Whanganui Port Operating Company Limited

Annual Report

For the year ended 30 June 2026

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Directory

Registered office	Whanganui District Council 101 Guyton Street Whanganui Telephone (06) 349 0001 Fax (06) 349 0000 email wdc@whanganui.govt.nz
Postal address	PO Box 637 Whanganui
Directors	Mark Petersen (Chair) Nick Wareham Ken Mair
Auditor	The Audit Office On behalf of the Auditor-General
Bankers	ANZ Whanganui
Solicitors	Buddle Findlay
Shareholding as at 30 June 2026	Whanganui Port General Partner Limited 100%

Statutory information

The Directors present their report and the financial statements for the year ended 30 June 2026. The Company was incorporated on 28 August 2020.

Activities
Whanganui Port Limited Partnership (WPLP) has appointed Whanganui Port Operating Company Limited (WPOC), a council-controlled organisation and wholly-owned subsidiary of Whanganui Port General Partner Limited (WPGPL), to carry on and be responsible for the day-to-day operation of the Whanganui Port, and for the management and completion of the Project, on the terms and subject to the conditions set out in the operating agreement between WPLP and WPOC. WPOC will assume certain statutory functions, powers, duties and responsibilities in connection with the operation of the Whanganui Port including functions, powers, duties and responsibilities delegated to it by WPLP.
WPOCL 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.

Results
The Directors report a parent tax paid loss of $nil for the year ended 30 June 2026. Equity at the end of the year was $nil.

Dividends
The company did not pay dividends for the year ended 30 June 2026 (2025: $nil).

Directors and their remuneration
Whanganui Port General Partner Limited has paid 100% of the Director Fees.

Directors' and officers' insurance
Pursuant to Sections 162(3) and 162(4) of the Companies Act 1993 and the Company's constitution, Whanganui Port Operating Company Limited has affected liability insurance cover for Directors and Officers up to $12 million. Whanganui Port General Partner Limited has paid 100% of the premium for this cover

Shareholding by directors
No Directors held Company shares or acquired or disposed of shares during the year.

Use of company information
No Directors have used or acted on information that would not otherwise be available to Directors.

Auditor's remuneration
The proposed audit fees for the current year are $14,947 excluding disbursements.

Donations
There were no donations for the year (2025 $nil).

Employee Remuneration
Company had four employees at year end. Two employee's total remuneration benefit was above 100k for the 30 June'26 financial year. One employee between $100,000-$110,000 and one between $160,000-$170,000. (2025 one).

Directors Interests

The Directors have made the following declarations of interest:

Mark Petersen

- Centuria NZ Industrial Fund limited – Chair
- Centuria Industrial Fund No 1 Limited - Chair
- Centuria Penrose Limited - Chair
- Centuria Funds Management (NZ) Limited - Chair
- Tainui Group Holdings Limited - Director
- Waikato-Tainui Fisheries Limited - Director
- Te Tumu Kainga – Advisory Board member
- CFM GP (VAF 2) Limited - Director
- Helsingor Properties Limited – Director

Nick Wareham

- Wareham Property Consulting Ltd - Director
- One Featherston Development Ltd – Manager/Consultant
- Cuba Street Properties No 8 Ltd - Director
- Wareham Family Trust – Trustee
- Mark Dunajtschik Charity Limited – Director
- Novare Design – In-Direct though Family
- Brandon Village Properties Limited – Development and Construction Management

Ken Mair

- Whanganui Negotiation Land Trust
- Tupoho Trust – Chair
- Tupoho Investment Company - Chair
- Murimotu Land Trust - Chair
- Raketapauma Land Trust – Chair
- Te Urumingi Land Trust - Chair
- Heeni Investments - Chair
- Pungarehu Marae - Ngati Tuera / Hinearo – Chair
- Consultancy Services Aotearoa – Chair
- Tupoho Housing Limited
- Kaitangata 12G Ngahere Custodian Trustee Limited
- Mair and Hawea Trustee Company Limited
- Aotearoa HR Consultants Limited
- Tupoho Developments Limited
- Takapau Whariki - Chair

Company's Affairs

The Directors consider the state of the Company's affairs to be satisfactory. On behalf of the Board.

Mark Petersen (Chair) Nick Wareham (Director)

Statement of service performance

For the year ended 30 June 2026

Whanganui Port Operating Company Limited (Port Op Co)

Objectives

1.1 **Whanganui Port Operating Company Limited (Port Op Co) has an Operating Agreement with the Whanganui Port Limited Partnership (WPLP) to deliver a range of services and satisfy legislative requirements for WPLP. Port Op Co has a Service Level agreement with Whanganui district council (WDC) for a range of specific services. Whanganui Port Limited (WPL), is the General Partner for WPLP and the 100% owner of Port OP CO.**

Port Op Co's primary objectives are to deliver the services contained within the Operating Agreement between WPLP and Port Op Co. These include managing and operating the Whanganui Port, including upgrades and developments as part of the larger Whanganui Port Infrastructure Revitalisation Project (Te Pūwaha) and the endowment property portfolio.

WPLP has contracted Port Op Co to manage and operate the Whanganui Port and manage the Endowment Land in accordance with the Whanganui Harbour Act 1988.

Port Op Co does not have all the requisite resources, currently, to fully deliver all these services. Port Op Co entered into a SLA with WDC to provide resources to deliver Port management, Port development, property management and financial reporting. It is intended these services would progressively be undertaken by Port Op Co directly.

The board has closely monitored the performance of all the activities that form part of WPGPL. During Board meetings stakeholders report back to directors on various activities.

1.1.1 Te Pūwaha Project: Capital upgrades and developments as part of the larger Whanganui Port Infrastructure Revitalisation Project.

The Board has closely monitored the Te Puwaha project. This include updates during board meetings as well as a regular catch-up between directors and project director.

1.1.2 Harbour Endowment: Managing of investment Portfolio

The Board has closely monitored the performance of the investment portfolio. WPLP has worked with WDC staff to monitor current investment and develop new investment opportunities, with regular feedback being provided to its shareholder.

1.1.3 Sea Port Operations: Manage and operate the Whanganui Port.
The Board has closely monitored Port Operation activities. WPLP has worked with WDC staff to monitor current activities. This include capital investment in Port Operations to help building a sustainable future proof business.

Performance targets

Objective	Performance metric	Outcome
The forecast performance targets for the next three years are:		
1. Comply with all obligations required under both the Operating Agreement and demonstrate how compliance is being achieved.	• The CCO will produce reports in accordance with the Local Government Act 2002 and generally accepted accounting practice. • The financial statements will be prepared and audited by 30 September. • The CCO will provide quarterly (to align with WDC CCO committee reporting). • Reports are published on Councils website.	• 30 June'25 and 30 June '24 annual reports signed off by statutory deadline. • Board and WDC Finance team will ensure 30 June'26 financials are signed off by statutory deadline. Annual report signed off on 29 September'26 for 2026 (30 September'25 for 2025.) • Chair presented report to CCO committee for all meetings (same done in 2025). • Half yearly reporting done (2025 also) • SOI approved prior to 1 July'25.(2025 approved prior to 1 July'24)
2. Manage compliantly the Service Level Agreement with WDC	• Current Service Level agreement in place with WDC.	• Current SLA agreement with WDC is valid for two years up to 30 June'26.
3. Ensure all liabilities have funding cover by the WPLP.	• Reviewing of cash flow. • Keep within budget.	• Directors review cash flow forecast at each board meeting. (same for prior year) • Spend against budget reviewed at board meetings. Actual result was unfavourable to budget in 2026 (slightly favourable in 2025). • All liabilities have funding covered.
4. Comply with WDC group "no surprises"	• WDC is informed of sensitive media releases	• Complied in both 2026 and 2025 with no

Objective	Performance metric	Outcome
policy and any other reporting requirements to WPLP and WDC as required or agreed.	prior to their release. • that WDC be informed well in advance of any significant events relating to the organisation, whether positive or negative. • all issues that are likely to affect, or are perceived to affect, WDC's reputation are immediately communicated to WDC. • Port Operating Company complies with the WDC No Surprises Policy.	sensitive media releases in both years.
5. Inform, as necessary, any advocacy with third parties and ensure consistency with council policy.	• 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. • ensure that all advocacy and communications to third parties are consistent with WPLP policy positions	• Complied in both 2026 and 2025. Active participation with Te Mata Puau and other business partners on all industry, regulatory and environmental matters.
6. Provide, on behalf of the WPLP, all strategies, plans and budgets as required.	• 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 to comply with the Operating agreement.	• Budget set for 30 June'25 & 30 June'26. • Approved SOI with port objectives. (2025 also) • An activity plan has not been produced for 24/25 year but has been produced for 25/26 year. This was presented at board meeting on 24th June'25.
7. Operate within the budget agreed with the WPLP.	• The CCO will produce monthly management reports and discuss it at board meetings.	• Monthly reports produced and discussed at board meetings. This included comments on variances to budget. Overall result was unfavourable to budget (2025 was slightly favourable to budget)

Statement of comprehensive revenue and expense
For the year ended 30 June 2026

	Note	Actuals 2026 $000	Actuals 2025 $000	Budget 2026 $000
Revenue				
Management Fees	**1**	600	520	563
Other Revenue	**2**	51	142	-
		651	**662**	**563**
Expenses				
Service Level Agreement - WDC	**3**	197	197	94
Audit fees for the review of financial statements	**4**	18	10	12
Travel & Accom	**5**	-	2	-
Personnel Costs	**6**	423	446	450
Other expenses	**7**	13	7	7
		651	662	**563**
Profit / (Loss)		-	-	-
Other comprehensive revenue and expense		-	-	-
Total comprehensive income		-	-	-

The accompanying notes form part of these financial statements.

Statement of changes in equity
For the year ended 30 June 2026

	Note	Actuals 2026 $000	Actuals 2025 $000	Budget 2026 $000
Balance at 1 July		-	-	-
Comprehensive revenue and expense				
Total comprehensive income for the year		-	-	-
Balance at 30 June		-	-	-

The accompanying notes form part of these financial statements.

Statement of financial position
As at 30 June 2026

	Note	Actuals 2026 $000	Actuals 2025 $000	Budget 2026 $000
Assets				
Current assets				
Cash and cash equivalents	**8**	29	45	12
Debtors and other receivables	**9**	62	60	-
		91	105	12
Total assets		**91**	**105**	**12**
Liabilities				
Current liabilities				
Trade & other payables	**10**	44	46	12
Employee entitlements	**11**	47	59	-
		91	105	12
Total liabilities		**91**	**105**	**12**
Net assets		**-**	**-**	**-**
Equity				
Accumulated funds	**12**	-	-	-
		-	**-**	**-**

For and on behalf of the Board

Chair **Director**

The accompanying notes form part of these financial statements.

Statement of cash flows
For the year ended 30 June 2026

	Note	Actuals 2026 $000	Actuals 2025 $000	Budget 2026 $000
Cash flows from operating activities				
Cash was provided from:				
Management fees and other income		643	610	563
Cash was applied to:				
Payments to suppliers		(231)	(239)	(563)
Payments to employees		(428)	(388)	-
Net cash flows from operating activities	**13**	**(16)**	**(17)**	**-**
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		**(16)**	**(17)**	**-**
Cash & cash equivalents at the beginning of the year		45	62	12
Cash & cash equivalents at the end of the year		**29**	**45**	**12**

The accompanying notes form part of these financial statements.

Statement of accounting policies

For the year ended 30 June 2026

REPORTING ENTITY

Whanganui Port Limited Partnership (WPLP) has appointed Whanganui Port Operating Company Limited (WPOC), a council-controlled organisation and wholly-owned subsidiary of Whanganui Port General Partner Limited (WPGPL), to carry on and be responsible for the day-to-day operation of the Whanganui Port, and for the management and completion of the Project, on the terms and subject to the conditions set out in the operating agreement between WPLP and WPOC. WPOC will assume certain statutory functions, powers, duties and responsibilities in connection with the operation of the Whanganui Port including functions, powers, duties and responsibilities delegated to it by WPLP.
WPOCL 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.

WPOC has designated itself as a public benefit entity (PBE) for Financial Reporting Purposes.
WPOC was registered on 28 August 2020.

The financial statements of WPOC are for the year ended 30 June 2026. The financial statements were authorised for issue on 29 September 2026 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 WPOC to continue as a going concern.

Statement of compliance

The financial statements of WPOC 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 WPOC 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 WPOC'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 WPOC expenses and is recognised in proportion to timing as at balance date.
Also received other income from WDCHL relating to Wage Recovery and from WPLP for reimbursement of costs that occurred in WPOC.

Personnel costs
Salaries and wages are recognised as an expense as employees provide services.

Defined contribution schemes
Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

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.

Receivables
Receivables are recorded at their face value, less any provision for impairment. A receivable will be impaired when there is evidence that the amount due will not be fully collected. The amount that is impaired is the difference between the amount due and the present value of the amount expected to be collected.

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

Employee entitlements
Short-term employee entitlements
Employee benefits that WPOC expects to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at, balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

WPOC recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that WPOC anticipates it will be used by staff to cover those future absences.

WPOC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements
Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability.

Equity
The components of equity are only accumulated funds.

Directors Remuneration
Te Kenehi Robert Mair and Robert Mark Petersen, were appointed as directors of the Company by WPGPL, 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.

Goods and Service Tax (GST)
All items in the financial statements are stated exclusive of GST, except for receivables and 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 WPOC 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:**
  n/a

Notes to the Financial Statements

For the year ended 30 June 2026

1. Management Fees	Actuals 2026 $000	Actuals 2025 $000
Management Fees income from WPLP	600	520
Total Management Fees	**600**	**520**

2. Other Revenue	Actuals 2026 $000	Actuals 2025 $000
Cost recovery - WPLP	51	97
Wage recovery WDCHL	-	45
Total Other Revenue	**51**	**142**

3. Service Level Agreement - WDC	Actuals 2026 $000	Actuals 2025 $000
Service Level Agreement - WDC Personnel costs	197	197
Total Service Level Agreement	**197**	**197**

4. Audit fees for the review of financial statements	Actuals 2026 $000	Actuals 2025 $000
Audit Fee accrual - WPOCL 2025/26 Audit fee	18	10
Total Audit Fees	**18**	**10**

The audit fee disclosed for the financial reports represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards.

5. Travel & Accommodation	Actuals 2026 $000	Actuals 2025 $000
Travel & Accommodation costs	-	2
Total Travel & Accommodation	**-**	**2**

Notes to the Financial Statements

For the year ended 30 June 2026

6. Personnel Costs	Actuals 2026 $000	Actuals 2025 $000
Salaries and wages	414	394
Employer contributions to defined contribution plans	9	11
ACC	6	-
Increase/(decrease) in employee entitlements/liabilities	(7)	41
Total Personnel Costs	**423**	**446**

7. Other Expenses	Actuals 2026 $000	Actuals 2025 $000
General Expenses	6	-
Advertising	1	-
Subscriptions & Licenses	2	2
Consulting & Accounting	4	5
Total Other Expenses	**13**	**7**

8. Cash and cash equivalents	Actuals 2026 $000	Actuals 2025 $000
Cash at bank and on hand	29	45
Total cash and cash equivalents	**29**	**45**

9. Debtors and other receivables	Actuals 2026 $000	Actuals 2025 $000
Trade debtors	62	60
Total debtors and other receivables	**62**	**60**
Total receivables comprise:		
Receivables from exchange transactions	60	60
Receivables from non exchange transactions	1	-
Gross Receivables	**62**	**60**

Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximate their fair value.

The status of receivables as at 30 June 2026 and 2025 are detailed below:

	Actuals 2026 $000	Actuals 2025 $000
Not past due	62	60
Past due 1-60 days	-	-
Past due 61-120 days	-	-
Past due > 120 days	-	-
Total	**62**	**60**

Notes to the Financial Statements

For the year ended 30 June 2026

10. Trade and other payables	2026 $000	2025 $000
Accounts payable	19	19
Audit Fees Accrual	15	11
Whanganui District Council - SLA and Wage Recovery	-	-
GST Payable	9	14
ANZ Credit cards	1	2
Total Trade and other payables	**44**	**46**

11. Employee entitlements	Actuals 2026 $000	Actuals 2025 $000
Payroll Accrual	12	17
Leave balances	35	41
Total Employee entitlements	**47**	**59**

12. Equity	Actuals 2026 $000	Actuals 2025 $000
Accumulated funds		
Balance at 1 July	-	-
Surplus/(deficit) for the year	-	-
Balance at 30 June	-	-

13. Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	Actuals 2026 $000	Actuals 2025 $000
Surplus/(deficit) after tax	-	-
Add/(less) non-cash items:	-	-
Add/(less) movements in working capital items:		
Accounts receivable	(2)	(60)
Accounts payable	(2)	43
Employee entitlement	(12)	-
	(16)	(17)
Net cash inflow/(outflow) from operating activities	**(16)**	**(17)**

14. Contingencies & Commitments

There are no contingent assets or liabilities or commitments at balance date (2025 $0).

Notes to the Financial Statements

For the year ended 30 June 2026

15. Related party transactions

WPOC is part of the Whanganui District Council group and has transactions with members of group. Whanganui District Council owns Whanganui Port General Partner Limited, which owns Whanganui Port Operating Company Limited.

Related party transactions have been disclosed in note 1-3,9 & 10 and these are effectively pass through costs.

Key management personnel compensation	**Actuals 2026 $000**	**Actuals 2025 $000**
Remuneration	162	168
	162	**168**
Full time equivalent staff	*0.5*	*1*

Key management personnel includes the General Manager.
Directors of WPOC are also directors of WPGPL. Director Fees of WPOC and WPGPL are paid by WPGPL.

16. Events after the balance date

There were no significant post balance date events (2025: $)

17. Financial instrument categories	**Actuals 2026 $000**	**Actuals 2025 $000**
Financial assets		
Amortised cost		
Cash and cash equivalents	29	45
Receivables	62	60
Financial liabilities		
Amortised cost		
Payables	44	46

18. Explanation of major variances to budget as per SOI.

Statement of comprehensive revenue and expense

Revenue
Management Fees: Income slightly higher than budget to cover higher Service Level Agreement costs.
Other Revenue: Income generated from non-WPLP management allocated to other income, which was not budgeted.

Expenses
Service Level Agreement - WDC: Intention was for Property portfolio to be managed by Port staff.
Audit Fees: Higher expense due to the true-up of prior year accrual and increased audit costs.
Personnel Costs: Favourable to budget due to a position being vacant for part of the year.

Statement of financial position

Assets
Cash and Cash Equivalents: Variance reflects the timing of cash payments, with invoices remaining unpaid at year-end. Management fees actual is 47k lower than budget and offset by a lower payment to employees resulted to a net cash outflow. Budget assumed a positive opening balance of 12k vs actual 45k opening balance.

Debtors and Other Receivables: Balance relates to invoices raised to WPLP in June for cost recovery, no budget allowance.

Liabilities
Trade and Other Payables: Variance driven by a June SLA invoice from WDC remaining unpaid at year-end, not budgeted.
Employee Entitlements: Variance due to employee entitlement liabilities not being provided for in the budget

Statement of cash flows

Operating activities
Management Fees: Income slightly higher than budget to cover higher Service Level Agreement costs.
Other Revenue: Income generated from non-WPLP management allocated to other income, which was not budgeted.
Cash Was Applied To: Driven due to a mix of personnel costs and SLA.

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Whanganui Port Operating Company Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Whanganui Port Operating Company 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 material accounting policy information and other explanatory information on pages 9 to 19; and
- the performance information that consists of the statement of service performance for the year ended 30 June 2026 on pages 6 to 8.

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 the Public Benefit Entity Standard Reduced Disclosure Regime.
- 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 material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

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 Standard Reduced Disclosure Regime. The Board of Directors is also responsible for preparing the performance information contained in the statement of service 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 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