

## BARRHILL CHERTSEY IRRIGATION LIMITED (BCI)

### INVESTMENT STATEMENT RELATING TO THE OFFER OF SHARES

#### IMPORTANT INFORMATION

*(The information in this section is required under the Securities Act 1978)*

**Investment decisions are very important. They often have long term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.**

#### **Choosing an investment**

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

		Page no.
1	What sort of investment is this?	6
2	Who is involved in providing it for me?	6
3	Activities	6
4	How much do I pay?	7
5	What are the charges?	7
6	What returns will I get?	7
7	What are my risks?	7-8
8	Consequences of Insolvency	8
9	Can the investment be altered?	9
10	How do I cash in my investment?	9
11	Who do I contact with enquiries about my investment?	9
12	Is there anyone to whom I can complain if I have problems with the investment?	9
13	What other information can I obtain about this investment?	9

## **BARRHILL CHERTSEY IRRIGATION LIMITED (BCI)**

In addition to the information in this document, important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

### **Engaging an investment adviser<sup>1</sup>**

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:—

- relevant experience and qualifications, and whether dispute resolution facilities are available to you; and
- what types of investments the adviser gives advice about; and
- whether the advice is limited to investments offered by one or more particular financial institutions; and
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.
- An investment adviser commits an offence if he or she does not provide you with the information required.

### **Right to Withdraw Application**

Every applicant for shares who did not receive an investment statement before applying for the shares may, within 10 working days of the date on which the investment statement is sent to the applicant, withdraw the application by written notice to BCI.

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<sup>1</sup> These statutory obligations apply only in respect of investment advisers who are subject to New Zealand law.

## BARRHILL CHERTSEY IRRIGATION LIMITED (BCI)

### TIMETABLE

Opening date for issue	16 <sup>th</sup> day March 2011
Closing date for issue for existing ordinary shareholders	30 <sup>th</sup> day June 2011
Allotment of Shares	7 days after closing

**Directors:**

J A Wright – Chairman  
R A Bonifant  
C J Bell  
R T Mason  
C R Maw  
M C Robinson  
B R Sim

**Accountant:**

Croys Limited  
Chartered Accountants  
Level 2, 161 Burnett Street  
P O Box 582, Ashburton  
Ashburton

**Solicitor:**

D J Stock  
3<sup>rd</sup> Floor  
P O Box 29443  
22 Moorhouse Avenue  
CHRISTCHURCH

**Auditors:**

Myers & Co  
Chartered Accountants  
201-213 West Street  
ASHBURTON

**Glossary:**

The following definitions are used in this Investment Statement:

**Glossary:**

The following definitions are used in this Prospectus:

*Acton Scheme* means the proposal by Acton Irrigation Limited to expand the existing stock water distribution system in the Acton area to the East of Rakaia so that the system can distribute up to 3 cumecs of water for irrigation;

*AFIL* means Acton Farm Irrigation Limited;

*applicant and shareholders* means a person holding ordinary shares in BCI at the date of applying for shares under this Investment Statement;

## **BARRHILL CHERTSEY IRRIGATION LIMITED (BCI)**

*BCI and Company* means Barrhill Chertsey Irrigation Limited;

*Board* means the board of directors of the Company;

*Closing Date* means 30<sup>th</sup> June 2011 (being the closing date to apply for I Shares and D Shares);

*CPI* means the Consumer Price Index (All Groups) for New Zealand as calculated by Statistics New Zealand and published quarterly or such replacement index as is reasonably nominated by the Company if the Consumer Price Index (All Groups) ceases to exist or is varied from that applicable as at the date of this Deed;

*Distribution Systems* means each of the five distribution systems set out on the attached maps;

*D Shares* means a maximum of 966,910 D Shares offered for application the proceeds from which will be used to meet part of the capital cost incurred in constructing five water distribution systems to distribute water from the Rangitata Diversion Race to shareholders for use in irrigation;

*EAL* means Electricity Ashburton Limited;

*Exemption Notice* means the Securities Act (Co-operative Companies) Exemption Notice 2002 (SR2002/403);

*I Shares* means a maximum of 487,090 I Shares offered for application the proceeds from which will be used to pay the costs of the infrastructure to pump water from the Rakaia River up into the Rangitata Diversion Race including costs of making modifications to that race;

*JV* means a joint venture between EAL and the Company to construct and operate the Scheme;

*l/s* means litres of water per second;

*l/s/ha* means litres of water per second per hectare;

*Prospectus* means the prospectus dated 16 March 2011 offering up to 996,910 I Shares and up to 487,090 D Shares for application;

*RDR* means the Rangitata Diversion Race;

*RDRML* means Rangitata Diversion Race Management Limited;

## **BARRHILL CHERTSEY IRRIGATION LIMITED (BCI)**

*Scheme* means the infrastructure provided to distribute water from the Rakaia River by lifting it up on to the Mid Canterbury plains and distributing the water through pipes and water races to properties approved by the Board within the areas set out on the attached maps.

## BARRHILL CHERTSEY IRRIGATION LIMITED

### BARRHILL CHERTSEY IRRIGATION LIMITED (BCI) INVESTMENT STATEMENT RELATING TO THE OFFER OF SHARES

#### THIS INVESTMENT STATEMENT IS DATED 16 MARCH 2011

The Investment Statement must be read in conjunction with a Prospectus issued by BCI and dated 16 March 2011.

#### **What sort of investment is this?**

##### **1 Description of Securities**

- 1.1 The securities being offered are two classes of shares in the capital of Barrhill Chertsey Irrigation Limited (BCI). 996,910 D Shares and 487,090 I Shares are offered for application. The D Shares are offered at \$1.00 each and the I Shares at \$1.66 each. The D Shares and I Shares create concurrent rights to a supply of water and to enter into a water supply agreement with BCI, to receive a supply of water for irrigation. Further details are set out below.
- 1.2 Holders of ordinary shares in BCI, whose properties are in the areas within which BCI can supply water under the proposed distribution system, are offered D Shares and I Shares. Attached are maps showing the areas within which water can be delivered.
- 1.3 The amount payable for each I share and for each D share is payable on application.
- 1.4 This offer is only open to those farmers who own properties within the areas covered by the Distribution Systems and who already hold or acquire ordinary shares in the Company. The Company may allot shares as determined by the Board and may allot shares and create rights to the water in the order in which applications for those shares are received by the Company, and to applicants who have been approved by the Board.
- 1.5 Applicants for shares will be advised by the Company if their land is within the proposed water Distribution System area and are entitled to water if they are allotted I Shares and D Shares. Preference shareholders are not entitled to apply for the shares under this offer.
- 1.6 Each applicant for shares will be required to hold sufficient I Shares and D Shares to enable a specific volume of water to be available, when reliability is maximised, to a connection point on a specified farm. The minimum volume required to be taken is 15 litres per second which requires 10,050 I Shares to be held and 19,950 D Shares to be held.

#### **Who is involved in providing it for me?**

##### **2 Names and Addresses**

The name and address of the issuer is:  
Barrhill Chertsey Irrigation Limited (BCI and the 'Company') whose registered office is C/- Croys Limited Chartered Accountants Level 2, 161 Burnett Street, P O Box 582, Ashburton

##### **3 Activities**

###### **3.1 Construction of Infrastructure**

BCI has constructed five piped irrigation distribution systems to distribute water to shareholders, in the Mid Canterbury area as shown on the attached maps. This Scheme involves taking water from the Rakaia River, lifting this water up into the Rangitata Diversion Race

under an agreement with TrustPower Limited and then taking water from the RDR and distributing that water for irrigation within the area shown on the attached maps. Water may also be taken from the RDR if surplus water is available. The Board of BCI may extend or amend the area to be supplied with irrigation water but will only do so if surplus water is available and it is economical to provide a distribution system to the extended area.

###### **3.2 Right to Water**

BCI has rights to take 17 cumecs from the Rakaia River under resource consents held by BCI.

###### **3.3 Joint Venture with EAL**

An equal joint venture has been entered into between EAL and the Company to construct, own and operate the Scheme. That JV will borrow moneys and will also be entitled to payments from AFIL for the purchase of 3 cumecs of water available under the resource consents obtained by the Company and held for the JV.

###### **3.4 Relationship of Shares to Water**

Every shareholder who wishes to receive water from the Company or a person selected and approved by the Board must apply for six hundred and seventy (670) I Shares and one thousand three hundred and thirty (1330) D Shares for each one (1) litre per second of water required at 100% operating capacity for the Scheme.

- 3.5 The JV has expended significant moneys in constructing the Scheme and the maximum capacity of that Scheme is the distribution of 8 cumecs of water from the 14 cumecs available (after taking into account 3 cumecs provided to Acton). If this offer is fully taken up this will utilise approximately 4 cumecs of water.

- 3.6 The moneys received from this issue will be used to make a further capital contribution to the JV. These moneys will then be used for capital expenditure on the Scheme or for reducing debt.

###### **3.7 Sensitivity of Shares to Water**

The above proposal relates shares to water volumes to be delivered. This approach is required because different soil types, methods of farming or rainfall areas require differing volumes of water.

###### **3.8 Maximum Use of all Water for irrigation**

The maximum amount of water that any shareholder may take will be determined as follows:

- (a) where the Scheme is the only supply of water the maximum amount of water that can be delivered to, or used on, any property is 0.6 l/s/ha [5.2mm/day].
- (b) Where the shareholder has an alternative source of water such as a well or another water scheme supply the maximum aggregate amount that can be delivered to, or used on, any property is 0.6 l/s/ha [5.2mm per day] and if this is exceeded BCI will have the right to reduce or terminate the supply of water to a shareholder.

The regulatory authority will determine how much water can be taken and how this is regulated in respect of irrigation and other water sources.

###### **3.9 Credit Available from Existing Shares**

A shareholder holding existing shares (but not preference shares) may use those shares to obtain a credit at \$1.00 for each ordinary share as part of the payment which a shareholder must make in applying for I Shares and D Shares to obtain water from BCI. This requires these shares to be surrendered with the nominal amount being credited to the shares applied for if this offer proceeds to allotment. For instance if 5000 ordinary shares are held

## BARRHILL CHERTSEY IRRIGATION LIMITED

\$5,000 can be credited towards the payment for I Shares and D Shares to be issued. This is set out in the application form for shares attached to the Prospectus.

The ordinary shares can only be used on a proportionate basis as a credit towards I Shares and D Shares. If ordinary shares are held giving the right to irrigate, for example, 200 hectares, and shares are applied for to irrigate 100 hectares, only 50% of the ordinary shares held can be applied, at \$1.00 per ordinary share, against the amount payable for the I Shares and D Shares.

### 3.10 Transfer of Shares

The shares of this issue will be entitled to water and will be transferable together with the water rights attached to those shares. The seller and buyer of the shares will need to satisfy themselves that BCI will have the ability to deliver water under the Scheme to the farm of the holder of those shares. After the Scheme is in place where a farm, that has the benefit of water supplied by BCI, is sold, to transfer the rights to the water allocated to that farm, the purchaser of that farm, must also purchase the shares in BCI held by the vendor of that farm and agree to enter into a new water supply agreement with BCI.

### How much do I pay?

#### 4 Moneys payable by Subscribers

- 4.1 Each applicant is required to pay \$1.66 for each I Share and \$1.00 for each D Share.
- 4.2 All shares must be paid for in full on application.
- 4.3 If you hold existing ordinary shares then you may apply to have those shares surrendered as part of your application for I Shares and D Shares as set out in clause 3.9. If that surrender request meets the criteria set out in clause then your ordinary shares will be surrendered for \$1.00 each and those moneys applied in payment for your I Shares and D Shares.
- 4.4 The closing date to apply for shares is 5.00 pm 30<sup>th</sup> day June 2011.
- 4.5 **Relevant Dates/Closing Dates**  
The offer under the prospectus to existing shareholders will close at 5.00 pm on Thursday 30<sup>th</sup> June 2011.

### What are the charges?

#### 5 Types of Charges

- 5.1 Associated with the I Shares there will be further annual charges payable under the Water Agreement for the delivery of water incurred in pumping water to the RDR, and delivering that water to the buffer ponds. These charges are expected to be, for the first four years the Scheme, \$1025 per litre per second (\$460 per hectare) with a CPI adjustment. After the first 4 years an additional fee will be payable for the following 16 years for access rights to the RDR. This is likely to be approximately \$17 per hectare CPI adjusted (or \$37 per litre of water).
- 5.2 Associated with the D Shares there will be further annual charges payable under the Water Agreement for delivery of water under pressure from the buffer ponds to the property, and the cost of servicing debt associated with the distribution network. These charges are expected to be, for the first four years of operating of the Scheme, \$400 per litre per second (\$180 per hectare) with a CPI adjustment.
- 5.3 Set out below is a chart showing the expected annual charges:

	Capital per litre/second	Capital per hectare (at 0.45 l/s/ha)	Annual charge per litre/second	Annual charge per hectare (at 0.45 l/s/ha)
Infrastructure Shares	\$670	\$300	\$1025	\$460
Distribution Shares	\$1330	\$600	\$400	\$180
Total	\$2000	\$900	\$1425	\$640

### What returns will I get?

#### 6 Returns

- 6.1 BCI seeks to control charges for the supply of water to shareholders while at the same time retaining sufficient funds to ensure reliability of the irrigation network and expansion of services. As a result of this supply efficiency rather than maximisation of profit and distributing surplus moneys is a key issue for BCI.
- 6.2 The only returns that are likely from the ordinary shares of this issue are:
  - the right to receive water for irrigation;
  - the right to an increased volume of water if this becomes available.
- 6.3 BCI has no intention to pay rebates or make distributions on the shares of this issue.
- 6.4 BCI is the entity legally liable to pay dividends and rebates. BCI is entitled, under its constitution, to withhold from rebates and dividends such amounts as are necessary to pay unpaid calls on any shares held by shareholders and also to meet any other liabilities which may be payable by shareholders.
- 6.5 Rebates, dividends or other distributions can be payable to BCI to set off amounts owing to BCI under a water supply agreement or on shares.

### What are my risks?

#### 7 Risks

The risks associated with holding shares in BCI are set out below:

##### 7.1 Water Risk

There are a number of risks in delivering water to a shareholder's land including:

- (a) a reliability of supply risk as the ability to draw water from the Rakaia River, and deliver it for irrigation, is dependent on seasonal water flows and the terms of the resource consents held by the Company which may prevent water being taken from that river;
- (b) failure of the delivery mechanism for water including the pumping equipment, monitoring equipment and the plant used to distribute water to farms;
- (c) the use of the RDR Canal being restricted arising from maintenance or other performance matters under the agreement between RDRML and the Company;
- (d) a flood, earthquake, other act of god or mechanical failure so affecting the delivery infrastructure that water cannot be delivered through that infrastructure.
- (e) Losses during conveyance of water from the Rakaia River to a farm.

## BARRHILL CHERTSEY IRRIGATION LIMITED

### 7.2 Take up of Water

The Company has rights to 17 cumecs of water under its Resource Consents. The financial projections for the Scheme are that 8 cumecs of water will be distributed within the first 5 years from commencement of the Scheme. It is anticipated that the full 17 cumecs available under the Consents will be used within 7 to 10 years. The volume of water taken affects the costs for the Scheme, the reliability of supply, and can have an impact on the level of costs recoverable from users of the Scheme.

The rights held by the Company to take 17 cumecs of water from the Rakaia River rank behind consent holders who applied for consents ahead of the Company. Those consent holders can take in aggregate up to 13.25 cumecs of water prior to the Company's 17 cumecs. The right of the Company is held in the same band of rights as other consent holders who can take water at the same time.

An Agreement has been entered into with AFIL to sell and transfer cumecs 9, 10 and 11 (in order of priority) held under the Resource Consents and to hold that part of the consents for the benefit of AFIL (subject to certain rights retained by the Company). This will realise \$6 million for the Company.

### 7.3 Acton Area

There is a risk that all of the moneys expected from AFIL will not be received on the expected date or that the full 3 cumecs of water will not be uplifted when expected by the Company. If this occurs this will have a material effect on the future cash flows for the Company.

### 7.4 Construction Risks

During the construction of the infrastructure for the Scheme there are a number of risks. These risks have been materially reduced as construction of the Scheme and supporting infrastructure is practically complete.

### 7.5 Financing Risks

There are a number of financial risks including:

- (a) interest rates increasing beyond the expected range of rates contained in the assumptions made by the Company;
- (b) farmers having the capacity to pay the water charges to be levied under water agreements from the date the Company can commence delivery of water;
- (c) the uptake of water by farmers not being at the times expected by the Company;
- (d) If either the full amount of water is not taken up by farmers, or the additional water cannot be delivered, there is a risk that the annual charges will not be covered by income under the Water Agreements. If this arises the charge may need to be increased.
- (e) The Company not being able to receive income from the temporary trading of water until the full volume is delivered to shareholders.

### 7.6 Shortfall Risk

A shortfall of capital may arise that has to be covered by bank loans so increasing the cost of operating the Scheme.

### 7.7 Economic Risk

There is a risk that farming will not maintain current levels of profitability which results in the annual charges for water users not being paid on time to the Company so

resulting in the Company defaulting on its obligations to Rangitata Diversion Race Management Limited or TrustPower Limited. This could result in any of those agreements, which are fundamental to the operation of the Scheme, being terminated so leading to water not being available to shareholders.

Prices available for milk, grain, lambs or other farm production could materially reduce, so affecting the ability of water users to pay charges due to the Company.

### 7.8 Resource Consent Risk

The resource consent expires 28 January 2035. There is risk this consent may not be renewed or the terms of renewal may be onerous. The Company, or water users, could act in a way that creates a breach of the terms of resource consents held by the Company. This could lead to a cancellation or suspension of the resource consents including the right to take water by the Company for delivery to water users. Additional consents required for the full implementation of the Scheme, including delivery of water in other areas may not be given or may be given on conditions that make delivery of water impractical or uneconomic.

### 7.9 Statutory Intervention

The Government or other regulatory bodies could introduce new legislation, regulations or by-laws that affect the ability of the Company to continue to deliver water or substantially affect the ability of the Company to deliver water effectively and/or economically.

### 7.10 Design Risks

There are risks in ensuring the designs for the irrigation scheme can deliver water at the expected volumes and water pressures to enable the benefits to be available to water users to irrigate farms. If any of the designs do not meet their expected performance criteria this would be detrimental to the effectiveness and/or economics of the irrigation Scheme.

### 7.11 RDR Canal Risk

The delivery of water is dependent on using the RDR Canal to deliver water into a distribution system. The agreement with Rangitata Diversion Race Management Limited (RDRML) is subject to the shareholders of RDRML not being detrimentally affected by the use of the RDR by the Company. If the right to use the RDR was terminated, or suspended, the Company could not deliver water to water users.

### 7.12 Major Agreement Risk

BCI has entered into a number of major agreements and deeds that are material to the Scheme. There is a risk that such agreements, could be breached resulting in their cancellation or, in implementing the terms and provisions of those agreements issues arise that materially affect the ability of the Company to ensure performance under those agreements and deeds. These factors all create contractual performance risks for BCI.

## 8 Consequences of Insolvency

If BCI becomes insolvent, or is placed in liquidation, the benefits each shareholder receives from the delivery of water may be stopped. All creditors of BCI will be repaid and if any balance remains this will be distributed to all shareholders in proportion to the number of shares held. There may be no moneys available to shareholders. Shareholders will not be required to pay any moneys to BCI except charges due and payable under a water supply agreement and unpaid amounts due on the shares.

## BARRHILL CHERTSEY IRRIGATION LIMITED

### **Can the investment be altered?**

#### **9 Alteration of Securities**

- 9.1 After the shares have been issued there is no right to increase the amount payable by the applicant for the shares.
- 9.2 The rights attached to the shares can only be changed by a special resolution of the holders of the shares passed at a meeting called for that purpose. In order to be passed, a special resolution requires a majority of 75% of the votes cast at the meeting either in person or by proxy to be in favour of the resolution.
- 9.3 The Board can determine that shareholders must hold a certain number of shares to be entitled to a certain volume of water and/or to qualify for a rebate or discount. If the shareholder is required to hold more shares, then these may be paid up from dividends, rebates or other distributions otherwise payable to that shareholder.

### **How do I cash in my investment?**

#### **10 Early Termination**

- 10.1 Under the Co-operative Companies Act 1996 shares can be surrendered at their nominal value being \$1.00 for each of the I Shares and D Shares held. This right can only be exercised where the shareholder ceases to be a transacting shareholder with BCI. This can only be implemented where BCI can meet the solvency test.

#### **10.2 Right to Sell Securities**

There is no right to transfer shares in BCI except if a transfer is permitted by the Board.

Shares are normally transferable with the farm land to which they relate as they are issued to persons who will purchase a property that is connected to the distribution system and when a shareholder sells a farm the shares are transferred at the same time to the purchaser.

Transfers can also arise when an existing farm which at the time has the right to take supply from the distribution system is transferred to another member of the same family or a new owner or where the shares are transferred by a shareholder to a trust or company and at the same time the shares in BCI are transferred.

### **Who do I contact with enquiries about my investment?**

#### **11 Enquiries about Securities**

The name of the agent of BCI to whom enquiries about the shares can be made, and the address and business telephone number of that person is:

John Wright  
Barrhill Chertsey Irrigation Limited  
C/- Croys Limited  
Chartered Accountants  
Level 2, 161 Burnett Street, P O Box 582, Ashburton  
Phone: (03) 302 8111 / Cell Ph: 0274 362 358

### **Is there anyone to whom I can complain if I have problems with the investment?**

#### **12 Complaints about Securities**

The name of the employee of BCI to whom complaints about the shares can be made, and the address and business telephone number of that person is:

John Wright  
Barrhill Chertsey Irrigation Limited  
C/- Croys Limited  
Chartered Accountants  
Level 2, 161 Burnett Street, P O Box 582, Ashburton  
Phone: (03) 302 8111 / Cell Ph: 0274 362 358

Complaints about the shares cannot be made to an ombudsman.

### **What other information can I obtain about this investment?**

#### **13 Prospectus and Financial Statements**

Other information about the shares and BCI is contained or referred to in a Prospectus issued by BCI and in the most recent financial statements of BCI. The Prospectus is dated 16 March 2011.

BCI has entered into a number of material contracts to enable the Scheme to proceed. A copy of each material contract is on the website of BCI. Further details are set out in the Prospectus.

A copy of the Prospectus and of the most recent financial statements of BCI can be obtained, free of charge, from:

Barrhill Chertsey Irrigation Limited  
C/- Croys Limited  
Chartered Accountants  
Level 2, 161 Burnett Street  
P O Box 582, Ashburton  
Phone: (03) 302 8111 / Cell Ph: 0274 362 358

or can be accessed (as can this Investment Statement) on the website of BCI at [www.bciwater.co.nz](http://www.bciwater.co.nz).

The Prospectus, financial statements and other documents of, or relating to, BCI are filed on a public register at the Companies Office of the Ministry of Commerce and copies are available from the Companies Office website [www.business.govt.nz/companies](http://www.business.govt.nz/companies).

#### **14 Annual Information**

In each year every shareholder of BCI is sent a copy of the Annual Report of BCI. This Annual Report includes the financial statements of BCI for the relevant financial year.

The annual audited financial statements for BCI for the year ended 31 March 2010 are available on the website of BCI ([www.bciwater.co.nz](http://www.bciwater.co.nz)) or on the website of the Companies Office ([www.business.govt.nz/companies](http://www.business.govt.nz/companies)).

#### **15 On Request Information**

The information that is available on request from BCI is a copy of the Prospectus and the latest Annual Report of BCI to 31 March 2010. Any request for such information should be made to BCI at Level 2, 161 Burnett Street, P O Box 582, Ashburton, or by telephoning (03) 302 8111 /Cell Ph: 0274 362 358. No charge will be made for the information provided to each applicant.

In addition, a shareholder is entitled to request information from a company in accordance with section 178 of the Companies Act 1993. A company is permitted to charge a reasonable amount for supplying that information in accordance with section 178.

#### **16 Directors Statement**

16.1 All material matters relating to the offer of Shares in this Investment Statement are correct and there are no other material matters that are not set out herein or in the Prospectus or latest financial statements issued by the Company.

16.2 Since 31 March 2010 the JV has completed five irrigation distribution schemes as set out on the attached maps. These have been materially completed at a total cost of \$28 million with the final amount still to be verified. A further cost of \$1.8 million will arise from the connections to be made to properties of those persons who take up shares under the offer. This will increase the total capital cost to \$29.8 million. Over that time water agreements have been entered into to supply within the Scheme areas approximately 3.27 cumecs of water to properties.

## **BARRHILL CHERTSEY IRRIGATION LIMITED**

TrustPower Limited has completed the pumping station which can be utilised to pump water up into the RDR for use and distribution by the JV.

16.3 In the period from 1 April 2010 to the date of this Investment Statement there have not, in their opinion, arisen any circumstances that materially adversely affect:

- (a) the trading or profitability of the Company; or
- (b) the value of the assets of the Company; or
- (c) the ability of the Company to pay its liabilities due within the next twelve months.

**Methven, Highbank and Holmes Bend Capacity Areas**



*Tyco Flow Control NZ - BCI Distribution Network*



**Forks and Buccleugh Capacity Areas**



*Tyco Flow Control NZ - BCI Distribution Network*