

Annual Report 2026

MWRC Holdings Ltd

For the year ended 30 June 2026

Prepared by ONLA

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Directors Report

MWRC Holdings Ltd

For the year ended 30 June 2026

Chair's Report

This commentary outlines MWRC Holdings Limited's (the Company) performance for the year ended 30 June 2026.

The Company achieved a net profit before tax of \$3.076 million, exceeding the Statement of Intent (SOI) target of \$2.634 million. This result was driven by higher-than-expected dividend income and increased rental revenue from the Company's property portfolio. While investment property valuations declined during the year, reflecting broader market conditions, the Company continued to deliver a strong overall financial result.

As at 30 June 2026, shareholder funds totalled \$84.1 million and total assets were \$102.3 million. The Company's equity ratio improved to 81.7 percent, supported by strong earnings and continued debt reduction. During the year, borrowings were reduced by a further \$1.0 million, strengthening the Company's financial position.

Rental income increased to \$2.584 million and the property portfolio continued to provide a stable and reliable income stream. Independent valuations resulted in a net decrease in property values during the year, primarily reflecting softer market conditions. Despite this, the portfolio remains well-positioned and continues to deliver long-term value for Horizons Regional Council.

The Company also benefited from another strong year of dividend returns, supporting profitability and cash flows. Together with the performance of the property portfolio, this highlights the value of the Company's investments in delivering sustainable returns to Council.

The work alongside Horizons Regional Council on its future accommodation requirements, including planning for a new purpose-built Council facility in Palmerston North, was put on hold, due to uncertainties brought about from Local Government reform. As a key property partner, MWRC Holdings remains committed to supporting Council's long-term service delivery objectives while maintaining a focus on shareholder value.

Following the 2025 local authority elections, a new Board was appointed during the year. I would like to acknowledge the contribution of the previous Directors and thank my fellow Board members for their commitment and stewardship as we continue to support Council's strategic objectives. Looking ahead, the Board remains focused on maintaining a resilient investment portfolio, managing debt prudently, and delivering sustainable long-term value for the region. On behalf of the Board, I would like to thank Horizons Regional Council, our tenants, advisors, and all those who contributed to the Company's success during the year.

Financial Statements

The financial statements required by section 66 of the Local Government Act 2002 (LGA(2002)), are attached.



Chair - Nikki Riley



Director - Peter Wells

Date: 30 September 2026

Registered Office

C/o Horizons Regional Council

11-15 Victoria Avenue
 Palmerston North

Auditors

The Audit Office on behalf of the Controller and Auditor General.

Directors' Interests

All Directors listed their interests in the register on being appointed to the company.

The following interests were registered at balance date:

Director
A L Benbow
Scanpower Limited - Director
AL & KC Partnership - Partner
Elijah-Tyrone Jeremiah Pue
Te Mātuku Trust - Manu Taiko Chief Executive
Ngā Tāngata Tiaki o Whanganui Trust - Trustee
Te Tōtarahoe o Paerangi Trust - Trustee
Ngā Waihua o Paerangi Trust - Trustee
Nicole Margaret Riley
Bindesa Holdings Ltd - Director
Ruapehu Link Ltd – Director
Peter Frederick Wells
Lansdale Farming Company Ltd – Director
Edward Bruce Gordon
Bruce Gordon Contracting Ltd – Director
E B Gordon Ltd – Director

The Companies Act 1993 requires disclosure of the amount of donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000. For this financial year, no staff were employed by MWRCH. There were no donations made. There were no fees from the auditor for other services.

Directors' Insurance

The company has arranged Directors' and Officers' liability insurance cover for \$2 million with QBE Insurance (International) Limited and IAG NZ Limited to indemnify the Directors' against loss as a result of actions undertaken by them as Directors and employees provided they operate within the law. This disclosure is made in terms of Section 162 of the Companies Act 1993.

Directors' use of Company Information

The Board received no notices during the year from Directors requesting use of company information received in their capacity as Directors which would not have otherwise been available to them.

Statement of Responsibility

In terms of the Local Government Act 2002, the Board of Directors is responsible for the preparation of MWRC Holdings Limited's financial statements and to assist the company meet its objectives and any other requirements in its Statement of Intent (SOI).

The Board of Directors of MWRC Holdings Limited has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of MWRC Holdings Limited for the year ended 30 June 2026.

Signed on behalf of the Board of Directors:



Chair - Nikki Riley

Date: 30 September 2026

Statement of Comprehensive Revenue and Expense

MWRC Holdings Ltd

For the year ended 30 June 2026

	NOTES	2026	SOI	2025
Revenue				
Rents		2,583,998	2,366,656	2,399,156
Interest	1	9,828	13,500	18,770
Dividends		3,230,770	2,077,200	2,423,077
Gain on Investment property revaluation		-	309,350	450,000
Total Revenue		5,824,596	4,766,706	5,291,003
Expenses				
Administration Costs	2	349,094	312,000 *	407,301
Audit Fees	3	53,071	51,000 *	51,213
Finance Costs	1	673,144	743,750 *	877,734
Rental Expenses	4	943,287	1,025,841 *	999,022
Loss on Investment Property revaluation		727,892	-	-
Other expenses		1,969	-	604
Total Expenses		2,748,456	2,132,591	2,335,874
Surplus/(deficit) before tax		3,076,140	2,634,115	2,955,129
Income tax expense				
Income tax expense	5	71,437	-	(226,166)
Surplus/(deficit) after tax		3,004,703	2,634,115	3,181,295
Surplus/(deficit) attributable to MWRC Holdings Ltd		3,004,703	2,634,115	3,181,295
Surplus/(deficit) after distributions		3,004,703	2,634,115	3,181,295
Other comprehensive revenue and expense				
Revaluation of Financial Assets to fair value	8	3,300,000	-	3,700,000
Total comprehensive revenue and expense		6,304,703	2,634,115	6,881,295

* The Expenses SOI figures do not directly align to the figures presented in the published 2025/26 SOI.
The Administration and Accountancy & Consulting and Technical Costs in the SOI make up the Administration Costs and Audit Fees values.
Finance Costs are a direct translation.
The remainder of the SOI Expenditure lines are presented in the Annual Report as the Rental Expense SOI figure.

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Explanations of major variances against budget are provided in the notes.

Statement of Financial Position

MWRC Holdings Ltd

As at 30 June 2026

	NOTES	2026	SOI	2025
Assets				
Current Assets				
Cash and cash equivalents	6	1,104,730	584,000	846,258
Debtors and Accruals	7	506,533	227,000	263,705
Income Tax Receivable	7	31,239	-	34,189
Total Current Assets		1,642,502	811,000	1,144,152
Non-Current Assets				
Other Financial Assets	8	70,000,000	63,000,000	66,700,000
Investment Property	10	30,700,000	31,244,000	31,385,000
Total Non-Current Assets		100,700,000	94,244,000	98,085,000
Total Assets		102,342,502	95,055,000	99,229,151
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	11	448,625	2,972,000	1,232,397
Goods and services tax	11	47,668	-	26,685
Borrowing and other financial liabilities	12	1,000,000	1,000,000	1,000,000
Total Current Liabilities		1,496,293	3,972,000	2,259,082
Non-Current Liabilities				
Borrowing and other financial liabilities	12	16,500,000	16,500,000	17,500,000
Deferred Tax Liability	5	216,553	429,000	145,116
Total Non-Current Liabilities		16,716,553	16,929,000	17,645,116
Total Liabilities		18,212,846	20,901,000	19,904,198
Net Assets		84,129,656	74,154,000	79,324,953
Equity				
Contributed Capital	13	31,500,000	31,500,000	31,500,000
Accumulated Funds	13	8,011,655	5,029,000	6,506,952
Reserves	13	44,618,001	37,618,000	41,318,001
Total Equity		84,129,656	74,147,000	79,324,953

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated.

Explanations of major variances against budget are provided in the notes.

Statement of Changes in Equity

MWRC Holdings Ltd

For the year ended 30 June 2026

	NOTES	2026	SOI	2025
Equity				
Balance at 1 July		79,324,953	73,297,000	73,693,658
Comprehensive Revenue and Expense for the year				
Current Earnings		6,304,703	2,357,000	6,881,295
Total Comprehensive Revenue and Expense for the year		6,304,703	2,357,000	6,881,295
Dividends Paid		(1,500,000)	(1,500,000)	(1,250,000)
Balance at 30 June		84,129,656	74,154,000	79,324,953

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated.

Explanations of major variances against budget are provided in the notes.

Statement of Cash Flows

MWRC Holdings Ltd

For the year ended 30 June 2026

	2026	SOI	2025
Cash Flows from Operating Activities			
Dividends	3,230,770	2,077,000	2,423,077
Interest Received	9,828	14,000	18,770
Other Income	2,363,938	2,395,000	2,402,681
Income tax received/(paid)	(3,243)	-	3,192
Interest Paid	(802,542)	(744,000)	(955,646)
Payments to suppliers	(1,462,609)	(1,243,000)	(1,146,560)
GST	(19,777)	-	7,212
Total Cash Flows from Operating Activities	3,316,364	2,499,000	2,752,727
Cash Flows from Financing Activities			
Repayment of Loans	(1,000,000)	(1,000,000)	-
Dividends Paid	(2,015,000)	(2,265,000)	(4,250,000)
Total Cash Flows from Financing Activities	(3,015,000)	(3,265,000)	(4,250,000)
Cash Flows from Investing Activities			
Cash Flows from Other Investing and Financing Activities	-	-	-
Payments to purchase investment property	(42,892)	-	-
Total Cash Flows from Investing Activities	(42,892)	-	-
Net Increase/ (Decrease) in Cash	258,472	(766,000)	(1,497,273)
Cash Balances			
Cash and cash equivalents at beginning of period	846,258	1,350,000	2,343,531
Cash and cash equivalents at end of period	1,104,730	584,000	846,258
Net change in cash for period	258,472	(766,000)	(1,497,273)

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated.

Explanations of major variances against budget are provided in the notes.

Statement of Accounting Policies

MWRC Holdings Ltd

For the year ended 30 June 2026

MWRC Holdings Limited (MWRCH) is a Council Controlled Trading Organisation (CCTO), owned 100% by Horizons Regional Council (HRC). MWRCH was incorporated on 14 December 2009 and commenced trading on 15 December 2009. MWRCH was primarily incorporated for the purposes of managing the investments of HRC and has designated itself a Public Benefit Entity (PBE) for Financial Reporting purposes, in keeping with the designation of the shareholder.

The financial statements are those of MWRCH, for the year ended 30 June 2026, and were authorised for issue by the Board of Directors on 30 September 2026.

Basis of Preparation

The Financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of MWRCH have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. MWRCH is not publicly accountable and expenditure is not higher than \$33 million. These financial statements comply with PBE standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Specific accounting policies for major categories of revenue are outlined below:

Other Revenue

Other forms of revenue including fees, charges, and other revenues are recognised on a percentage of completion of the transactions as at the reporting date.

Dividends received are recognised when the right to the payment is established.

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the term of the lease.

Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received.

Income Tax

Income tax expense may comprise both current and deferred tax and is calculated using tax rates that were enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which MWRC expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination or transactions recognised in other comprehensive revenue and expense, or directly in equity.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities, in the Statement of Financial Position.

Trade and Other Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

MWRC applies the simplified model of recognising lifetime ECL for short term receivables.

Short term receivables are made up of rent and tenant oncharges (opex) receivable.

They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rent and tenant receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Other Financial Assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. Debt instruments in this category pertain to MWRC Holdings' listed bonds. Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. MWRC Holding designates into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, MWRC Holdings does not have instruments in this category.

Expected credit loss allowance (ECL)

MWRC recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to MWRC in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, MWRC Holdings' considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on MWRC Holdings' historical experience and informed credit assessment and including forward-looking information.

MWRC Holdings' consider a financial asset to be in default when the financial asset is more than 90 days past due. MWRC Holdings' may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

MWRC Holdings' measures ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Payables

Short term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless MWRC Holdings has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowing Costs

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

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "financial costs".

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- reserves;
- accumulated funds; and
- contributed capital.

Reserves

These reserves relate to the revaluation of MWRCH's investment in CentrePort Limited. This reserve comprises the cumulative net change in the fair value through other comprehensive revenue and expense.

Goods and Services Tax (GST)

These financial statements are presented net of GST, except for receivables and payables which are inclusive of GST. Where GST paid is not recoverable, due to it relating to exempt items, the GST inclusive amount is recognised as part of the related asset or expense including the GST relating to investing and financing activities.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or recovered from, the IRD is recognised as an item in operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumption have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value of the Investment Property.
- Estimating the fair value of the CentrePort Investment.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Fair value of the Investment Property.
- Fair value of the CentrePort Investment.
- CentrePort is not an associate due to its minority shareholding and has therefore been accounted for as fair value.

Notes to the Performance Report

MWRC Holdings Ltd

For the year ended 30 June 2026

	NOTES	2026	2025
1. Interest Revenue and Finance Costs			
Interest revenue from term deposits, call accounts and use of money interest		9,828	18,770
Finance Costs			
Interest on borrowings from parent (Horizons Regional Council)		673,144	877,734
Total Finance Costs		673,144	877,734
Net Finance Costs		663,316	858,963

	NOTES	2026	2025
2. Administration Expenses			
Consulting and accounting fees		335,636	406,291
Other administration		13,458	1,010
Total Administration Expenses		349,094	407,301

	NOTES	2026	2025
3. Audit Fees			
Audit of the Financial Report		53,071	51,213
Total Audit Fees		53,071	51,213

Audit Firm Fee

The audit fee disclosed above represents the fee from The Audit Office for the annual statutory audit engagement carried out under the Auditor-General's auditing standards.

No fees were incurred for services other than the audit and review of the financial report by The Audit Office. (2025: Nil)

	NOTES	2026	2025
4. Rental Expenses			
Cleaning		77,782	70,876
Insurance - HRC recharge		181,264	227,650
Legal expenses		10,693	1,480
Light, Power, Heating		68,629	62,418
Rates		185,654	163,679
Repairs and Maintenance		153,500	246,347
Ground Lease		265,766	226,571
Total Rental Expenses		943,287	999,022

NOTES

2026

2025

5. Tax**Components of tax expense**

Current Tax	-	-
Deferred Tax	71,437	(226,166)
Total Components of tax expense	71,437	(226,166)

Relationship between tax expense and accounting surplus

Net surplus/(deficit) before tax)	3,076,140	2,955,129
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Tax and Tax Adjustments

Tax at 28%	861,319	827,436
Non-deductible expenditure	114,733	-
Non-assessable income	(904,616)	(754,727)
Prior period adjustments	-	(298,875)
Tax expense for the year	71,437	(226,166)

The proposed subvention payment to Council is \$Nil (2025 - \$Nil).

Deferred Tax Liability

Deferred tax assets/(liabilities)	Investment Property	Financial Instruments	Provisions	Tax Losses	Total
Balance at 1 July 2024	(1,166,574)	-	-	795,292	(371,282)
Charged to surplus or deficit	(44,075)	-	-	270,241	226,166
Charged to other comprehensive revenue and expense	-	-	-	-	-
Derecognition of tax asset	-	-	-	-	-
Balance at 30 June 2025	(1,210,649)	-	-	1,065,533	(145,116)
Charged to surplus or deficit	(197,393)	-	-	125,957	(71,437)
Derecognition of tax asset	-	-	-	-	-
Balance at 30 June 2026	(1,408,043)	-	-	1,191,490	(216,553)

	NOTES	2026	2025
6. Cash and cash equivalents			
Cash at bank and on hand		1,104,730	846,258
Total Cash and cash equivalents		1,104,730	846,258

Although cash and cash equivalents at 30 June 2026 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is nil.

	NOTES	2026	2025
7. Receivables and Accruals			
Debtors and Accruals			
Prepayments		56,209	74,999
Total Debtors and Accruals		56,209	74,999
Receivables from Exchange Transactions			
Accounts Receivable		450,324	188,706
Total Receivables from Exchange Transactions		450,324	188,706
Receivables from Non-Exchange Transactions			
GST Receivable		-	-
Income Tax Receivable		31,239	34,190
Total Receivables from Non-Exchange Transactions		31,239	34,190
Total Receivables and Accruals		537,772	297,895

MWRC Holdings regularly provides services to Horizons Regional Council, under standard commercial terms and conditions.

As at 30 June 2026, the total Accounts Receivable balance includes an amount of \$72,449.79 (2025: \$7,452.43) due from Horizons Regional Council.

MWRC Holdings has not allowed for any Expected Credit Loss on Rents Receivable. MWRC Holdings has ability under the Deeds of Lease to collect any overdue rent.

	NOTES	2026	2025
8. Other financial assets			
Unlisted shares in CentrePort Ltd (23.08% shareholding). Recognised at fair value.		70,000,000	66,700,000

	NOTES	2026	2025
Made up of			
Balance at 1 July		66,700,000	63,000,000
Less expected credit loss (ECL)		-	-
Plus (Less) Fair Value gain on revaluation		3,300,000	3,700,000
Balance at 30 June		70,000,000	66,700,000

Summary

Horizons Regional Council owns 23.08% of the issued shares of CentrePort Limited through its wholly owned subsidiary, MWRC Holdings Limited (MWRC). The balance of the shares is owned by Greater Wellington Regional Council (GWRC). Each year, MWRC engages an independent third party to assess the fair value of this shareholding and provide an indicative valuation range of the carrying value of the investment.

KPMG was engaged to assess the fair value of this shareholding and provide an indicative valuation range for the investment's carrying value for FY 2026.

KPMG has adopted a discounted cash flow (DCF) method as the primary valuation methodology for valuing 100% of CentrePort, supported by sensitivity analysis and cross-referencing with market multiples for capitalisation of earnings. KPMG also applies a minority discount for the lack of control, reflecting the nature of Horizons' minority shareholding.

The valuation relies on the following information provided by CentrePort management:

- CentrePort Quarterly Reports (FY26 Q1, FY26 Q2, FY26 Q3)
- CentrePort FY27-29 three-year financial forecast
- CentrePort group 10 year forecast – August 2024
- Constitution of CentrePort
- CentrePort Group reports and discussions with CentrePort and Horizons management.
- CentrePort's audited Annual Reports for FY2023 to FY2025; and
- CentrePort's draft Statement of Corporate Intent (SCI) for FY2027-29.

The indicative valuation range for Horizons' 23.08% shareholding in CentrePort is \$63.4million to \$76.7 million as at 30 June 2026, with a midpoint of \$70.0 million. This valuation reflects an implied multiple of 6.5x FY26 EBITDA and 6.0x FY27 EBITDA, positioning CentrePort between the lower-quartile and median of comparable companies.

The Directors updated the carrying value of the Council's shareholding in CentrePort to \$70.0 million (the midpoint) as of 30 June 2026, after reviewing independent valuation advice from KPMG and considering current economic conditions, including the impact of inflation and interest rates. This value is the midpoint of the valuation range provided by KPMG.

It was noted that a 23.08% share of CentrePort's net assets is valued at \$122.4 million. Applying a higher minority discount rate of 32.5% results in a value of \$82.6 million, which this year sits above the indicative valuation range provided. On that basis, no allowance for Expected Credit Loss has been made.

KPMG applied a minority discount of 27.5% to 32.5% due to the lack of control over the operations of CentrePort by Horizons, given that the majority shareholder (GWRC) has a controlling interest. This discount reflects the reduced influence Horizons has over key strategic decisions, dividend policies, and operational management.

Uncertainties in the valuation advice

The Directors note that there remains a high degree of uncertainty in CentrePort's future capital expenditure and financial performance, which may impact the value ultimately realised by shareholders.

Key uncertainties highlighted by KPMG include:

- CentrePort's operations continue to be affected by volatility in financial markets, inflationary pressures, and broader macroeconomic trends.
- The significant capital expenditure required for rebuilding and redevelopment adds substantial uncertainty to the valuation.
- While CentrePort has made progress in planning for the SUT (Single Use Ferry Terminal), uncertainty remains around the timing, scale, and return on investment of these capital projects.
- Some capital expenditure is expected to be non-revenue generating, particularly in relation to ground resilience and wharf renewal works, but is necessary to ensure the long-term operational sustainability of the port.
- Many elements of the capital programme, including the SUT project, remain subject to detailed business casing and shareholder approval.
- The valuation is based on financial forecasts covering the period 1 July 2026 to 30 June 2034, which rely on assumptions about future business performance and external conditions that may not materialise as expected.

Assumptions

KPMG's valuation advice is based on the following key assumptions:

- The valuation is as of 30 June 2026 and assumes no material change in the financial performance or position.
- CentrePort's investment property valued at \$94.644 million as of 30 June 2026.
- A corporate tax rate of 28%, with tax being paid in the year incurred.
- The midpoint DCF valuation 7.2x6.5 FY26 EBITDA and 6.0x forecast FY27 EBITDA.
- A risk-free rate of 4.89%, based on the 20-year New Zealand Government Bond, maturing in May 2041.
- Deferred tax liability adjustment reflects the present value of expected payments, with a nominal value of \$22.0 million as of 30 June 2026.
- Deferred tax liability is assumed to unwind over 20 years and is treated as an operating liability with an adjustment made to Enterprise Value (EV).
- Debt to Enterprise Value Range assumed to be 20% to 30%, based on observed gearing levels in comparable companies and CentrePort's long-term borrowing intentions for growth.
- WACC range of 7.2% to 8.3%, with a mid-point of 7.7%, reflecting an increase due to the higher risk-free rate in the current interest rate environment.
- Capital expenditure related to resilience work is not expected to generate a return above WACC.
- An under or over-spend in capital expenditure (CAPEX) of +/- 15% over the forecast period, with EBITDA assumed to remain unchanged.
- A change in revenue of +/- 10% over the forecast period, with the EBITDA margin assumed to remain unchanged.
- The EV/EBITDA multiples have been calculated on a normalised basis, adjusting for one-off items.

A minority discount of 27.5% to 32.5% has been applied to reflect Horizons' minority shareholding. This discount acknowledges Horizons' limited control over CentrePort's strategic direction and dividend policy, as well as GWRC's majority shareholding.

Sensitivity Analysis

KPMG conducted a sensitivity analysis to assess the impact of changes in key valuation drivers. The analysis explored the effects of changes to the following inputs:

- **Weighted Average Cost of Capital (WACC):** A 1% decrease in the WACC results in a valuation decrease of \$3.4 million, while a 1% increase in the WACC results in a valuation increase of \$3.7 million.
- **Exit Multiple:** A 1.0x decrease in the exit multiple applied in the terminal period results in a valuation decrease of \$4.3 million, while a 1.0x increase in the exit multiple results in a valuation increase of \$4.3 million.
- **Minority Discount:** A 5% decrease in the minority discount applied results in a valuation decrease of \$5.0 million, while a 5% increase in the minority discount results in a valuation increase of \$5.0 million.
- **Capital Expenditure (Capex):** A 15% decrease in capital expenditure over the forecast period, assuming no change in EBITDA, results in a valuation decrease of \$5.5 million, while a 15% increase in capital expenditure results in a valuation increase of \$5.5 million.
- **Revenue:** A 10% decrease in revenue over the forecast period, assuming the EBITDA margin remains unchanged, results in a valuation decrease of \$6.2 million, while a 10% increase in revenue results in a valuation increase of \$6.2 million.

The valuation advice including calculating the discount rate has been carried out by an independent third party (KPMG) with experience in valuing investments of this type.

	NOTES	2026	2025
9. Financial Instrument Categories			
Financial Assets			
Amortised Cost			
Cash and Cash Equivalents	6	1,104,730	846,258
Receivables	7	450,324	222,895
Total Amortised Cost		1,555,054	1,069,153
FV through Comprehensive revenue and expenses			
CentrePort unlisted shares	8	70,000,000	66,700,000
Total FV through Comprehensive revenue and expenses		70,000,000	66,700,000
Financial Liabilities			
Amortised Cost			
Payables		317,188	1,086,785
Borrowings from Horizons	12	17,500,000	18,500,000
Total Amortised Cost		17,817,188	19,586,785
Total Financial Instrument Categories		53,737,866	48,182,367

	NOTES	2026	2025
10. Investment Property			
17-23 Victoria Avenue, Palmerston North			
Balance 1 July		22,300,000	22,000,000
Development Costs for the year		-	-
Disposals		-	-
Renovations		-	-
Revaluation as at 30 June to reflect fair value		(600,000)	300,000
Total 17-23 Victoria Avenue, Palmerston North		21,700,000	22,300,000
3 & 7 Victoria Ave and 184 Grey St, Palmerston North			
Balance at 1 July		3,410,000	3,410,000
Development Costs for the Year		-	-
Renovations		-	-
Revaluation as at 30 June to reflect fair value		40,000	-
Total 3 & 7 Victoria Ave and 184 Grey St, Palmerston North		3,450,000	3,410,000
28 North Street, Palmerston North			
Balance 1 July		3,275,000	3,275,000
Development Costs for the year		-	-
Renovations		-	-
Revaluation as at 30 June to reflect fair value		(125,000)	-
Total 28 North Street, Palmerston North		3,150,000	3,275,000
40 Bowen Street, Feilding			
Balance at 1 July		2,400,000	2,250,000
Purchase Cost for the year		-	-
Renovations		42,892	-
Revaluation as at 30 June to reflect fair value		(42,892)	150,000
Total 40 Bowen Street, Feilding		2,400,000	2,400,000
Total Investment Property		30,700,000	31,385,000

The North Street property applies the fair value model for valuing the property and is valued at \$3,150,000 as at 30 June 2026. In determining the fair value the valuers have utilised an income capitalisation and discounted cashflow approach referred to the lease of the property. Yields are derived from analysis of comparable sales in the market. The property was valued by an independent registered valuer CBRE who has the relevant professional qualifications and recent experience. There are no known restrictions to the realisability of the investment property.

The property at 3 Victoria Avenue, 7 Victoria Avenue and 184 Grey Street applies the fair value model for valuing the property and is valued at \$3,450,000 as at 30 June 2026. In determining the fair value valuers have utilised a market valuation approach by benchmarking it with comparable properties for which price information is available. Yields are derived from analysis of comparable sales in the market. The property was valued by an independent registered valuer CBRE who has the relevant professional qualifications and recent experience. There are no known restrictions to the realisability of the investment property.

The property at 17-23 Victoria Avenue applies the fair value model for valuing the property and is valued at \$21,700,000 as at 30 June 2026. In determining the fair value the valuers have utilised an income capitalisation and discounted cashflow approach referred to the lease of the property. Yields are derived from analysis of comparable sales in the market. The property was valued by an independent registered valuer CBRE who has the relevant professional qualifications and recent experience. There are no known restrictions to the realisability of the investment property.

The property at 40 Bowen Street applies the fair value model for valuing the property and is valued at \$2,400,000 as at 30 June 2026. In determining the fair value valuers have utilised an income capitalisation and discounted cashflow approach referred to the lease of the property. Yields are derived from analysis of comparable sales in the market. The property was valued by an independent registered valuer CBRE who has the relevant professional qualifications and recent experience. There are no known restrictions to the realisability of the investment property.

	NOTES	2026	2025
Rental Information			
Rental Revenue		2,583,998	2,399,156
Direct Operating Expenses - property generates rental revenue		339,153	410,026

Operating leases as lessor

The North Street property is leased under an operating lease. It is for a non-cancellable term of three years from 1 June 2024. The future lease payments to be collected are as follows:

	NOTES	2026	2025
Operating leases - North St			
Not later than one year		261,753	284,345
Later than one year and not later than five years		-	261,753
Later than five years		-	-
Total Operating leases - North St		261,753	546,098

The property at 17-23 Victoria Avenue is leased under an operating lease. The following tenants have the following non-cancellable terms in place;

Objective Corporation Solutions NZ Limited for a term of seven years from 1 May 2020.

Horizons Regional Council for a term of five years from 6 December 2024.

Inland Revenue for a term of eight years 78 days from 3 November 2020.

Palmerston North City Council for a term of ten years from 6 December 2019.

Aamayjen Restaurant for a term of six years from 28 December 2020.

Sonova / Triton Hearing for a term of four years from 1 October 2023.

The future lease payments to be collected are as follows;

	NOTES	2026	2025
Operating Leases -17- 23 Victoria St			
Not later than one year		1,868,706	1,906,299
Later than one year and not later than five years		2,908,176	4,588,354
Later than five years		-	-
Total Operating Leases -17- 23 Victoria St		4,776,882	6,494,653

The property at 40 Bowen Street is leased under an operating lease. It is a non-cancellable term of fifteen years from 22 September 2021 with two rights to renewal of five years. The future lease payments are to be collected as follows;

	NOTES	2026	2025
Operating leases - 40 Bowen Street			
Not later than one year		160,000	160,000
Later than one year and not later than five years		640,000	640,000
Later than five years		836,384	966,384
Total Operating leases - 40 Bowen Street		1,636,384	1,766,384

	NOTES	2026	2025
11. Creditors and Accrued Expenses			
GST Payable			
GST Payable		47,668	26,685
Total GST Payable		47,668	26,685
Creditors and Accrued Expenses (Less GST)			
Accounts Payable		211,245	397,098
Accrued Dividends		-	515,000
Income in Advance		179,125	172,297
Sundry Accruals		58,255	148,002
Total Creditors and Accrued Expenses (Less GST)		448,625	1,232,397
Total Creditors and Accrued Expenses		496,293	1,259,082

MWRC Holdings regularly receives services from Horizons Regional Council, under standard commercial terms and conditions.

As at 30 June 2026, the total Accounts Payable balance includes an amount of \$168,090.74 (2025: \$330,995.24) due to Horizons Regional Council.

	NOTES	2026	2025
12. Borrowings and other financial liabilities			
Current Portion		1,000,000	1,000,000
Term Portion		16,500,000	17,500,000
Total Borrowings and other financial liabilities		17,500,000	18,500,000

The loan is from Horizons. Interest is being charged to MWRCH at the same rate as what Horizons pays for its own long term borrowing, plus a margin of 0.25%.

	NOTES	2026	2025
13. Equity			
Accumulated Funds			
Balance at 1 July		6,506,952	4,575,657
Surplus/(deficit) for the year		3,004,703	3,181,295
Less Dividend paid		(1,500,000)	(1,250,000)
Balance at 30 June		8,011,655	6,506,952
Authorised Capital (56,100,000 shares issued and fully paid)			
Balance at 1 July		31,500,000	31,500,000
Movement - Issued Capital		-	-
Balance at 30 June		31,500,000	31,500,000
Reserves			
CentrePort Shares			
Balance at 1 July		41,318,001	37,618,001
Gain/(Loss) on revaluation	8	3,300,000	3,700,000
Balance at 30 June		44,618,001	41,318,001
Total Equity		84,129,656	79,324,953
	NOTES	2026	2025

Number of Shares Issued

Opening Number of Shares Issued	56,100,000	56,100,000
Additional Shares Issued	-	-
Closing Number of Shares Issued	56,100,000	56,100,000

14. Operating Lease Commitments as Lessee

The land situated at 17-23 Victoria Avenue, is leased by MWRC Holdings Ltd under an operating lease. The lease was signed 17 October 2017 and is for a non-cancellable term of 35 years. The future lease payments to be made are as follows:

	NOTES	2026	2025
Commitments to lease land			
Not later than one year		265,766	265,766
Later than one year and not later than five years		1,063,064	1,063,064
Later than five years		5,669,917	5,935,683
Total Commitments to lease land		6,998,747	7,264,513

	NOTES	2026	2025
15. Capital Commitments			
Capital Commitments		-	-
Total Capital Commitments		-	-

16. Contingent Liabilities and Guarantees

There were no contingent liabilities and guarantees that would be considered material at year end. (2025 - Nil)

17. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Group (such as dividends paid and received), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

Key management personnel

There are no employees employed by MWRCH. All functions are performed by Horizons staff with their costs invoiced to MWRCH. Similarly the Directors are not paid salaries by MWRCH with their Horizon salaries deemed to cover their responsibilities as directors of MWRCH.

18. Explanations of major variances against budget

Explanations for major variations from MWRCH's SOI for 2025-26 are as follows:

Statement of Comprehensive Revenue and Expense.

- Dividend Revenue received from Centreport Ltd was higher than budgeted, due to Centreport's favourable performance.
- Investment Property in the current year saw a \$728k valuation loss, where the board had anticipated a positive movement in valuation. This was largely driven by a \$600k decrease in value for the 17-23 Victoria Avenue property.
- Rental Expenses lower than budgeted due to less reactive maintenance required throughout the year than projected.

Statement of Financial Position

- Cash and Cash equivalents was higher than anticipated due to the increased dividend received from Centreport, and timing of payments not yet processed.
- Creditors and Accrued Expenses are lower than budgeted as the dividend declared to Horizons Regional Council was paid within the financial year.
- Debtors and Accruals were higher than budgeted due to the timing of payments received. Operating expense recoveries and monthly rental payments remained receivable.

19. Subsequent Events After Balance Date

No significant events have occurred after reporting date.

1. Operate within agreed budgets

The Company operated within its approved budget parameters during the year. While some revenue and expenditure categories varied from budget, overall financial performance exceeded the Statement of Intent target, with a net profit before tax of \$3.005 million compared with the budgeted \$2.634 million. Variances were primarily driven by higher dividend income, increased rental revenue, and lower than budgeted maintenance and finance costs, which helped to offset the reduction in investment property values.

2. Maintain the following financial performance targets

	Actual 2026 \$000	SOI 2026 \$000	Actual 2025 \$000
Net Profit Before Tax	\$3,076	\$ 2,634	\$2,955
Income Return on net Assets*	3.66%	3.55%	3.73%
Return on Investments excluding non-commercial investments **	-0.98%	2.51% ***	10.6%****
Dividend (excluding subvention payments)	\$1,500	\$1,500	\$1,250
Debt Repayment	\$1,000	\$1,000	-

* Income return on net assets is calculated as the net profit before tax divided by net assets

* * Non-commercial investments include CentrePort shareholding, 3 Victoria Ave, 7 Victoria Ave and 184 Grey Street.

*** The calculation methodology used to derive the 2026 SOI figure was not consistent with the definition as it included the CentrePort dividend, and the correct figure should have been 1.01%.

**** The calculation methodology used to derive the 2025 actual figure was not consistent with the definition as it included the CentrePort dividend, and the correct figure should have been 2.71%.

Independent Auditor's Report

To the readers of MWRC Holdings Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of MWRC Holdings Limited (the company). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of The Audit Office, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 6 to 27; and
- the performance information that consists of the statement of performance for the year ended 30 June 2026 on page 28.

In our opinion:

- the financial statements of the Company present fairly, in all material respects its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Emphasis of matter – uncertainties over the fair value of the shares in CentrePort Limited

Without modifying our opinion, we draw your attention to Note 8 on pages 17 to 20 which outlines how the fair value of the shares in CentrePort Limited as at 30 June 2026 has been determined. There are a number of uncertainties involved in estimating the fair value, as the key assumptions are sensitive to change. These uncertainties could have a material effect on the fair value of the shares.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and comply with Public Benefit Entity Standards Reduced Disclosure Regime. The Board of Directors is also responsible for preparing the performance information contained in the statement of performance of the Company in accordance with the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, 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.
- We 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 Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of 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 Company'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 information we audited 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 Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

We communicate with the Board of 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.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and performance information consisting of the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and performance information 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 and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of 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.

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



Debbie Perera
The Audit Office
On behalf of the Auditor-General
Palmerston North, New Zealand
30 September 2026