

ANNUAL REPORT

2025

FOR THE YEAR ENDED
30 JUNE 2025



**A cooperative driven to
enhance our farmers
and community with
intergenerational
stewardship of our wai,
whenua and awa.**



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Chairman's Report

INTRODUCTION

On behalf of the Board, I am pleased to present the Annual Report for Waimakariri Irrigation Limited (WIL) for the financial year ending 30 June 2025. This year has been one of forward momentum, as we have continued to adapt to a changing regulatory environment, advanced our drive for improved Scheme reliability, and deepened our commitment to environmental stewardship and shareholder engagement.

Strategic and Operational Highlights

WRIGHTS ROAD STORAGE – BURNT HILL STORAGE LIMITED

Following the 31 January 2024 shareholder vote, which achieved 71.3% support but fell just short of the 75% threshold required for a major transaction, the Board has continued to advance the Wrights Road storage initiative through an alternative structure. This year marked the formal establishment of Burnt Hill Storage Limited (BHSL), a separate company created to own the Wrights Road storage ponds. BHSL will be managed by WIL under a comprehensive Services Agreement, which will ensure operational continuity and leverage WIL's expertise.

A pivotal component of the BHSL funding strategy is the financial support from Kānoa – Regional Economic Development & Investment Unit, which has committed \$15.6 million over a four-year period. The Kānoa support structure is designed to enable full project funding in combination with shareholder equity, WIL investment, and senior bank debt. The main advantage to shareholders is that they can spread their equity contribution over three instalments rather than having to provide one up-front lump payment.

The Board has worked closely with PwC, Chapman Tripp, and BNZ to refine the financial model while ensuring all lender conditions are met. Provided all necessary financial arrangements are in place, the offer of shares in BHSL is scheduled to open in early November and to close in early December.

The Board remains confident that this structure provides a robust and equitable pathway to deliver long-term water reliability for participating shareholders, while preserving choice and flexibility for the wider cooperative.

ENVIRONMENTAL TEAM EXPANSION

This year saw further strengthening of our environmental team, with the appointment of Georgina (Georgie) Woods as Environmental Advisor, joining Environmental Manager Ben Howden. The team has played an important role in supporting shareholders through the transition to Freshwater Farm Environment Plans (FWFPs), along with running a series of training days. This support demonstrates

WIL's commitment to helping our shareholders meet their farming goals while at the same time reaching their environmental targets.

In addition, the environmental team continues to coordinate the Scheme's biodiversity initiatives, including the distribution of 26,000 native plants from the Eco Action Nursery Trust for planting projects across the scheme. Under the guidance of WIL's Biodiversity Lead, Dan Cameron, they have helped facilitate riparian planting and catchment enhancement projects while working closely with the Waimakariri Biodiversity Trust (WBT) and other community partners.

REGULATORY AND CONSENT RENEWAL

The renewal of our discharge consent (CRC184861) has continued as a major focus this year. The three-year renewal process is now nearing the end. At the time of writing, it appears that the application will be processed on a non-notified basis.

The stringent targets set out in Plan Change 7 (PC7) and the fact that most shareholders are well on their way to meeting the 2030 targets has helped to support WIL's application.

WIL, along with other irrigation schemes and industry bodies, has continued to monitor legislative changes, including the amendment to section 107 of the Resource Management Act, which has restored balance to the discharge consent approval process and provided confidence in the renewal process.

CAPITAL WORKS AND INFRASTRUCTURE

Our capital works programme has continued at pace, with key projects undertaken, including the completion of the Wolffs Road water race repair and the Warren Road syphon risk mitigation project. Earlier in the year, we also completed the Buffer Pond lining project.

The operational team of Jamie Hamilton, Dan Reid, Russ Carmody and William Tallott, remain committed to a programme of continual improvement through enhancing operational efficiency. This has included the installation of additional automation across the scheme and working through year two of a four-year programme to automate all on-farm storage pond inlet controls.

TECHNOLOGY AND INNOVATION

WIL continues to invest in technology to enhance operational efficiency, data transparency, and environmental compliance. This year, we spearheaded several key initiatives, including the integration of our GIS platform with Assura (health and safety and asset management software), which enables seamless asset tracking and inspection



WIL's embankment lining project was completed during the winter months of 2025.

workflows. This integration has improved visibility across the scheme's infrastructure while also streamlining reporting for asset management, compliance and maintenance.

By working closely with Eliot Sinclair, WIL has enhanced its GIS capabilities with the creation of new dashboards and viewers for Farm Environment Plans (FEPs) that map, in detail, all attributes of the farm both individually, at a priority zone level, and at an aggregated scheme level. This allows WIL to accurately track improvements across all levels of the scheme, which is essential for demonstrating compliance.

We have continued integrating new technology to strengthen risk management and compliance, underscoring WIL's commitment to maintaining a safe environment for staff, contractors and shareholders. Health and safety remains central to our operations and culture.

COLLABORATION AND COMMUNITY ENGAGEMENT

Collaboration remains a cornerstone of our approach. This year, WIL has continued to work closely with other irrigation schemes, Environment Canterbury, Waimakariri District Council, and community groups to share knowledge and best practices.

WIL has supported shareholder-led biodiversity and planting projects, scheme and biodiversity tours for key stakeholders and participated in joint submissions on regulatory matters.

WIL is proud to sponsor local events, such as the Oxman Triathlon and school initiatives, which reinforce our commitment to community wellbeing.

FINANCIAL PERFORMANCE

The financial performance of WIL for the year ending 30 June 2025 showed a net profit after tax of \$161,951. Our total income for the year was \$5,547,379, and our total expenses were \$5,320,729.

Key contributions to our financial performance include the successful implementation of our capital works programme, efficient management of operating expenses, and the positive impact of our environmental initiatives.

We have also maintained a healthy balance sheet, with total assets of \$21,867,830 and total liabilities of \$4,321,438. Our cash flow position remains robust, and we are well-positioned to meet our financial obligations and invest in future growth opportunities.

OUTLOOK FOR 2025/26

Looking ahead, the Board's priorities are clear:

- Finalise and implement the Burnt Hill Storage Ltd solution which provides certainty for shareholders seeking water reliability.
- Continue to lead in environmental performance, while supporting shareholders through regulatory change and delivering tangible biodiversity outcomes.
- Invest in operational excellence by leveraging data and technology to drive efficiency and compliance.
- Maintain strong governance and stakeholder engagement to ensure that WIL remains a trusted partner for shareholders, regulators, and the wider community.

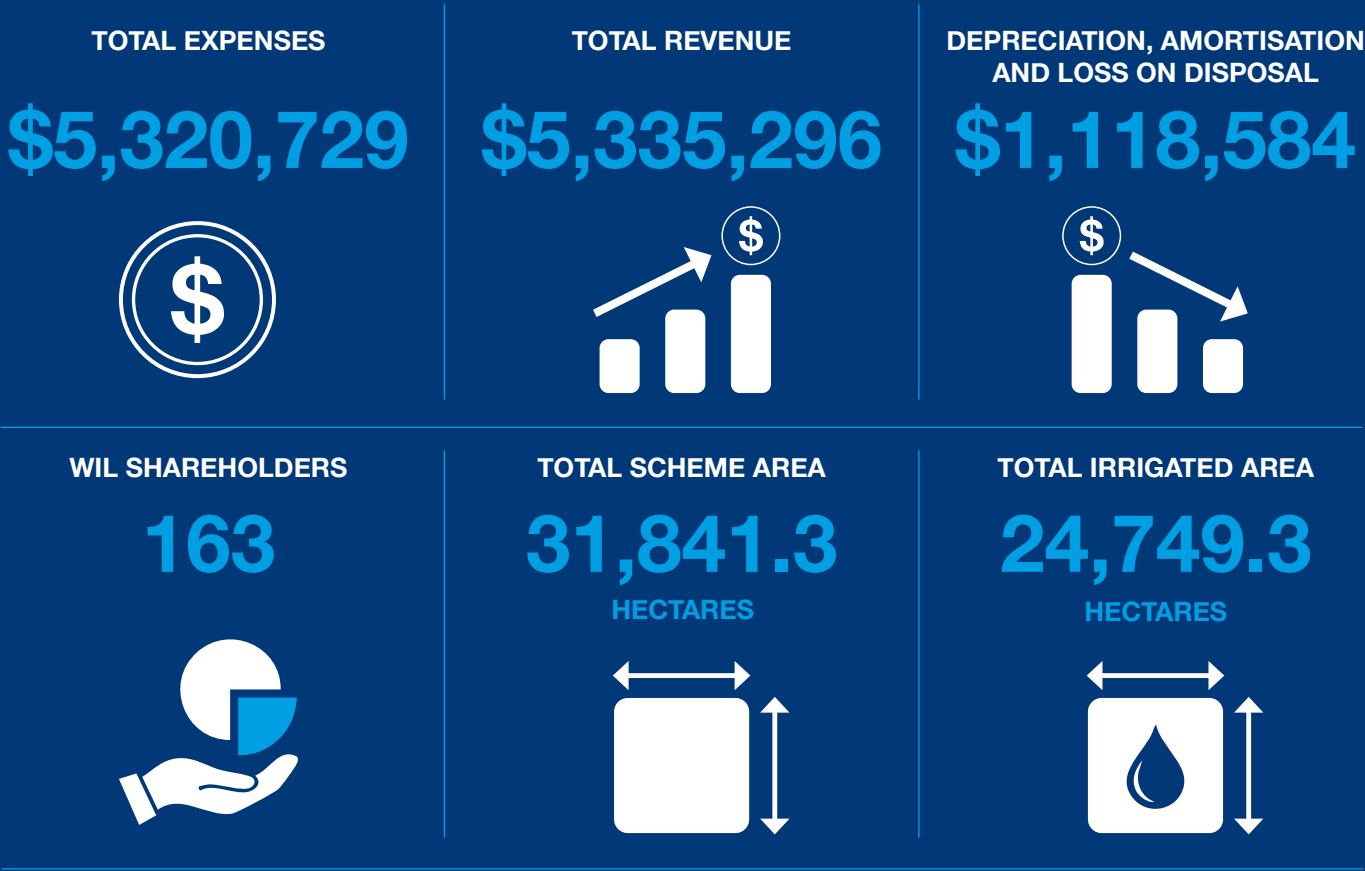
ACKNOWLEDGEMENTS

I would like to thank my fellow Board members for their dedication and insight, and acknowledge the outstanding work of our management and operations teams. Special thanks to our shareholders for your ongoing support, feedback, and commitment to the cooperative's success.

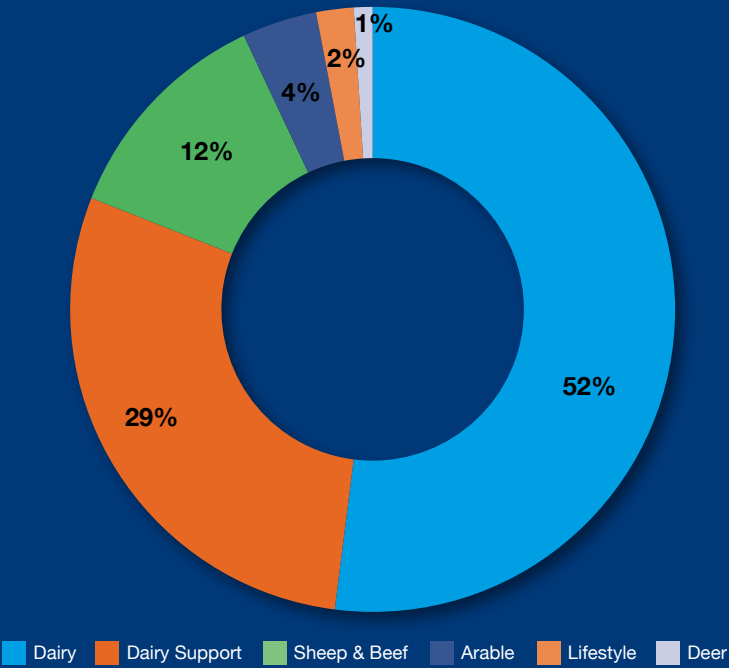
The environment for farming and irrigation remains challenging, but by continuing to work together in a cooperative manner for the betterment of WIL, we are well-placed to navigate the road ahead and to continue delivering value for all stakeholders.

Hugh Martyn
Chairman
28 October 2025

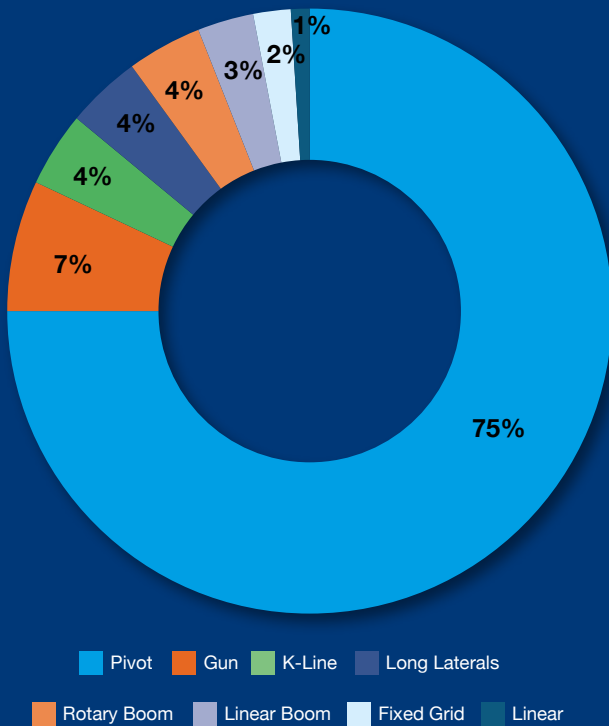
Our Performance – 2025



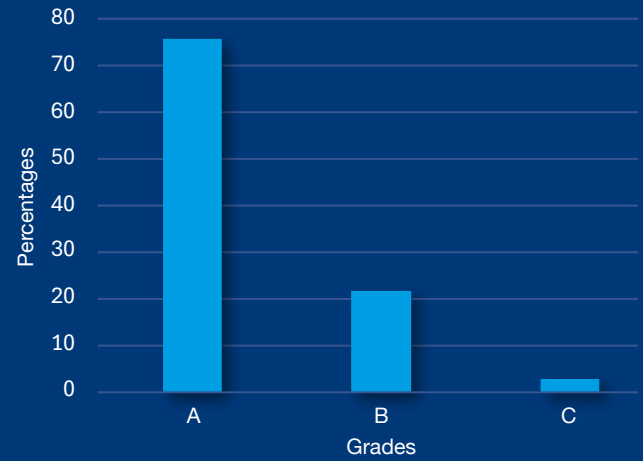
LAND USE BY TYPE 2025



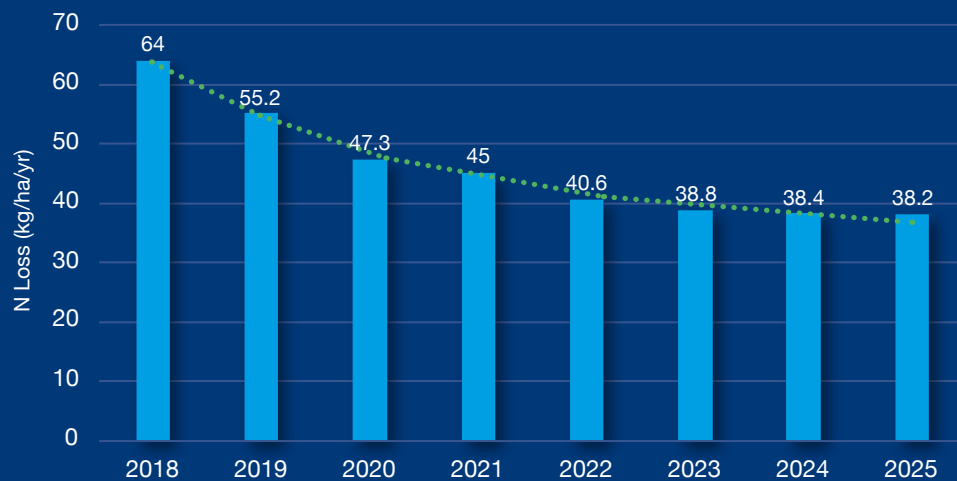
IRRIGATION SYSTEM BY TYPE 2025



AUDIT GRADES 1 JULY 2024 – 30 JUNE 2025



AVERAGE WIL FARM NITROGEN LOSS



BIODIVERSITY PROJECT BY AREA 2025



SCHOOL & SHAREHOLDER GREENHOUSES 2025



Our Strategy

OUR PURPOSE

A cooperative driven to enhance our farmers and community with inter-generational stewardship of our wai, whenua and awa.

OUR VISION

To be seen as a well-informed and trusted co-operative; privileged with water access to deliver irrigation and environmental outcomes for a better Waimakariri for farmers, stakeholders and community.

WHY

We're here to assist our farmers achieve their desired outcomes.

VALUES

**Cooperative spirit;
respecting
our farmers**

**To be a
good ancestor**

**To be aspirational
and knowledgeable**

**We strive to do
the right thing**

Our Five Company Pillars



SUPPORTING OUR FARMERS

- Act as a trusted cooperative
- Deliver core services well
- Provide environmental stewardship
- Offer education and training opportunities
- Provide excellent on farm support
- Deliver good governance and strategic direction



WELL INFORMED

- Collect and use data wisely
- Provide clear information on government policy
- Deliver excellent communication and engagement
- Build stakeholder and industry connections
- Connect with local and national irrigation industry
- Adopt technological improvements



ENVIRONMENTAL EXCELLENCE

- Look after our water resource
- Lead scheme-wide environmental monitoring
- Carefully monitor water quality
- Support on-farm environmental improvements
- Improve and enhance biodiversity and mahinga kai
- Mitigate and manage environmental risks



CONNECTING OUR COMMUNITY

- Involve and engage with the wider community
- Develop strong relationships with iwi and stakeholders
- Share success stories with the community
- Sponsor relevant community events
- Create strong intergenerational links
- Foster a positive understanding of WIL



OPERATIONAL EXCELLENCE

- Deliver reliable and efficient water
- Provide infrastructure improvements
- Be an employer of choice for our staff
- Keep people safe from harm
- Mitigate and manage operational risks
- Resolve operational issues in a timely manner



Biodiversity project lead Dan Cameron with WIL CEO Brent Walton and WIL shareholder Steve Tallott at WIL's biodiversity project on Hunter's Stream in April 2025.



WIL's Warren Road syphon was upgraded in winter 2025.



Bennetts Stream biodiversity project site September 2024



Cust School planting day at WIL's Hunters Stream biodiversity site in April 2025.



WIL Chair Hugh Martyn speaking at WIL's inaugural Shareholder Excellence Awards in March 2025



WIL stakeholder biodiversity project field trip April 2025



WIL staff and Board directors at Bennetts Stream during a scheme tour in September 2024.



WIL's embankment lining project was completed during the winter months of 2025.

Financial Statements

For the year ended 30 June 2025



WAIMAKARIRI IRRIGATION LIMITED

Annual Report

For the year ended 30 June 2025

The Board of Directors have pleasure in presenting the Annual Report including Financial Statements for the year ended 30 June 2025.

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 30 June 2025.

	Group 2025 \$	Group 2024 \$	Group 2023 \$	Group 2022 \$	Group 2021 \$
Revenue	5,335,296	5,027,906	4,698,601	4,122,016	2,808,713
Other Income	212,083	58,762	58,995	494,686	636,062
Expenses excluding Depreciation & Amortisation	3,798,933	3,310,694	2,956,408	2,915,353	2,862,316
OPERATING PROFIT	1,748,446	1,775,974	1,801,188	1,701,349	582,459
Depreciation, Amortisation & Impairment	1,521,796	5,981,584	1,006,140	891,215	1,210,848
NET PROFIT/(LOSS)	\$226,650	(\$4,205,610)	\$795,048	\$810,134	(\$628,389)
<u>Equity:</u>					
Share Capital	15,666,114	15,666,114	15,666,114	15,666,114	15,666,114
Retained Earnings	1,880,278	1,718,327	4,747,587	4,175,875	3,593,311
TOTAL EQUITY	\$17,546,392	\$17,384,441	\$20,413,701	\$19,841,989	\$19,259,425
CAPITAL EXPENDITURE *	\$1,868,364	\$1,718,680	\$2,024,172	\$1,518,616	\$1,558,107

* excluding Capital Contributions received

Directors Holding Office during the Year

Hugh L Martyn (Chairman)
 Timothy C Wells
 Victoria J Trayner
 Wynton Gill Cox
 Richard W Stalker

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

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

Victoria J Trayner retires by rotation and offers herself for re-election.

WAIMAKARIRI IRRIGATION LIMITED

Annual Report

For the year ended 30 June 2025

Remuneration of Directors

\$159,072 was paid to the directors for services to the Group relating to the year ended 30 June 2025.
(2024 \$147,290)

	2025	2024
Hugh L Martyn	53,024	49,098
Timothy C Wells	26,512	24,548
Victoria J Trayner	26,512	24,548
Wynton Gill Cox	26,512	24,548
Richard W Stalker	26,512	24,548
Total Directors' Fees	\$159,072	\$147,290

Directors' and Officers' Liability Insurance

The Group has insured with QBE insurance all of its Directors and Officers against liabilities to other parties that may arise from their positions as directors or officers. The limit of indemnity is \$10 million for any one claim and in the aggregate.

Remuneration of Employees

During the year ended 30 June 2025, the following number of employees of the Group received remuneration and benefits over \$100,000.

Remuneration Range	2025 Number of Employees	2024 Number of Employees
\$100,000 - \$110,000	2	1
\$110,000 - \$120,000	1	1
\$150,000 - \$160,000	1	-
\$180,000 - \$190,000	-	-
\$190,000 - \$200,000	1	-
\$200,000 - \$210,000	-	1
\$210,000 - \$220,000	1	1

No other employees of the Group received remuneration and benefits exceeding \$100,000 during the year.

WAIMAKARIRI IRRIGATION LIMITED

Annual Report

For the year ended 30 June 2025

Current Entries in the Company's Interests Register

Director	Interested Party	Nature of Relationship
Timothy C Wells	Carleton Dairies Ltd Timothy Wells Family Trust North Canterbury Land Holdings Ltd Harewood Farm Ltd Spring Grove Farm Ltd Bank of China (New Zealand) Ltd	Director and Shareholder Trustee Director Director and Shareholder Director and Shareholder Employee
Hugh L Martyn	Richmond Group Limited City Care Limited WD Boyes Limited TC Groundworks Limited The McDougall Trust The Ashton-Martyn Family Trust Nelmac Limited North Canterbury Land Holdings Ltd Sumner Lifeboat Institute Ospri New Zealand Ltd and its subsidiaries Opuha Water Limited	Director and Shareholder Advisor Advisor Advisor Trustee Trustee Director Director Chair Management Committee Director Mentor to CEO
Victoria J Trayner	Motu Lodge Stud Ltd C & L Daughters Ltd Aratika Holdings Family Trust Aratika Holdings Ltd Platinum Farming Ltd Highland Trust North Canterbury Land Holdings Ltd Cust School PTA New Zealand Pork Corporation Limited Livestock Improvement Corporation Limited Glen & Victoria Trayner Partnership Irrigation New Zealand Incorporated and its subsidiaries. INZ Accreditation Limited	Shareholder Beneficiary of Trust Trustee Beneficiary of Trust Director and Shareholder Director Director Board Member Daughter of shareholder/director Director Partner Board Member Director
W Gill Cox	North Canterbury Land Holdings Ltd Motus Health Network Ltd Barlow Brother NZ Ltd Elastomer Products Ltd (Group)	Director Director Director Director

WAIMAKARIRI IRRIGATION LIMITED

Annual Report

For the year ended 30 June 2025

Director	Interested Party	Nature of Relationship
W Gill Cox	Confederation of Asian and Pacific Accountants Ltd Connell Contractors Ltd Anderson Lloyd Trees that Count Trust Committee for Canterbury Trust Venues Otautahi Limited Te Kaha Project Delivery Limited Christchurch City Holdings Limited	Director Advisor Independent Board Member Trustee Trustee Director Director Director
Richard Stalker	Fonterra Co-operative Group Limited Silver Fern Farms Co-Operative Limited Livestock Improvement Corporation Keswick Farm Dairies Limited VeterinaryFirst Limited Fonterra Directors' Remuneration Committee North Canterbury Land Holdings Ltd RW Stalker & WF Stalker NIWA Herd-i South Island Agricultural Field Days	Shareholder Shareholder Shareholder Director and Shareholder Director Member Director Beneficiary Member of the steering group on effluent and nutrient discharge Board Advisor Advisor to the committee

Schedule of Directors' Shareholdings at 30 June 2025

Director	Shareholder	Number of Shares	Nature of Interest
Timothy C Wells	Carleton Dairies Ltd	1,360 shares	Director and Shareholder
Timothy C Wells	Harewood Farm Ltd	1,013 shares	Director and Shareholder
Timothy C Wells	Spring Grove Farm Ltd	1,491 shares	Director and Shareholder
Victoria J Trayner	Motu Lodge Stud Ltd	1,540 shares	Shareholder
Victoria J Trayner	Aratika Holdings Ltd	1,505 shares	Beneficiary of Trust
Victoria J Trayner	Clarence R Timperley	239 shares	Beneficiary of Trust
Victoria J Trayner	New Zealand Pork Corporation Ltd	875 shares	Daughter of Director/Shareholder
Richard W Stalker	R & R Stalker & J J Brandts-Giesen	170 shares	Trustee and beneficiary of Trust
Richard W Stalker	RW Stalker & WF Stalker	130 shares	Beneficiary of Trust

WAIMAKARIRI IRRIGATION LIMITED

Annual Report

For the year ended 30 June 2025

Share Dealings by Directors

On 30 September 2024, Spring Grove Farm Limited, a company of which Timothy Wells is both a director and shareholder, purchased 50 original water shares in Waimakariri Irrigation Limited from an unrelated shareholder. The shares were purchased for \$1,200 each.

On 28 January 2025, Spring Grove Farm Limited purchased a further 31 shares in Waimakariri Irrigation Limited from another unrelated party. The shares were purchased for \$1,200 each.

On 05 September 2024, Clarence R Timperley, the father of director Victoria Trayner, purchased 169 original water shares in Waimakariri Irrigation Limited from an unrelated shareholder. The shares were purchased for \$1,200 each.

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

Sponsorship

The Group sponsored the following organisations and events during the year:

Canterbury Triathlon Club – Oxman Triathlon \$2,500 (Last Year \$2,500)

West Eyreton & Cust School - Agricultural Day \$696.

Donations

The Group made no donations during the year.

Independent Auditors

BDO Christchurch Audit Limited are the Independent Auditors of the Company and Group. Audit fees paid to them during the year totalled \$26,500 (2024 \$26,404).

No other services were provided by BDO Christchurch Audit Limited, and no other payments were made to them.

Audit fees payable to BDO Christchurch Audit Limited in respect of the audit of the 2025 financial statements are expected to be \$26,500.

BDO Christchurch Audit Limited have signified their willingness to continue as auditors. They will be automatically reappointed as auditor in accordance with section 207T(1) of the Companies Act 1993.

WAIMAKARIRI IRRIGATION LIMITED

Annual Report

For the year ended 30 June 2025

Dividends

No payment of any dividend for this year is recommended by the directors.

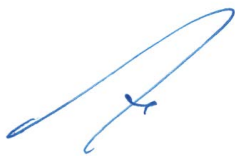
Co-operative Company Status

On 3 July 2025, 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 2025 relates, been a co-operative company and that the reasons for the directors' opinions are:

- (a) that they re-affirm 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 consolidated financial statements were adopted by the Board on 28 October 2025 and approved for issue to shareholders:



Hugh L Martyn (Director)



W Gill Cox (Director)

Date: 28 October 2025

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Waimakariri Irrigation Limited ("the Company") and its subsidiary (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

Key Audit Matters

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

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

Other Information

The directors are responsible for the other information. The other information comprises the Directory and the Chairman's Report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Directors' Responsibilities for the Consolidated Financial Statements

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>.

This description forms part of our auditor's report.

Who we Report to

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

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

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
28 October 2025

WAIMAKARIRI IRRIGATION LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income For The Year Ended 30 June 2025

	Notes	Group 2025 \$	Group 2024 \$
<u>Revenue:</u>			
Irrigation Water Charges		4,247,818	3,959,593
Infrastructure Use Income		785,248	774,163
Stock Water Race Management		302,230	292,575
Contracting Income		-	1,575
		5,335,296	5,027,906
<u>Other Income:</u>			
Infrastructure Contributions	2	152,248	-
Interest Income	3	914	509
Share Transfer Fees		2,250	1,950
Rental Income from Investment Property	12	56,671	56,303
TOTAL INCOME		5,547,379	5,086,668
<u>Less Expenses:</u>			
Other Operating Expenses	4	721,972	673,931
Vehicle Expenses		96,541	96,066
Repairs and Maintenance		725,433	727,164
Independent Auditor Fees	5	26,500	26,904
Directors' Fees	27	159,072	147,290
Employee Salaries	6	943,666	761,224
Accounting, Administration and Secretarial Fees		139,312	132,682
General Administration Expenses		497,138	364,241
Insurances and ACC Levies		219,305	205,697
Legal Fees		34,035	27,419
Finance Costs	7	235,959	148,076
Depreciation, Amortisation and Loss on Disposal	8	1,118,584	1,050,635
Impairment Loss of Capital Work in Progress	15	403,212	4,930,949
TOTAL EXPENSES		5,320,729	9,292,278
PROFIT/(LOSS) BEFORE INCOME TAX		226,650	(4,205,610)
Less Income Tax Expense/(Income)	9	64,699	(1,176,350)
NET PROFIT/(LOSS) AFTER INCOME TAX		\$161,951	(\$3,029,260)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		\$161,951	(\$3,029,260)
<u>Profit/(Loss) Attributable to:</u>			
Owners of the Parent		\$161,951	(\$3,029,260)
<u>Total Comprehensive Income/(Loss) attributable to:</u>			
Owners of the Parent		\$161,951	(\$3,029,260)

WAIMAKARIRI IRRIGATION LIMITED
Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2025

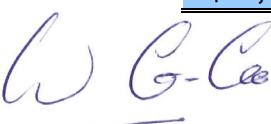
	Share Capital	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 1 July 2024	15,666,114	1,718,327	17,384,441
Net Profit after Income Tax	-	161,951	161,951
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	161,951	161,951
Balance at 30 June 2025	\$15,666,114	\$1,880,278	\$17,546,392

	Share Capital	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 1 July 2023	15,666,114	4,747,587	20,413,701
Net Profit/(Loss) after Income Tax	-	(3,029,260)	(3,029,260)
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	(3,029,260)	(3,029,260)
Balance at 30 June 2024	\$15,666,114	\$1,718,327	\$17,384,441

WAIMAKARIRI IRRIGATION LIMITED
Consolidated Statement of Financial Position
As At 30 June 2025

	Notes	Group 2025 \$	Group 2024 \$
<u>Current Assets</u>			
Cash and Cash Equivalents	10	70,381	59,775
Trade and Other Receivables	11	181,838	292,234
Prepayments		143,628	106,013
GST Receivable		57,661	131,732
Income Tax Refund Receivable		-	61,001
Asset Held for Sale	12	1,557,159	-
	19	2,010,667	650,755
<u>Non-Current Assets</u>			
Right of Use Asset	13	387,454	27,090
Investment Property	12	-	1,557,159
Property, Plant and Equipment	14	15,969,223	14,946,767
Capital and Intangibles Work in Progress	15	854,683	956,376
Intangible Assets	16	2,645,803	3,087,339
		19,857,163	20,574,731
TOTAL ASSETS		\$21,867,830	\$21,225,486
<u>Current Liabilities</u>			
Cash and Cash Equivalents	10	-	162,158
Trade and Other Payables	17	396,387	845,348
Employee Entitlements	18	240,359	205,787
Income Charged in Advance		28,116	23,509
Income Tax Payable	9	50,525	-
Current Portion Lease Liabilities	13	36,668	9,183
Current Portion of Term Loans	21	1,331,548	2,250,729
Term Loans on Assets Held for Sale	12	1,550,000	-
	19	3,633,603	3,496,714
<u>Non-Current Liabilities</u>			
Lease Liabilities	13	345,996	16,644
Deferred Tax Liability	20	341,839	327,667
		687,835	344,331
TOTAL LIABILITIES		4,321,438	3,841,045
<u>Equity</u>			
Share Capital	22	15,666,114	15,666,114
Retained Earnings		1,880,278	1,718,327
		17,546,392	17,384,441
TOTAL EQUITY AND LIABILITIES		\$21,867,830	\$21,225,486


 Hugh L Martyn (Director)


 W Gill Cox (Director)

28 October 2025

WAIMAKARIRI IRRIGATION LIMITED
Consolidated Statement of Cash Flows
For The Year Ended 30 June 2025

	Notes	Group 2025 \$	Group 2024 \$
<u>Cash Flows From Operating Activities:</u>			
<i>Cash was provided from -</i>			
Receipts from Customers		5,357,038	5,072,487
Interest Received		511	509
Net Income Tax Refunds		61,000	-
Net G.S.T. Refunds		9,997	2,960
		5,428,546	5,075,956
<i>Cash was applied to -</i>			
Payments to Suppliers and Employees		(3,480,818)	(3,100,294)
Interest paid		(233,960)	(147,806)
Net Income Tax Payments		-	(116,456)
		(3,714,778)	(3,364,556)
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	1,713,768	1,711,400
<u>Cash Flows From Investing Activities:</u>			
<i>Cash was provided from -</i>			
Capital Asset Contributions		152,248	-
<i>Cash was applied to -</i>			
Purchase of Property, Plant and Equipment		(1,683,443)	(564,183)
Capital Work in Progress Expenditure		(618,561)	(915,826)
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(2,149,756)	(1,480,009)
<u>Cash Flows From Financing Activities:</u>			
<i>Cash was provided from -</i>			
Loans Raised		919,152	-
<i>Cash was applied to -</i>			
Principal Paid on Lease Liabilities	13	(19,607)	(8,372)
Interest Paid on Lease Liabilities	7	(2,460)	(294)
Loan Repayment		(288,333)	(406,800)
NET CASH INFLOW FROM FINANCING ACTIVITIES		608,752	(415,466)
NET CASH (DECREASE) DURING THE YEAR		172,764	(184,075)
Cash and Cash Equivalents at 1 July		(102,383)	81,692
CASH AND CASH EQUIVALENTS AT 30 JUNE		\$70,381	(\$102,383)
<u>Consisting Of:</u>			
Cash at Bank		70,381	59,775
Overdraft at Bank		-	(162,158)
NET CASH AND CASH EQUIVALENTS	10	\$70,381	(\$102,383)

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements

For The Year Ended 30 June 2025

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 incorporated in New Zealand under the Companies Act 1993 and the Co-operative Companies Act 1996.

Waimakariri Irrigation Limited ("WIL") and its wholly-owned subsidiary North Canterbury Land Holdings Limited make up the WIL Group ("The Group" or "Group"). Waimakariri Irrigation Limited is the Group's ultimate parent company. The Company and Group are domiciled in New Zealand.

The Company is a Financial Market Conduct Act entity. For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Group is a Tier 1 for-profit entity.

The consolidated financial statements for the year ended 30 June 2025 (including comparatives) were approved and authorised for issue by the board of directors on 28 October 2025.

Basis of Preparation

The consolidated financial statements comply with NZ GAAP, New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards and the relevant requirements of the Financial Markets Conduct Act 2013.

Measurement Base

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

Presentation Currency

These consolidated financial statements are presented in New Zealand dollars (\$) which is the Company's and subsidiary's functional currency. All numbers have been rounded to the nearest dollar.

Use of Estimates and Judgements

The preparation of these consolidated financial statements, in conformity with NZ IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions and estimates are provided in the relevant accounting policy or will be provided in the relevant note.

The consolidated financial statements have been prepared on a going concern basis. The basis for this judgement is more fully described in note 19.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of judgement in applying policies that have the most effect on the amount recognised in the financial statements is described in note 29.

Material Accounting Policies

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

1.1 Adoption of new Standards and Interpretations

Amendments to FRS-44 New Zealand Additional Disclosures – Disclosure of Fees for Audit Firms' Services (effective for annual reporting periods beginning on or after 1 January 2024) require entities to disclose additional information about fees paid to their audit firm (or review firm) for both audit/review services and all other services. Accordingly, the Group has disclosed in note 5 that the Fees paid to the Group's Audit Firm were entirely for the Audit of the Group's Financial Statements.

There were no other new standards impacting the Group that have been adopted in the preparation of these consolidated financial statements for the year ended 30 June 2025.

1.2 Investment Property

Investment Property is real estate that is being used to earn rental income. The Group has applied the cost model for the valuation of its investment property. No depreciation is provided for on investment properties that comprise solely of land and no capital improvements.

Consistent with NZ IAS 40 para. 14, judgement has been applied in the classification of the property as investment property. The property is currently held with the view for development as a storage pond, prior to development commencing this property is being leased to an external party. As such, it is considered that the property meets the definition of investment property defined by NZ IAS 40 as it is currently property owned by the Group and is being leased out.

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 30 June 2025

1.3 Property, Plant and Equipment and Depreciation

Items of Property, Plant and Equipment are initially recognised at cost. They are subsequently recorded at cost less depreciation provided to date and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Depreciation is charged on a straight-line basis except for Motor Vehicles. Land is not depreciated. Depreciation is at rates expected to fully depreciate the asset to its residual value over the expected life of the asset. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the diminishing value method. Depreciation methods, useful lives and residual values are reviewed at year end and adjusted if appropriate. The following depreciation rates are used in the calculation of depreciation in the current and prior period:

Depreciation rates for the current and prior periods are:	Rates
Computer and Control Equipment	3% - 40% SL
Workshop and Buildings	2% - 3% SL
Fencing	7% - 8.4% SL
Motor Vehicles	15.6% - 30% DV
Office Equipment	17.5% - 40% SL
Plant and Equipment	7% - 67% SL
Races and Reticulation	2% - 3.6% SL
Race Structures	1% - 30% SL

When an item of property, plant and equipment is disposed of, any gain or loss is recognised in the statement of profit or loss and is calculated as the difference between the sale price and the carrying value of the item.

1.4 Capital Work In Progress

Capital work in progress includes the costs incurred on property, plant and equipment that are not yet ready for their intended use. The costs can include materials, services, professional fees and interest payments. All of the subsidiary's finance costs are capitalised as work in progress. Capital works in progress are not depreciated until they are ready for their intended use.

1.5 Intangible Assets

Resource Consents – are recognised at cost less accumulated amortisation and any impairment losses. Amortisation is charged on a straight-line basis over the period of the Consent. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Software applications – are recognised at cost less accumulated amortisation and any impairment losses. Once the asset is ready for use amortisation is charged on a straight-line basis over the estimated useful life of the asset. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Websites – are recognised as an intangible asset if, and only if the website will generate future economic benefit. For example, the website is capable of generating revenues, including direct revenues from enabling orders to be placed. Where a website is developed solely or primarily for promoting and advertising the group, its products or services, then all expenditure on developing such a website is recognised as an expense when incurred.

The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The group amortises intangible assets with a limited useful life using the straight-line method over the following periods and with the following amortisation rates.

Intangible Asset:	Useful Life	Amortisation Rate
Resource Consents	7 - 35 years	2.9% - 14.63%
Software Applications	2½ years	40%

1.6 Impairment of Non-Financial Assets

At each reporting date, the carrying amounts of the property, plant and equipment and intangible assets are reviewed to determine whether there is any indication of impairment. If any such indication exists for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows of other assets or groups of assets.

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 30 June 2025

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is expensed immediately in the statement of profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.7 Goods and Services Tax (GST)

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

1.8 Income taxation

Income tax expense comprises current and deferred tax. Current tax is calculated using the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Temporary differences arising from initial recognition, other than business combinations, affecting neither accounting profit nor taxable profit, are ignored.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

When there is uncertainty concerning the Company's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Company will obtain an expert tax opinion from a suitably qualified and experienced tax adviser and follow the opinion provided.

1.9 Financial Instruments

Financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables, and borrowings. All financial instruments are included in the Statement of Financial Position.

1.10 Financial Assets Measured at Amortised Cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Company's financial assets measured at amortised cost in the consolidated statement of financial position comprise cash and cash equivalents (refer to note 10) and trade and other receivables (refer to note 0).

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 30 June 2025

1.11 Financial Liabilities Measured at Amortised Cost

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value plus directly attributable transaction costs are subsequently carried at amortised cost using the effective interest method.

1.12 Consolidation of Financial Statements

The financial statements of the Group are the consolidated financial statements of Waimakariri Irrigation Limited (WIL) and its wholly owned subsidiary North Canterbury Land Holdings Limited (NCLH). As WIL owns 100% of the shares of NCLH it is exposed to the variable returns from its involvement in NCLH and as WIL can appoint the directors of NCLH it also has the ability to affect those returns. The subsidiary has a 30 June reporting date and consistent accounting policies have been used. All inter-company transactions have been eliminated on consolidation.

1.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.14 Revenue

Depending on whether certain criteria are met, revenue is recognised over time, in a manner that best reflects the entity's performance obligation, or at a point in time, when control of the goods or services is transferred to the customer. Revenue is measured at the fair value of the consideration receivable.

Irrigation Water Charges

Revenue from Irrigation Water Charges is recognised straight-line basis over the irrigation season. Irrigators receive and consume irrigation water as the company provides the water to them. By reporting date, all of the Irrigation Water Charges for the season have been charged to the shareholders and recognised in the accounts.

Infrastructure Use Income

A number of shareholders make use of the Company's (WIL's) reticulation infrastructure – namely intake and water races – to move private water (ie not scheme water) from one property to another. The Company charges for the use of its race network based on the amount of private water conveyed through the network. Income from this source is recognised on a straight-line basis over the irrigation season.

Stock Water Race Management

The Group manages under contract the Waimakariri District Council's stockwater race network. Revenue from Stock Water Race Management is recognised over time on a straight-line basis over the year. The Council receives and consumes the benefits of the company management services as those services are provided during the year.

Contracting Income

Revenue from Contracting Income is recognised at a point in time when the work is completed.

1.15 Other Income

Share Transfer Fees

The Group charges an administration fee for any share transfers. Revenue from Share Transfer Fees is recognised when the share transfer has been completed.

Rental Income

Revenue from Rental of the Subsidiary's property at 513 Wrights Road is recognised over time on a straight-line basis over the lease term. The tenant receives the benefit of the use of the property during the period in which the property is leased to them.

Infrastructure Contributions

Contributions received towards the cost of constructing items of Plant Property and Equipment are recognised over time on a percentage of completion basis. The Company's performance enhances an asset which benefits the customer.

1.16 Employee Entitlements

A liability for benefits accruing to employees in respect of wages and salaries, annual and sick leave is accrued and recognised in the Statement of Financial Position. Short term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided. All leave is expected to be taken within 12 months of reporting date.

1.17 Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's water shares are classified as equity instruments and are recorded at the proceeds received net of direct issue expenses.

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 30 June 2025

1.18 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

1.19 Standards and Interpretations Not Yet Effective

At the date of authorisation of these financial statements, certain NZ IFRS new standards and interpretations of existing standards have been published but are not yet effective and have not been adopted by the Group.

All pronouncements will be adopted in the first accounting period beginning on or after the effective date of the new standard.

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* was issued in May 2024, it is mandatory for reporting periods that start on or after 1 January 2027. The 2028 financial statements for the Group will be the first for which this standard will apply.

NZ IFRS 18 introduces several significant changes to the presentation and disclosure of financial statements, aimed at enhancing transparency and comparability. The key changes are

1. **New Categories and Subtotals:** The statement of profit or loss will now include three new categories for items of income and expense: operating, investing, and financing. This aims to provide clearer insights into different aspects of a company's financial performance.

2. **Mandatory Subtotals:** Companies must report subtotals for "operating profit or loss," "profit or loss before financing and income taxes," and "profit or loss". This helps users of financial statements to better understand the core operations of a business.

3. **Management Performance Measures (MPMs):** There are new disclosure requirements for management-defined performance measures that are reported outside the financial statements. This is intended to improve the transparency of these measures.

4. **Enhanced Aggregation and Disaggregation:** The standard provides enhanced guidance on how to aggregate and disaggregate items in the financial statements. This ensures that material information is not obscured and that financial statements are more informative.

5. **Comparability:** The changes are designed to reduce diversity in reporting practices, making it easier to compare financial performance across different companies.

These changes will require companies to reconsider the structure of their financial statements and may necessitate updates to their reporting processes and systems.

There are other new standards and interpretations issued but not yet effective, but these are not expected to have a material impact on the Group's financial statements and have thus not been disclosed.

1.20 Changes in Standards and Interpretations

Since the last reporting date, there has been no material change in the financial standards or policies implemented by the Group.

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements
For the year ended 30 June 2025

2. Infrastructure Contributions

During the reporting period, a shareholder requested upgrades to the irrigation race network. Half of the costs associated with the upgrade work were paid for by the shareholder and their contribution of \$26,186 was recognised as income in the financial year. The upgraded irrigation race is an asset of the Group.

Also, during the reporting period, upgrades were completed to irrigation race R3 that runs alongside Wolffs Road. Work was done to lower twin stormwater culverts that crossed under Wolffs Road and irrigation race R3. The work was carried out to remove restrictions from the race and improve stormwater flows. The cost of the upgrade was shared with the Waimakariri District Council. The Council's contribution of \$126,062 was recognised as income in the financial year. The upgraded race is an asset of the Group.

3. Interest Income from Financial Assets at Amortised Cost

	Group 2025 \$	Group 2024 \$
Cash and cash equivalents	1	1
Trade and other receivables	913	508
	\$914	\$509

The parent operates an on-call savings account with the BNZ Bank. The interest rate on that account at the reporting date was 1% (2024 2.75%).

Overdue customers are charged interest on a monthly basis at a rate 5% above the Group's overdraft interest rate. The interest rate on overdue accounts at the reporting date was 11.27% (2024 13.80%) per annum or 0.94% (2024 1.15%) per month.

4. Other Operating Expenses

	Group 2025 \$	Group 2024 \$
Communications	16,539	12,606
Farm Environment Plans and Audit	93,325	185,879
Environmental Monitoring	61,942	70,807
General Expenses	1,141	1,660
Information Technology Projects	148,019	83,941
IMS Project Costs	55,263	23,204
Biodiversity Support (Plan Change 7 Projects)	179,453	159,434
Power	18,271	15,449
Property Occupancy Cost	7,800	6,956
Property Rates	5,604	5,216
Scheme Rates	9,869	11,269
Security	504	958
Staff Training and Safety Equipment	12,100	5,575
Telemetry and Hosting Fees	97,756	75,903
Water Ordering Licence	14,388	15,074
	\$721,972	\$673,931

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements
For the year ended 30 June 2025

5. Independent Auditor Fees

	Group 2025 \$	Group 2024 \$
<u>Audit of Financial Statements</u>		
BDO Christchurch Audit Limited (accrual)	\$26,500	\$26,904

There were no other services provided by BDO Christchurch Audit Limited, and no other payments were made to them.

6. Employee Salaries

	Group 2025 \$	Group 2024 \$
Salaries	919,427	741,892
Kiwi Saver Contributions	24,239	19,332
	\$943,666	\$761,224

7. Finance Costs

	Group 2025 \$	Group 2024 \$
Interest on financial liabilities at amortised cost	233,499	220,353
Interest on lease liabilities (see note 13)	2,460	294
	235,959	220,647
Less Interest Expense capitalised into Capital Work in Progress (see note 15)	-	(72,571)
	\$235,959	\$148,076

The subsidiaries' borrowing costs incurred before 31 January 2024 have been capitalised as part of Capital Work in Progress (see note 15).

8. Depreciation, Amortisation and Loss on Disposal

	Group 2025 \$	Group 2024 \$
Depreciation Expense (see note 14)	666,517	593,613
Depreciation Recovered on Disposal of Asset	(5,530)	-
Depreciation of Lease Right of Use (see note 13)	16,060	7,129
TOTAL DEPRECIATION	677,047	600,742
Loss on Disposal of Property, Plant & Equipment	-	8,353
Amortisation of Intangibles (see note 16)	441,537	441,540
	\$1,118,584	\$1,050,635

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements
For the year ended 30 June 2025

9. Taxation

Calculation of Income Tax Expense

	Group 2025 \$	Group 2024 \$
Net Profit/(Loss) before taxation	\$226,650	(\$4,205,610)
Prima Facie income tax @28%	63,462	(1,177,571)
Tax effect of permanent differences: Non-deductible Expenses	1,237	1,221
INCOME TAX EXPENSE/(INCOME)	\$64,699	(\$1,176,350)
Income Tax Expense consists of:		
Current year tax payable	50,526	-
Deferred income tax (see note 20) Origination and Reversal of temporary differences	14,173	(1,176,350)
Adjustment of Tax Base	-	-
INCOME TAX EXPENSE/(INCOME)	\$64,699	(\$1,176,350)

Calculation of Current Year Tax Payable

	Group 2025 \$	Group 2024 \$
Net Profit/(Loss) before taxation	226,650	(\$4,205,610)
<u>Permanent differences</u> Non-deductible Expenses	4,417	4,356
ACCOUNTING TAXABLE INCOME	231,067	(4,201,254)
<u>Temporary differences</u> Employee Benefits	21,589	25,551
Plant, Property and Equipment	(33,687)	114,813
Capital and Intangibles Work in Progress	201,013	3,821,358
Tax Loss Carried Forward	(239,532)	239,532
CURRENT YEAR TAXABLE INCOME	\$180,450	\$-
Current Year Tax Payable @ 28%	50,526	-
Increase in Temporary differences	50,617	(4,201,253)
Deferred Tax on Movements @ 28%	14,173	(1,176,351)
INCOME TAX EXPENSE/(INCOME)	\$64,699	(\$1,176,351)

Tax Losses are able to be transferred from one company to another when both companies are part of the same tax group. North Canterbury Land Holdings Limited (the subsidiary company) transferred \$130,141 (2024 none) of losses to Waimakariri Irrigation Limited this year. No consideration was paid to North Canterbury Land Holdings Limited for the transfer of the tax losses.

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements For the year ended 30 June 2025

There are no income tax losses in the Company (2024 \$166,027) or Subsidiary (2024 \$73,504), available for carrying forward to future years

Imputation Credit Account:

Opening Balance 1 July
Income Tax Payments Made
Resident Withholding Tax Deductions
Income Tax Refunds Received
CLOSING BALANCE 30 JUNE

Group 2025	Group 2024
503,570	387,112
145,000	116,458
-	-
(206,000)	-
442,570	503,570

10. Cash and Cash Equivalents

Funds at BNZ Bank
Overdraft at BNZ Bank
NET CASH POSITION

Group 2025 \$	Group 2024 \$
70,381	59,775
-	(162,158)
\$70,381	(\$102,383)

Cash and Cash Equivalents comprise solely of cash in New Zealand bank accounts on immediate call. The parent operates a savings account, on which the interest rate at the reporting date was 1% (2024 2.75%)

The Group at reporting date had a total bank overdraft facility of \$1,500,000 (2024 \$1,500,000). None of this (2024 \$162,158) has been borrowed by the Group at the reporting date and the full facility (2024 \$1,337,842) remained available for drawing.

The interest rate on the overdraft facility at the reporting date was 6.27% (2024 8.80%).

WAIMAKARIRI IRRIGATION LIMITED

Notes to and forming part of the Consolidated Financial Statements
For the year ended 30 June 2025

11. Trade and Other Receivables

	Group 2025 \$	Group 2024 \$
Trade Receivables	181,838	166,171
Other Receivables	-	126,063
	\$181,838	\$292,234
Receivables Are Due as Follows:		
Not Yet Due	178,469	281,324
Due less than 30 days ago	172	382
Due 30 to 60 days ago	-	-
Due 60 to 90 days ago	-	10,528
Due 90 to 120 days ago	33	-
Due more than 120 days ago	3,164	-
	\$181,838	\$292,234

Receivables are initially recognised at fair value plus transaction costs and thereafter carried at amortised cost less impairment. The directors consider that all receivables are fully collectable, and no impairment has been provided for. The carrying value of trade and other receivables approximates fair value.

All trade receivables are due 20th of the month following invoicing. Interest is not charged on overdue invoices, except on overdue water charges, where interest is charged monthly at 5% pa above WIL's overdraft interest rate applying at the time. (see note 10)

The previous period's Other Receivables were amounts recoverable from the Waimakariri District Council as part of a cost-sharing agreement for improvements to the Wolffs Road irrigation race. (see note 15)

12. Asset Held for Sale

The Group owns a 122-hectare property at 513 Wrights Road. The property was purchased with the intention that it was to be the site of the Group's water storage ponds. Following the January 2024 shareholder vote not to proceed with the storage ponds as planned, the Group has been working on an alternative proposal which would see the Wrights Road property sold to a new company (Burnt Hill Storage Limited) formed for the purpose of owning, constructing and operating the storage ponds. Accordingly, in the current reporting period, the property has been reclassified as being held for the purpose of sale. Should the new proposal proceed as expected, then the sale of the Wrights Road property to Burnt Hill Storage Limited would occur within 9 months of the reporting date.

The Group has a \$1,550,000 term loan associated with the Wrights Road property. Upon sale of the property, management expects to repay this loan in full.

The Group's loans (see note 21) are secured by a debenture over the Wrights Road Property, which includes a registered first mortgage over the property.

WAIMAKARIRI IRRIGATION LIMITED

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For the year ended 30 June 2025

	Group 2025 \$
Asset Held for Sale	
Wrights Road Property	\$1,557,159
Associated Liability	
Term Loan	\$1,550,000

In September 2025, management received a market value assessment for the property from a registered valuer, valuing it at \$2,965,000.

At the reporting date, the carrying amount of the Wrights Road property was reviewed to determine whether there was any indication of impairment. No indication of impairment was found, and no impairment losses have been recognised.

In the previous reporting period, the Wrights Road property was classified as an investment property.

	Group 2024 \$
Investment Property	
Wrights Road Property	\$1,557,159
Rental Income from Investment Property	56,303
Direct Operating Expenses	4,763

Investment Property is real estate that is being used to earn rental income. The investment property was leased out on an operating lease for all of the previous reporting period. The operating lease is a periodic lease with either side requiring only 2 months' notice to terminate the lease.

13. Leases

At the reporting date the Group is a lessee of one property and a lessor for another. The Group does not have any leases for vehicles or other plant and equipment.

The Group leased an office at 134 High Street, Oxford, for use as a base for the Operations Manager until February 2025. Lease payments during the reporting period for the office were \$6,067 (2024 \$8,666).

In February 2025, the Group leased the entire building at 134 High Street, Oxford, for the use of the Operations Manager, the Environmental Team and the CEO. The lease is for an initial 5 years with 2 rights for renewal, each for a further 5 years. The final expiry date of the lease is February 2040. Lease payments during the reporting period for the building were \$16,000.

WAIMAKARIRI IRRIGATION LIMITED

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For the year ended 30 June 2025

Property Leases

Lease Right of Use Asset

Opening Balance

Additions

Depreciation (see note 8)

Modification of lease terms

CLOSING BALANCE

Group 2025 \$	Group 2024 \$
27,090	-
398,524	34,219
(16,060)	(7,129)
(22,100)	-
\$387,454	\$27,090

Lease Liability

Opening Balance

Additions

Interest Expense (see note 7)

Modification of lease terms

Lease Payments

CLOSING BALANCE

Group 2025 \$	Group 2024 \$
25,847	-
398,524	34,219
2,460	294
(22,100)	-
(22,067)	(8,666)
\$382,664	\$25,847
36,668	9,183
345,996	16,664
\$382,664	\$25,847

Current Portion

Non-Current Portion

TOTAL LEASE LIABILITY

Lease Maturity Analysis

2025

Lease Liabilities

Carrying Amount	Contractual Cashflows	0 – 3 Months	3 – 12 Months	1 – 2 Years	3 – 5 Years	5 + Years
382,664	560,000	9,600	28,800	38,400	76,800	406,400

2024

Lease Liabilities

Carrying Amount	Contractual Cashflows	0 – 3 Months	3 – 12 Months	1 – 2 Years	3 – 5 Years	5 + Years
25,847	32,933	2,600	7,800	10,400	12,133	-

The Group also leased an office at 172 High Street, Rangiora, as a base for the Environmental Team until February 2025. At that time, the Environmental Team relocated to the Oxford building. Lease payments during the reporting period for this property were \$6,933 (2024 \$4,124).

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For the year ended 30 June 2025

14. Property, Plant and Equipment

2025 Asset Cost	2025 Opening Cost \$	2025 Opening Acc Depn \$	2025 Opening Book Value \$	2025 Closing Cost \$	2025 Closing Acc Depn \$	2025 Closing Book Value \$
Computer & Control Equip	1,644,476	796,620	847,856	1,728,729	906,581	822,148
Land	10,000	-	10,000	10,000	-	10,000
Workshop & Buildings	129,469	54,620	74,849	129,469	61,443	68,026
Fencing	1,005,794	991,212	14,582	1,017,494	993,176	24,318
Motor Vehicles	392,310	114,631	277,679	449,935	151,017	298,918
Office Equipment	26,279	19,076	7,203	61,080	25,543	35,537
Plant and Equipment	783,008	401,458	381,550	777,989	444,412	333,577
Races and Reticulation	7,609,636	2,613,983	4,995,654	8,343,845	2,783,937	5,559,908
Structures	11,199,421	2,862,027	8,337,394	11,930,928	3,114,137	8,816,790
TOTAL	22,800,393	7,853,627	14,946,767	24,449,469	8,480,246	15,969,223

2024 Asset Cost	2024 Opening Cost \$	2024 Opening Acc Depn \$	2024 Opening Book Value \$	2024 Closing Cost \$	2024 Closing Acc Depn \$	2024 Closing Book Value \$
Computer & Control Equip	1,444,501	720,066	724,435	1,644,476	796,620	847,856
Land	10,000	-	10,000	10,000	-	10,000
Workshop & Buildings	127,215	47,313	79,902	129,469	54,620	74,849
Fencing	992,060	989,999	2,061	1,005,794	991,212	14,582
Motor Vehicles	317,965	89,917	228,048	392,310	114,631	277,679
Office Equipment	25,258	17,940	7,318	26,279	19,076	7,203
Plant and Equipment	806,676	373,607	433,069	783,008	401,458	381,550
Races and Reticulation	7,609,636	2,461,353	5,148,284	7,609,636	2,613,983	4,995,654
Structures	11,107,944	2,625,728	8,482,216	11,199,421	2,862,027	8,337,394
TOTAL	22,441,255	7,325,923	15,115,333	22,800,393	7,853,627	14,946,767

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For the year ended 30 June 2025

2025 Asset Book Values	2025 Opening Book Value \$	2025 Additions \$	2025 Disposals \$	2025 Depreciation \$	2025 Closing Book Value \$
Computer & Control Equip	847,856	84,253	-	109,961	822,148
Land	10,000	-	-	-	10,000
Workshop & Buildings	74,849	-	-	6,823	68,026
Fencing	14,582	11,700	-	1,964	24,318
Motor Vehicles	277,679	118,486	30,122	67,125	298,918
Office Equipment	7,203	35,383	-	7,049	35,537
Plant and Equipment	381,550	3,556	-	51,529	333,577
Races and Reticulation	4,995,654	734,208	-	169,954	5,559,908
Race Structures	8,337,394	731,507	-	252,111	8,816,790
TOTAL	14,946,767	1,719,093	30,122	666,517	15,969,223

2024 Asset Book Values	2024 Opening Book Value \$	2024 Additions \$	2024 Disposals \$	2024 Depreciation \$	2024 Closing Book Value \$
Computer & Control Equip	724,435	215,275	-	91,854	847,856
Land	10,000	-	-	-	10,000
Workshop & Buildings	79,902	2,254	-	7,307	74,849
Fencing	2,061	13,734	-	1,213	14,582
Motor Vehicles	228,048	125,035	28,657	46,747	277,679
Office Equipment	7,318	4,643	-	4,758	7,203
Plant and Equipment	433,069	1,285	-	52,804	381,550
Races and Reticulation	5,148,284	-	-	152,630	4,995,654
Race Structures	8,482,216	91,477	-	236,299	8,337,394
TOTAL	15,115,333	453,703	28,657	593,612	14,946,767

No borrowing costs have been capitalised to Plant Property and Equipment (2024 \$nil). The Group's loans (see note 21) are secured by a debenture over the Group's assets and undertakings including a registered first mortgage over the Group's land and buildings. The Group's land has a current rating valuation of \$20,000 (2024 \$20,000).

At the reporting date, the carrying amounts of the tangible assets were reviewed to determine whether there was any indication of impairment. No indication of impairment was found, and no impairment losses have been recognised.

15. Capital and Intangibles Work In Progress

Capital work-in-progress consists of several components.

Wrights Road Storage Pond

The Company has six Resource Consents from the Waimakariri District Council and Environment Canterbury for the construction of water storage ponds at Wrights Road and Dixons Road, Burnt Hill and holds intellectual property in connection with the storage pond

WAIMAKARIRI IRRIGATION LIMITED

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project (together the *Storage Pond Assets*). Following the January 2024 shareholder vote not to proceed with the storage ponds as planned, the Group has been working on an alternative proposal which would see the Wrights Road property and the Storage Pond Assets sold to Burnt Hill Storage Limited (BHSL), a new company formed for the purpose of owning, constructing and operating the storage ponds.

During the year, the Group incurred costs in securing funding for BHSL, including amounts from the Government Regional Infrastructure Fund and longer-term financing from the BNZ to support the construction of the water storage ponds. There were also expenses incurred in respect of various workstreams relating to the alternative proposal, including liaising with the construction contractor – Rooney Earthmoving on the construction contract, drafting agreements between the Group and BHSL governing the supply of water and pond operations and preparing a Product Disclosure Statement (PDS) for the proposed issue of BHSL shares. Significant costs were also incurred in liaising with the Group's shareholders to inform them of both the benefits and costs of the new proposal.

Should BHSL make an offer of ordinary shares, and that offer receive the required level of subscriptions, and the conditions precedent for the funding from MBIE and the BNZ be satisfied or waived, then the Group intends to sell the Storage Pond Assets to BHSL and under a services agreement, fully recover all expenditure incurred by the Group relating to the current proposal since the January 2024 shareholder vote. At reporting date, these expenses total \$518,921.

The Group's Directors are confident that the proposal will proceed, and the Group will eventually sell the Storage Pond Assets to BHSL and recover expenses relating to the current proposal, but there can be no certainty that the BHSL share issue will receive the necessary support, and that the sale of the Storage Pond Assets will proceed.

Due to this lack of certainty, the Board has decided to adopt a conservative position and write off as an impairment loss, all costs incurred to date in progressing the current proposal.

Should the sale of the Storage Pond Assets proceed, the sale proceeds and expenditure recovery will then be reflected in the financial statements of the Group as income. Should that occur, all of the current year's write-offs will be reversed. This matter is further discussed in the Chairman's Report and in note 26.

Race Improvements

The Group has previously commissioned work on improvements to several bridges over water race MR7. At reporting date, the Group had incurred \$60,891 (2024 \$60,891) of expenditure on the design work for a second bridge, but construction has not yet started.

In May 2023, the Group started work on a project to lower twin stormwater culverts that crossed under Wolffs Road and irrigation race R3. The work was carried out to remove restrictions from the race and improve stormwater flows. The work was completed in July 2024, and the cost of this work (\$232,836) was capitalised to Plant, Property and Equipment. Waimakariri District Council contributed \$126,062 to the cost of the work. The Council's contribution was recognised as income in the financial year. (see note 2). (2024 \$167,380)

Resource Consent Renewal

The Group holds Resource Consent CRC184861 to discharge contaminants to land. This Resource Consent will expire on 30 June 2025. The Group has lodged an application for renewal of the consent on 25 November 2024. Environment Canterbury has issued a section 124 continuation for the current consent while it processes the application for the new consent - CRC252218. The Group continues to undertake work to support the renewal application. At reporting date, the Group had incurred \$732,169 (2024 \$378,924) of expenditure on the renewal application and liaising with ECan regarding consent conditions.

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The Group held Resource Consents CRC135638, CRC135639 and CRC135642 for the Deposit of Sediment into the Waimakariri River. These Resource Consents expired on 24 January 2024. A renewal application was lodged with Environment Canterbury on 21 July 2023 and the Group currently operates under a section 124 continuance issued by Environment Canterbury pending a formal decision. The Group expects the new consents to be issued shortly. At reporting date, the Group had incurred \$61,623 (2024 \$34,923) of expenditure on the renewal application and liaising with ECan regarding consent conditions.

Buffer Pond Lining Project

A section of the East Bank of the scheme's existing Buffer Pond has been leaking water into an adjacent property. The decision has been made to line the affected section of the buffer pond.

The project has been completed during the reporting period. Rooney Earthmoving has performed the work with Damwatch providing the design and Stantec providing engineering supervision of the project. The project's total cost was \$681,838, which has been capitalised to Plant, Property and Equipment. (2024 \$68,933).

Eyre River Syphon Upgrade

The scheme uses a syphon to convey irrigation water under the Eyre River, near Warren Road. The syphon has been at risk of damage due to lowering riverbed levels, in particular, a section that is referred to as the 'elbow'. To remove the risk of damage, it was decided to lower this section of the pipe, protecting it from the path of the mainstream.

Rooney Earthmoving has been contracted to perform the work with Stantec providing the engineering design and supervision of the project. The project was completed in July 2024 at a total cost to the Group of \$246,863, which has been capitalised to Plant, Property and Equipment. (2024 \$245,326).

2025 Capital and Intangibles Work in Progress

	Opening Book Value \$	2025 Additions \$	Capitalised Interest \$	Disposals Transfers \$	Impairment \$	Closing Book Value \$
Storage Pond	-	403,212	-	-	(403,212)	-
Race Improvements	228,271	65,456	-	(232,836)	-	60,891
Resource Consents	413,847	379,945	-	-	-	793,792
Buffer Pond Lining Project	68,933	612,905	-	(681,837)	-	-
Eyre River Syphon Upgrade	245,326	1,537	-	(246,863)	-	-
TOTAL	\$956,376	1,463,055	\$-	(\$1,161,536)	(\$403,212)	\$854,683

2024 Capital and Intangibles Work in Progress

	Opening Book Value \$	2024 Additions \$	Capitalised Interest \$	Disposals Transfers \$	Impairment \$	Closing Book Value \$
Storage Pond	4,367,261	491,117	72,571	-	(4,930,949)	-
Race Improvements	66,491	161,780	-	-	-	228,271
Resource Consents	188,596	225,250	-	-	-	413,847
Buffer Pond Lining Project	-	68,933	-	-	-	68,933
Eyre River Syphon Upgrade	-	245,326	-	-	-	245,326
TOTAL	\$4,622,348	\$1,192,406	\$72,571	-	(\$4,930,949)	\$956,376

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At the reporting date, the carrying amount of the Capital Work in Progress was reviewed to determine whether there was any indication of impairment. As discussed above, the value of the Storage Pond Capital Work in Progress was determined to have been impaired and the amount of \$403,212 (2024 \$4,930,949) was subsequently written off.

There were no signs of impairment for the other components of Capital Work in Progress.

16. Intangible Assets

The Company has several resource consents issued by Environment Canterbury. The consents are variously to allow the Company to draw water from the Waimakariri River and convey the water over land. These consents are for 35-year periods, expiring in November 2031, they are being amortised on a straight-line basis over their life.

In April 2016 the Company purchased additional Water Rights to take and use water from the Waimakariri River at a rate not exceeding 341 litres per second. The Canterbury Regional Council combined the additional Water Right with the existing consents and issued Resource Consent CRC166677. The consent expires in November 2031 and is being amortised on a straight-line basis over its life. At the reporting date, the consent has a further 6½ years of useful life.

In September 2018 the Company was issued with Resource Consent CRC184861 to apply the water to the ground. This consent was for a 7-year period, and expired in June 2025, it is being amortised on a straight-line basis over its life.

2025 Asset Cost	2025 Opening Cost \$	2025 Opening Acc Amort \$	2025 Opening Book Value \$	2025 Closing Cost \$	2025 Closing Acc Amort \$	2025 Closing Book Value \$
Resource Consents	7,204,585	4,117,245	3,087,340	7,204,585	4,558,782	2,645,803
Software Application	95,261	95,261	-	95,261	95,261	-
TOTAL	7,299,846	4,212,506	3,087,340	7,299,846	4,654,043	2,645,803

2024 Asset Cost	2024 Opening Cost \$	2024 Opening Acc Amort \$	2024 Opening Book Value \$	2024 Closing Cost \$	2024 Closing Acc Amort \$	2024 Closing Book Value \$
Resource Consents	7,204,585	3,675,706	3,528,879	7,204,585	4,117,245	3,087,340
Software Application	95,261	95,261	-	95,261	95,261	-
TOTAL	7,299,846	3,770,967	3,528,879	7,299,846	4,212,506	3,087,340

2025 Asset Book Values	2025 Opening Book Value \$	2025 Additions \$	2025 Disposals \$	2025 Amortisation Recognised \$	2025 Closing Book Value \$
Resource Consents	3,087,340	-	-	(441,537)	2,645,803
Software Application	-	-	-	-	-
TOTAL	3,087,340	-	-	(441,537)	2,645,803

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For the year ended 30 June 2025

2024 Asset Book Values	2024 Opening Book Value \$	2024 Additions \$	2024 Disposals \$	2024 Amortisation Recognised \$	2024 Book Value \$
Resource Consents	3,528,879	-	-	(441,539)	3,087,340
Software Application	-	-	-	-	-
TOTAL	3,528,879	-	-	(441,539)	3,087,340

Intangible Assets with a carrying amount of \$2,645,803 (2024 \$3,087,340) are included as security for the bank debenture over the whole of the Group's undertaking.

At the reporting date, the carrying amounts of the intangible assets were reviewed to determine whether there was any indication of impairment. No indication of impairment was found, and no impairment losses have been recognised.

17. Trade and Other Payables

	Group 2025 \$	Group 2024 \$
Trade Creditors	323,493	767,658
Accruals	72,894	77,690
	\$396,387	\$845,348

Trade Creditors are all on normal business terms which in most cases is "payment in full the month after invoice". Except for one creditor for whom the Group is withholding payment until remedial work has been completed, all trade creditors were paid in full in the month after the reporting date. Management considers that the carrying amount of trade and other payables approximates fair value.

18. Employee Entitlements

	Group 2025 \$	Group 2024 \$
Wages and PAYE Payable	56,502	42,067
Holiday and Sick Pay Accruals	183,857	163,720
	\$240,359	\$205,787

19. Going Concern

These financial statements have been prepared on the basis that the Group is a going concern. At the reporting date, the Group's current liabilities exceeded the current assets by \$1,622,936 (2024 \$2,845,959). Management considers the use of the going concern assumption to be appropriate because:

- The Group has finance arrangements in place with its bank, including extended overdraft facilities, to ensure that the Company is able to pay its debts as they fall due.
- The Group's budget for the 2026 financial year shows that the Company will be able to meet all expected payments for the next twelve months.

WAIMAKARIRI IRRIGATION LIMITED

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- 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.
- Discussions are well advanced with the Group's bankers regarding a restructuring of the bank term loans as part of a new debt arrangement.

20. Deferred Tax Liability

	Opening Balance \$	Recognised In Profit & Loss \$	Closing Balance \$
2025			
Employee Benefits	(43,429)	(6,045)	(49,474)
Tax Losses to Carry Forward	(67,069)	67,069	-
Plant, Property and Equipment	1,375,218	9,432	1,384,650
Capital and Intangibles Work in Progress	(937,053)	(56,283)	(993,337)
TOTAL	\$327,667	\$14,173	\$341,839
2024			
Employee Benefits	(36,275)	(7,154)	(43,429)
Tax Losses to Carry Forward	-	(67,069)	(67,069)
Plant, Property and Equipment	1,407,365	(32,147)	1,375,218
Capital and Intangibles Work in Progress	132,927	(1,069,980)	(937,053)
TOTAL	\$1,504,017	(\$1,176,350)	\$327,667

21. Loans and Borrowings

	Group 2025 \$	Group 2024 \$
Current Portion	1,331,548	2,250,729
Non-Current Portion	-	-
TOTAL TERM LOANS	\$1,331,548	\$2,250,729
Repayable as follows:		
Within one year	\$1,331,548	2,250,729
Between one and two years	-	-
Between two and five years	-	-
Beyond five years	-	-
TOTAL TERM LOANS	\$1,331,548	\$2,250,729

- In addition to the above loans, a further loan of \$1,550,000 is associated with the Group's asset held for sale. (see note 12)
- The loans are secured by a debenture over the Group's assets and undertakings including a registered first mortgage over the Group's land and buildings (see notes 12 and 14). The Group's land and property held for sale have a combined rating valuation of \$2,923,000.
- At reporting date the interest rates on the Group's loans were in the range of 5.36% to 5.89%.

WAIMAKARIRI IRRIGATION LIMITED

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- The Group's loans are set to mature at various times from November 2025 to February 2026. Discussions are well advanced with the Group's bankers regarding a restructuring of the bank term loans as part of a new debt arrangement. Management is confident that the Group's maturing loans will be renewed on terms and conditions and with rates similar to those currently applying.

22. Share Capital

	Group 2025 \$	Group 2024 \$
<u>Original Water Shares</u>		
Closing Balance at 30 June	7,244,000	7,244,000
<u>New Water Shares</u>		
Closing Balance at 30 June	8,422,114	8,422,114
TOTAL CAPITAL	\$15,666,114	\$15,666,114

Number of Shares Authorised and Issued

	Group 2025	Group 2024
<u>Original Water Shares</u>		
Closing Balance at 30 June	126,000	126,000
<u>New Water Shares</u>		
Closing Balance at 30 June	7,213	7,213
TOTAL SHARES ON ISSUE	133,213	133,213

All Original Water Shares have equal voting rights, share equally in any dividends and any surplus on winding up and are entitled to draw irrigation water from the scheme at the rate of 0.075 litres per second. Each Original Water Share has a nominal value of \$57.49 upon surrender. All Original Water Shares are fully paid.

New Water Shares make up 5.4% (2024 5.4%) of all shares issued. All New Water Shares have the same rights as Original Water Shares including equal water entitlements and nutrient management obligations. The New Water Shares have nominal values ranging from \$951 to \$1,431 according to the tender price paid for the shares. All New Water Shares are fully paid.

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For the year ended 30 June 2025

23. Cashflow Reconciliation

Reconciliation of Net Profit after Tax with Cashflow from Operating Activities

	Group 2025 \$	Group 2024 \$
Net Profit/(Loss) after Tax	161,951	(3,029,260)
<u>Add Non-Cash Items</u>		
Depreciation, Amortisation and Loss on Disposal	1,118,584	1,050,635
Impairment Loss of Capital Work in Progress	403,212	4,930,949
	1,521,796	5,981,584
<u>Item Included in Investing/Financing Activities</u>		
Infrastructure Contributions	(152,248)	-
Interest on Lease Liability	2,460	294
	(149,788)	294
<u>Add (Less) Movements in Working Capital</u>		
(Increase) Decrease in Accounts Receivable	(15,666)	(5,467)
(Increase) Decrease in Prepayments	(37,615)	27,562
Increase (Decrease) in Income Tax Payable	111,526	(116,457)
(Increase) Decrease in Deferred Tax Liability	14,172	(1,176,349)
Increase (Decrease) in Accounts Payable & Accruals	(5,396)	31,237
Increase (Decrease) in Employee Benefits Payable	34,572	39,510
Increase (Decrease) in Interest Accrued	(461)	(24)
(Increase) Decrease in G.S.T. Receivable	74,070	(44,671)
Increase (Decrease) in Income Charged in Advance	4,607	3,441
	179,809	(1,241,218)
NET CASH FROM OPERATING ACTIVITIES	\$1,713,768	\$1,711,400

24. Contingent Assets and Liabilities

The Group has no known contingent assets at 30 June 2025 (2024 none).

The Group has no known contingent liabilities at 30 June 2025 (2024 none).

25. Commitments

The Group did not have any capital or operational commitments at reporting date (2024 \$567,860).

26. Significant Events after Reporting date

The Group operates a run-of-the-river irrigation scheme. Periods of peak irrigation demand often coincide with low flows in the Waimakariri River, resulting in restrictions on the amount of water available for irrigation purposes. A water storage facility would allow the Group to continue supplying irrigation water to its Shareholders during times when water is not available from the river.

In 2006, the Group purchased a 122-hectare property at 513 Wrights Road with the intention of developing it as the site of the Group's water storage ponds. The Group has since also obtained Resource Consents from both the Waimakariri District Council and Environment Canterbury for

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the construction of water storage ponds at Wrights Road and holds intellectual property in connection with the storage pond project (together the *Storage Pond Assets*).

A proposal for the funding and construction of the water storage ponds was put to Shareholders on 31 January 2024. The proposal received support from 72% of shareholders; however, as this fell short of the 75% approval required for a major transaction, the Group did not proceed with that proposal.

The Group has since been working on an alternative proposal, which involves selling the Wrights Road property and the Storage Pond Assets to Burnt Hill Storage Limited (BHSL), a new company formed for the purpose of owning, constructing and operating the storage ponds.

BHSL was incorporated on 15 September 2025. Its directors are currently the same as those of the Waimakariri Irrigation Group, and its sole shareholder is Waimakariri Irrigation Limited. The Group is currently acting on behalf of and directing the activities of BHSL.

BHSL will offer ordinary shares via a Product Disclosure Statement (PDS) to WIL's Shareholders. The PDS for this offer was lodged on the Disclose Register on 24 October 2025. Waimakariri Irrigation Limited (WIL) intends to subscribe for 10% of the BHSL shares. The Board believes it is in the best interests of WIL and its shareholders for WIL to have a shareholding in BHSL because it would provide WIL with more flexibility to move water around the Scheme and could potentially allow WIL to use this water for MAR and TSA purposes.

Should the BHSL share issue receive sufficient support, and the conditions precedent for BHSL funding be satisfied or waived, the Group will sell the Wrights Road property and the Storage Pond Assets to BHSL. The property would be sold at its market valuation of \$2,965,000 (see note 12), and the Storage Pond Assets would be sold for \$250,000. Additionally, under a services agreement between the company and BHSL, BHSL will reimburse the Company for all expenditure incurred by the Group relating to the current proposal since the January 2024 shareholder vote. At reporting date, these expenses total \$518,921 (see note 15).

In future reporting periods, BHSL may potentially be considered a Controlled Entity under NZ IFRS 10, however, a formal assessment has not yet been completed.

There were no other significant events after the reporting date.

27. Transactions with Related Parties

Key Management Personnel

Key Management Personnel are the Group's Directors and CEO.

Shareholdings in Waimakariri Irrigation Limited by the Directors are as follows:

Director	Shareholder	Number of Shares	Nature of Interest
Timothy C Wells	Carleton Dairies Ltd	1,360 shares	Director and Shareholder
Timothy C Wells	Harewood Farm Ltd	1,013 shares	Director and Shareholder
Timothy C Wells	Spring Grove Farm Ltd	1,491 shares	Director and Shareholder
Victoria J Trayner	Motu Lodge Stud Ltd	1,540 shares	Shareholder
Victoria J Trayner	Aratika Holdings Ltd	1,505 shares	Beneficiary of Trust
Victoria J Trayner	Clarence R Timperley	239 shares	Beneficiary of Trust
Victoria J Trayner	New Zealand Pork Corporation Ltd	875 shares	Daughter of Director/Shareholder
Richard W Stalker	R & R Stalker & J J Brandts-Giesen	170 shares	Trustee and beneficiary of Trust
Richard W Stalker	RW Stalker & WF Stalker	130 shares	Beneficiary of Trust

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During the year, the shareholder-directors were charged for irrigation water and IMS and other charges in the normal course of the company's business and on the same terms and conditions as all other shareholders. The total value of these transactions was \$277,927 (2024 \$176,915).

The directors were remunerated for their work as directors of the parent. The total value of the remuneration was \$159,702 (2024 \$147,290). The directors do not receive any extra remuneration for their role as directors of the subsidiary.

	2025 \$	2024 \$
Hugh L Martyn	53,024	49,098
Timothy C Wells	26,512	24,548
Victoria J Trayner	26,512	24,548
Wynton Gill Cox	26,512	24,548
Richard W Stalker	26,512	24,548
Total Directors' Fees	\$159,072	\$147,290

There was nothing (2024 \$nil) owed to the directors at reporting date.

Key Management Personnel Compensation includes the following expenses:

	2025 \$	2024 \$
Short Term Benefits		
Remuneration	362,834	349,866
Contract Payments	22,115	20,311
	\$384,949	\$370,177

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

Shareholders

As a co-operative company, WIL supplies services to and receives payment for those services from its shareholders.

Subsidiary

The parent has advanced funds totalling \$836,313 (2024 \$792,320) to North Canterbury Land Holdings Limited (the Subsidiary). No interest is charged on the advance. The advance is repayable by the Subsidiary on demand from the parent. The recoverability of this balance has been reviewed, and no issues were noted.

Advance to North Canterbury Land Holdings

	WIL 2025 \$	WIL 2024 \$
Opening Balance	792,320	748,375
Funds Advanced	43,993	43,945
Funds Repaid	-	-
CLOSING BALANCE	\$836,313	\$792,320

The Parent has guaranteed the bank loan made to its subsidiary. The amount of the loan so guaranteed was \$1,550,000 as at 30 June 2025. (2024 \$1,550,000)

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28. Investment in Subsidiary

Subsidiary	Percentage Held 2025	2024	Reporting Date	Incorporated in
North Canterbury Land Holdings Limited	100%	100%	30 June	New Zealand

The Subsidiary is a direct subsidiary of the Company. North Canterbury Land Holdings Limited owns land at 513 Wrights Road, which is the site of the Group's proposed water storage pond.

29. Accounting Judgements and Major Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements.

Impairment of Accounts Receivable

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. No allowance has been made for impairment of trade receivables (see note 0)

Impairment of Plant, Property and Equipment and Capital Work In Progress

The Group determines whether Plant, Property and Equipment and Capital WIP are impaired on an annual basis and whether there is an indication of impairment. This requires an estimation of the recoverable amount of Plant, Property and Equipment and Capital WIP. Determining the recoverable amounts of Plant, Property and Equipment and Capital WIP requires the estimation of the effects of uncertain future events at reporting date. Indicators of impairment include damage or litigation that creates uncertainty to Plant, Property or Equipment and Capital WIP. Where there is any evidence of impairment the amount due is written down to the estimated recoverable amount. At reporting date, the Group has considered if there is any damage to or litigation impact on the Property, Plant or Equipment and Capital WIP that would indicate impairment.

The shareholders not approving the development of the Storage Pond on the terms and conditions that had been presented to them is an indicator of impairment for the Storage Pond. Management has applied judgment in assessing the impairment and resulting recoverable value of the Storage Pond capital work in progress with reference to IAS 36. Given the significant uncertainty around the future and outcomes of the project, and the associated balance, which was held as capital work in progress, the recoverable value has been assessed to be nil as at 30 June 2025. (see note 15)

Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

The Group determines the expected useful life of items of Plant, Property and Equipment and depreciates those items over their lifetime. The Group has various resource consents that are amortised over the life of the consents. The expected useful life of many assets exceeds the remaining life of the resource consents. While there is no certainty that the resource consents will be renewed at the end of their current life, the Group anticipates applying for a renewal of the consents and expects that a renewal will be granted. If it becomes apparent that the resource consents are not able to be renewed, then the useful life of the Group's Plant, Property and Equipment will need to be reduced to the remaining life of the resource consents. Indicators that the resource consents will not be renewed would include advice from Environment Canterbury, non-renewal of other entity's consents and failure by the Group to comply with its existing consent conditions. At reporting date, the Group has considered if there are any indicators that the consents are not able to be renewed. No such indicators have been noted so the expected useful life of the Group's Plant, Property and Equipment has not been reduced.

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30. Financial Instruments

30.1 Credit Risk

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

The Group manages exposure to credit risk to minimise losses from bad debts through continuously monitoring the credit quality of major financial institutions that are counter parties to its financial instruments and does not anticipate nonperformance by any counter parties.

The Group's exposure to credit risk is minimised as the Group only deals with shareholder members regarding the supply of water. Should a shareholder member not pay his/her Irrigation Water Charges then the Group exercises its lieu that it holds over the shareholder's shares, selling the shares and applying the sale proceeds in settlement of the amounts owed to the Group.

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

	Group 2025 \$	Group 2024 \$
Cash and Cash Equivalents	70,381	59,755
Trade and Other Receivables	181,838	292,234

The Group holds collateral on amounts owed by shareholders. The collateral is in the form of a lien on the company's shares. No other collateral is held on the above amounts.

Concentrations of Credit Risk

All cash and cash equivalents are held with BNZ Bank which has a Standards and Poor's AA- (Outlook Stable) credit rating. At reporting date, of the Trade and Other Receivables Faulks Family Trust owed 30% (2024 18%), Lake Ernmor Farms Ltd owed 24% (2024 14%), Waimakariri District Council owed 21% (2024 54%), Glen Eyre Dairy Ltd owed 13% (2024 8%) and Stokes Farming Ltd owed 9% (2024 9%).

The Group does not have any other significant concentrations of credit risk. The ageing of the Trade and Other Receivables are shown in note 0.

30.2 Liquidity Risk

Liquidity risk is the risk that the Group will experience difficulty in raising sufficient funds to meet contractual obligations associated with financial liabilities as they fall due. For the most part, the Group generates sufficient cash flows from its operating activities to make timely payments. The Group has a bank overdraft facility of \$1,500,000 (2024 \$1,500,000) at reporting date. None of this had been borrowed at the reporting date (2024 \$162,158 borrowed).

Liquidity forecast

Management supervises liquidity by continuously monitoring forecast and actual cash flows.

Maturity Analysis

The following table analyses the Group's financial liabilities by the relevant contractual maturity groupings based on the remaining period of the liability. The figures in the table are the nominal amounts payable and have not been discounted for time.

Group:	Carrying Amount	Contractual Cashflows	0 – 1 year	1 – 2 years	2 – 5 years	5 + years
Financial Liabilities 2025						
Trade and Other Payables	396,387	396,387	396,387			
Borrowings	2,881,548	2,962,636	2,962,636	-	-	-
	\$3,277,935	\$3,359,023	\$3,359,023	\$ -	\$ -	\$ -
Financial Liabilities 2024						
Trade and Other Payables	845,348	845,348	845,348			
Borrowings	2,250,729	2,322,772	2,322,772	-	-	-
	\$3,096,077	\$3,168,120	\$3,168,120	\$ -	\$ -	\$ -

30.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Cash Flow Interest Rate Risk

The Group has exposure to cash flow interest rate risk to the extent that it borrows or invest for a term at variable rates. The Group manages its cost of borrowing by placing limits on the proportion of borrowings at a floating rate, and the proportion of fixed-rate borrowing that is repriced in any year. The group's policy is that 50% of borrowings have a floating interest rate, 25% of borrowings have interest rates fixed for 2 years and 25% is fixed for 3 years.

By managing interest rate risk, the group aims to moderate the impact of short-term fluctuations in interest rates. Over longer periods changes in rates will have an impact on profit.

WAIMAKARIRI IRRIGATION LIMITED

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Sensitivity Analysis

The following analysis illustrates the sensitivity of profit to a change in interest rates of +/-1% (2024 +/- 1%). The calculations are based on a change in the average market interest rate for each period and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Group Change to Profit and Retained Earnings	2025 \$	2024 \$
1% increase in market borrowing interest rates	(14,963)	(5,457)
1% decrease in market borrowing interest rates	14,963	5,457

30.4 Fair Values

The estimated fair values of financial instruments are considered to be materially the same as their carrying amounts disclosed in the Statements of Financial Position.

30.5 Classification of Financial Instruments

2025 Financial Assets	Amortised Cost \$	Fair Value OCI \$	Fair Value TPL \$	Group Total \$
Cash and Cash Equivalents	70,381	-	-	70,381
Trade and Other Receivables	181,838	-	-	181,838
	\$252,219	\$-	\$-	\$252,219

2024 Financial Assets	Amortised Cost \$	Fair Value OCI \$	Fair Value TPL \$	Group Total \$
Cash and Cash Equivalents	59,775	-	-	59,775
Trade and Other Receivables	292,234	-	-	292,234
	\$352,009	\$-	\$-	\$352,009

2025 Financial Liabilities	Amortised Cost \$	Fair Value TPL \$	Group Total \$
Cash and Cash Equivalents	-	-	-
Trade and Other Payables	396,387	-	396,387
Borrowings	2,881,548	-	2,881,548
	\$3,277,935	\$-	\$3,277,935

2024 Financial Liabilities	Amortised Cost \$	Fair Value TPL \$	Group Total \$
Cash and Cash Equivalents	162,158	-	162,158
Trade and Other Payables	845,348	-	845,348
Borrowings	2,250,729	-	2,250,729
	\$3,258,235	\$-	\$3,258,235

WAIMAKARIRI IRRIGATION LIMITED

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30.6 Reconciliation of liabilities from financing transactions

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions as follows:

	Group 2025 \$			Group 2024 \$		
	Current Loans and Borrowing (Note 21)	Noncurrent Loans and Borrowing (Note 21)	TOTAL	Current Loans and Borrowings (Note 21)	Noncurrent Loans and Borrowings (Note 21)	TOTAL
Opening Balance	2,276,576	-	2,276,576	511,812	2,145,717	2,657,529
<u>Cash Flows</u>						
Loans Raised	919,152	-	919,152	-	-	-
Loan Repayments	(288,334)	-	(288,334)	(406,800)	-	(406,800)
Lease Payments	(22,067)	-	(22,067)	(8,667)	-	(8,667)
<u>Non-Cash flows</u>						
Reclassification	36,668	(36,668)	-	2,145,717	(2,145,717)	-
Lease Addition	15,860	382,664	398,524	34,219	-	34,219
Lease Adjustments	(22,100)	-	(22,100)	-	-	-
Interest Accruing	2,460	-	2,460	294	-	294
Closing Value	\$2,918,215	\$345,996	\$3,264,211	\$2,276,575	\$-	\$2,276,575

31. Capital Management

The Group's capital includes share capital and retained earnings. The Group's policy is to maintain a strong capital base, thereby ensuring the confidence of shareholders, creditors, and customers, and sustaining the future development of the business as a cooperative. The Group recognises the need to maintain a strong balance sheet, with adequate gearing to meet its development needs. The Group does not have current intentions to pay dividends to its shareholders but delivers a return to shareholders by way of appropriately priced water charges. The Group is not subject to any externally imposed capital requirements.

The Group policies in respect of capital management and allocation are reviewed regularly by the Board of Directors. There have been no material changes to the Group's management of capital during the year.

Directory

Directors

Hugh L Martyn (Chairman)
Timothy C Wells
Victoria J Trayner
W Gill Cox
Richard W Stalker

Chief Executive Officer

Brent R Walton

Environmental Manager

Ben Howden

Operations Manager

Jamie Hamilton

Company Secretary

Alun J Hassall

Registered Office

C/o Koller & Hassall Limited
267 High Street
RANGIORA

Accountants

Koller & Hassall Limited

Independent Auditor

BDO Christchurch Audit Limited

Bankers

Bank of New Zealand

Solicitors

Chapman Tripp

Company Number

902474

Date of Incorporation

1 April 1998





Waimakariri Irrigation Limited

www.wil.co.nz