WAIMAKARIRI IRRIGATION LIMITED

SPECIAL PURPOSE ANNUAL REPORT 2026

FOR THE YEAR ENDED
30 JUNE 2026



WIL
Waimakariri Irrigation Limited



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

Contents

Chairman's Report 4

Our Performance 6

Our Strategy 8

Our Five Company Pillars 9

Financial Statements 11

- Annual Report 12
- Audit Report of the Independent Auditor 17
- Special Purpose Statement of Profit or Loss 20
- Special Purpose Statement of Changes in Equity 21
- Special Purpose Statement of Financial Position 22
- Special Purpose Statement of Cash Flows 24
- Notes to and forming part of the Special Purpose Financial Statements 25

Directory 53

Chairman's Report

A YEAR OF SIGNIFICANT TRANSITION

On behalf of the Board, I am pleased to present Waimakariri Irrigation Limited's Annual Report for the year ended 30 June 2026.

This was a significant year for WIL. Two long-running and strategically important workstreams reached major milestones: the renewal of the Scheme's nutrient discharge consent and the transition of the Wrights Road Storage Ponds project to Burnt Hill Storage Limited. Both outcomes required sustained effort over a number of years from Directors, management, staff, shareholders and specialist advisers.

The completion of these milestones does not mean the work is finished. Rather, it marks a change in emphasis. With the storage project now under the governance of the BHSL Board, WIL is able to refocus on its core business: reliable and efficient delivery of water, prudent stewardship of Scheme assets, strong environmental performance, and better outcomes for all WIL shareholders.

WRIGHTS ROAD STORAGE PONDS

WIL has carried the Wrights Road Storage Ponds project for many years. During the reporting period, the Board and management team completed an extensive programme of work to establish a viable structure for the project, secure funding, prepare the Product Disclosure Statement, engage with shareholders and prospective investors, negotiate project and banking arrangements, and put in place the agreements needed to protect the interests of both WIL and BHSL.

The BHSL share offer achieved the required level of subscriptions and financial settlement occurred in December 2025. The storage land, project assets and associated arrangements were then transferred into the BHSL structure, with subsequent reimbursements to WIL in accordance with the agreed transaction documents. This represented an important turning point: the project moved from being developed principally through WIL to being owned and governed through BHSL.

The WIL Board acknowledges the considerable contribution WIL made before that handover. It also recognises the need to maintain a clear distinction between the two companies. A separate Chairman's Report will address BHSL's activities and the storage project in greater detail. For WIL, the enduring purpose of the project was and remains improved water reliability and resilience. WIL will continue to support BHSL under the agreed services and operating arrangements, while ensuring that decisions made for WIL remain focused on the interests of WIL and its shareholders.

RENEWAL OF THE DISCHARGE CONSENT

The granting of the replacement nutrient discharge consent, CRC252218, in December 2025, was another major achievement. The new consent runs to 1 July 2037 and provides a clear regulatory framework for the Scheme and its shareholders.

This outcome followed several years of technical analysis, policy development, consultation and engagement with Environment Canterbury and other parties. It reflects the substantial work already undertaken by WIL shareholders through Farm Environment Plans, audited self-management, improved nutrient information, water-quality monitoring and practical changes on farm.

The new consent brings with it ongoing obligations. WIL's environmental team is working with shareholders to embed the updated Environmental Management Strategy, Nutrient Management Policy and farm planning requirements, and to support progress toward the nitrogen-loss reductions required under Plan Change 7. The Board's approach remains practical and evidence-based: maintain compliance, support shareholders through change and demonstrate credible environmental improvement over time.

FOCUSING ON THE WIL COOPERATIVE

The transition of the storage project has created the opportunity for WIL to sharpen its attention on the performance of the existing Scheme. The Board's focus is increasingly on how WIL can deliver more value from the assets, systems and information already available to us.

Water-use efficiency is central to that work. Continued investment in flow measurement, telemetry, automation and irrigation management systems is giving WIL a more reliable picture of how water moves from the river intake, through the race network and onto shareholder properties. The next step is to convert that information into useful analysis: identifying losses and constraints, testing improvement options and prioritising investment where it will produce the greatest benefit.

This evidence-led approach will also strengthen capital planning. WIL is developing a longer-term programme that balances maintenance of ageing infrastructure with targeted improvements to reliability, safety and efficiency. Better data will help the Board distinguish between work that is necessary, work that can be staged and work that offers a measurable return to shareholders. This is particularly important in an environment where farm businesses are under cost pressure and every investment decision must be properly justified.

OPERATIONAL PERFORMANCE AND INFRASTRUCTURE

The operations team continued its programme of incremental improvement across the Scheme. Automation, telemetry and asset-management systems are increasingly

integrated into day-to-day operations, helping staff respond more quickly, plan maintenance and target resources. The Board remains committed to maintaining a safe and reliable network while avoiding unnecessary cost or complexity.

Alongside major capital decisions, many smaller improvements make a meaningful difference to shareholders. The Board values the practical knowledge of the operations team and its focus on keeping water moving, resolving issues quickly and improving the Scheme season by season. Health and safety remains a core responsibility and an essential part of how all operational and construction activities are planned and delivered.

ENVIRONMENTAL AND COMMUNITY LEADERSHIP

WIL continued to support shareholders through farm planning, FEP audits, land-use change processes and biodiversity initiatives. The environmental team's role is not limited to compliance. It is increasingly about helping shareholders understand their position, identify practical actions and make well-informed decisions for their farm businesses.

The cooperative also maintained its wider catchment and community relationships. Collaboration with other irrigation schemes, Environment Canterbury, Waimakariri District Council, Irrigation New Zealand, community groups and environmental partners remains important. These relationships allow WIL to share knowledge, advocate for workable regulation and contribute constructively to the social, environmental and economic wellbeing of the district.

FINANCIAL STEWARDSHIP

The year's financial statements reflect the significance and complexity of the BHSL transaction, including the transfer and reimbursement of storage-related assets and costs. These are substantial accounting movements and should be read carefully alongside the notes to the financial statements.

The Board's underlying objective remains straightforward: protect WIL's balance sheet, manage operating costs responsibly and ensure that funds are available for the long-term maintenance and improvement of the Scheme. The proceeds arising from the BHSL and related transactions have strengthened WIL's financial position and reduced financing pressure, whilst the Board continues to consider how available funds should best support future infrastructure needs and shareholder value.

Cost discipline will remain a priority. The Board is conscious that shareholders rightly expect transparency about water charges, operating costs and investment decisions. Future expenditure will be tested against clear needs, reliable information and the benefits expected to be delivered.

LOOKING AHEAD

The year ended 30 June 2026 closed one chapter for WIL and opened another. The Wrights Road project has moved into BHSL, the renewed discharge consent provides a clearer environmental framework, and WIL can now direct more of its energy back to the performance of the cooperative itself.

The Board's priorities for the year ahead are to improve water-use efficiency, strengthen the quality and use of Scheme data, maintain disciplined asset and capital planning, support shareholders in meeting environmental requirements, and communicate more clearly about performance, costs and investment choices. We are also starting a considerable body of work to ensure that we are well positioned for the renewal of our water take consent in 2031.

Above all, WIL must remain focused on shareholder outcomes. That means reliable water delivery, a resilient Scheme, practical environmental support, prudent governance and decisions that are transparent and defensible. The cooperative has invested heavily in people, systems and information. The task now is to use those capabilities well and turn them into measurable value for shareholders.

ACKNOWLEDGEMENTS

I would like to thank my fellow Directors for their judgement, commitment and willingness to work through a demanding and complex year. The establishment and handover of the BHSL structure, together with the discharge consent renewal, required careful governance and a considerable investment of time.

On behalf of the Board, I also thank Brent Walton and the WIL management, operations, environmental and administration teams. Their effort, professionalism and resilience have been central to the achievements outlined in this report.

Finally, I thank our shareholders for your engagement, feedback and continued support. WIL exists to serve its shareholders. As we refocus on the cooperative's core business, the Board is committed to listening carefully, communicating openly and making decisions that strengthen WIL for the long term.



Hugh Martyn
Chairman
Waimakariri Irrigation Limited
31 October 2026

Our Performance – 2026

TOTAL EXPENSES

$5,439,704

TOTAL REVENUE

$5,930,983

DEPRECIATION, AMORTISATION AND LOSS ON DISPOSAL

$1,202,237

WIL SHAREHOLDERS

154

TOTAL SCHEME AREA

31,486.36

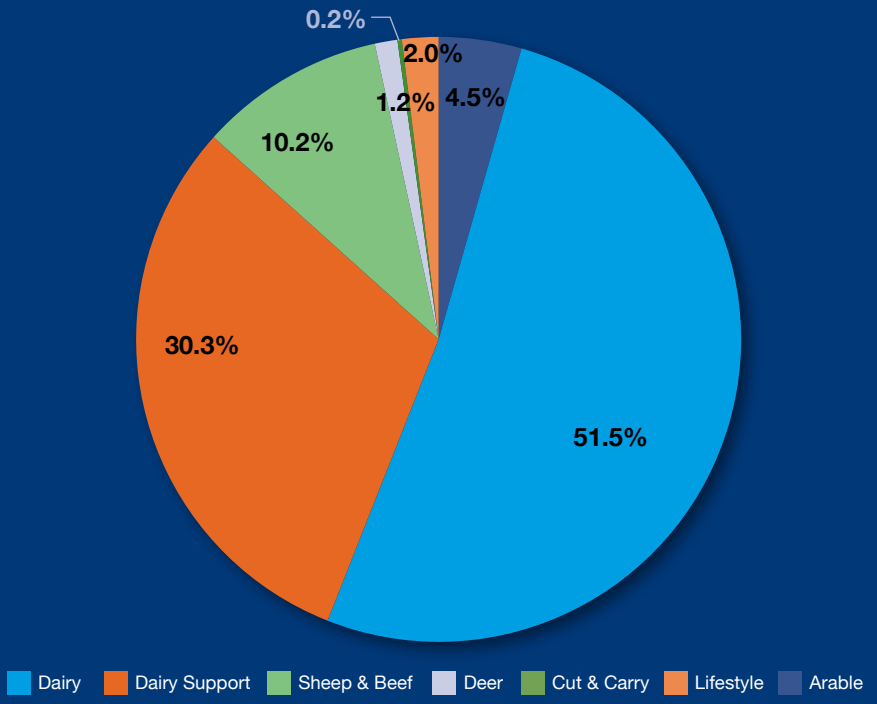
HECTARES

TOTAL IRRIGATED AREA

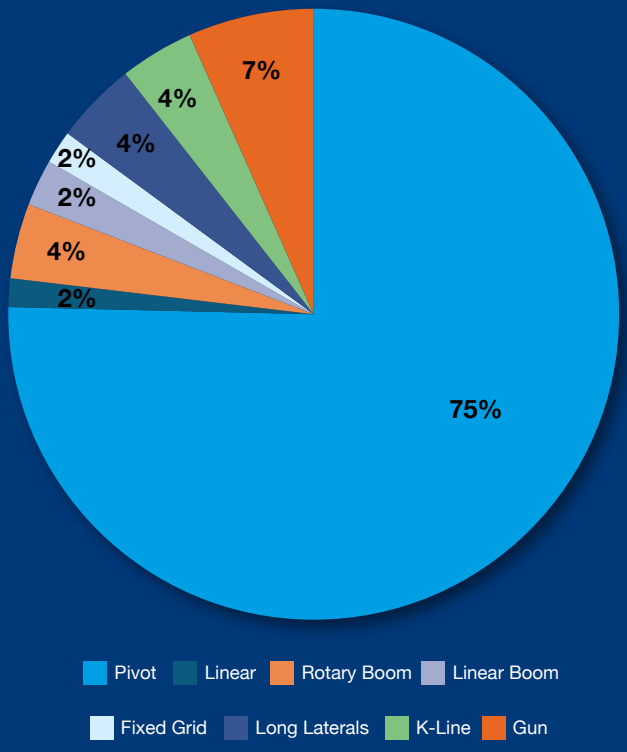
24,507.9

HECTARES

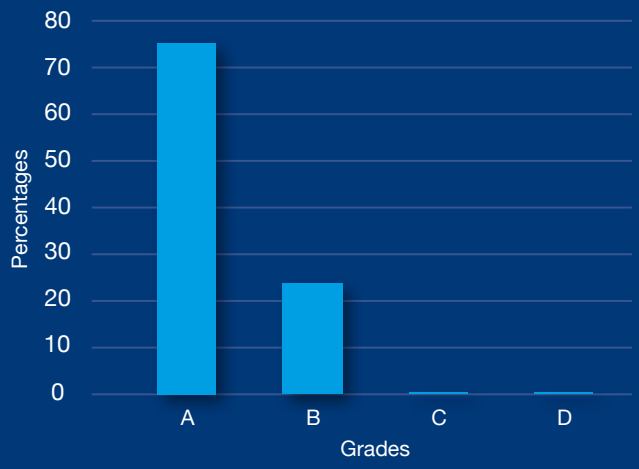
TOTAL SCHEME LAND USE BY TYPE 2026



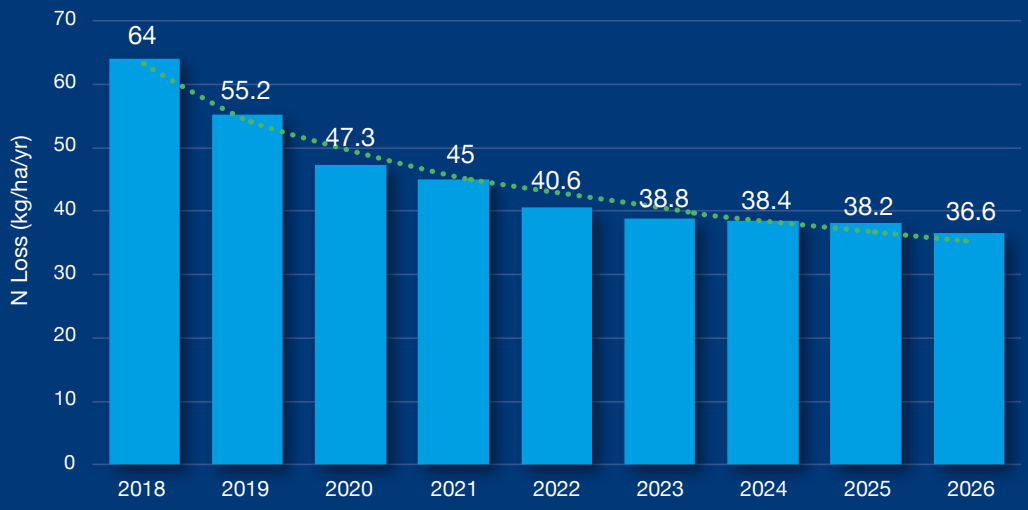
IRRIGATION SYSTEM BY TYPE 2026



AUDIT GRADES 1 JULY 2025 – 30 JUNE 2026



AVERAGE WIL FARM NITROGEN LOSS



BIODIVERSITY PROJECT BY AREA 2026

84.9
HECTARES

SCHOOL & SHAREHOLDER GREENHOUSES 2026

11

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



In July 2025, WIL received 15.6M of funding from the Government's Regional Infrastructure Fund (RIF) for the construction of the Wrights Road Storage Ponds at Burnt Hill.



West Eyreton School students planted 250 native seedlings at Bennetts Stream in November 2025.



Cust Preschool students and Cust School students planted 500 seedlings at Jack Graham Reserve in April 2026. The preschoolers grew the seedlings in a greenhouse supplied by WIL.



Eco Action Nursery Trust in Christchurch donated 26,000 plants to WIL shareholders in September 2025.



WIL operations staff work on the Dixons Road culvert upgrade in June 2026.



WIL's environmental advisor Georgie Woods and environmental manager Ben Howden unload native plants donated to WIL shareholders by the Eco Action Trust.

Special Purpose Annual Report Financial Statements

For the year ended 30 June 2026

WIL
Waimakariri Irrigation Limited



WAIMAKARIRI IRRIGATION LIMITED
Annual Report
For the year ended 30 June 2026

The Board of Directors are pleased to present this Special Purpose Annual Report including Financial Statements for the year ended 30 June 2026.

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 2026.

	Group 2026 $	Group 2025 $	Group 2024 $	Group 2023 $	Group 2022 $
Revenue	5,930,983	5,335,296	5,027,906	4,698,601	4,122,016
Other Income	2,319,453	212,083	58,762	58,995	494,686
Operating Expenses	4,094,469	3,562,974	3,162,618	2,872,941	2,865,947
OPERATING PROFIT	**4,155,967**	**1,984,405**	**1,924,050**	**1,884,655**	**1,750,755**
Finance Costs	142,998	235,959	148,076	83,467	49,406
Depreciation, Amortisation & Impairment	1,202,237	1,521,796	5,981,584	1,006,140	891,215
PROFIT/(LOSS) before share of BHSL result and before income tax	**$2,810,732**	**$226,650**	**($4,205,610)**	**$795,048**	**$810,134**
Equity:					
Share Capital	15,666,114	15,666,114	15,666,114	15,666,114	15,666,114
Retained Earnings	4,275,698	1,880,278	1,718,327	4,747,587	4,175,875
TOTAL EQUITY	**$19,941,812**	**$17,546,392**	**$17,384,441**	**$20,413,701**	**$19,841,989**
CAPITAL EXPENDITURE *	**$463,856**	**$1,868,364**	**$1,718,680**	**$2,024,172**	**$1,518,616**

Operating profit represents total income less operating expenses, before depreciation, amortisation, impairment movements, finance costs, the Group's share of Burnt Hill Storage Limited's result and income tax. Profit is stated before the Group's share of Burnt Hill Storage Limited's result and income tax. Capital expenditure includes additions to property, plant and equipment, work in progress and intangible assets, excluding internal transfers, capital contributions received and expenditure recovered from Burnt Hill Storage Limited.

WAIMAKARIRI IRRIGATION LIMITED
Annual Report
For the year ended 30 June 2026

Directors Holding Office during the Year

Hugh L Martyn (Chairman)
Timothy C Wells
Victoria J Trayner
Wynton Gill Cox
Richard W Stalker (resigned 13 Aug 2026)

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.

On 13 August 2026, Mr Richard Stalker retired and does not offer himself for re-election.

Remuneration of Directors

$168,616 was paid to the directors for services to the Group relating to the year ended 30 June 2026. (2025 $159,072)

	2026	2025
Hugh L Martyn	**56,205**	**53,024**
Timothy C Wells	**28,103**	**26,512**
Victoria J Trayner	**28,103**	**26,512**
Wynton Gill Cox	**28,103**	**26,512**
Richard W Stalker	**28,103**	**26,512**
Total Directors' Fees	**$168,616**	**$159,072**

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 2026, the following number of employees of the Group received remuneration and benefits over $100,000.

Remuneration Range	2026 Number of Employees	2025 Number of Employees
$100,000 - $110,000	**2**	**2**
$110,000 - $120,000	**2**	**1**
$150,000 - $160,000	**-**	**1**
$170,000 - $180,000	**1**	**-**
$190,000 - $200,000	**-**	**1**
$210,000 - $220,000	**-**	**1**
$220,000 - $230,000	**1**	**-**
$230,000 - $240,000	**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 2026

Current Entries in the Company's Interests Register

Director	Interested Party	Nature of Relationship
Timothy C Wells	Carleton Dairies Ltd	Director and Shareholder
	Timothy Wells Family Trust	Trustee
	North Canterbury Land Holdings Ltd	Director
	Harewood Farm Ltd	Director and Shareholder
	Spring Grove Farm Ltd	Director and Shareholder
	Burnt Hill Storage Limited	Director
Hugh L Martyn	Richmond Group Limited	Director and Shareholder
	WD Boyes Limited	Advisor
	TC Groundworks Limited	Advisor
	The McDougall Trust	Trustee
	The Ashton-Martyn Family Trust	Trustee
	Nelmac Limited	Director
	North Canterbury Land Holdings Ltd	Director
	Sumner Lifeboat Institute	Chair Management Committee
	Ospri New Zealand Ltd and its subsidiaries	Director
	Decipher Group	Mentor to Leanne Crozier
	Burnt Hill Storage Limited	Chairman
Victoria J Trayner	Motu Lodge Stud Ltd	Shareholder
	C & L Daughters Ltd	Beneficiary of Trust
	Aratika Holdings Family Trust	Trustee
	Aratika Holdings Ltd	Beneficiary of Trust
	Platinum Farming Ltd	Director and Shareholder
	Highland Trust	Director
	North Canterbury Land Holdings Ltd	Director
	Cust School PTA	Board Member
	New Zealand Pork Corporation Limited	Daughter of shareholder/director
	Livestock Improvement Corporation Limited	Director
	Glen & Victoria Trayner Partnership	Partner
	Irrigation New Zealand Incorporated and its subsidiaries.	Board Member
	INZ Accreditation Limited	Director
	Burnt Hill Storage Limited	Director
W Gill Cox	North Canterbury Land Holdings Ltd	Director
	Barlow Brothers NZ Ltd	Director
	Confederation of Asian and Pacific Accountants Ltd	Director

Director	Interested Party	Nature of Relationship
W Gill Cox	Anderson Lloyd	Independent Board Member
	Trees that Count Trust	Trustee
	Committee for Canterbury Trust	Trustee
	Venues Otautahi Limited	Director
	Christchurch City Holdings Limited	Director
	Burnt Hill Storage Limited	Director
	Milford Sound Tourism Limited	Director

Schedule of Directors' Shareholdings at 30 June 2026

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	1,945 shares	Beneficiary of Trust
Victoria J Trayner	Clarence R Timperley	449 shares	Beneficiary of Trust
Victoria J Trayner	New Zealand Pork Corporation Ltd	665 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

Share Dealings by Directors

On 27 November 2025, Aratika Holdings Ltd, a company of which Victoria J Trayner has a beneficial interest, purchased 440 original water shares in Waimakariri Irrigation Limited from an unrelated shareholder. The shares were purchased for $1,200 each.

On 14 April 2026, Clarence Timperley (the father of director Victoria Trayner) purchased 210 shares in Waimakariri Irrigation Limited from New Zealand Pork Corporation Limited (a company owned by Clarence Timperley). 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)
Oxford Area School PTA – 2025 North Canterbury Wearable Arts Show $2,550
Oxford Area School PTA – 2026 North Canterbury Wearable Arts Show $2,500
Fernside School – School Garden and Amphitheatre Upgrade $2,174
Oxford Tennis Club – Sponsorship $1,220

Donations

The Group made no donations during the year.

WAIMAKARIRI IRRIGATION LIMITED
Annual Report
For the year ended 30 June 2026

Independent Auditors
BDO Christchurch Audit Limited are the Independent Auditors of the Company and Group. During the reporting period, audit fees of $26,960 (2025 $26,500) were paid to them in respect of the audit of the previous year's financials.

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 2026 financial statements are expected to be $35,000.

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

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

Co-operative Company Status
On 2 July 2026, 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 2026 relates, been a co-operative company and that the reasons for the directors' opinions are:

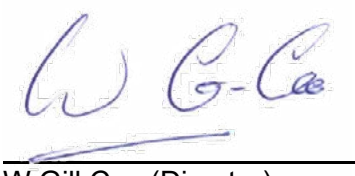
(a) that they re-affirm the value of the co-operative company as a measure of facilitating its shareholders carrying on business on a mutual basis.

(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 special purpose financial statements were adopted by the Board on 31 October 2026 and approved for issue to shareholders:



Hugh L Martyn (Director)



W Gill Cox (Director)
Date: 31 October 2026

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

Opinion

We have audited the financial statements of Waimakariri Irrigation Limited ("the Group"), which comprise the special purpose statement of financial position as at 30 June 2026, and the special purpose statement of financial performance for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group for the year ended 30 June 2026 presents fairly, in all material respects, in accordance with the accounting policies specified in Note 1 to the special purpose financial statements.

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 Financial Statements* section of our report. We are independent of the Company 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 Group.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the special purpose financial statements, which describes the basis of accounting, and further explains that these special purpose financial statements have been prepared using a modified consolidation basis of accounting.

Under this basis, the investment in Burnt Hill Storage Limited ("BHSL"), although controlled by the Group for the purposes of NZ IFRS, has not been consolidated and is instead accounted for using the equity method. Accordingly, these financial statements do not present the financial position, financial performance and cash flows of all entities controlled by the Group.

The financial statements are prepared solely for the Group's shareholders, as a body. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Group and the Group's shareholders, as a body, and should not be distributed to or used by parties other than the Group and the Group's shareholders. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the accounting policies specified in Note 1 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the Group'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 Group and the Group's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
31 October 2026

WAIMAKARIRI IRRIGATION LIMITED
Special Purpose Statement of Profit or Loss
For The Year Ended 30 June 2026

	Notes	Group 2026 $	Group 2025 $
Revenue:			
Irrigation Water Charges		**4,818,998**	4,247,818
Infrastructure Use Income		**801,295**	785,248
Stock Water Race Management		**310,390**	302,230
Contracting Income		**300**	-
		5,930,983	5,335,296
Other Income:			
Infrastructure Contributions	**2**	**57,283**	152,248
Interest Income	**3**	**5,039**	914
Share Transfer Fees		**2,849**	2,250
Rental Income from Investment Property		**28,432**	56,671
Executive Management Fees	**4**	**18,000**	-
Gain on Disposal of Land	**15**	**1,407,841**	-
Reversal of Capital WIP Impairment Loss	**19**	**800,009**	-
TOTAL INCOME		**8,250,436**	5,547,379
Less Expenses:			
Other Operating Expenses	**5**	**1,202,775**	721,972
Vehicle Expenses		**119,276**	96,541
Repairs and Maintenance		**692,639**	725,433
Independent Auditor Fees	**6**	**37,960**	26,500
Directors' Fees	**31**	**168,616**	159,072
Employee Salaries	**7**	**1,022,254**	943,666
Accounting, Administration and Secretarial Fees		**145,076**	139,312
General Administration Expenses		**453,134**	497,138
Insurances and ACC Levies		**225,854**	219,305
Legal Fees		**26,885**	34,035
Finance Costs	**8**	**142,998**	235,959
Depreciation, Amortisation and Loss on Disposal	**9**	**1,202,237**	1,118,584
Impairment Loss of Capital Work in Progress		**-**	403,212
TOTAL EXPENSES		**5,439,704**	5,320,729
Share of Profit/(Loss) in Subsidiary	**16**	**(20,437)**	-
PROFIT/(LOSS) BEFORE INCOME TAX		**2,790,295**	226,650
Less Income Tax Expense/(Income)	**10**	**394,875**	64,699
NET PROFIT/(LOSS) AFTER INCOME TAX		**$2,395,420**	$161,951
Other Comprehensive Income		**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS)		**$2,395,420**	$161,951
Profit/(Loss) Attributable to:			
Owners of the Parent		**$2,395,420**	$161,951
Total Comprehensive Income/(Loss) attributable to:			
Owners of the Parent		**$2,395,420**	$161,951

WAIMAKARIRI IRRIGATION LIMITED
Special Purpose Statement of Changes in Equity
For The Year Ended 30 June 2026

	Share Capital	Retained Earnings	Total Equity
	$	$	$
Balance at 1 July 2025	**15,666,114**	**1,880,278**	**17,546,392**
Net Profit after Income Tax	**-**	**2,395,420**	**2,395,420**
Other Comprehensive Income	**-**	**-**	**-**
Total Comprehensive Income	**-**	**2,395,420**	**2,395,420**
Balance at 30 June 2026	**$15,666,114**	**$4,275,698**	**$19,941,812**

	Share Capital	Retained Earnings	Total Equity
	$	$	$
Balance at 1 July 2024	15,666,114	1,718,327	17,384,441
Net Profit/(Loss) 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

WAIMAKARIRI IRRIGATION LIMITED
Special Purpose Statement of Financial Position
As At 30 June 2026

	Notes	Group 2026 $	Group 2025 $
Current Assets			
Cash and Cash Equivalents	11	**968,922**	70,381
Trade and Other Receivables	12	**412,103**	181,838
Prepayments		**158,678**	143,628
Deposit Paid on Plant	13	**59,240**	-
GST Receivable		**-**	57,661
Income Tax Refund Receivable		**27,373**	-
Bank Term Deposit	14	**639,538**	-
Asset Held for Sale	15	**-**	1,557,159
	23	**2,265,854**	2,010,667
Non-Current Assets			
Investment – Burnt Hill Storage Ltd	16	**619,101**	-
Right of Use Asset	17	**360,886**	387,454
Property, Plant and Equipment	18	**15,527,532**	15,969,223
Capital and Intangibles Work in Progress	19	**80,963**	854,683
Intangible Assets	20	**3,097,080**	2,645,803
		19,685,562	19,857,163
TOTAL ASSETS		**$21,951,416**	$21,867,830

WAIMAKARIRI IRRIGATION LIMITED
Special Purpose Statement of Financial Position
As At 30 June 2026

	Notes	Group 2026 $	Group 2025 $
Current Liabilities			
Trade and Other Payables	21	**547,635**	396,387
Employee Entitlements	22	**290,852**	240,359
GST Payable		**63,129**	-
Income Charged in Advance		**-**	28,116
Income Tax Payable	10	**-**	50,525
Current Portion Lease Liabilities	17	**19,184**	36,668
Current Portion of Term Loans	25	**-**	1,331,548
Term Loans on Assets Held for Sale	14	**-**	1,550,000
	23	**920,800**	3,633,603
Non-Current Liabilities			
Lease Liabilities	17	**352,090**	345,996
Deferred Tax Liability	24	**736,714**	341,839
		1,088,804	687,835
TOTAL LIABILITIES		**2,009,604**	4,321,438
Equity			
Share Capital	26	**15,666,114**	15,666,114
Retained Earnings		**4,275,698**	1,880,278
		19,941,812	17,546,392
TOTAL EQUITY AND LIABILITIES		**$21,951,416**	$21,867,830

Hugh L Martyn (Director)
31 October 2026

W Gill Cox (Director)

WAIMAKARIRI IRRIGATION LIMITED
Special Purpose Statement of Cash Flows
For The Year Ended 30 June 2026

	Notes	Group 2026 $	Group 2025 $
Cash Flows From Operating Activities:			
Cash was provided from -			
Receipts from Customers		**5,936,055**	5,357,038
Interest Received		**3,588**	511
Net Income Tax Refunds		**-**	61,000
Net G.S.T. Refunds		**115,473**	9,997
		6,055,116	5,428,546
Cash was applied to -			
Payments to Suppliers and Employees		**(4,074,492)**	(3,480,818)
Interest Paid		**(115,989)**	(233,960)
Net Income Tax Payments		**(77,898)**	-
		(4,268,379)	(3,714,778)
NET CASH INFLOW FROM OPERATING ACTIVITIES	**27**	**1,786,737**	1,713,768
Cash Flows From Investing Activities:			
Cash was provided from -			
Capital Asset Contributions		**-**	152,248
Sale of Property		**2,965,000**	-
Sale of Storage Ponds assets		**2,116,449**	-
Cash was applied to -			
Purchase of Property, Plant and Equipment		**(248,680)**	(1,542,361)
Expenditure on Intangibles – Resource Consents		**(157,235)**	(387,894)
Expenditure on Subsidiary Project Expenditure		**(1,364,705)**	(371,749)
Investment in Subsidiary's Share Capital		**(639,538)**	-
Investment in Bank Term Deposit		**(639,538)**	-
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		**2,031,753**	(2,149,756)
Cash Flows From Financing Activities:			
Cash was provided from -			
Loans Raised		**-**	919,152
Cash was applied to -			
Principal Paid on Lease Liabilities	**17**	**(11,391)**	(19,607)
Interest Paid on Lease Liabilities	**8**	**(27,009)**	(2,460)
Loan Repayment		**(2,881,549)**	(288,333)
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES		**(2,919,949)**	608,752
NET CASH INCREASE DURING THE YEAR		**898,541**	172,764
Cash and Cash Equivalents at 1 July		**70,381**	(102,383)
CASH AND CASH EQUIVALENTS AT 30 JUNE		**$968,922**	$70,381
Consisting Of:			
Cash at Bank	**11**	**$968,922**	70,381

WAIMAKARIRI IRRIGATION LIMITED
Notes to and forming part of the Special Purpose Financial Statements
For The Year Ended 30 June 2026

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.

These special purpose financial statements are presented for Waimakariri Irrigation Limited ("WIL") and its wholly-owned subsidiary North Canterbury Land Holdings Limited, which together 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.

These Special Purpose Financial Statements for the year ended 30 June 2026 (including comparatives) were approved and authorised for issue by the board of directors on 31 October 2026.

Basis of Preparation
The Special Purpose Financial Statements have been prepared using a modified consolidation basis of accounting that differs from New Zealand Generally Accepted Accounting Practice (NZ GAAP). The purpose of these financial statements is to present the financial position, financial performance and cash flows of Waimakariri Irrigation Limited ("WIL") and its wholly owned subsidiary North Canterbury Land Holdings Limited ("NCLH").

Under this modified consolidation basis, the financial statements include the assets, liabilities, income, expenses and cash flows of WIL and NCLH, with all material intercompany balances and transactions eliminated on consolidation.

The Company also holds a 10.8% ownership interest in Burnt Hill Storage Limited ("BHSL"). Under the constitution of BHSL, WIL has the power to appoint all directors and direct the relevant activities of that entity. Accordingly, WIL controls BHSL for financial reporting purposes and would be required to consolidate that entity in general purpose financial statements prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

All three entities, Waimakariri Irrigation Limited, North Canterbury Land Holdings Limited and Burnt Hill Storage Limited, have the same directors.

However, for the purposes of these special purpose financial statements, the directors have adopted a modified consolidation basis under which Burnt Hill Storage Limited is not consolidated. Instead, the investment in Burnt Hill Storage Limited is accounted for using the equity accounting methodology based on WIL's proportionate ownership interest. The investment is initially recognised at cost and subsequently adjusted to recognise the Company's share of the subsidiary's post-acquisition profit or loss and other comprehensive income. This is a departure from the consolidation requirements that would apply under NZ IFRS.

The directors consider that this basis of presentation provides shareholders with information about the financial position, financial performance and cash flows of the WIL and NCLH separately from the activities of Burnt Hill Storage Limited.

Accordingly, these special purpose financial statements do not present the financial position, financial performance and cash flows of all entities controlled by the Company and should not be regarded as general purpose consolidated financial statements prepared in accordance with NZ IFRS.

Except for the non-consolidation of Burnt Hill Storage Limited and the related equity-accounting methodology described above, the accounting policies adopted in preparing these special-purpose financial statements are based on the recognition, measurement, presentation and disclosure requirements applicable to Tier 1 for-profit entities under New Zealand equivalents to International Financial Reporting Standards.

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, 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 special purpose financial statements have been prepared on a going concern basis. The basis for this judgement is more fully described in note 23.

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 33.

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

There were no new standards impacting the Group that have been adopted in the preparation of these special purpose financial statements for the year ended 30 June 2026.

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 was held with a view to 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 met the definition of investment property defined by NZ IAS 40 as it is was property owned by the Group and being leased out.

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. 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 a 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.

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 comprise cash and cash equivalents, bank term deposits, trade and other receivables, trade and other payables, lease liabilities and borrowings.

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

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 as an impairment loss on financial assets in profit or loss. 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 11), trade and other receivables (refer to note 12) and bank term deposits (refer to note 14).

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 special purpose 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. WIL's investment in its 10.8% subsidiary Burnt Hill Storage Limited has not been included in the consolidation.

1.13 Investment in Non-Consolidated Controlled Entity

The investment in Burnt Hill Storage Limited is accounted for using the equity method. The investment is initially recognised at cost and subsequently adjusted to recognise the Company's share of the subsidiary's post-acquisition profit or loss and other comprehensive income.

1.14 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.

1.15 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 transaction price specified in the contract with the customer, excluding amounts collected on behalf of third parties.

Irrigation Water Charges

Revenue from Irrigation Water Charges is recognised on a straight-line basis over the financial year. 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 financial year 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.

1.16 Other Income

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

Interest Income
Interest income is recognised using the effective interest method and is recorded in profit or loss as it accrues over time. Interest income comprises interest earned on cash and cash equivalents, term deposits, loans, and other interest-bearing financial assets. Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

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.

Executive Management Fees
Executive management fee revenue earned from Burnt Hill Storage Limited is recognised in profit or loss as the services are provided. Revenue is measured at the amount agreed between the parties and recognised on an accrual basis. Amounts owing at reporting date are recognised as receivables.

Contract balances
Income charged in advance represents consideration received from customers before the related performance obligations have been satisfied and is recognised as a contract liability. The contract liability was nil at 30 June 2026 (2025: $28,116). During the year, $28,116 of revenue was recognised that was included in the opening contract-liability balance.

1.17 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.

1.18 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.

1.19 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 depreciated 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.

1.20 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 Group's 2028 financial statements 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.

1.21 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.

2. Infrastructure Contributions

During the previous 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. In the previous period, the Council contributed $126,062 towards the improvements. This reporting period, a further $57,283 was received from the Council in respect of these improvements. The upgraded race is an asset of the Group.

	Group 2026 $	Group 2025 $
Infrastructure Contributions	**$57,283**	$152,248

3. Interest Income from Financial Assets at Amortised Cost

	Group 2026 $	Group 2025 $
Cash and cash equivalents	**4,716**	1
Trade and other receivables	**323**	913
	$5,039	$914

The parent operates an on-call savings account with the BNZ Bank. The interest rate on that account at the reporting date was 1.6% (2025 1%).

The parent has a $639,538 term deposit investment with the BNZ Bank. The interest rate on that is 3.45%. (see note 14)

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 10.67% (2025 11.27%) per annum or 0.89% (2025 0.94%).

4. Executive Management Fees

Starting from January 2026, the Company has charged Burnt Hill Storage Limited Executive Management Fees of $3,000 per month for management services performed by the Company's CEO.

	Group 2026 $	Group 2025 $
Executive Management Fees	**$18,000**	-

5. Other Operating Expenses

	Group 2026 $	Group 2025 $
Biodiversity Support (Plan Change 7 Projects)	**175,884**	179,453
Communications	**16,139**	16,539
Environmental Monitoring	**135,160**	61,942
Farm Environment Plans and Audit	**103,915**	93,325
General Expenses	**336**	1,141
IMS Project Costs	**245,845**	55,263
Information Technology Projects	**327,666**	148,019
Power	**21,371**	18,271
Property Occupancy Cost	**-**	7,800
Property Rates	**3,148**	5,604
Recloaking Waitaha	**49,894**	-
Scheme Rates	**10,521**	9,869
Security	**605**	504
Staff Training and Safety Equipment	**9,905**	12,100
Telemetry and Hosting Fees	**88,146**	97,756

Water Ordering Licence	**14,250**	14,388
	$1,202,775	$721,972

6. Independent Auditor Fees

	Group 2026 $	Group 2025 $
Audit of Financial Statements		
BDO Christchurch Audit Limited	**$37,960**	$26,500

The 2026 audit expense of $37,960 comprises $35,000 accrued for the audit of the 2026 financial statements and a $2,960 adjustment for the final cost of the 2025 audit exceeding the amount previously accrued.

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

7. Employee Salaries

	Group 2026 $	Group 2025 $
Salaries	**993,441**	919,427
KiwiSaver Contributions	**28,813**	24,239
	$1,022,254	$943,666

8. Finance Costs

	Group 2026 $	Group 2025 $
Interest on financial liabilities at amortised cost	**115,989**	233,499
Interest on lease liabilities (see note 17)	**27,009**	2,460
	$142,998	$235,959

9. Depreciation, Amortisation and Loss on Disposal

	Group 2026 $	Group 2025 $
Depreciation Expense (see note 18)	**700,074**	666,517
Depreciation Recovered on Disposal of Asset	**(2,731)**	(5,530)
Depreciation of Lease Right of Use (see note 17)	**26,568**	16,060
TOTAL DEPRECIATION	**723,911**	677,047
Loss on Disposal of Property, Plant & Equipment	**12,186**	-
Amortisation of Intangibles (see note 20)	**466,140**	441,537
	$1,202,237	$1,118,584

10. Taxation

Calculation of Income Tax Expense	Group 2026 $	Group 2025 $
Net Profit/(Loss) before taxation	**$2,790,295**	$226,650
Prima Facie income tax @28%	**781,283**	63,462
Tax effect of permanent differences:		
Non-deductible Expenses	**7,787**	1,237
Non-taxable Income	**(394,195)**	-
INCOME TAX EXPENSE/(INCOME)	**$394,875**	$64,699
Income Tax Expense consists of:		
Current year tax payable	**-**	50,526
Deferred income tax (see note 24)		
Origination and Reversal of temporary differences	**394,875**	14,173
Adjustment of Tax Base	**-**	-
INCOME TAX EXPENSE/(INCOME)	**$394,875**	$64,699

Calculation of Current Year Tax Payable	Group 2026 $	Group 2025 $
Net Profit/(Loss) before taxation	**2,790,295**	226,650
Permanent differences		
Non-deductible Expenses	**27,813**	4,417
Non-taxable Income	**(1,407,841)**	-
Profit adjusted for permanent differences	**1,410,267**	231,067
Temporary differences		
Employee Benefits	**48,647**	21,589
Property, Plant and Equipment	**(3,197)**	(33,687)
Capital and Intangibles Work in Progress	**(3,143,232)**	201,013
Tax loss for the year carried forward	**1,687,515**	(239,532)
TAXABLE INCOME FOR THE YEAR	**$-**	$180,450
Tax Payable @ 28%	**-**	50,526
Net movement in temporary differences	**1,410,267**	50,617
Deferred Tax on Movements @ 28%	**394,875**	14,173
INCOME TAX EXPENSE/(INCOME)	**$394,875**	$64,699

Tax losses can 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 $17,448 (2025 $130,141) 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.

The Company has an Income Tax loss of $1,687,515 available for carrying forward to offset future income. The Subsidiary has no income tax losses available to carry forward.

Imputation Credit Account:	**Group 2026**	Group 2025
Opening Balance 1 July	**442,570**	503,570
Income Tax Payments Made	**77,051**	145,000
Resident Withholding Tax Deductions	**846**	-
Income Tax Refunds Received	**-**	(206,000)
CLOSING BALANCE 30 JUNE	**520,467**	442,570

11. Cash and Cash Equivalents

	Group 2026 $	Group 2025 $
Funds at BNZ Bank	**968,922**	70,381
Overdraft at BNZ Bank	**-**	-
NET CASH POSITION	**$968,922**	$70,381

The parent operates an on-call savings account with the BNZ Bank. The interest rate on that account at the reporting date was 1.6% (2025 1%).

The Group at reporting date had a total bank overdraft facility of $1,500,000 (2025 $1,500,000). None of this (2025 $none) had been borrowed by the Group at the reporting date and the full facility remained available for drawing.

The interest rate on the overdraft facility at the reporting date was 5.67% (2025 6.27%).

12. Trade and Other Receivables

	Group 2026 $	Group 2025 $
Trade Receivables	**410,411**	181,838
Other Receivable	**1,692**	-
	$412,103	$181,838

Receivables Are Due as Follows:		
Not Yet Due	**390,885**	178,469
Due less than 30 days ago	**14,775**	172
Due 30 to 60 days ago	**291**	-
Due 60 to 90 days ago	**291**	-
Due 90 to 120 days ago	**291**	33
Due more than 120 days ago	**5,570**	3,164
	$412,103	$181,838

Receivables are initially recognised at fair value plus transaction costs and thereafter carried at amortised cost less impairment. The carrying value of trade and other receivables approximates fair value.

The Group applies the simplified lifetime expected-credit-loss approach to trade receivables. In assessing expected credit losses, the Group considered historical collection experience, the ageing of receivables, customer-specific circumstances, security held over shareholders' shares and relevant forward-looking information.

Based on this assessment, the expected credit-loss allowance at 30 June 2026 was assessed as immaterial, and no loss allowance has been recognised (2025: nil).

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 11)

The Other Receivable at reporting date is 28 days of interest accrued on WIL's BNZ term deposit. (see note 14)

13. Deposit Paid on Plant

The Group has paid a deposit of $59,240 on the purchase of a new Hyundai HX500L excavator. The deposit is 10% of the purchase price of $592,400. The balance of the purchase price will be payable in early November 2026 when the excavator is expected to arrive. (see note 29)

14. Term Deposit

The parent has a $639,538 term deposit investment with the BNZ Bank. The interest rate on that is 3.45%. Interest on the term deposit is paid monthly to the parent's bank account with the BNZ. The term deposit matures on 30 November 2026 when the funds are intended to pay the second equity call on the Burnt Hill Storage Limited shares that the parent owns.

15. Asset Held for Sale

In the previous reporting period, the Group owned 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 had 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 previous reporting period, the property was reclassified as being held for the purpose of sale.

In the current reporting period, after the successful share issue by Burnt Hill Storage Limited, the property was sold to Burnt Hill Storage Limited for $2,965,000. The sale price was supported by a market value assessment performed by an independent registered property valuer.

The Group had a $1,550,000 term loan associated with the Wrights Road property which upon sale of the property, was repaid in full.

	Group 2026 $	Group 2025 $
Sale of Asset Held for Sale		
Opening Book Value	**$1,557,159**	-
Sale Proceeds	$2,965,000	-
GAIN ON SALE	**$1,407,841**	-

	Group 2026 $	Group 2025 $
Asset Held for Sale		
Wrights Road Property	**$-**	$1,557,159
Associated Liability		
BNZ Term Loan	**$-**	$1,550,000

16. Investment – Burnt Hill Storage Ltd

Waimakariri Irrigation Limited (the Company) holds 7,380 of the 68,342 ordinary shares issued by Burnt Hill Storage Limited (BHSL), representing a 10.80% ownership interest. One share was issued to the Company on the incorporation of BHSL and the Company subsequently acquired a further 7,379 shares for consideration of $639,538.

BHSL is considered to be a subsidiary of the Company because the Company has the right to appoint all of BHSL's directors and, consequently, has control over BHSL's relevant activities.

In these financial statements, the investment in BHSL is accounted for using the equity method. The investment is initially recognised at cost and subsequently adjusted for the Company's share of BHSL's post-acquisition profit or loss and other comprehensive income. The Company's share of BHSL's profit or loss is recognised in profit or loss.

During the reporting period, BHSL reported a net loss after income tax of $189,257. The Company recognised its 10.80% share of that loss, amounting to $20,437, in the Statement of Profit or Loss and reduced the carrying amount of its investment accordingly.

The movement in the investment was:

Investment in Burnt Hill Storage Ltd	Group 2026 $	Group 2025 $
Acquisition Cost	**639,538**	-
Share of BHSL's net loss after tax	**(20,437)**	-
CLOSING BALANCE	**$619,101**	-

17. Leases

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

The Group leases the building at 134 High Street, Oxford, for use by Management, the Operations and Environmental Teams. The lease commenced in February 2025 and 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 for the building during the reporting period were $38,400. (2025 $16,000)

Property Leases	**Group 2026 $**	Group 2025 $
Lease Right of Use Asset		
Opening Balance	**$387,454**	27,090
Additions	**-**	398,524
Depreciation (see note 9)	**(26,568)**	(16,060)
Modification of lease terms	**-**	(22,100)
CLOSING BALANCE	**$360,886**	$387,454

	Group 2026 $	Group 2025 $
Lease Liability		
Opening Balance	**382,664**	25,847
Additions	**-**	398,524
Interest Expense (see note 8)	**27,009**	2,460
Modification of lease terms	**-**	(22,100)
Lease Payments	**(38,400)**	(22,067)
CLOSING BALANCE	**$371,274**	$382,664
Current Portion	**19,184**	36,668
Non-Current Portion	**352,090**	345,996
TOTAL LEASE LIABILITY	**$371,274**	$382,664

Lease Maturity Analysis	Carrying Amount	Contractual Cash flows	0 – 3 Months	3 – 12 Months	1 – 2 Years	2 - 5 Years	5 + Years
2026							
Lease Liabilities	371,274	521,600	9,600	28,800	38,400	115,000	329,600
2025							
Lease Liabilities	382,664	560,000	9,600	28,800	38,400	115,000	368,000

18. Property, Plant and Equipment

2026 Asset Cost	2026 Opening Cost $	2026 Opening Acc Depn $	2026 Opening Book Value $	2026 Closing Cost $	2026 Closing Acc Depn $	2026 Closing Book Value $
Computer & Control Equip	**1,728,729**	**906,581**	**822,148**	**1,745,672**	**1,021,159**	**724,513**
Land	**10,000**	**-**	**10,000**	**10,000**	**-**	**10,000**
Workshop & Buildings	**129,469**	**61,443**	**68,026**	**133,269**	**68,288**	**64,981**
Fencing	**1,017,494**	**993,176**	**24,318**	**1,017,494**	**995,209**	**22,286**
Motor Vehicles	**449,935**	**151,017**	**298,918**	**472,721**	**133,173**	**339,548**
Office Equipment	**61,080**	**25,543**	**35,537**	**64,157**	**36,689**	**27,468**
Plant and Equipment	**777,989**	**444,412**	**333,577**	**777,989**	**496,352**	**281,637**
Races and Reticulation	**8,343,845**	**2,783,937**	**5,559,908**	**8,319,893**	**2,961,680**	**5,358,213**
Race Structures	**11,930,928**	**3,114,137**	**8,816,790**	**12,072,993**	**3,374,107**	**8,698,886**
TOTAL	**24,449,469**	**8,480,246**	**15,969,223**	**24,614,188**	**9,086,657**	**15,527,532**

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
Race 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

2026 Asset Book Values	2026 Opening Book Value $	2026 Additions $	2026 Disposals $	2026 Depreciation $	2026 Closing Book Value $
Computer & Control Equip	**822,148**	**16,943**	**-**	**114,578**	**724,513**
Land	**10,000**	**-**	**-**	**-**	**10,000**
Workshop & Buildings	**68,026**	**3,800**	**-**	**6,845**	**64,981**
Fencing	**24,318**	**-**	**-**	**2,033**	**22,286**
Motor Vehicles	**298,918**	**211,556**	**95,107**	**75,819**	**339,548**
Office Equipment	**35,537**	**3,077**	**-**	**11,146**	**27,468**
Plant and Equipment	**333,577**	**-**	**-**	**51,940**	**281,637**
Races and Reticulation	**5,559,908**	**-**	**23,951**	**177,744**	**5,358,213**
Race Structures	**8,816,790**	**142,065**	**-**	**259,969**	**8,698,886**
TOTAL	**15,969,223**	**377,441**	**119,058**	**700,074**	**15,527,532**

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

No borrowing costs have been capitalised to Property, Plant and Equipment (2025 $nil). The Group's loans (see note 25) 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 (2025 $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.

19. Capital and Intangibles Work In Progress

Capital work-in-progress consists of several components.

Wrights Road Storage Pond

The Company had 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 held intellectual property in connection with the storage pond project (together the *Storage Pond Assets*). Following the January 2024 shareholder vote not to proceed with the storage ponds as planned, the Group worked 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.

During the reporting period, BHSL made an offer of ordinary shares, and that offer received the required level of subscriptions. The Group then sold the Storage Pond Assets to BHSL and under a services agreement, fully recovered all expenditure incurred by the Group relating to the current proposal since the January 2024 shareholder vote. The total amount recovered from BHSL was $2,116,449.

In previous reporting periods, expenditure relating to the storage-pond proposal was impaired because, following the January 2024 shareholder decision not to proceed with the project in its original form, the directors assessed that the expenditure was not recoverable.

During the current reporting period, BHSL became contractually obliged to acquire the Storage Pond Assets and reimburse qualifying project expenditure under the agreed sale and services arrangements. This change in circumstances provided evidence that the recoverable amount had increased. Accordingly, the Group reversed $800,009 of impairment losses recognised in previous periods. The reversal was limited to the carrying amount that would have been recognised had the previous impairment losses not occurred.

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 (2025 $60,891) of expenditure on the design work for a second bridge, but construction has not yet started.

Resource Consent Renewal

Discharge of Contaminants to Land. The Group previously lodged an application with Environment Canterbury to renew Resource Consent CRC184861, which permits the discharge of contaminants to land. During the year, the Group incurred a further $65,502 of expenditure supporting the renewal application and liaising with Environment Canterbury regarding the consent conditions.

Following the granting of Resource Consent CRC252218, the accumulated expenditure of $797,671 was transferred from capital work in progress to Intangible Assets.

Deposit of Sediment. The Group previously lodged an application with Environment Canterbury to renew Resource Consents CRC135638, CRC135639 and CRC135642, which permit the Deposit of Sediment into the Waimakariri River. During the year, the Group incurred a further $3,565 of expenditure supporting the renewal application and liaising with Environment Canterbury regarding the consent conditions.

Following the granting of Resource Consents CRC240322, CRC240323 and CRC240324, the accumulated expenditure of $65,188 was transferred from capital work in progress to Intangible Assets.

Take and Use Water. The Group holds Resource Consent CRC166677 to take and use water from the Waimakariri River. This Resource Consent will expire on 18 November 2031. The Group has commenced initial work planning for the application to renew this Consent. At reporting date, the Group had incurred $20,072 of expenditure on planning for the renewal application.

2026 Capital and Intangibles Work in Progress

	Opening Book Value $	2026 Additions $	Capitalised Interest $	Disposals Transfers $	Impairment $	Closing Book Value $
Storage Pond	-	1,316,440	-	(2,116,449)	800,009	-
Race Improvements	60,891	-	-	-	-	60,891
Resource Consents	793,792	89,139	-	(862,858)	-	20,073
TOTAL	**$854,683**	**$1,405,580**	**$-**	**($2,979,308)**	**$800,009**	**$80,963**

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

At the reporting date, the carrying amount of the Capital Work in Progress was reviewed to determine whether there was any indication of impairment. No indication of impairment was found, and no impairment losses have been recognised (2025 $403,212).

20. 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. At the reporting date, the consents have a further 5½ years of useful life.

During the reporting period, Environment Canterbury issued the Company several new consents that replace expiring consents.

Discharge of Contaminants to Land. Consent CRC252218 allows the Company's shareholders to discharge contaminants, namely Nitrogen, into land and water. This new consent expires in July 2037.

Deposit of Sediment. Consents CRC240322, CRC240323 and CRC240324 allow the Company to dispose of sediment from the Browns Rock settling ponds into the Waimakariri River. These three new consents expire in November 2031.

The costs of obtaining the new consents have been capitalised and are being amortised on a straight-line basis over their lives.

2026 Asset Cost	2026 Opening Cost $	2026 Opening Acc Amort $	2026 Opening Book Value $	2026 Closing Cost $	2026 Closing Acc Amort $	2026 Closing Book Value $
Resource Consents	**7,204,585**	**4,558,782**	**2,645,803**	**7,965,465**	**4,868,385**	**3,097,080**
Software Application	**95,261**	**95,261**	**-**	**-**	**-**	**-**
TOTAL	**7,299,846**	**4,654,043**	**2,645,803**	**7,965,465**	**4,868,385**	**3,097,080**

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

2026 Asset Book Values	2026 Opening Book Value $	2026 Additions $	2026 Disposals $	2026 Amortisation Recognised $	2026 Closing Book Value $
Resource Consents	**2,645,803**	**917,417**	**-**	**(466,140)**	**3,097,080**
Software Application	**-**	**-**	**-**	**-**	**-**
TOTAL	**2,645,803**	**917,417**	**-**	**(466,140)**	**3,097,080**

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

Intangible Assets with a carrying amount of $3,097,080 (2025 $2,645,803) are included as security for the bank debenture over the whole of the Group's undertaking.

The Group has previously used a custom-built software application to manage part of its FEP system. The Group decommissioned this software during the reporting period.

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

21. Trade and Other Payables

	Group 2026 $	Group 2025 $
Trade Creditors	**488,060**	323,493
Accruals	**59,575**	72,894
	$547,635	$396,387

Trade Creditors are all on normal business terms which in most cases is "payment in full the month after invoice". 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.

22. Employee Entitlements

	Group 2026 $	Group 2025 $
Wages and PAYE Payable	**56,379**	56,502
Holiday and Sick Pay Accruals	**234,473**	183,857
	$290,852	$240,359

23. 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 assets exceeded the current liabilities by $1,345,054 (2025 current liabilities exceed current assets by $1,622,936).

Management has assessed the Group's ability to continue as a going concern for a period of at least 12 months from the date on which these financial statements are authorised for issue. The assessment considered forecast operating cash flows, available cash resources, the undrawn $1.5 million bank overdraft facility, committed capital expenditure and forecast funding requirements. Based on this assessment, the directors consider that the Group will be able to meet its obligations as they fall due.

24. Deferred Tax Liability

	Opening Balance $	Recognised In Profit & Loss $	Closing Balance $
2026			
Employee Benefits	**(49,474)**	**(13,621)**	**(63,095)**
Tax Losses to Carry Forward	**-**	**(472,504)**	**(472,504)**
Property, Plant and Equipment	**1,384,650**	**895**	**1,385,545**
Capital and Intangibles Work in Progress	**(993,337)**	**880,105**	**(113,232)**
TOTAL	**$341,839**	**$394,875**	**$736,714**

	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	-
Property, Plant 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

A deferred-tax asset of $472,504 (2025 $nil) has been recognised in respect of tax losses carried forward. Recognition is based on management's assessment that sufficient future taxable profits will be available against which the losses can be utilised. This assessment is supported by budget forecasts and the expected reversal of taxable temporary differences.

25. Loans and Borrowings

	Group 2026 $	Group 2025 $
Current Portion	-	1,331,548
Non-Current Portion	-	-
TOTAL TERM LOANS	-	$1,331,548
Repayable as follows:		
Within one year	-	1,331,548
Between one and two years	-	-
Between two and five years	-	-
Beyond five years	-	-
TOTAL TERM LOANS	-	$1,331,548

Following the sale to Burnt Hill Storage Limited (BHSL) of the Land at 513 Wrights Road, and the Storage Pond Assets, under a services agreement (see notes 15 & 19), the Group repaid in full its loans from the BNZ.

26. Share Capital

	Group 2026 $	Group 2025 $
Original Water Shares		
Closing Balance at 30 June	**7,244,000**	7,244,000
Additional Water Shares		
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 2026	Group 2025
Original Water Shares		
Closing Balance at 30 June	**126,000**	126,000
Additional Water Shares		
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.

Additional Water Shares make up 5.4% (2025 5.4%) of all shares issued. All Additional Water Shares have the same rights as Original Water Shares, including equal water entitlements and nutrient management obligations. The Additional Water Shares have nominal values ranging from $951 to $1,431 according to the tender price paid for the shares. All Additional Water Shares are fully paid.

27. Cash Flow Reconciliation

Reconciliation of Net Profit after Tax with Cash Flow from Operating Activities

	Group 2026 $	Group 2025 $
Net Profit/(Loss) after Tax	**2,395,420**	161,951
Add Non-Cash Items		
Depreciation, Amortisation and Loss on Disposal	**1,202,237**	1,118,584
Impairment Loss of Capital Work in Progress	**-**	403,212
Reversal of Previous Years' Impairment Losses	**(800,009)**	-
Increase (Decrease) in Deferred Tax Liability	**394,875**	14,172
Share of Burnt Hill Storage Loss	**20,437**	
	817,540	1,535,968
Items Included in Investing & Financing Activities		
Infrastructure Contributions	**-**	(152,248)
Gain on Sale of Land	**(1,407,841)**	-
Interest on Lease Liability	**27,009**	2,460
	(1,380,832)	(149,788)
Add (Less) Movements in Working Capital		
(Increase) Decrease in Accounts Receivable	**(188,173)**	(15,666)
(Increase) Decrease in Prepayments	**(15,050)**	(37,615)
Increase (Decrease) in Income Tax Payable	**(77,898)**	111,526
Increase (Decrease) in Accounts Payable & Accruals	**92,563**	(5,396)
Increase (Decrease) in Employee Benefits Payable	**50,493**	34,572
Increase (Decrease) in Interest Accrued	**-**	(461)
(Increase) Decrease in G.S.T. Receivable	**120,790**	74,070
Increase (Decrease) in Income Charged in Advance	**(28,116)**	4,607
	(45,391)	165,637
NET CASH FROM OPERATING ACTIVITIES	**$1,786,737**	$1,713,768

28. Contingent Assets and Liabilities

The Group has no known contingent assets at 30 June 2026 (2025 none).

The Group has no known contingent liabilities at 30 June 2026 (2025 none).

29. Commitments

At the reporting date, the company had contracted capital commitments of $592,400 (2025: nil) relating to the purchase of a Hyundai HX500L excavator. A deposit of $59,240 has been paid at the reporting date and has been recognised as an asset (see note 13). The balance of the purchase price will be payable in early November 2026 when the excavator is expected to arrive.

During the reporting period, the Company acquired 7,379 shares in Burnt Hill Storage Limited for an issue price of $260 per share, payable by instalments. The first instalment was paid during the year. Further instalments of $639,538 and $639,464 are scheduled for 1 December 2026 and 1 December 2027 respectively, provided the Company continues to hold the relevant shares at those dates.

The obligation to pay each future instalment is conditional on the Company continuing to own the shares. If the shares are transferred before an instalment date, the obligation to pay that instalment transfers with the shares. Accordingly, the future instalments have not been recognised as liabilities at 30 June 2026 and are disclosed as conditional capital commitments.

The Group did not have any other material capital or operational commitments at reporting date (2025 none).

30. Events after Reporting date

On 13 August 2026, Richard W Stalker resigned as a director of the Company.

There were no other significant events after the reporting date.

31. Transactions with Related Parties

Key Management Personnel

Key management personnel comprise the directors of WIL and the Chief Executive Officer, being the persons having authority and responsibility for planning, directing and controlling the activities of the Group.

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	1,945 shares	Beneficiary of Trust
Victoria J Trayner	Clarence R Timperley	449 shares	Beneficiary of Trust
Victoria J Trayner	New Zealand Pork Corporation Ltd	665 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

During the year, the shareholder-directors were charged for irrigation water 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 $311,132 (2025 $277,927)

The directors were remunerated for their work as directors of the parent. The total value of the remuneration was $168,616 (2025 $159,072). The directors did not receive any extra remuneration for their role as directors of the subsidiary.

	2026 **$**	2025 $
Hugh L Martyn	**56,205**	53,024
Timothy C Wells	**28,103**	26,512
Victoria J Trayner	**28,103**	26,512
Wynton Gill Cox	**28,103**	26,512
Richard W Stalker	**28,103**	26,512
Total Directors' Fees	**$168,616**	$159,072

At reporting date, there was $16,180 of director remuneration and reimbursements owing to one director. There was nothing else (2025 $nil) owed to the directors at reporting date.

Key Management Personnel Compensation includes the following expenses:

	2026 $	2025 $
Short Term Benefits		
Remuneration	**399,358**	362,834
Contract Payments	**23,402**	22,115
	$422,760	$384,949

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 – North Canterbury Land Holdings Limited

During the reporting period, Waimakariri Irrigation Limited advanced a further $17,930 to North Canterbury Land Holdings Limited (the Subsidiary), then in December 2025 the Subsidiary repaid in full the total amount previously advanced to it. At reporting date, the funds owed by the subsidiary to the parent were nil (2025 $836,313). No interest was charged on the advance. No amount of the loan has been written off or forgiven.

Advance to North Canterbury Land Holdings	**WIL 2026 $**	WIL 2025 $
Opening Balance	**836,313**	792,320
Funds Advanced	**17,930**	43,993
Funds Repaid	**854,243**	-
CLOSING BALANCE	**$-**	$836,313

Subsidiary – Burnt Hill Storage Limited

During the reporting period, the Group entered into the following transactions with Burnt Hill Storage Limited (BHSL).

Transactions	**WIL 2026 $**	WIL 2025 $
Sale of Land at 513 Wrights Road (see note 15)	**2,965,000**	-
Sale of Storage Ponds assets (see note 19)	**2,116,449**	-
Executive management fees (see note 4)	**18,000**	-
Recovery of incidental expenditure	**1,648**	-

All of the transactions were on agreed commercial terms. The land sale price was supported by a market value assessment performed by an independent registered property valuer.

At reporting date, $18,484 was receivable by the Company from BHSL, this amount is included in Trade and Other Receivables (see note 12). The outstanding balance is unsecured, interest-free and repayable on demand. No provision for expected credit losses has been recognised in respect of this balance. No amounts have been written off or forgiven.

32. Investment in Subsidiary

Subsidiary	Percentage Held 2026	2025	Reporting Date	Incorporated in
North Canterbury Land Holdings Limited	100%	100%	30 June	New Zealand
Burnt Hill Storage Limited	10.8%	-	30 June	New Zealand

North Canterbury Land Holdings Limited is a direct subsidiary of the Company.

During the reporting period, North Canterbury Land Holdings Limited (NCLH) sold its principal asset, being the property at 513 Wrights Road, to Burnt Hill Storage Limited. Following the sale, repayment of amounts owing to Waimakariri Irrigation Limited and payment of a dividend to the parent company, NCLH has no significant assets or business operations.

At a NCLH Board meeting held in February 2026, the directors resolved that, as NCLH no longer has any business activity, management should take steps to prepare the company for removal from the New Zealand Companies Register. As at the date of approval of these financial statements, NCLH remains a wholly owned subsidiary of Waimakariri Irrigation Limited and continues to be included in these consolidated financial statements.

Burnt Hill Storage Limited (BHSL) has been established to construct, own and operate Storage Ponds to be built at 513 Wrights Road. The Company purchased shares in BHSL for operational flexibility and to assist with water supply and race management. More details of the Company's investment in BHSL can be seen at note 16.

33. 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
The Group applies judgement in assessing the recoverability of trade and related-party receivables, including consideration of historical collection experience, receivable ageing, available security, counterparty-specific circumstances and forward-looking information. The resulting expected credit-loss allowance at 30 June 2026 was assessed as immaterial, and no allowance has been made for impairment of trade receivables (see note 12).

Impairment of Property, Plant and Equipment and Capital Work In Progress
The Group determines whether Property, Plant 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 Property, Plant and Equipment and Capital WIP. Determining the recoverable amounts of Property, Plant 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 Property, Plant and 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. No indications were found, and no impairment has been recorded.

Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets
The Group determines the expected useful life of items of Property, Plant 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 Property, Plant 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 Property, Plant and Equipment has not been reduced.

34. Financial Instruments

34.1 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 deals mostly with shareholder members regarding the supply of water. Should a shareholder member not pay his/her Irrigation Water Charges then the Group exercises its lien 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 2026 $	Group 2025 $
Cash and Cash Equivalents	**968,922**	70,381
Trade and Other Receivables	**412,103**	181,838
Bank Term Deposit	**639,538**	-

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.

The Group assessed expected credit losses for cash and cash equivalents, the bank term deposit, trade and other receivables, and the receivable from BHSL. No material expected credit-loss allowance was identified at 30 June 2026.

Concentrations of Credit Risk

All cash and cash equivalents and the bank term deposit are held with Bank of New Zealand, which had an S&P Global credit rating of AA- with a stable outlook at reporting date. Accordingly, the Group has a concentration of credit risk with one financial institution.

Trade and other receivables are concentrated among shareholder customers, local government and related parties. At 30 June 2026, approximately 47% of trade and other receivables related to local government and the one shareholder customer, with a further 28% relating to other individually significant shareholder customers. The remaining balance was spread among other shareholder customers and counterparties.

Credit risk associated with shareholder receivables is mitigated by the Group's ability to exercise a lien over the relevant water shares. Receivables from local government and related parties are monitored separately, having regard to the financial standing and payment history of each counterparty. The Group had no other material concentrations of credit risk at reporting date. The ageing of the Trade and Other Receivables are shown in note 12.

34.2 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 (2025 $1,500,000) at reporting date. None of this had been borrowed at the reporting date (2025 none).

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 Cash flows	0 – 1 year	1 – 2 years	2 – 5 years	5 + years
Financial Liabilities 2026						
Trade and Other Payables	**547,635**	**547,635**	**547,635**			
Lease Payments	**371,274**	**521,600**	**38,400**	**38,400**	**115,200**	**329,600**
Borrowings	**-**	**-**	**-**	**-**	**-**	**-**
	$918,909	**$1,069,235**	**$586,035**	**$38,400**	**$115,200**	**$329,600**
Financial Liabilities 2025						
Trade and Other Payables	396,387	396,387	396,387			
Lease Payments	382,664	560,000	38,400	38,400	115,200	368,000
Borrowings	2,881,548	2,962,636	2,962,636	-	-	-
	$3,660,599	$3,919,023	$3,397,423	$38,400	$115,200	$368,000

34.3 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 invests 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.

Sensitivity Analysis

The following analysis illustrates the sensitivity of profit to a change in interest rates of +/-1% (2025 +/- 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. The BNZ term deposit and lease liability bear fixed rates and have therefore been excluded from the cash-flow interest-rate sensitivity analysis. The non-interest-bearing current account balance has also been excluded because changes in market interest rates do not affect the return on that balance.

Change to Profit of a 1% change in market interest rates	**2026 1% increase**	**2026 1% decrease**	2025 1% increase	2025 1% decrease
Effect on variable-rate financial assets	**$6,627**	**($6,627)**	-	-
Effect on variable-rate financial liabilities	**-**	**-**	($14,963)	$14,963
Net effect from a 1% rate change	**$6,627**	**($6,627)**	($14,963)	$14,963

34.4 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.

34.5 Classification of Financial Instruments

2026 Financial Assets	**Amortised Cost $**	**Fair Value OCI $**	**Fair Value TPL $**	**Group Total $**
Cash and Cash Equivalents	**968,922**	**-**	**-**	**968,922**
Trade and Other Receivables	**412,103**	-	-	**412,103**
Bank Term Deposit	**639,538**	-	-	**639,538**
	$2,020,563	$-	$-	**$2,020,563**

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

2026 Financial Liabilities	**Amortised Cost $**	**Fair Value TPL $**	**Group Total $**
Cash and Cash Equivalents	**-**	**-**	**-**
Trade and Other Payables	**547,635**	**-**	**547,635**
Leases	**371,274**	**-**	**371,274**
Borrowings	**-**	**-**	**-**
	$918,909	**$-**	**$918,909**

2025 Financial Liabilities	Amortised Cost $	Fair Value TPL $	Group Total $
Cash and Cash Equivalents	**-**	**-**	**-**
Trade and Other Payables	396,387	-	396,387
Leases	382,664	-	382,664
Borrowings	2,881,548	-	2,881,548
	$3,660,599	$-	$3,660,599

34.6 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 2026 $			Group 2025 $		
	Current Financial Liabilities (Notes 17 & 25)	**Noncurrent Financial Liabilities (Notes 17 & 25)**	**TOTAL**	Current Financial Liabilities (Notes 17 & 25)	Noncurrent Financial Liabilities (Notes 17 & 25)	TOTAL
Opening Balance	**2,918,215**	**345,996**	**3,264,211**	2,276,576	-	2,276,576
Cash Flows						
Loans Raised	**-**	**-**	**-**	919,152	-	919,152
Loan Repayments	**(2,881,547)**	**-**	**(2,881,547)**	(288,334)	-	(288,334)
Lease Payments	**(38,400)**	**-**	**(38,400)**	(22,067)	-	(22,067)
Non-Cash flows						
Reclassification	**(6,093)**	**6,093**	**-**	36,668	(36,668)	-
Lease Addition	**-**	**-**	**-**	15,860	382,664	398,524
Lease Adjustments	**-**	**-**	**-**	(22,100)	-	(22,100)
Interest Accruing	**27,009**	**-**	**27,009**	2,460	-	2,460
Closing Value	**$19,184**	**$352,090**	**$371,274**	$2,918,215	$345,996	$3,264,211

35. 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 *(resigned 13 August 2026)*

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

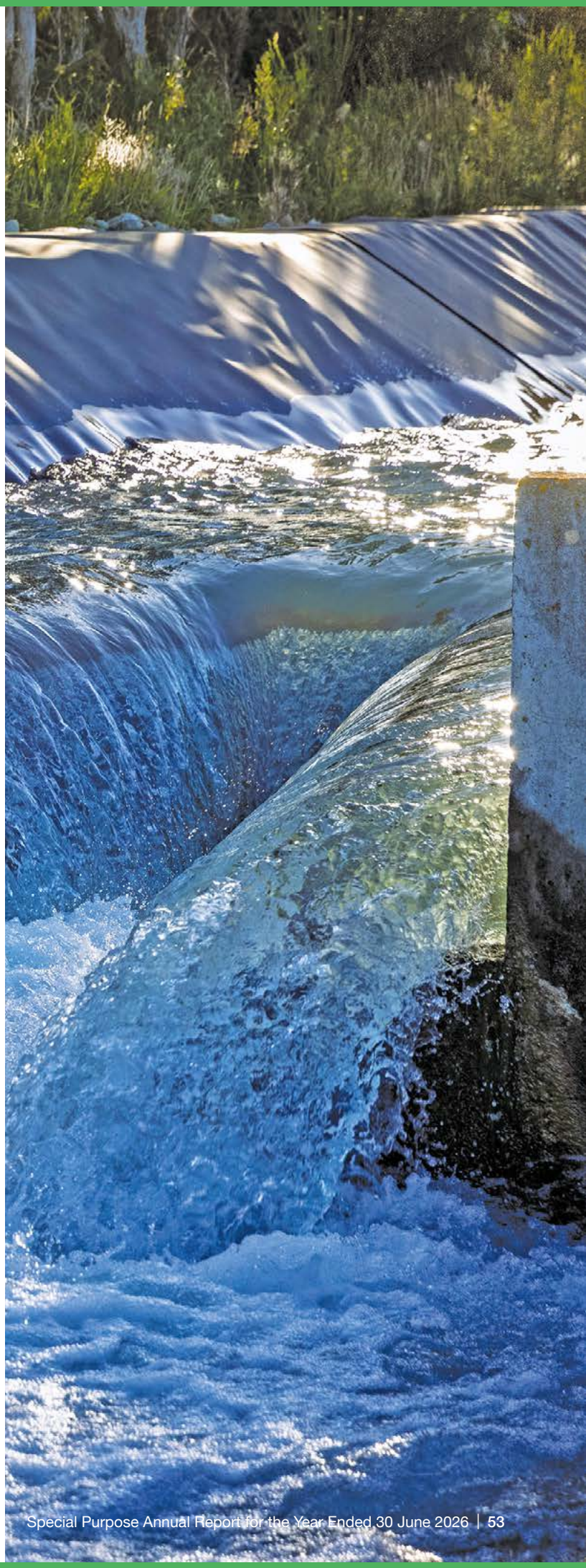
Chapman Tripp

Company Number

902474

Date of Incorporation

1 April 1998



Notes




WIL
Waimakariri Irrigation Limited
www.wil.co.nz