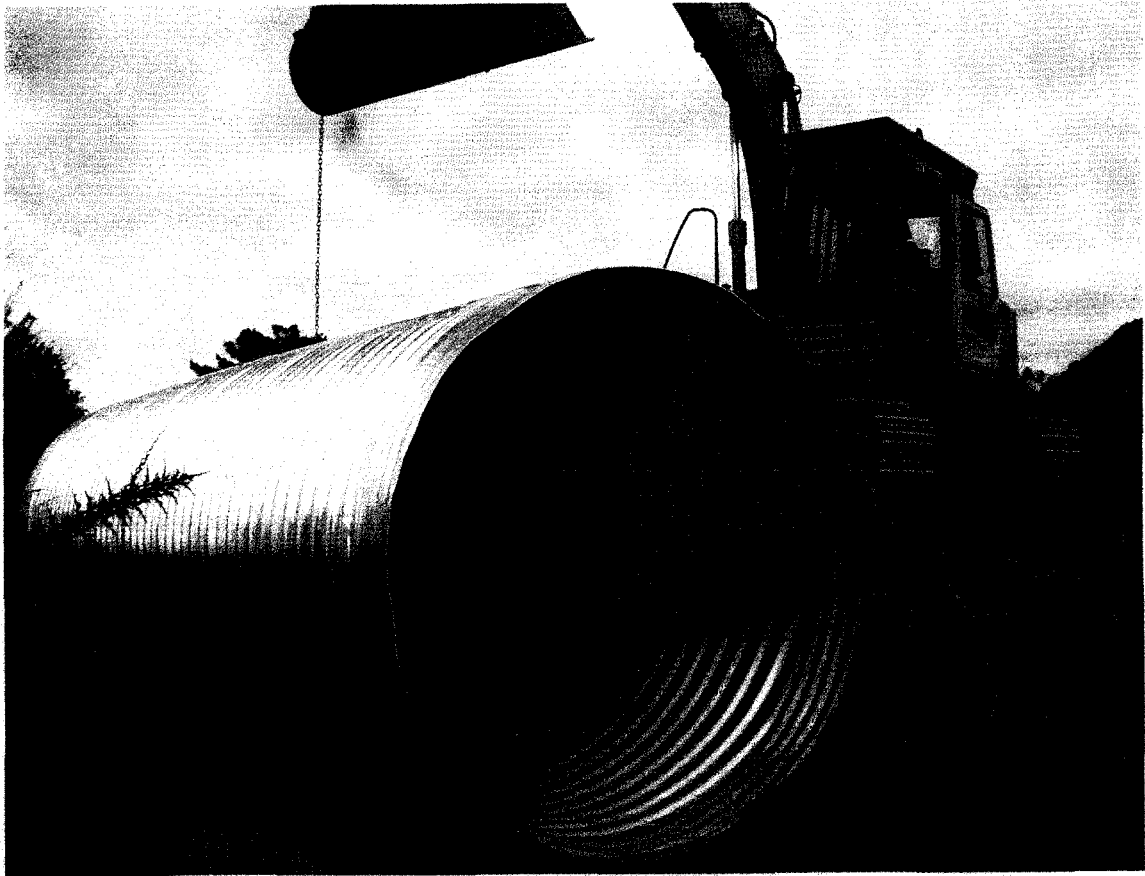




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Waimakariri Irrigation Limited



**Annual Report
For The Year Ended
30 June 2009**

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DIRECTORY

Directors

Richard W Allison (Chairman)
Gerald H (Gerry) Clemens (ceased 27 Nov 2008)
Andrew J Mehrtens
Graeme J Sutton
David G K Viles
Gavin R Reed (appointed 27 Nov 2008)

Secretary

Brent R Hassall

Registered Office

C/o Koller & Hassall Limited
267 High Street
RANGIORA

Accountants

Koller & Hassall Limited

Auditor

Prosser Quirke & Co.

Bankers

Bank of New Zealand

Solicitors

Chapman Tripp



CHAIRMAN'S REPORT

For The Year Ended 30 June 2009

The Directors are please to present Waimakariri Irrigation's 11th Annual Report.

The Annual Report reviews the previous year at a time when shareholders are head down focused on the current season. The report is historical, however it provides an opportunity to assess the main events and where constructive, provide an update.

The Full Year Result

The Group (combined WIL and North Canterbury Land Holdings) achieved an operating surplus before depreciation and taxation of \$454,517, up from \$31,400 in 2008.

The main expenditure changes were - salaries were up \$46,640 reflecting an increase of staff from three to four, general administration was down by \$60,741 and repairs & maintenance down by \$81,585.

The main income changes were – the irrigation water charge increased by \$206,101, the land rental was up \$25,489 and interest income up by \$11,603.

The upgrade has been completed by the start of the 2009/10 season ahead of budget allowing some early repayment of term funding.

Share Allocation

The 2008/09 year was dominated by the 1.5 cumec allocation process. The proposed capital raising allocation and shareholder distribution plan was, following shareholder direction, not pursued. The additional water available was distributed at no individual cost, to all shareholders. The full cost of the upgrade was and has been financed through increased borrowing by the company so increased interest costs will be experienced in future years.

Following the allocation of water to the existing 18,000 shares there was a share split where each A B or C share became seven shares equating to 126,000 new shares.

Completion of the upgrade has allowed the water supply to increase from 0.45 litres per second per hectare up to 0.675 litres per second per hectare for any shareholder. Under the efficient use of water rules in the NRRP shareholders may hold between 6 and 9 shares for each existing irrigable hectare they irrigated prior to the allocation.

Approximately 50% of the scheme shareholders were able to access their entitlement for the second half of the season. Following the upgrade completion over the 2009 winter, all shareholders now have access to the additional water.

Communication

An outcome of the share allocation process was that Shareholders requested more regular updates from the Board and management. Quarterly newsletters have been maintained. An autumn workshop with five guest speakers was not well attended.



During the year the Board and Management have addressed the following issues –

Operational and Technical Issues:

- Telemetry Evaluation
- Completion of 1.5 cumec upgrade 2009 winter
- The completion of the On Farm Storage supplemental agreement
- Completion of the licence to operate in WIL races agreement.

Resource Consent Issues:

- WRRP Change 1 discussions with ECAN
- Central Plains Resource Consent – Submission
- Implementation of 1.5 cumecs ex Eyre River Recharge Consent
- Implementation of on farm surveys to 20 % of shareholders

Strategic Issues:

- Canterbury Strategic Water Strategy
- Hydro Power Generation Project
- Water Storage Project
- Ngai Tahu Property Irrigation Project

Other Initiatives:

- Lysimeter Project with ECAN
- NIWA Irrigation Efficiency project
- Initiation of WIL Risk Evaluation project with MWH

Management and Governance

It is a credit to WIL staff, Phill Reid, Alan Buckland, Danny Reid and Russ Carmody, that the upgrade was completed over the 2008 and 2009 winters in time for the 2009 spring.

The development was completed well under budget and with few problems. This success is a combination of Phill's thirty years of experience, the dedication of our local contractors and the co-operation and patience of our local community.

At the 2008 AGM, the Chairman, Gerry Clemens, was not re-elected as a director. Gerry's dedicated and disciplined contribution to the Board spanned from the incorporation of the company, through the main scheme build, two scheme upgrades and the instigation of the storage strategy with the purchase of land. Gerry was elected chairman in December 2003 and has played a large role in the development of the company for which I thank him on behalf of the Board and shareholders.


Gavin Reed was elected a director at the 2008 AGM. Gavin; as a founding shareholder, has always taken a strong interest in the company and has made a sound and practical contribution in his new role.



Just as farming is a very visual business, our Irrigation Company is both in the public eye as well as being very important in our community. Public scrutiny of WIL has increased over the last 11 years, which is understandable due to the importance of responsible use of water.

Much of the regulatory requirements are not visible to our shareholders. The extent of our compliance requirements comes as some surprise to new Directors. With the Ngai Tahu development expected in the 2010 and 2011 winters, potentially in parallel with MainPower generation, and the roll out of the CWMS, your company will be going through further transition and change.

Through this change your Board commits to communicate via newsletters, workshops and consult where possible. Working together will ensure our company has a strong, productive and an important future in our community.



Richard W Allison
Chairman
13 October, 2009

DIRECTORS' REPORT

Your directors have pleasure in presenting the Annual Report for the year ended 30 June 2009.

Principal Activities

The provision of an irrigation water supply to farmers in certain areas of the Waimakariri District between the Waimakariri and Ashley Rivers.

Financial Summary

Summary of the Financial Results for the five years ended 30th June 2009.

	Group 2009 \$	Group 2008 \$	Group 2007 \$	WIL 2006 \$	WIL 2005 \$
Operating Profit before Depreciation	454,517	31,399	282,069	402,191	476,390
Less Depreciation	395,208	395,313	371,818	366,807	364,583
OPERATING SURPLUS / (LOSS)	\$59,309	(\$363,914)	(\$89,749)	\$35,384	\$111,807
Equity:					
Share Capital	7,244,000	7,244,000	7,244,000	7,244,000	7,244,000
Deficit of Earnings	(499,509)	(558,819)	(194,905)	(105,156)	(140,540)
TOTAL EQUITY	\$6,744,491	\$6,685,181	\$7,049,095	\$7,138,844	\$7,103,460
CAPITAL EXPENDITURE	\$1,458,019	\$200,827	\$1,628,178	\$260,790	\$422,181

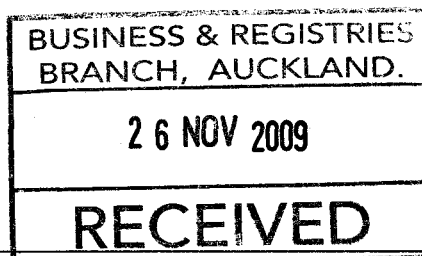
Directors Holding Office During The Year

Richard W Allison (Chairman)
 Gerald H (Gerry) Clemens (ceased 27 November 2008)
 Andrew J Mehrtens
 Graeme J Sutton
 David G K Viles
 Gavin R Reed (appointed 27 November 2008)

All of the directors of Waimakariri Irrigation Limited also were directors of the subsidiary North Canterbury Land Holdings Limited.

In accordance with the Company's Constitution one Director must retire in rotation and does so.

Mr Andrew J Mehrtens retires by rotation and has offered himself for re-election.



Remuneration of Directors

\$93,066 was paid to the directors for services to the Group relating to the year ended 30 June 2009.
(2008: \$90,000)

	Directors' Fees
Richard W Allison	26,467
Gerald H (Gerry) Clemens	17,482
Andrew J Mehrtens	14,933
Graeme J Sutton	12,000
David G K Viles	12,000
Gavin R Reed	7,118
Total Directors' Fees	\$90,000
Ex Gratia Payment – G H Clemens	3,066
Total Payments to Directors	\$93,066

Ex Gratia Payment

Following the 2008 annual meeting the directors' fees were set as follows - Chairman \$37,000, Deputy Chairman \$17,000, Directors \$12,000. The chairman's fees were previously \$50,000.

The directors agreed that it would be wrong for Mr Clemens to have his director's fees reduced for the period from 1st July 2008 to 27th November 2008 and therefore resolved:

THAT an ex gratia payment be made to Mr Clemens for the director's fees for the period 1st July 2008 to 27th November 2008 to take the level of those fees to the level paid during the year ended 30th June 2008. Such payment was sanctioned by clause 69 of the Constitution.

Remuneration of Employees

No employee of the company received remuneration during the year exceeding \$100,000.

Current Entries in the Company's Interests Register

Director	Interested Party
Richard W Allison	Peppertree Preschool Ltd; MainPower Trust, North Canterbury Land Holdings Ltd
Andrew J Mehrtens	Malvern Farmers Veterinary Club (Inc), B I Mehrtens Trust, A.J. & J.F. Mehrtens Family Trust, North Canterbury Land Holdings Ltd
Graeme J Sutton	Larundel Dairy Partnership, Larundel Holdings Ltd, NZ Industry Training Organisation, Irrigation New Zealand Inc, North Canterbury Land Holdings Ltd, Inniskillen Dairy Ltd.
David G K Viles	Enterprise North Canterbury; Prime Building Compliance Ltd; Delta Woods Ltd, North Canterbury Land Holdings Ltd, Mainpower N.Z. Ltd, Talanton Consultants Ltd
Gavin R. Reed	North Canterbury Land Holdings Ltd

Schedule of Directors' Shareholdings at 30th June 2009

Richard W Allison	280 Shares
Andrew J Mehrtens	2247 Shares
Graeme J Sutton (Larundel Dairy Partnership)	2527 Shares
Gavin R Reed	854 Shares

Share Dealings by Directors

During the year, director Andrew Mehrtens had an interest in the following share transaction:

Date: 14 August 2008 Purchase 2 class A water shares Consideration Paid: \$6,000

No other director had an interest in any other sale or purchase of shares during the year.

Donations

The Group made no donations during the year.

Auditors

Prosser Quirke and Co. are the auditors of Waimakariri Irrigation Limited and have signified their willingness to continue. A resolution to re-appoint them as Auditor in accordance with section 196(l) of the Companies Act 1993 will be proposed at the Company's Annual General Meeting.

Audit fees paid to Prosser Quirke and Co. during the year totalled \$5,000. The auditors provided other services regarding bonus shares and management issues and \$1,200 has been paid to them for those services.


Co-operative Company Status

On Wednesday, 4th June 2009 the directors unanimously passed the following resolution:-

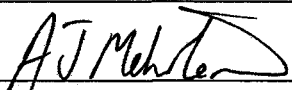
THAT pursuant to section 10 of the Co-operative Companies Act 1996, in the opinion of the Board, the Company has, throughout the accounting period to which the Annual Report for the year ended 30th June, 2009 relates, been a co-operative company and that the reasons for the directors' opinions are -

- (a) that they reaffirm the value of the co-operative company as a measure of facilitating its shareholders carrying on business on a mutual basis.
- (b) that the principal activity of the company remains, as stated in the constitution, a co-operative activity in which not less than 60 percent of the voting rights are held by transacting shareholders.

These financial statements were adopted by the Board at its meeting on 8 October 2009 and approved for issue to shareholders:



Richard W. Allison (Director)



Andrew J Mehrtens (Director)

Date: 8 October 2009

PROSSER QUIRKE & CO.

Chartered Accountants & Business Advisors

PARTNERS: Peter J Quirke, C.A., J.P. , Donald M Robertson, B Comm., B Comm. (Ag), C.A.

AUDIT REPORT TO SHAREHOLDERS OF WAIMAKARIRI IRRIGATION LIMITED

We have audited the financial statements on pages 10 to 19 of the Annual Report of Waimakariri Irrigation Limited for the year ended 30 June 2009. The report provides information about the past financial performance of the Company and the Group and their financial position as at 30 June 2009 This information is stated in accordance with the accounting policies set out in the report.

Directors Responsibilities

The Directors are responsible for the preparation of a financial report to give a true and fair view of the financial position of the Company and the Group as at the 30 June 2009 and of the results of operations and cash flows for the year ending at that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion of the financial statements presented by the board and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the statements. It also includes assessing:

- the significant estimates and judgements made by the Directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We conducted our audit according to generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements detailed on pages 10 to 19 are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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We have audited the Financial Statements of North Canterbury Land Holdings Limited and also the consolidation of Waimakariri Irrigation Limited and North Canterbury Land Holdings Limited as prepared by Koller and Hassall Limited and there are no matters arising from the consolidation or audit.

Other than in our capacity as auditors we have no relationship with or interests in Waimakariri Irrigation Limited or the Group.

We have obtained all the information and explanations that we have required.

In our opinion:

- Proper accounting records have been kept by the Board as far as appears from our examination of those records; and
- The Financial Statements on pages 10 to 19:
 - comply with generally accepted accounting practice: and
 - give a true and fair view of the financial position of Waimakariri Irrigation Limited and the Group as at 30 June 2009, and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 15th October 2009 and our unqualified opinion is expressed as at that date.



PROSSER QUIRKE & CO.
Chartered Accountants
Rangiora

15th October 2009

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STATEMENT OF FINANCIAL PERFORMANCE
For The Year Ended 30 June 2009

	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
OPERATING REVENUE				
Irrigation Water Charges	1,417,501	1,211,400	1,417,501	1,211,400
Stock Water Race Management	156,972	152,050	156,972	152,050
Share Transfer Fees	7,111	10,444	7,111	10,444
Reimbursement Stockwater Wages	568	1,321	568	1,321
Rental Income	55,587	30,098	-	-
Sundry Income	36,000	36,000	36,000	36,000
Interest Income	19,022	7,419	18,843	2,412
	1,692,761	1,448,732	1,636,995	1,413,627
Less EXPENSES				
Operating Expenses	72,101	78,536	68,840	71,399
Vehicle Expenses	61,521	51,464	61,521	51,464
Repairs and Maintenance	152,250	233,835	152,250	232,034
Audit Fees	6,175	4,925	5,325	4,075
Directors Fees	93,066	90,000	93,066	90,000
Employee Salaries	250,777	204,137	250,777	204,137
General Administration Expenses	176,491	237,232	174,246	237,230
Insurances and ACC Levies	36,773	36,832	36,773	36,832
Prospectus & Share Restructure Costs	61,211	113,153	61,211	113,153
Other Legal Fees	33,351	45,629	33,351	45,629
Interest Paid	294,528	271,545	172,206	131,924
Storage Research	-	50,046	-	50,046
	1,238,244	1,417,332	1,109,566	1,267,923
OPERATING SURPLUS	\$454,517	\$31,400	527,429	\$145,704
BEFORE DEPRECIATION AND TAXATION				
Depreciation and Amortisation Expense	395,208	395,313	395,208	395,313
Income Tax Expense	-	-	-	-
NET OPERATING SURPLUS/(DEFICIT)	\$59,309	(\$363,913)	\$132,221	(\$249,609)

STATEMENT OF MOVEMENTS IN EQUITY
For The Year Ended 30 June 2009

	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
Opening Equity	6,685,182	7,049,095	6,858,557	7,108,166
Total Revenues and Expenses for the Year	59,309	(363,913)	132,221	(249,609)
Calls on Share Capital	-	-	-	-
Net Movement in Equity	59,309	(363,913)	132,221	(249,609)
CLOSING EQUITY	\$6,744,491	\$6,685,182	\$6,990,778	\$6,858,557



STATEMENT OF FINANCIAL POSITION
As At 30 June 2009

	Notes	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
EQUITY					
Share Capital	5	7,244,000	7,244,000	7,244,000	7,244,000
Retained Earnings	6	(499,509)	(558,819)	(253,222)	(385,443)
		6,744,491	6,685,181	6,990,778	6,858,557
NON CURRENT LIABILITIES					
	13	4,134,173	670,000	2,584,173	670,000
CURRENT LIABILITIES					
Bank Overdraft	-	-	-	-	-
Accounts Payable and Accruals	12	534,990	194,075	528,582	187,250
Current Portion of Term Loan		333,827	2,195,000	333,827	645,000
	4	868,817	2,389,075	862,409	832,250
TOTAL EQUITY AND LIABILITIES		\$11,747,481	\$9,744,256	\$10,473,360	\$8,360,807
NON CURRENT ASSETS					
Property, Plant & Equipment	7	10,067,818	9,007,470	8,510,659	7,450,311
Advances to Subsidiary		-	-	268,322	204,322
Intangible Assets	8	593,783	612,318	593,783	612,318
CURRENT ASSETS					
Bank and Short Term Deposits		970,279	37,355	951,075	8,695
Accounts Receivable		31,832	61,938	29,998	61,938
Prepayments		8,488	8,285	8,488	8,285
G.S.T. Receivable		71,568	14,557	71,568	14,558
Income Tax Refund		3,713	2,333	3,467	380
		1,085,880	124,468	1,064,596	93,856
TOTAL ASSETS		\$11,747,481	\$9,744,256	\$10,437,360	\$8,360,807

R. W. Allison

Richard W Allison
 Director

A. J. Mehrstens

Andrew J Mehrstens
 Director

Date: 8 October 2009



STATEMENT OF CASH FLOWS
For The Year Ended 30 June 2009

	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
<u>Cash Flows From Operating Activities:</u>				
<i>Cash was provided from -</i>				
Receipts from Customers	1,700,101	1,419,415	1,646,144	1,389,317
Interest Received	15,450	6,247	15,330	2,281
Income Tax Refunds	2,146	241	380	241
Net Goods and Services Tax Refunds	1,253	6,170	-	3,720
	1,718,950	1,432,073	1,661,854	1,395,559
<i>Cash was applied to -</i>				
Payments to Suppliers	(937,586)	(1,070,512)	930,993	(1,060,764)
Interest paid	(295,159)	(269,804)	171,200	(130,183)
Net Goods and Services Tax Payments	(18,983)	-	18,983	-
	(1,251,728)	(1,340,316)	(1,121,176)	(1,190,947)
NET CASH INFLOW FROM OPERATING ACTIVITIES	467,222	91,757	540,678	204,612
<u>Cash Flows From Investing Activities:</u>				
<i>Cash was applied to -</i>				
Purchase of Property, Plant & Equipment	1,137,298	(209,308)	1,137,298	(209,308)
Advances Made to Subsidiary	-	-	64,000	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	1,137,298	(209,308)	(1,201,298)	(209,308)
<u>Cash Flows From Financing Activities:</u>				
<i>Cash was provided from -</i>				
Loans Raised	1,768,000	340,000	1,768,000	340,000
<i>Cash was applied to -</i>				
Debt Repayment	(165,000)	(165,000)	(165,000)	(165,000)
NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES	1,603,000	175,000	1,603,000	175,000
NET CASH INCREASE/(DECREASE) DURING THE YEAR	932,924	57,449	942,380	170,304
Starting Cash on Hand at 1 July	37,355	(20,094)	8,695	(161,609)
ENDING CASH ON HAND AT 30 JUNE	\$970,279	\$37,355	(\$951,075)	\$8,695
<u>Consisting Of:</u>				
Cash/(Overdraft) at Bank	970,279	37,355	951,075	8,695
Short Term Deposits	-	-	-	-
TOTAL CASH ON HAND	\$970,279	\$37,355	\$951,075	\$8,695



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2009

1. Statements of Accounting Policies

Reporting Entity

Waimakariri Irrigation Limited was formed to construct, operate and maintain an irrigation system.

Waimakariri Irrigation Limited ("the Company") is a company registered under the Companies Act 1993 and the Co-operative Companies Act 1996.

Waimakariri Irrigation Limited and its wholly owned subsidiary North Canterbury Land Holdings Limited make up the WIL Group.

The company is an issuer for the purposes of the Financial Reporting Act 1993.

These financial statements have been prepared in accordance with the requirements of the Companies Act 1993, and the Financial Reporting Act 1993. These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand. (NZ GAAP) They comply with the New Zealand Equivalents to International Financial Reporting Standards. (NZ IFRS)

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis are followed by the WIL Group, with the exception of certain items for which specific accounting policies are identified.

Presentation Currency

These financial statements are presented in New Zealand dollars. (\$)

Specific Accounting Policies

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

1.1 Property, Plant & Equipment and Depreciation

Property, Plant & Equipment are recorded at cost less depreciation provided to date.

Depreciation is charged on a straight-line basis except for Motor Vehicles, which are depreciated on a diminishing value basis. Land is not depreciated.

Depreciation rates are:	Life (years)	Rates
Computer and Control Equipment	5	15% - 36%
Workshop and Buildings	33	2% - 3%
Fencing	13	7.8% - 8.4%
Motor Vehicles	5	15.6% - 30%
Office Equipment	8	12% - 48%
Plant and Equipment	15	3% - 80%
Irrigation Piping and Reticulation	50	2%
Race Structures and Reservoirs	100	1% - 6.6%

1.2 Intangible Assets

Intangible Assets are recorded at cost less amortisation provided to date. Amortisation is charged on a straight-line basis.

Intangible Asset:	Useful Life	Amortisation Rate
Resource Consents	35 years	2.9%

1.3 Receivables

Receivables are stated at their book value, which is also their estimated realisable value. No provision has been made for doubtful debts. The directors consider that all receivables are fully collectable.

1.4 Goods and Services Tax

The financial statements have been prepared on a G.S.T. exclusive basis, with the exception of Accounts Receivable and Accounts Payable, which are stated inclusive of Goods and Services Tax.

1.5 Income taxation

Income tax expense charged to the financial performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method. Tax effect accounting is applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

1.6 Financial Instruments

Revenue and expenses in relation to all financial instruments are recognised in the statement of financial performance. All financial instruments are recognised in the Statement of Financial Position. These instruments are carried at their estimated fair value.

1.7 Research and Development Costs

Research expenditure is recognised in the statement of financial performance in the period in which it is incurred. Development costs are deferred where future benefits are expected to exceed those costs, otherwise such costs are recognised in the statements of financial performance in the period in which they are incurred. Deferred development costs are amortised over future periods in relation to the expected future revenue in each period.

1.8 Consolidation of Financial Statements

The financial statements of the Group are the consolidated financial statements of Waimakariri Irrigation Limited and its wholly own subsidiary North Canterbury Land Holdings Limited. All inter-company transactions have been eliminated on consolidation.

1.9 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Revenue

At balance date the supply of Irrigation Water and Stock Water Race Management for the season was fully completed and revenue from these sources is fully recognised in the financial statements. Revenue from Share Transfer Fees is recognised only upon receipt. Reimbursement of Stockwater Wages is recognised as work is completed. Rental and Sundry Income is recognised as the company/group becomes entitled to receive payment. Interest income is accrued up to balance date.

1.11 Payables

Trade payables and other accounts payable are recognised when the company/group becomes obliged to make future payments resulting from the purchase of goods and services. Payables are stated at the full amount required to satisfy the legal obligations to the supplier.

1.12 Cash & Short Term Deposits

Cash and Short Term Deposits comprise solely of cash in bank accounts on immediate call.

1.13 Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied consistently during the period.

2. Taxation

	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
Operating Surplus/(Deficit) before taxation	59,309	(363,913)	132,221	(249,609)
Effect of permanent differences:				
Non-deductible Entertainment	581	755	581	755
Effect of timing differences:				
Non-Deductible Holiday Pay	(9,917)	11,590	(9,917)	11,590
Prospectus & Share Issue Costs	61,211	113,153	61,211	113,153
Non-Assessable Interest Accrual	-	912	-	-
TAXABLE INCOME FOR CURRENT YEAR	111,184	(237,503)	184,096	(124,111)
Loss brought forward from Prior Years	390,317	152,814	216,942	92,830
TAX LOSS TO CARRY FORWARD	\$279,132	\$390,317	\$32,846	\$216,942

The Company has a cumulative unrecognised tax loss of \$32,846 that is available to be carried forward for off-set against future assessable income. The tax benefit of this loss is \$9,853.80.

The Group has a cumulative unrecognised tax loss of \$279,132 that is available to be carried forward for off-set against future assessable income. The tax benefit of this loss is \$83,740.

<u>Imputation Credit Account:</u>	Group 2009	Group 2008	WIL 2009	WIL 2008
Opening Balance 1 July	3,512	1,420	1,559	1,420
Resident Withholding Tax Deductions	3,526	2,333	3,467	380
Income Tax Refund Received	(2,147)	(241)	(380)	(241)
CLOSING BALANCE 30 JUNE	4,892	3,512	4,646	1,559

3. Financial Instruments

Credit risk

Financial instruments which potentially subject the WIL Group to credit risk principally consist of bank accounts and accounts receivable.

The maximum exposure to credit risk at balance date is the fair value of the instruments as stated in the Statement of Financial Position.

Concentration of credit risk

In respect of the bank deposits, deposits are invested with policies which are averse to risk and cash is held in minimal quantities. The WIL Group does not have any significant concentrations of credit risk.

The WIL Group places its cash and short term investments with financial institutions which have a Standards and Poors credit rating of "A" or better and also limits the amount of credit exposure to any one financial institution.

Currency risk

The WIL Group has minimal currency risk given that all financial instruments are transacted in New Zealand dollars.

Interest rate risk

The Group has exposure to interest rate risk to the extent that it borrows or invests for a fixed term at fixed rates.

The Group manages its costs of borrowing by having fixed interest rates on its long-term loans. However, to minimise the Interest Rate Risk these loans have staggered maturity dates of approximately two years apart. The borrowings are disclosed in note 13.

Investments are held short term with fixed interest rates and with maturities not exceeding one year. Consequently, the company is not exposed to significant interest rate risk.

4. Working Capital

At balance date the Group's current assets exceeded the current liabilities by \$217,063 (2008 liabilities exceed assets by \$2,264,607). The directors note that:

- 1) The Group has financing arrangements, in place with its bank, to ensure that the company is able to pay its debts as they fall due.
- 2) The majority of debt is expected to be rolled over as it matures.
- 3) The Group's activities are seasonal in nature and the majority of income is invoiced in the first half of the Group's financial year.
- 4) Current liabilities include \$333,827 of debt repayment that is not due until nine months after balance date.
- 5) The Group's budget for the 2010 financial year shows that the company will be able to meet all expected payments for the next twelve months.



5. Share Capital	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
Ordinary 'A' Class Shares - 11,000	-	4,004,000	-	4,004,000
Ordinary 'B' Class Shares - 3,000	-	1,200,000	-	1,200,000
Ordinary 'C' Class Shares - 4,000	-	2,040,000	-	2,040,000
Ordinary Water Shares – 126,000	7,244,000	-	7,244,000	-
TOTAL CAPITAL	\$7,244,000	\$7,244,000	\$7,244,000	\$7,244,000

11,000 'A' class shares were issued at \$364 each on the 7 August 1999.
3,000 'B' class shares were issued at \$400 each on the 1 December 2000
4,000 'C' class shares were offered for sale at \$510 each during the 2002 year.
On 14 August 2008 the company had a 7 for one share split. All shares have now been reclassified as "Ordinary Water Shares" with a nominal value of \$57.49 each.

All water shares have equal voting rights and share equally in dividends and any surplus on winding up.

6. Retained Earnings	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
Opening Retained / (Deficit of) Earnings	(558,818)	(194,905)	(385,443)	(135,834)
Operating Surplus / (Deficit) after Tax	59,309	(363,913)	132,221	(249,609)
RETAINED / (DEFICIT OF) EARNINGS	(\$499,509)	(\$558,818)	(\$253,222)	(\$385,443)

7. Property, Plant & Equipment

	Cost \$	2008 Book Value \$	2009 Additions (Disposals) \$	2009 Depreciation Claimed \$	Accumulated Depreciation \$	2009 Book Value \$
WIL						
Computer & Control Equip	696,678	93,762	62,865	53,371	656,287	103,256
Land	10,000	10,000	-	-	-	10,000
Buildings	44,082	39,266	-	1,524	6,340	37,742
Fencing	972,347	331,434	4,131	76,018	716,931	259,547
Motor Vehicles	174,523	115,204	19,538	30,055	70,192	105,753
Office Equipment	4,188	-	-	-	4,188	-
Plant and Equipment	1,016,095	559,855	19,900	76,604	529,419	504,151
Pipes and Reticulation	4,061,988	3,431,291	547,161	87,148	717,846	3,891,304
Race Structures	3,135,877	2,869,499	777,269	47,863	314,241	3,598,905
WIL TOTAL	10,115,778	7,450,311	1,430,864	372,583	3,015,443	8,510,658
Subsidiary						
Land	1,557,159	1,557,159	-	-	-	1,557,159
GROUP TOTAL	11,672,937	9,007,470	1,430,864	372,583	3,015,443	10,067,818

8. Intangible Assets

The company has a number of resource consents issued by Environment Canterbury. The consents are variously to allow the company to draw water from the Waimakariri River, convey the water over land and to apply the water to the ground. The consents are for 35-year periods, and are being amortised on a straight-line basis over their life.

	Cost	2008 Book Value	2009 Additions (Disposals)	2009 Amortisation Recognised	Accumulated Amortisation	2009 Book Value
	\$	\$	\$	\$	\$	\$
Resource Consents	823,305	612,318	6,155	24,691	235,678	593,782

9. Cashflow Reconciliation

Reconciliation of Net Operating Surplus With Cashflow From Operating Activities

	Group 2009	Group 2008	WIL 2009	WIL 2008
	\$	\$	\$	\$
Net Operating Surplus/(Deficit)	59,309	(363,914)	132,221	(249,610)
Add Non Cash Items				
Depreciation and Amortisation	395,208	395,313	395,208	395,313
R.W.T. Deductions from Interest Income	(3,526)	(2,333)	(3,467)	(380)
	391,682	392,980	391,741	394,933
Add (Less) Movements in Working Capital				
(Increase) Decrease in Accounts Receivable	30,106	(3,216)	31,940	(4,128)
(Increase) Decrease in Prepayments	(203)	(330)	(203)	(330)
Income Tax Refund Received	2,146	241	380	241
Increase (Decrease) in Accounts Payable	39,588	57,818	39,825	57,778
Increase (Decrease) in Interest Accrued	147	1,741	1,784	1,741
(Increase) Decrease in G.S.T. Receivable	(55,553)	6,437	(57,010)	3,987
	16,231	62,691	16,716	59,289
NET CASH FROM OPERATING ACTIVITIES	\$467,222	\$91,757	\$540,678	\$204,612

10. Contingent Liabilities

The Company has guaranteed the bank loans made to its subsidiary. The amount of the loans so guaranteed was \$1,550,000 as at 30 June 2009. (2008 – \$1,550,000)
The Group has no known contingent liabilities as at 30 June 2009. (2008 – Nil)

11. Commitments

The Company and Group did not have any capital or operating lease commitments at balance date. (2008 nil)

12. Accounts Payable and Accruals	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
Trade Creditors	447,768	130,090	446,918	129,803
Employee Entitlements	66,590	44,156	66,590	44,156
Accruals	17,252	17,905	15,074	13,290
G.S.T. Payable	3,380	1,923	-	-
	\$534,990	\$194,075	\$528,582	\$187,250

13. Non Current Liabilities	Group 2009 \$	Group 2008 \$	WIL 2009 \$	WIL 2008 \$
Total Term Loans	4,468,000	2,865,000	2,918,000	1,315,000
Less Current Portion	333,827	2,195,000	333,827	645,000
	\$4,134,173	\$670,000	\$2,584,173	\$670,000
Repayable as follows:				
Between one and two years	366,243	247,500	366,243	247,500
Between two and five years	2,128,457	82,500	578,457	82,500
Beyond five years	1,639,473	340,000	1,639,473	340,000
	\$4,134,173	\$670,000	\$2,584,173	\$670,000

- The loans are secured by a debenture over the Groups assets and undertakings including a registered first mortgage over the Group's real property.
- The Waimakariri District Council guarantees \$660,000 of the Company's loans until 30 June 2011. The council does not guarantee any of the subsidiary's borrowings.
- Interest rates are fixed with rates ranging from 7.49% to 9.93%.

14. Significant Events After Balance Date

The upgrade of the irrigation scheme's water races to allow for the additional supply of increased volumes of water will be completed during the year ended 30th June 2010. The expenditure is to be financed in full by a loan from the Bank of New Zealand.

15. Transactions With Related Parties

During the year, irrigation water charges were made to the shareholder-directors in the normal course of the company's business. The total value of these transactions was \$64,627 (2008 \$51,956). Additionally, a used item of plant, now surplus to the company's requirements, was sold to director Andrew Mehrtens for \$1000. The sale price is what the item could have expected to realise if sold by auction.

There were no other transactions with related parties during the past year.

There were no outstanding balances owing to or from, related parties at balance date.

No related party debts have been written off or forgiven during the year.