

WHANGANUI PORT GENERAL PARTNER LIMITED

STATEMENT OF INTENT FOR YEAR COMMENCING 1 JULY 2024

This statement is submitted by the Directors of Whanganui Port General Partner Limited (Port GP) in accordance with section 64 of the Local Government Act 2002. It sets the overall intentions and objectives of Port GP for the three financial years beginning on 1 July 2024.

Port GP is the general partner of the Whanganui Port Limited Partnership (WPLP), a limited partnership formed with the Whanganui District Council (WDC). WDC is the limited partner of the Partnership.

1 Definitions

“Port GP” means Whanganui Port General Partner Limited.

“WPLP” means Whanganui Port Limited Partnership.

“PGF” means the Provincial Growth Fund

“Port Op Co” means Whanganui Port Operating Company Limited.

“CCO” means the Whanganui Port Limited Partnership, being a Council Controlled Organisation.

“WDC” means the Whanganui District Council.

“Crown” means the New Zealand Government.

2 Objectives

Port GP’s primary objectives are, on behalf of WPLP, to manage and operate the WPLP encompassing the Whanganui Port, including upgrades and developments as part of the larger Whanganui Port Infrastructure Revitalisation Project (Te Pūwaha) and the endowment property portfolio. Te Pūwaha project has been developed in terms of both economic development for the region, as well as increasing recreational and commercial activity at the port. WPLP essentially exists to manage and operate the Whanganui Port and manage the Endowment Land in accordance with the Whanganui Harbour Act 1988. If WPLP did not exist, then it is considered that WDC would continue to perform this function. The creation of WPLP has arisen due to the requirements of the Provincial Growth Fund (PGF) funding for the restoration of the port. The Port GP has responsibilities to discharge arising from the WPLP partnership agreement, agreements with the PGF and its agreement with Port Op Co.

3 Governance

Port GP, as the general partner for WPLP exercises governance control for the WPLP. As a limited liability company directors as subject to duties and responsibilities under the Port GP constitution and must exercise the required skill and judgement to balance these responsibilities and contractual obligations of the above agreements.

4 Nature and scope of activities

- 4.1 Exercise the role and responsibilities of general partner for WPLP as set out in the Partnership agreement including
- 4.1.1 Harbour Endowment: Managing of investment Portfolio.
 - 4.1.2 Sea Port Operations: Manage and operate the Whanganui Port.
 - 4.1.3 Te Pūwaha Project: Capital upgrades and developments as part of the larger Whanganui Port Infrastructure Revitalisation Project.

5. Accounting policies

The Statement of accounting policies for the year ended 30 June 2024 is attached in Appendix 1.

6 Performance targets

- 6.1 The forecast performance targets for the next three years are, on behalf of WPLP, to:
- 6.1.1 Comply with all obligations required under all WPLP agreements and demonstrate how compliance is being achieved.
 - 6.1.2 Manage compliantly the Operating Agreement with Port Op Co.
 - 6.1.3 Ensure all liabilities have funding cover either by the WPLP or ultimately WDC (as limited partner).
 - 6.1.4 Operate within the budget agreed with the WPLP.
 - 6.1.5 Comply with the shareholders "no surprises" policy and any other reporting requirements to WPLP and WDC as required or agreed.
 - 6.1.6 Inform, as necessary, any advocacy with third parties and ensure consistency with council policy.
 - 6.1.6 Provide, on behalf of the WPLP, all strategies, plans and budgets as required.

7 Distributions to shareholders

The shareholder recognises the WPLP agreement does not permit Port GP to create a profit, therefore a distribution to is not forecast.

8 Information to be provided to shareholders

- 8.1 To better achieve the stated objectives, an activity plan is produced to set out the Board's short and long term strategies and include an annual budget as part of its obligations in managing the WPLP.
- 8.2 Port GP will produce reports in accordance with the Local Government Act 2002 and generally accepted accounting practice.
- 8.3 The financial statements will be prepared and audited by 30 September.
- 8.4 Port GP will produce monthly management reports in accordance with WDC management reporting systems.
- 8.5 Port GP will provide quarterly (to align with WDC CCO committee reporting and, in a form, to be agreed);
 - 8.5.1 Confirmation WPLP is operating compliantly with:
 - Partnership agreement
 - Operating budget and Port development budget
 - Operating Agreement
 - SLA agreement
 - Securityholders agreement

- Other loan agreements with Crown
 - any material commercial agreements (such as Port development or building construction agreements or Development agreements with Q-West)
 - WDC specified reporting requirements
 - Port Development and building construction milestones
- 8.5.2 A list of previous quarterly compliance and reporting events and how satisfied.
- 8.5.3 A list of upcoming quarterly compliance and reporting events and confirmation they can be satisfied.
- 8.5.4 A specific list of confirmations that performance targets are being met and are forecast to be met for the year.

9 Reputation

Port GP, on behalf of WPLP, will operate on a “no surprises” basis and ensure that:

- 9.1 WDC is informed of sensitive media releases prior to their release.
- 9.2 that WDC be informed well in advance of any significant events relating to the organisation, whether positive or negative.
- 9.3 all issues that are likely to affect, or are perceived to affect, the shareholder’s reputation are immediately communicated to WDC.
- 9.4 Port GP complies with the Shareholders No Surprises Policy.

10 Advocacy

The shareholder’s expectations are that Port GP, on behalf of WPLP, will:

- 10.1 maintain active participation in industry, regulatory and environmental matters that may, or will, have a material impact on Port GP’s business strategies and objections.
- 10.2 ensure that all advocacy and communications to third parties are consistent with WPLP policy positions.

11 Financial Forecasts for next 3 years

Statement of comprehensive revenue and expense

Forecast 1 July 2024 to 30 June 2028

	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Group 2025 \$000	Group 2026 \$000	Group 2027 \$000	Group 2028 \$000
Revenue								
Management Fees	180	180	180	180	846	743	743	743
	180	180	180	180	846	743	743	743
Expenses								
Directors Fees	125	125	125	125	125	125	125	125
Audit Fee	12	12	12	12	24	24	24	24
Travel & Accom	12	12	12	12	12	12	12	12
Service Level Agreement - WDC	-	-	-	-	197	94	94	94
Personnel costs	-	-	-	-	450	450	450	450
Other expenses	31	31	31	31	38	38	38	38
	180	180	180	180	846	743	743	743
Profit / (Loss)	-	-	-	-	-	-	-	-
Other comprehensive revenue and expense	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-

Statement of changes in equity

Forecast 1 July 2024 to 30 June 2028

	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Group 2025 \$000	Group 2026 \$000	Group 2027 \$000	Group 2028 \$000
Balance at 1 July	-	-	-	-	-	-	-	-
Comprehensive revenue and expense								
Total comprehensive income for the year	-	-	-	-	-	-	-	-
Balance at 30 June	-	-	-	-	-	-	-	-

Statement of financial position

As at 30 June 2028

	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Group 2025 \$000	Group 2026 \$000	Group 2027 \$000	Group 2028 \$000
Assets								
Current assets								
Cash and cash equivalents	12	12	12	12	24	24	24	24
	12	12	12	12	24	24	24	24
Total assets	12	12	12	12	24	24	24	24
Liabilities								
Current liabilities								
Trade & other payables	12	12	12	12	24	24	24	24
	12	12	12	12	24	24	24	24
Total liabilities	12	12	12	12	24	24	24	24
Net assets	-	-	-	-	-	-	-	-
Equity								
Accumulated funds	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

Statement of cash flows

Forecast 1 July 2024 to 30 June 2028

	2025 \$000	2026 \$000	2027 \$000	2028 \$000	Group 2025 \$000	Group 2026 \$000	Group 2027 \$000	Group 2028 \$000
Cash flows from operating activities								
<i>Cash was provided from:</i>								
Management Fees	180	180	180	180	846	743	743	743
<i>Cash was applied to:</i>								
Payments to suppliers	(186)	(180)	(180)	(180)	(902)	(743)	(743)	(743)
Net cash flows from operating activities	(6)	-	-	-	(56)	-	-	-
Cash flows from investing activities								
Purchase of fixed assets and investments	-	-	-	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-	-	-	-
Cash flows from financing activities								
Borrowings & other financial liabilities	-	-	-	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	(6)	-	-	-	(56)	-	-	-
Cash & cash equivalents at the beginning of the year	18	12	12	12	80	24	24	24
Cash & cash equivalents at the end of the year	12	12	12	12	24	24	24	24

Mark Petersen

Chair

Whanganui Port General Partner Limited

Statement of accounting policies

For the year ended 30 June 2024

REPORTING ENTITY

The Whanganui Port General Partner Limited (WPGPL) is a limited company and is the General Partner of the Limited Partnership. WPGPL is a Council Controlled Organisation (CCO) of the Whanganui District Council (WDC) as defined by section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

The Company is involved in an infrastructure revitalisation project in respect of Whanganui Port project. To assist and facilitate the development and funding of the Project, the Company and Whanganui District Council have entered into a limited partnership agreement dated 4 September 2020 under which WDC is the sole limited partner, and the Company is the general partner, of a limited partnership with the name Whanganui Port Limited Partnership (WPLP).

The Company must not carry on any business or activity, or enter into any contract, agreement, arrangement or undertaking, other than for the purpose of fulfilling its role as the general partner of the Limited Partnership in accordance with the Limited Partnership Agreement. WPGPL has designated itself as a public benefit entity (PBE) for Financial Reporting Purposes.

The financial statements of WPGPL are for the year ended 30 June 2024. The financial statements were authorised for issue on 27 September 2024 by the Board,

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. The going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the WPGPL to continue as a going concern.

Statement of compliance

The financial statements of WPGPL have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards on the basis that the WPGPL does not have public accountability (as defined) and has total annual expenses of less than \$30 million. These financial statements comply with these PBE Standards.

The financial statements are prepared using the historical cost method.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars. The WPGPL's functional currency is New Zealand dollars.

SPECIFIC ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of surplus or deficit and financial position, have been applied:

Income

Income is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

Income derived through a Management Fee to WPLP to cover all WPGPL expenses and is recognised in proportion to timing as at balance date.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. At balance date this is represented as a current asset in the statement of financial position.

Payables

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

Equity

The components of equity are only accumulated funds

Director remuneration

Te Kenehi Robert Mair and Robert Mark Petersen, were each appointed as directors of the Company by WDCHL, the Company's sole shareholder, with effect on and from 28 September 2022. Nicholas Evan Wareham was appointed as director from 15 September 2023.

The total remuneration for the directors and chairs of the Port General Partner and Port Operating Company is as follows effective 15 September 2023:

Chair of Port General Partner and Port Operating Company \$55,000 per annum

Director of Port General Partner and Port Operating Company \$35,000 per annum.

From 15 September 2023 all directors remuneration has been paid from Port General Partner.

Prior to 15 September the directors remunerations were:

- Director: \$1,000 per meeting.
- Chairperson: \$1,500 per meeting

Goods and Service Tax (GST)

All items in the financial statements are stated exclusive of GST, except for payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

Income Tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax. Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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 surplus.

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

Critical accounting estimates and assumptions

In preparing these financial statements WPGPL has made estimates and assumptions concerning the future which 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 discussed below:

Changes in accounting policies:

No changes in accounting policies.