



ATTACHMENTS

**City Delivery Committee meeting
Separate Attachments 1**

Tuesday, 4 November 2025

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ANNUAL REPORT 30 JUNE 2025

**Benefiting communities through
delivering efficient financing
for local government.**

**Ka whiwhi painga ngā hāpori
mā te whakarato pūtea
tōtika ki ngā kaunihera.**



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Cover photo: Te Ngaengae Pool + Fitness, New Zealand's first aquatic centre to achieve a 5 Green Star rating, setting a national benchmark for low-carbon infrastructure. **Hutt City Council**

Contents photo: The Waterfront Playground in Tauranga City Centre is a bold celebration of culture, creativity, and community. **Tauranga City Council**



Message from the Chair and Chief Executive

He karere nā te Heamana me te Tumu Whakarae

For the year ended 30 June 2025

The 2024-25 year was a period of strong financial and non-financial outcomes alongside the delivery of new initiatives to sustain the business.

LGFA delivered a record financial outcome for the year ending 30 June 2025. Whilst the year focused on meeting the needs of stakeholders, the organisation also delivered initiatives which will help underpin the success of the business well into the future. These include:

- Broadening LGFA's funding by establishing a European Medium Term Notes (EMTN) programme to join LGFA's existing AUD and NZD Bond programmes;
- Negotiating a refreshed Crown Liquidity Facility which will be upsized and extended in tenor;
- The improvement by two notches of LGFA's Stand Alone Credit Profile under the revised credit rating methodology of S&P Global Ratings; and
- Introducing more flexible financing for high growth councils, and enabling lending to new water Council-controlled organisations (CCOs).

We believe these important foundations position LGFA well to meet its purpose of delivering efficient financing for local government.

We established the EMTN programme in January 2025 and in March issued NZ\$2.24 billion worth of CHF, EUR, and USD denominated bonds. This issuance, combined with the AUD issuance in August 2024 under our Australian Dollar programme, delivered 59% of our annual funding requirement at a cost of borrowing (when fully hedged back into NZD) lower than our NZ bonds.

Our LGFA NZD Bond Repurchase programme was established in May 2025 and we began conducting weekly repurchase tenders. This supports our liquidity management, reduces refinancing risk, and provides added support to the market for our bonds on issue.

In August 2024, as part of Central Government's Local Water Done Well programme, LGFA announced that financially supported water CCOs would be able to join LGFA and access competitive financing through our range of lending products. We have continued to work with the Minister of Local Government and officials, regulators, councils and their advisers to ensure a successful outcome for our council members as they implement water reform.

In November 2024, our shareholders resolved to allow the LGFA Board to grant bespoke financial covenants to assist high growth councils meet their infrastructure financing requirements.

Over the past several years we have looked for ways to deliver operational efficiency for our council borrowers. We are looking forward to councils adopting these changes in the coming financial year that will reduce administration requirements relating to the Section 118 and Global Security Stock Certificates.

Our strong ties to Central Government were affirmed with the Minister of Local Government announcing an extension and upsizing of the Crown Liquidity Facility provided to LGFA. This strengthened

relationship to Central Government alongside the initiatives undertaken at the start of the financial year to improve our financial position and capital base ensured our credit rating remains the same as the New Zealand Government. Under the revised ratings methodology announced by S&P Global Ratings Limited (S&P), our Stand Alone Credit Profile improved by two notches to AA+. This is a strong outcome given that many councils' credit ratings were lowered by S&P due to a weakening credit outlook by S&P over the year.

2024-25 Financial and operational performance

Directors are pleased we have delivered a record financial and operational performance:

Total interest income for the financial year was NZ\$1,267 million, a 4% increase over the prior year.

Total operating income of NZ\$35.6 million was \$4.4 million above the Statement of Intent (SOI) forecast primarily due to our offshore cost of borrowing being lower (after hedging costs) than borrowing in the domestic debt capital markets. Larger holdings of liquid assets also improved income.

Operating expenses, excluding Approved Issuer Levy (AIL), at NZ\$11.2 million were \$0.2 million under the SOI forecast. AIL expense for the year totalled \$5.3 million, in line with our SOI forecast.

Net operating profit rose to NZ\$19.0 million, up 89% from the previous year.

Lending activity

Long-term lending totalled NZ\$4.15 billion during the year as members refinanced loans and increased borrowing to finance infrastructure projects.

Sustainable lending under our Green, Social and Sustainability Loans and Climate Action Loans was 24% of total lending during the year. Our lending over the year represented an estimated 75% of all council long-term borrowing. Short-term lending at year end was \$1.05 billion, a 77% increase over the prior year.

We welcomed three new CCO members during the year with Christchurch City Holdings Limited, Far North District Holdings Limited, and Timaru District Holdings Limited joining.

Over the year, LGFA operations processed over 16,000 transactions with total gross cash flows of \$73 billion. This included 2,500 new trades, and all transactions were completed without settlement errors. Where possible, LGFA employ straight-through processing to minimise operational risk across our treasury operations.

Statement of Intent targets

We achieved 17 out of 21 performance targets outlined in our Statement of Intent for the year. Two unmet targets were due to lower-than-forecast lending requirements from members. Additionally, there was a breach of the Foundation Policy where the nominal amount of loans to a guarantor exceeded the \$20 million limit by \$186k. The breach occurred because of the refinancing of a long term loan with a short-term loan and the excess loan amount was repaid immediately and there was no financial loss to LGFA. Finally, while our market share remains high, it did dip below our 80% performance target over the year.

Stakeholder engagement

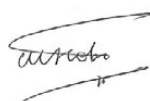
Over the year, LGFA held over 100 meetings with our council and CCO members, a higher than usual number driven by our support in assisting councils and their advisors develop water service delivery plans.

We continue to invest in sustainability initiatives and support the sector through increasing our engagement on sustainability. This included discussions with members on how LGFA can help councils with sustainability financing. In March 2025, we hosted the inaugural LGFA Sustainable Finance Series, featuring panel discussions and keynote presentations from council representatives, our Sustainability Committee, management team, and Hon. James Shaw, former NZ Climate Change Minister. The sessions attracted up to 180 attendees from 54 councils. We plan to continue this initiative in the future.

Acknowledgements

Over the past year, LGFA received the KangaNews Award for the New Zealand Dollar Rates Deal and the New Zealand Sustainability Deal of the year for the 2032 Sustainable Financing Bond. The Agency's work and success cannot be achieved without the support of our staff, fellow directors, Shareholders Council, The Treasury, Department of Internal Affairs and the Minister of Local Government and Minister of Finance, all whose efforts and support should be acknowledged.

We believe the Agency's future remains positive and look forward to working with all stakeholders in the year ahead.



Craig Stobo
Chair, LGFA Board



Mark Butcher
Chief Executive

5-year summary

He whakarāpopoto 5-tau

	2025	2024	2023	2022	2021
 Financial Statements	\$m	\$m	\$m	\$m	\$m
Net interest income	34.7	19.5	10.3	17.5	19.5
Net operating profit	18.9	10.1	2.5	10.7	12.0
Total comprehensive income	10.4	9.1	2.5	10.7	12.0
Loans to local government sector	22,657	20,549	16,314	14,042	12,066
Other assets	3,810	2,959	1,861	2,208	2,419
Total assets	26,467	23,508	18,175	16,250	14,485
Bills / ECP on issue	1,605	920	792	563	610
Bonds on issue	22,653	21,306	15,943	14,016	13,218
Other liabilities	2,087	2,089	2,126	2,130	1,173
Total liabilities	26,345	23,395	18,069	16,146	14,390
Equity	121	113	106	105	95
Equity + borrower notes	790	606	466	388	319
 Bonds issued over year (NZD equivalent)					
NZD	2,150	3,730	3,533	3,900	3,270
AUD	862	2,650	-	-	-
EMTN (EUR, CHF, USD)	2,243	-	-	-	-
Total bonds issued	5,255	6,380	3,533	3,900	3,270
 LGFA Members					
Guarantors	72	72	70	68	63
Non-guarantors	5	5	7	7	9
CCO members	8	5	3	1	-
% of loans to guarantors	97%	99%	99%	99%	99%
 Credit rating					
S&P Global Foreign / Domestic	AAA/AA+	AAA/AA+	AAA/AA+	AAA/AA+	AAA/AA+
Fitch Foreign / Domestic	AA+/AA+	AA+/AA+	AA+/AA+	AA+/AA+	AA+/AA+

Our history

Rārangi wā

by financial year ended

2012

Commenced
bond issuance
February 2012

INCORPORATED ON 1 DEC 2011

2013

KangaNews
NZ Domestic
Issuer of the
Year 2012

INFINZ award
for Best Bond
issue of 2012

Inaugural LGFA
Borrowers'
Forum

2014

Inaugural dividend of \$1.5m
declared

2015

Bespoke lending
introduced

Implemented Treasury
Management System and
transitioned outsourced services
from NZDM

Total lending
\$5 billion

2016

LGFA Bonds
listed on NZX
November 2015

Commenced
LGFA Bill
issuance

Commenced
short-term
lending to
councils

Transitioned to Financial Markets
Conduct Act

2017

Bond lending facility established
October 2016

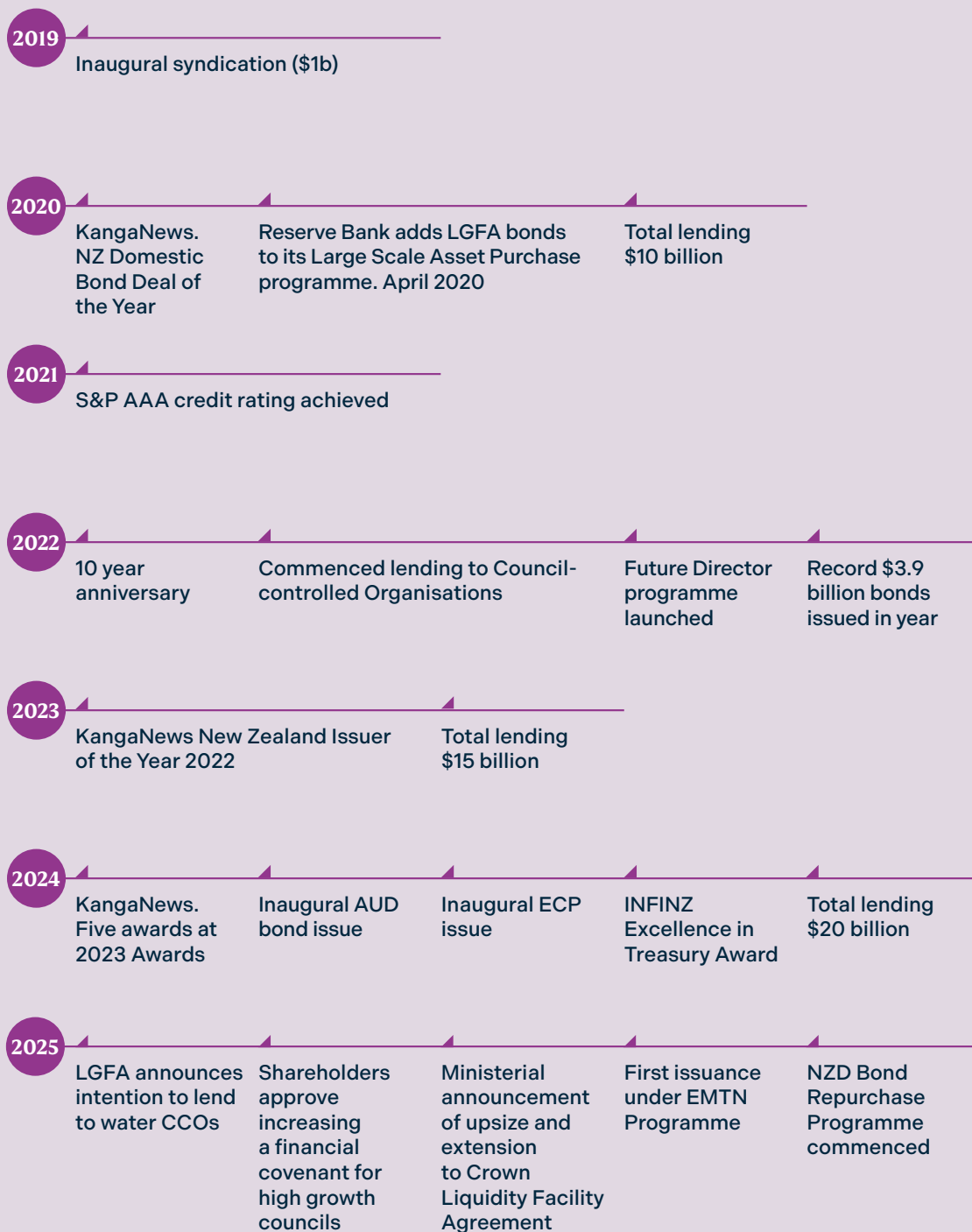
2018

First LGFA bond not matched to
a New Zealand Government bond
maturity



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Our sustainability timeline and achievements are shown separately on [page 20](#).

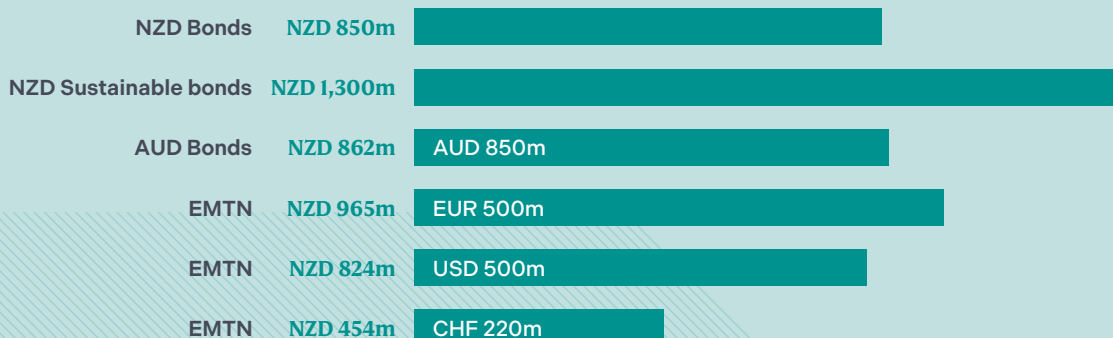
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5-year summary LGFA Annual Report 2025 7

Funding and markets

Te pūtea me ngā māketē

2024-25 Long-term Issuance: NZD 5,255 million



LGFA funds itself to facilitate member lending and for the management of our liquid asset portfolio.

LGFA funding requirements are met through the following programmes:

- NZD Bond programme, including Sustainable Financing Bonds
- NZD Bills
- AUD 5 billion Debt Issuance Programme
- USD 10 billion Euro Medium Term Note (EMTN) Programme
- USD 2 billion Euro-Commercial Paper (ECP) programme

Year in review

The past year marked a significant development in our funding history with the establishment of the EMTN programme and inaugural issuance under the programme. This offshore borrowing has diversified our funding sources and investor base, reducing our refinancing risk:

Year ended	Funding currencies	Funding mix % of NZD bonds
June 2023	NZD	100% NZD
June 2024	NZD, AUD	57% NZD
June 2025	NZD, AUD, EUR, USD, CHF	41% NZD

The average term of our bond issuance during the year at 6.0 years was slightly longer than the prior year of 5.9 years. This remains shorter than preferred

as a longer term of debt reduces our refinancing risk. However, our council and CCO members borrowed for an average term of 4.64 years over the year to June 2025, making it difficult for us to issue bonds with a significantly longer term.

The yield curve steepened and declined over the year as the RBNZ eased monetary policy by cutting the Official Cash Rate (OCR) from 5.50% to 3.25%. Long-dated bond yields did not fall as much as short-dated bond yields as ongoing supply of New Zealand Government Bonds (NZGB) impacted long-dated yields. The 2027 LGFA NZD bond yield declined 150 basis points (bps) over the year and the 2037 LGFA NZD bond yield declined 12 bps over the year.

Over the year, the spread at which LGFA bonds trade narrowed against NZGBs but widened over interest rate swaps. Our spreads to NZGB narrowed between 2 bps (2037 bond) and 24 bps (2026 bond) while spreads to swap moved between 2 bps (2026 bond) and by 26 bps (2037 bond). This change was similar to the spread movements on other high-grade NZD issuers where the additional supply of NZGBs has been the dominating influence on the domestic bond market.

During the year, we established the LGFA Bond Repurchase Programme and commenced weekly repurchase tenders of the LGFA 2026 bond on 14 May. The programme will assist with our liquidity management and reduce our refinancing risk while providing market support. As at 30 June 2025 we had repurchased \$153 million of the LGFA 2026 LGFA bond.

Short-term funding from LGFA bills and ECP totalled NZD \$1.6 billion as at 30 June 2025.

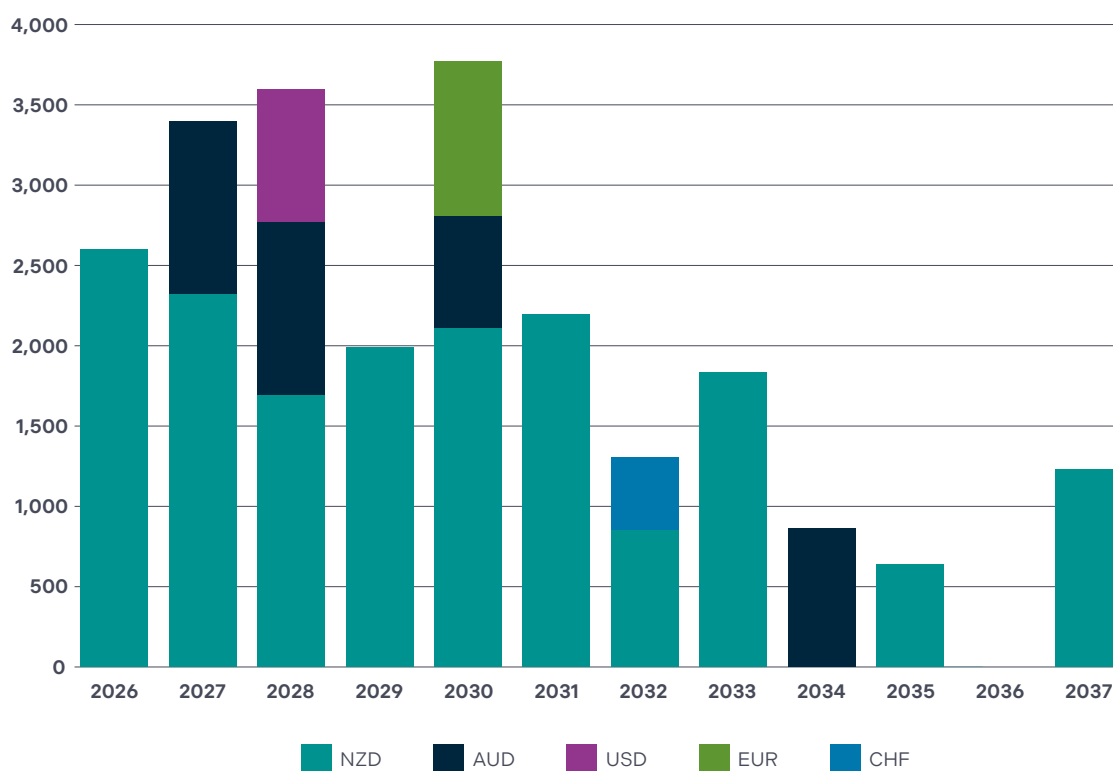
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Bonds and bills on issue as at 30 June 2025

FACE VALUE NZD MILLION	OUTSTANDING AT 30 JUNE 2025	2024-25 NET CHANGE
New Zealand dollar bonds		
NZD Bonds	14,508	(2,022)
NZD Sustainable Finance Bonds	2,960	1,300
Foreign currency bonds		
AUD issuance programme	3,716	820
Euro Medium Term Note programme	2,243	2,243
Bills and ECP		
NZD Bills	996	76
Euro-Commercial Paper programme	615	(221)
Total borrowings	25,038	2,196

LGFA bonds on issue

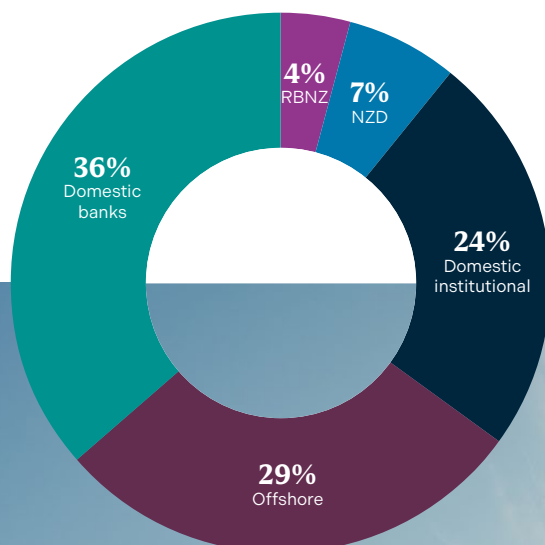
NZD millions as at 30 June 2025, excluding treasury stock



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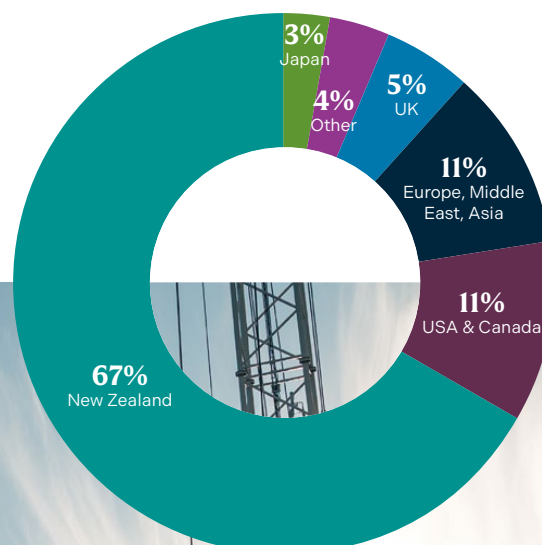
LGFA bond holders by investor group as at 30 June 2025

Source: LGFA analysis of Computershare Registry data

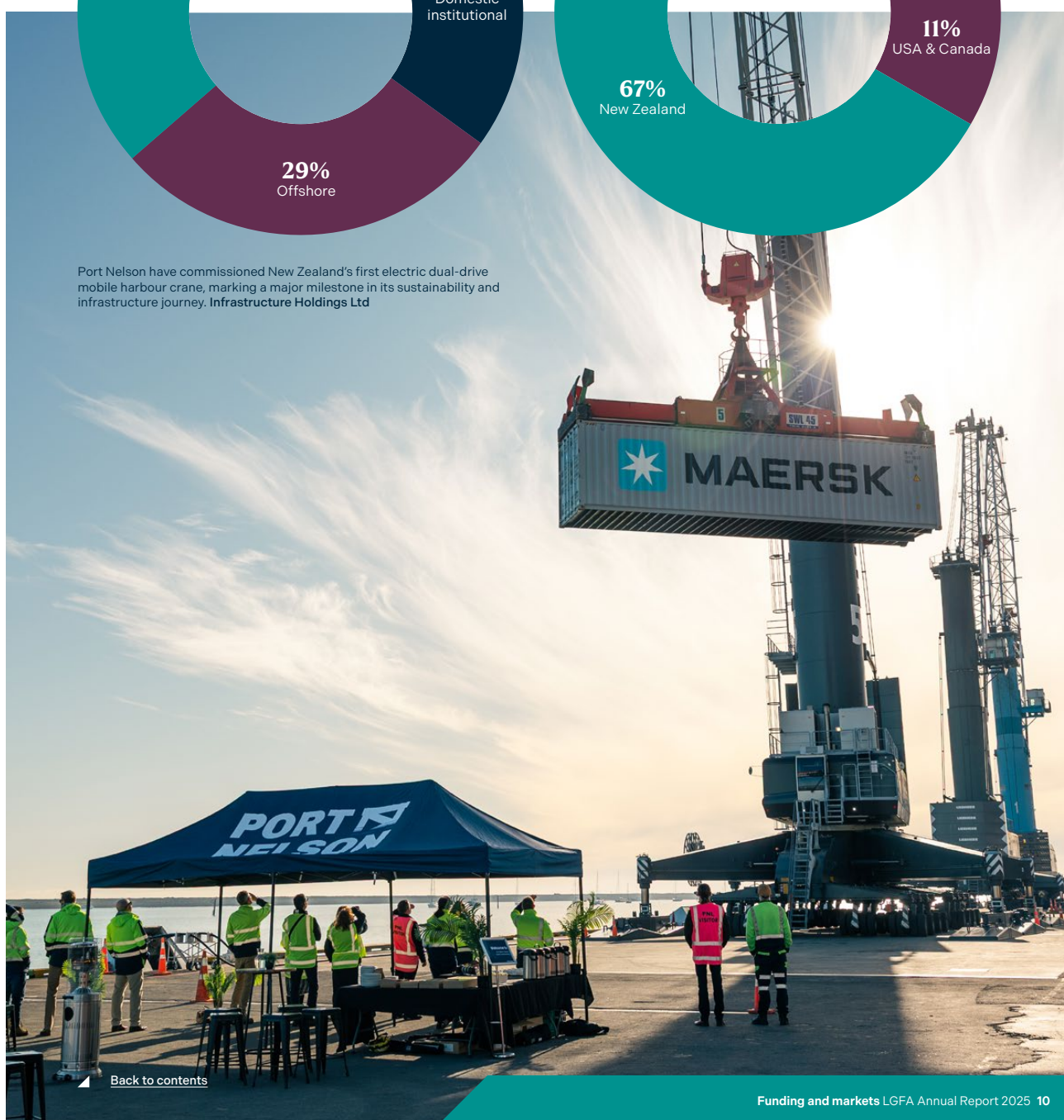


LGFA bond holders by country of residence as at 31 March 2025

Source: LGFA analysis of Merlin Consulting data



Port Nelson have commissioned New Zealand's first electric dual-drive mobile harbour crane, marking a major milestone in its sustainability and infrastructure journey. Infrastructure Holdings Ltd



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Funding and markets LGFA Annual Report 2025 10

Lending to the local government sector

Te hoatu taurewa ki te rāngai kāwanatanga ā-rohe

LGFA operates with the primary objective to optimise the terms and conditions of the debt funding it provides to participating borrowers.

Among other things this includes:

- Providing savings in annual interest costs
- Offering flexible lending terms on short-term and long-term borrowings
- Enhancing the certainty of access to debt markets
- Being the lender of choice for the New Zealand local government sector

To become a LGFA member, a council or Council Controlled Organisation (CCO) is required to complete a formal application. Following an application for membership, LGFA completes a review of the prospective member's financial

position and its ability to comply with LGFA's financial covenants, which is considered by the Board who approve all council memberships. All member councils are required to complete a compliance certificate each year which certifies that the council has complied with LGFA's financial covenants. In addition, LGFA monitors all councils and CCOs annual reports, annual plans and long-term plans on an ongoing basis to ensure that the financial forecasts are consistent with the LGFA financial covenants.

Participating councils and CCOs are collectively referred to as LGFA members.

Over the past year, we approved three new CCO members: Far North Holdings Limited, Timaru District Holdings Limited and Christchurch City Holdings Limited, bringing total CCO membership to eight. Our 77 council members represent all councils, except for Chatham Islands District Council.

Long-term lending over the year totalled NZ\$4.155 billion as members refinanced their 2025 loans and increased borrowing to finance infrastructure projects. Our lending over the year represented an

estimated 75% of all council long-term borrowing.

The average tenor of long-term borrowing by members of 4.6 years over the year was shorter than last year's 4.9 years.

Short-term lending for terms less than 12 months continues to be well supported by members. As at 30 June 2025, there was NZ\$1.05 billion of short-term loans outstanding to 44 members, a 77% increase over the prior year of NZ\$597 million to 37 members.

The Tom Parker Fountain was returned to active service as part of the Marine Parade Heritage Restoration Programme. **Gisborne District Council**

As at 30 June 2025

77

Member councils eligible to borrow

30

Member councils are shareholders

72

Member councils were guarantors

8

CCO members

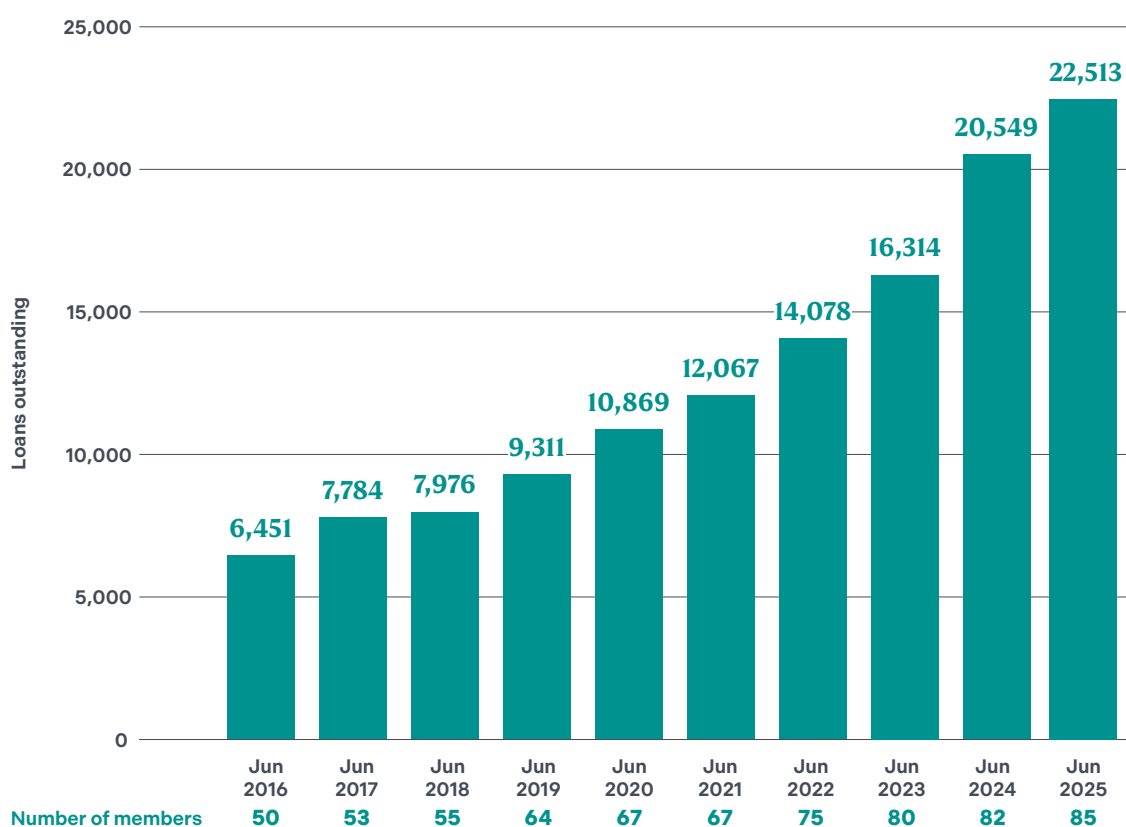
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Lending to the local government sector LGFA Annual Report 2025 11



LGFA members and nominal loans outstanding

NZD million, nominal



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Top 10 Member borrowers	Amount borrowed	% of total borrowings
NZD MILLION		
Auckland Council	3,160	13.9%
Christchurch City Council	2,749	12.1%
Wellington City Council	1,843	8.1%
Tauranga City Council	1,277	5.6%
Hamilton City Council	1,023	4.5%
Greater Wellington Regional Council	1,021	4.5%
Queenstown-Lakes District Council	707	3.1%
Hutt City Council	577	2.5%
Hastings District Council	475	2.1%
Rotorua District Council	472	2.1%
74 other member councils and CCOs	9,353	41.3%
	22,657	100%

Councils with an external rating of

AA- or better
comprise
73%
of total loans

77
of New Zealand's
78 councils
are approved borrowers
as at 30 June 2025

Taituarā LGFA Local Government Excellence Awards

This year we are delighted to announce that Wellington City Council's groundbreaking initiative, 'Predator Free Wellington', won the 2025 LGFA Supreme Award for Local Government Excellence, after winning the GHD Award for Excellence in Environmental Leadership.

Predator Free Wellington (www.pfw.org.nz) was selected from a field of 60 entries submitted by councils from across the sector, underscoring its exceptional impact and innovation.

The judging panel praised the initiative, stating "Predator Free Wellington is an exemplar of building social licence and deputising the community to assist with delivery. The clear and meticulous plan for rolling this programme out is both readily scalable and highly transferable to projects of any type. We were also highly appreciative of the clear and unambiguous evidence of the success of this project."

The aim is to make Wellington the world's first predator free capital city, a place where native species and communities can thrive.

This ambitious project involves thousands of households, community groups and organisations all working together to remove every single rat, possum, stoat and weasel from the Wellington area.

The project is special because it moves beyond typical conservation with fences and offshore islands. The work sees the precious native taonga living among a city where 212,000 people live, work and play, every day.

The project covers 30,000ha and around 70,000 households, stretching from Miramar Peninsula to the south-west corner of Mākara and along the SH1 motorway to the Porirua border.

Across this area there are 58 community trapping groups – that's one for every suburb in Wellington and most of the reserves in between. Some of these volunteer groups were active long before the project began. Wildlife is bouncing back thanks to the efforts of trappers and the spill-over from Zealandia Te Māra a Tāne.



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Lending to the local government sector LGFA Annual Report 2025 13

Industry leadership and engagement

Te ārahitanga me te tūhononga i te ahumahi

LGFA takes a proactive role to enhance the financial strength and depth of the local government debt market and works with key central government and local government stakeholders on sector issues.

Over the past year we have made significant progress in our commitment to enhancing the local government debt market and working with key stakeholders on sector issues. This section highlights key achievements and initiatives that reflect our leadership in leading and engaging across the sector.

Council engagement / visits

In the 12 months to June 2025, LGFA conducted 109 meetings, the majority of these in person, with our council and CCO members.

The number of meetings was higher than normal due to LGFA proactively assisting councils and their advisors on developing their water service delivery plans.

LGFA has also increased its engagement with councils on sustainability. In addition to discussing councils' financial strategy, LGFA scheduled additional meetings with councils' sustainability teams to discuss how we might help them with sustainability financing.

LGFA has actively engaged with councillors. In the past 12 months, LGFA attended eight council meetings. These meetings included presentations on LGFA's Statement of Intent, our annual report and sustainability strategy. LGFA also presented at several regional forums to provide councillors with background information on the water reforms.

Local Water Done Well

Central Government's Local Water Done Well Programme will have a significant impact on the local government sector.

The Local Government (Water Services) Bill establishes the enduring settings for the new water services system. The Bill was introduced to Parliament in December 2024 and reflects key policy decisions announced by the Government in August 2024. As part of the reforms, LGFA announced that water CCOs would be able to join LGFA and access competitive financing.

LGFA has actively engaged with its council members and their advisors over the past 12 months to provide information on how it will be able to assist councils with the financing of their water operations. LGFA has also been actively involved with organisations that are involved in the water reforms including the Department of Internal Affairs, Taituarā, Local Government New Zealand, Water New Zealand, the Commerce Commission, Taumata Arowai, National Infrastructure Funding and Financing and the New Zealand Infrastructure Commission.

LGFA also financially contributed towards the local government sector work on establishing sector-wide climate scenarios, which will be published on the LGFA website when complete.

LGFA Sustainable Finance Series

In March 2025, LGFA organised a series of panel discussions and keynote presentations over four separate dates.

The objective of the series was to:

- Provide guidance to councils on accessing climate-related funding and green, social, and sustainable financing instruments.
- Assist in building capability to effectively source climate-related funding.
- Highlight useful data and tools (development, collection and communication of risk information).

Speakers included representatives from council members, LGFA's Sustainability Committee and our management team as well as:

- Hon. James Shaw, former NZ Climate Change Minister
- Mike Brown – Global Cities Lead, Climate Bond Initiative
- Rikki Stancich – Partner, Climate and Sustainability, Deloitte
- Lauren Boyd, Planetary Accounting Specialist, Planetary Accounting Network
- Gillian Blythe, Chief Executive, Water New Zealand

For each session, there were up to 180 attendees from 54 councils. LGFA will be looking at continuing this initiative.

2024 Shareholder / Borrower Day

LGFA held its annual Shareholder Borrower Day in Wellington in November. A highlight was a keynote address by the Minister of Local Government, Hon Simeon Brown.

In addition, there were presentations from:

- Dr Rod Carr (Climate Change Commission)
- Allan Pragell (Taumata Arowai)
- Nick Leggett (Infrastructure New Zealand)
- Michael Lovett and John Forster (Department of Internal Affairs)

Supporting the sector

LGFA has continued its long-standing relationship with Taituarā. Its key sponsorships are the Taituarā LGFA Local Government Excellence Awards, the Taituarā Strategic Finance Forum and the Taituarā Funding and Rating Forum.

LGFA is a member of Infrastructure NZ and INFINZ. LGFA also presents at several conferences and industry workshops including KangaNews, Water New Zealand, and Taituarā.

Ratepayers Assistance Scheme

LGFA continues to assist the local government sector-led initiative for developing a Ratepayer Assistance Scheme (RAS) with the objective of providing lower cost financing options to ratepayers.

Products that are being considered for inclusion into the RAS include development contributions, postponement of rates, and property improvement loans.

A business case for the RAS is being refreshed ahead of seeking Central Government endorsement to establish the scheme.

Quarterly Updates

LGFA provided quarterly business update webinars to councils and CCOs on operations and initiatives as well as hosted three economic and financial market updates for councils throughout the year.

Sustainable funding and lending

Te pūtea me te hoatu taurewa toitū

As at June 2025

Sustainable Financing Bonds

\$3.26 billion

Sustainable Finance Loan Asset Pool

\$4.12 billion

**Climate Action
Loans**

\$3.67 billion

**Green, Social and
Sustainability Loans**

\$454 million

LGFA is committed to improving sustainability outcomes within the company, as well as assisting the local government sector achieve their sustainability and climate change objectives within their communities.

LGFA recognises the emerging risks for councils and CCOs from climate change and supports their commitment towards improving sustainable outcomes for local communities. As the primary lender to the local government sector, LGFA finances members' core investment into improving the resilience of New Zealand's infrastructure and services to residents and visitors. By extension, these members' investments form an important element of LGFA's sustainability context.

Climate-related disclosure framework

LGFA is a designated Climate Reporting Entity under the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 and is required to produce annual climate statements in accordance with disclosure standards in the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

Disclosures under the climate standards cover governance arrangements, risk management, strategies and metrics and targets for mitigating and adapting to climate change impacts.

LGFA's Climate-related disclosures (CRD) for the year ended 30 June 2025 are our second annual disclosures under the Climate Standards. Our CRD will be available on the following link from 30 September 2025.

[LGFA Climate-related Disclosures for the year ended 30 June 2025](#)

Sustainability Committee

The LGFA Sustainability Committee assists us to achieve our sustainability objectives.

The Committee is chaired by a representative of the Board and comprises three LGFA employees and four independent members.

The Committee's purpose is to advise the Chief Executive on sustainability issues and opportunities within LGFA, across its operating, borrowing and lending activities. Responsibilities of the Committee includes providing input into the governance and oversight process of the Green, Social and Sustainability Loans (GSS) lending programme, Climate Action Loans (CAL) lending programme and Sustainable Financing Bond issuance. GSS applications are reviewed by LGFA's Sustainability Committee prior to approval, with approved loans monitored for ongoing compliance.

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Independent members of the LGFA Sustainability Committee as at 30 June 2025

Alison Howard

Erica Miles

Chris Thurston

David Woods

LGFA Sustainable Financing Bond Framework

In March 2023, LGFA announced its Sustainable Financing Bond Framework.

The Framework outlines the process by which LGFA will issue and manage sustainable financing bonds that will be notionally allocated to a pool of Sustainable Loans that meet the eligibility criteria set out in the Framework.

The Framework enables LGFA to:

- demonstrate its commitment to support council and CCO borrowers to fund sustainable assets and activities, and incentivise GHG emissions reductions;
- issue bonds that are notionally allocated to the Sustainable Loans on LGFA's balance sheet; and
- advance the market for sustainable finance by providing an innovative opportunity for investors to support council and CCO borrowers to achieve their sustainability aspirations.

The Framework follows the proceeds-based pillars of the general market standards for sustainable finance, namely the International Capital Markets Association's Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG). However, LGFA does not claim direct alignment of the Framework with these principles as the pool of Sustainable Loans comprises both GSS Loans and CALs together in the same asset pool.

The Framework is supported by a Second Party Opinion (SPO) provided by Sustainalytics.



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As at 30 June 2025, LGFA had two sustainable bonds, the total amount on issue being \$3.26 billion:



Sustainable lending products

Offering members innovative sustainable lending products aligns to LGFA's commitment to demonstrate sector leadership on sustainable lending and incentivising member councils and CCOs to progress sustainability opportunities.

Our sustainable lending products comprise GSS lending and the CAL lending programme.

Green, social and sustainability lending

A commitment to assist our members to finance projects that promote environmental and social wellbeing in New Zealand.

LGFA acknowledges the importance of financing projects that promote environmental and social wellbeing in New Zealand, and which fund eligible green and/or social projects.

Our GSS lending programme, launched in 2021, provides funding for our members across the following nine green project categories and three social project categories:

Green Project Categories

- Energy Efficiency
- Green Buildings
- Clean Transportation
- Sustainable Water and Wastewater Management
- Renewable Energy
- Pollution Prevention and Control
- Environmentally Sustainable Management of Living Natural Resources and land use
- Climate Change Adaptation
- Terrestrial and Aquatic Biodiversity Restoration, Conservation and Enhancement

Social Project Categories

- Affordable Basic Infrastructure
- Access to Essential Services
- Affordable or Social Housing

Under the GSS programme, LGFA lends to councils and CCOs at a discounted margin to incentivise them to undertake projects that help drive forward climate, environmental and social projects across the New Zealand local government sector.

During the year ending 30 June 2025, \$77 million was advanced under the GSS lending programme. As at 30 June 2025, LGFA had approved a total of seven GSS loans across three green project categories, and one social project category, totalling \$675 million approved of which \$454 million had been advanced.

Te Manawataki o Te Papa Tauranga City Council

Under the Green Buildings category, Tauranga City Council has commenced borrowing up to \$103 million for the Te Manawataki o Te Papa green building project, incorporating a library and community hub, civic whare (public meeting house), museum, and exhibition gallery.

Developing the civic precinct will see the city's heart transformed into a vibrant community space over the coming years, breathing new life into what will become a key cultural, heritage and economic driver for the region.

Funding for Te Manawataki o Te Papa project was approved in March 2025 and it is the fourth green buildings project approved for GSS lending by LGFA since launching the programme at the end of 2021.



Climate Action Loans

A commitment to incentivise our members to act on climate change and reduce greenhouse gas emissions.

CALs are target-based lending structures designed to incentivise councils and CCOs to act on climate change and reduce greenhouse gas (GHG) emissions.

A CAL rewards a borrower through a lending margin discount if they have adopted an Emission Reduction Plan setting out specific Emissions Reduction Targets for their operational greenhouse gas emissions at member council or CCO level. CALs are available for all members, including those who may not have eligible projects to access GSS loans.

During the year ending 30 June 2025, \$923 million was advanced under the CAL lending programme. As at 30th June 2025, LGFA had advanced CAL loans totalling \$3.67 billion across seven member councils.

Our Sustainability timeline

	Apr 2021	Head of Sustainability appointed
Toitū Envirocare net carbonzero certification	Jun 2021	
	Sep 2021	Sustainability Committee established
Green, Social And Sustainability Lending Programme launch	Oct 2021	
	Dec 2021	First GSS Loans approved
Climate Action Loans Lending Programme launch	Dec 2022	
	Mar 2023	Sustainable Financing Bond Framework established
First Climate Action Loans approved	Mar 2023	
	Apr 2023	\$1.1 billion Inaugural 2030 Sustainable Financing Bond issued
Climate Action Loans surpass \$1 billion	Oct 2023	
	Apr 2024	Environmental Finance. 2024 Sustainability bond of the year – supranational
Climate Action Loans surpass \$3 billion	Aug 2024	
Inaugural Climate-related disclosures released	Oct 2024	\$800 million 2032 Sustainable Financing Bond issued
Senior Manager Sustainable Finance Appointed	Nov 2024	
	Jan 2025	Total Sustainable Financing Bond issuance reaches \$3 billion
Sustainable Finance Workshop Series	Mar 2025	
	Jun 2025	Combined Sustainable Loan Asset Pool reaches \$4.1 billion

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Port Nelson have commissioned New Zealand's first electric dual-drive mobile harbour crane, marking a major milestone in its sustainability and infrastructure journey.
Infrastructure Holdings Ltd



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KangaNews Awards 2024

LGFA has been recognised with the following two KangaNews Awards for 2024:

- New Zealand Dollar Rates Bond Deal of the Year, for the NZ\$800 million 4.50% May 2032 Sustainable Financing Bond
- New Zealand Sustainability Deal of the Year, for the NZ\$800 million 4.50% May 2032 Sustainable Financing Bond



NEW ZEALAND DOLLAR RATES
BOND DEAL OF THE YEAR

New Zealand Local Government Funding Agency
NZ\$800 MILLION 4.50% MAY 2032 SUSTAINABLE FINANCING BOND

LEAD MANAGERS:

ANZ, BNZ, Commonwealth Bank of Australia,
Westpac Banking Corporation New Zealand Branch



NEW ZEALAND SUSTAINABILITY
BOND DEAL OF THE YEAR

New Zealand Local Government Funding Agency
NZ\$800 MILLION 4.50% MAY 2032 SUSTAINABLE FINANCING BOND

LEAD MANAGERS:

ANZ, BNZ, Commonwealth Bank of Australia,
Westpac Banking Corporation New Zealand Branch



Toitū Net Carbon Zero Certification

LGFA has maintained a Toitū net carbonzero certification since 2021. The Toitū certification recognises the processes LGFA has put in place to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions. Where LGFA are unable to eliminate emissions, these are offset through the purchase of high-impact carbon credits from a Gold Standard-certified international project.

Work underway on Ranfurly Gully wastewater upgrade. Photo credit CB Civil. Hamilton City Council



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Governance

Te mana urungi

The LGFA Board is responsible for the strategic direction and control of LGFA's activities. The LGFA Board is committed to ensuring LGFA demonstrates ongoing commitment to strong and sound corporate governance, and that the conduct of both directors and staff always meets the high standards required to reflect the company's values and to protect its reputation.

LGFA governance policies and documents

Audit and Risk Committee Charter
Board Charter
Code of Ethics
Diversity Policy
Internal Audit Charter
LGFA Constitution
LGFA Foundation Policies

Remuneration Policy
Responsible Investment Policy
Risk Management Policy
Shareholders Agreement
Sustainability Policy
Treasury Policy

NZX Corporate Governance Code

LGFA is a listed issuer on the NZX Debt Market and complies with the eight core principles underpinning the NZX Corporate Governance Code (January 2025).

LGFA considers that its governance practices have not materially differed from the NZX Code for the year ended 30 June 2025. Areas where LGFA has implemented alternative measures to the Code are as follows:

An issuer should establish a nomination committee to recommend director appointments to the board.



The process for the nomination and remuneration of directors is documented in the Constitution of New Zealand Local Government Funding Agency Limited and outlined on page 29.

An issuer should have a remuneration committee which operates under a written charter.



Ethics and standards of conduct

LGFA's required standards for conduct are defined in our Code of Ethics and is reflected throughout the following key governance documents: The Constitution; Shareholders' Agreement; Board Charter; Audit and Risk Committee Charter; Internal Audit Charter; and the Diversity Policy.

Code of Ethics

LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct, which sets out the standards and values that directors and employees are expected to follow.

Impartiality and transparency in governance and administration are essential to maintaining the integrity of LGFA. Accordingly, our Conflicts of Interest Policy provides guidance to directors and employees in relation to actual and potential conflicts of interest, including specific guidance on managing potential conflicts that may arise for non-independent directors. Directors and employees are expected to avoid all actions, relationships and other circumstances that may adversely impact on their ability to exercise their professional duties.

Our Code of Conduct requires employees and directors to maintain high standards of integrity and conduct by clearly setting out expected standards for behaviour. In addition, the policy sets out our commitment to employees to act in a fair and reasonable manner, while providing a fair and safe working environment.

Protected Disclosures and Whistle Blowing

Our Protected Disclosures and Whistle Blowing Policy outlines procedure, support and protection to persons who disclose information which they reasonably believe to be about serious wrongdoing in or by LGFA.

Financial Products Trading Policy

Our Financial Products Trading Policy, which applies to directors, employees and contractors, details the policy and rules for dealing in listed debt securities issued by LGFA and any other LGFA-quoted financial products.

Transparency and disclosure

Transparency and disclosure are essential for shareholder, rating agencies and investor confidence and codified through:

- Shareholders' agreement
- NZX listing rules
- Financial accounting standards
- Regulatory compliance

LGFA is committed to ensuring the highest standards are maintained in financial reporting and disclosure of all relevant information.

Transparency in how we operate is core to achieving our shareholders' objectives as well as for our wider stakeholders including investors, banks and other financial intermediaries and the credit rating agencies. As such, transparency in how we operate is reflected in operating requirements outlined in our foundation documents, including the Constitution, Shareholders' Agreement and Board Charter, as well as Company policies on Continuous Disclosure, Financial Products Trading, and Protected Disclosures and Whistle Blowing.

LGFA demonstrates transparency through its annual Statement of Intent (SOI) and quarterly reporting to shareholders on its performance against the objectives set out in the SOI.

The Audit and Risk Committee has responsibility to provide assurance to the Board that due process has been followed in the preparation and audit of the financial statements and to ensure there are appropriate processes and activities to ensure compliance with relevant regulatory and statutory requirements.

LGFA has adopted a formal Continuous Disclosure Policy, the requirements of which ensure that we meet the continuous disclosure requirements of the NZX Listing Rules, including the disclosure for material environmental, social and governance (ESG) factors.

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board.

The Audit and Risk Committee is governed by its own Charter which states that the purpose of the Committee is to provide advice, assurance and observations to the Board relating to the effectiveness and adequacy of internal control and risk management systems, processes and activities across LGFA. The Committee assists the Board to fulfil its duties by considering, reviewing and monitoring:

- Risk management framework and processes;
 - Internal control environment and mechanisms;
 - Operations and effectiveness of the internal audit function;
 - Preparation and audit of financial statements;
 - Integrity of performance information, including financial reporting;
 - Governance framework and process;
 - Processes to ensure compliance with legislation, policies and procedures; and
 - Statutory/regulatory disclosure and reporting and performance against Statement of Intent targets.
- Audit and Risk Committee members are appointed by the Board. Membership comprises at least three directors, the majority of whom must be independent.

Internal audit

LGFA has an internal audit function to provide assurance that its risk management, governance and internal controls are operating effectively.

The Audit and Risk Committee has responsibility for oversight of the internal audit function, including:

- Reviewing the Internal Audit Charter, the operations of the internal audit and organisational structure of the internal audit function;
- Approving the annual audit plan;
- Reviewing the effectiveness of the internal audit function; and
- Meeting separately with the internal auditor to discuss any matters that the Audit and Risk Committee or Internal Audit considers should be discussed privately.

External audit

The external audit of LGFA is conducted in accordance with Section 14 of the Public Audit Act 2001, including the appointment of the external auditors of LGFA by the Auditor- General.

The Audit and Risk Committee has responsibility for all processes relating to the audit of financial statements, including the setting of audit fees and ensuring the independence and objectivity of the auditors.

The external audit of LGFA is conducted in accordance with a formal external audit plan which is reviewed and approved by the Audit and Risk Committee on an annual basis. The external auditor attends LGFA's Annual General Meeting.



Our Board

The LGFA Board Charter sets out the roles and responsibilities of the Board. The Charter states that the role of the Board is to ensure that LGFA achieves its goals. Having regard to its role, the Board will direct and supervise the management of the business and affairs of LGFA, including:

- ensuring that LGFA's goals are clearly established, and that strategies are in place for achieving them;
- establishing policies for strengthening LGFA's performance;
- ensuring strategies are in place for meeting expectations set out in the Statement of Intent and monitoring performance against those expectations, in particular LGFA's primary objective to optimise the debt funding terms and conditions for participating borrowers;
- monitoring the performance of management;
- appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment;
- deciding on whatever steps are necessary to protect LGFA's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that LGFA's financial statements are true and fair and otherwise conform with law;
- ensuring that LGFA adheres to high standards of ethics and corporate behaviour;
- ensuring that LGFA has appropriate risk management/regulatory compliance policies in place. In the normal course of events, day-to-day operations of LGFA will be in the hands of management. The Board will satisfy itself that LGFA is achieving its goal and engaging and communicating with Shareholders Council; and
- engaging and communicating with shareholders.

Board composition

The Board comprises six independent directors and one non-independent director. An independent director is a director who, within five years prior to appointment, was not an employee of any shareholder, employee of a Council-controlled organisation owned by a shareholder, or a councillor of any local authority which is a shareholder.



Craig Stobo

Independent Chair

BA (Hons) Economics First Class, Otago; C.F.Inst.D

Advanced Management Programme,
The Wharton School, Philadelphia

Associate Member CFA Society New Zealand

Craig has worked as a diplomat, economist, investment banker, Chief Investment Officer, and CEO. He has authored reports to the New Zealand Government on the Taxation of Investment Income (which led to the PIE regime), and the creation of New Zealand as a funds domicile. Craig is a Taumata of the University of Otago Business School.

Chair

Financial Markets Authority
Saturn Portfolio Management Limited
Investment Committee
Sahara Ltd
Cancer Society Finance Risk and Audit
Committee (Auckland and Northern)

Director

Stobo Group Limited
Appello Services Limited
Biomarine Group Limited
Legend Terrace Limited
New Zealand Windfarms Limited
Desert Holdings Ltd
Auckland Future Fund
Indi

Advisor

AMP Financial Services Investment Committee
Member of the Ministerial Advisory Group
to the Minister of Education



Alan Adcock

Non-Independent Director Member Audit and Risk Committee

B.Com, MBA (with Distinction)

Alan has over 35 years' experience in the financial services and local government sectors at executive level, with over twenty years in banking, insurance and funds management followed by his current role as General Manager Corporate/CFO at Whangārei District Council.

His involvement with LGFA began in its initial planning stage, as a representative of the 'tight nine' councils that worked together to turn the concept into reality in 2011. He was an inaugural member of the Shareholders' Council, which he chaired from 2014 before joining the Board in 2021.

Chief Financial Officer

Whangarei District Council

Director

Whangarei Waste Ltd



Philip Cory-Wright

Independent Director Member Audit and Risk Committee

LLB (Hons), BCA Business Management

INFINZ (Cert), C.F.Inst.D

Philip is a solicitor of the High Court of New Zealand and Victoria. He has worked as a corporate finance adviser in New Zealand to the corporate sector on debt and equity matters for more than 30 years. Philip is also a strategic adviser to clients in the energy and infrastructure sectors. He was a member of the Local Government Infrastructure Expert Advisory Group tasked with advising the Minister of Local Government on improvements in local government infrastructure efficiency.

Chair

Papa Rererangi i Puketapu
(New Plymouth Airport)

South Port New Zealand Limited

Director

Matariki Forests

Powerco Limited

NZ Windfarms Limited

Te Rere Hau Holdings Limited

Te Rere Hau Limited

Advisory Board

United Civil Construction Ltd



David Rae

Independent Director Member Audit and Risk Committee

M.Sc (distinction) in Economics, London School of Economics, C.M.Inst.D

David is a co-owner of an investment consulting firm, Māpua Wealth Ltd, which provides portfolio advice and implementation for institutional investors including charitable trusts and iwi. His background is in economic policy and investing, having worked for the NZ Superannuation Fund and the OECD.

He has held current and past roles as an investment trustee and as a director of regulated utilities in the gas and transport sectors both in New Zealand and overseas.

David has an M.Sc in Economics from the London School of Economics, and a B.Soc. Sci (Hons) in Economics and Physics from the University of Waikato.

Director and Shareholder
Māpua Wealth Ltd

Director and Owner
David Rae Associates Ltd

Director
Galileo Green Energy GmbH
New Zealand Refining Nominees Ltd

General Disclosure
New Zealand Refining Company Pension Fund – Trustee
Te Pūia Tāpapa Ltd Partnership – Investment Committee Member
Public Infrastructure Partners Fund III – Advisory Committee Member



Linda Robertson

Independent Director Chair Audit and Risk Committee

B.Com; Dip.Bank; C.F.InstD; CGP; D.F.INFINZ; GCB.D; GAICD

Linda is a professional company director with over 25 years governance experience, combined with 30 years senior financial management experience having worked in both the banking and energy sectors in New Zealand.

Linda has been a full-time company director since 2015. Linda's governance experience spans many industries such as banking, funds management, electricity generation, retail and distribution; broadcasting services, co-operatives, local authority owned and state-owned entities and charities. Linda has a Bachelor of Commerce Degree and a Diploma in Banking. She also holds a Sustainability and ESG Designation; a Climate and Biodiversity Certificate and is a member of Chapter Zero New Zealand. Linda is a Distinguished Fellow of the Institute of Finance Professionals New Zealand (INFINZ), a Graduate Member of the Australian Institute of Company Directors, a Chartered Governance Professional and a Chartered Fellow of the Institute of Directors in New Zealand.

Chair
Central Lakes Trust
Crown Irrigation Investments Limited

Director and Shareholder
RML Consulting Limited

Director
Central Lakes Direct Limited
Horizon Energy Group Companies
Invercargill City Holdings Ltd
Kordia Group Ltd
SBS Bank (Southland Building Society)
Fraser Properties Limited

Member
Risk and Audit Committee, The Treasury
Capital Markets Advisory Committee, NZ Treasury
Audit and Risk Committee – OAG and Audit New Zealand



Helen Robinson ONZM

Independent Director Member Audit and Risk Committee

Helen is an experienced business leader locally and internationally mostly in the technology and sustainability sectors. Helen was Managing Director of Microsoft New Zealand, VP of Pivotal Corporation Asia Pacific and Managing Director, Markit Group (co-founding its Environmental Registry; now part of S&P Global).

Helen has decades of governance experience acting as Director or Chair for numerous public, private and public sector organisations.

She is a member of Global Women, INFINZ, a Chartered Member of the NZ Institute of Directors, and has been recognised in numerous awards for business and innovation including the NZ Women of Influence Supreme Award and as an Officer of Merit in the Queens Honours.

Chair

Kara Technologies Limited

Astrix Astronautics Limited

REANNZ (Research and Education Advanced Network New Zealand)

Group Shared Services, Auckland Council

JUNOFEM Limited

NZTE Beachhead Advisors

LGFA Sustainability Committee

Director and Shareholder

Organic Initiative Limited

Penguin Consulting Limited

Director

NZTech

Generate Kiwisaver and all related companies



Elena Trout

Independent Director

B Technology (Biotechnology) Massey

M Engineering (Civil) Canterbury CF Ins D, DistF Eng NZ
and Past President Eng NZ

Elena is an experienced company director and a professional engineer who has held a number of leadership positions in the transport, infrastructure and energy sectors. She has over 30 years of experience in the management, planning and delivery of large projects and continues to provide advice on nationally significant infrastructure developments.

She is a well-seasoned professional director, has held a number of governance roles including chairing independent government inquiries and reviews by local authorities in accordance with Section 17 (a) of the Local Government Act. Her current directorships include Chair of Energy Efficiency Conservation Authority, Chair of Chartered Professional Engineers Council, Co Chair Waihanga Ara Rau Construction and Infrastructure Development Council, director of Contact Energy, City Care, Opuha Water Ltd, Worksafe and Callaghan Innovation.

Chair

Energy Efficiency Conservation Authority
Chartered Professional Engineers Council

Director

Ara Ake (Deputy Chair)

Contact Energy

Ngāpuhi Asset Holdings Ltd

Kaikohe Berry Fruit Ltd

Spenser Henshaw

CityCare

Callaghan Innovation (Chair from 5 July 2025)

Te Rāhui Herenga Waka Whakatāne

Opuha Water Ltd

Co-Chair

Waihanga Ara Rau

Member

Worksafe

Director tenure and meetings of the Board

Elena Trout was appointed to the Board on 19 November 2024.

There were 7 scheduled Board meetings and 5 Audit and Risk Committee meetings over the year. The Board met for 5 additional meetings over the course of the year.

All directors are considered by the LGFA Board to be independent pursuant to the New Zealand Stock Exchange (NZX) Listing Rule 2.6, except for Alan Adcock who is the General Manager Corporate at Whangarei District Council.

Director	Date commenced in office	Scheduled Board meetings held/attended	Audit and Risk Committee held/attended
Craig Stobo (Chair)	1 December 2011	7/7	N/A
Alan Adcock	23 November 2021	6/7	5/5
Philip Cory-Wright	1 December 2011	7/7	4/5
David Rae	23 November 2023	6/7	4/5
Linda Robertson	24 November 2015	7/7	5/5
Helen Robinson	23 November 2022	5/7	4/5
Elena Trout	19 November 2024	2/3	N/A

Board performance review

The Board has an annual formal self-assessment to assess director, Board and committee performance.

In 2025, the Board commissioned an independent review of required skills and competencies for LGFA directors.

Nomination of Directors

Director nominations can only be made by a shareholder by written notice to LGFA and the Shareholders' Council, no more than three months, nor less than two months, before a meeting of shareholders. All valid nominations are required to be sent by LGFA to all persons entitled to attend the meeting.

Retirement and re-election of Directors

Directors are appointed to the Board by an Ordinary Resolution of shareholders. A Director must not hold office (without re-election) past the third annual meeting of the Company following the Director's appointment or three years, whichever is longer.

A retiring Director shall be eligible for re-election.

Indemnities and insurance

Under LGFA's constitution, LGFA indemnifies directors for potential liabilities and costs they may incur for acts of omission in their capacity as directors. LGFA has arranged directors' and officers' liability insurance covering directors and management acting on behalf of the company. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for LGFA. The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulation, or duty to LGFA, improper use of information to the detriment of LGFA, or breach of professional duty.

Remuneration

The remuneration of the Board reflects LGFA's size and complexity and the responsibilities, skills, performance and experience of the directors. A specialist independent adviser is used periodically to ensure the remuneration is appropriate.

Board remuneration is determined by an Ordinary Resolution of shareholders. The current board remuneration was approved by shareholder resolution at the Annual General Meeting on 19 November 2024.

Director annual fee breakdown

Position. Fees per annum	2025	2024
Board Chair	\$127,720	\$124,000
Audit and Risk Committee Chair	\$80,340	\$78,000
Director/ARC Member	\$75,190	\$73,000
Director	\$72,100	\$70,000

Director	2025
Craig Stobo (Chair)	\$127,720
Alan Adcock	\$75,190
Philip Cory-Wright	\$75,190
David Rae	\$75,190
Linda Robertson	\$80,340
Helen Robinson	\$75,190
Elena Trout	\$44,462

Chief Executive remuneration

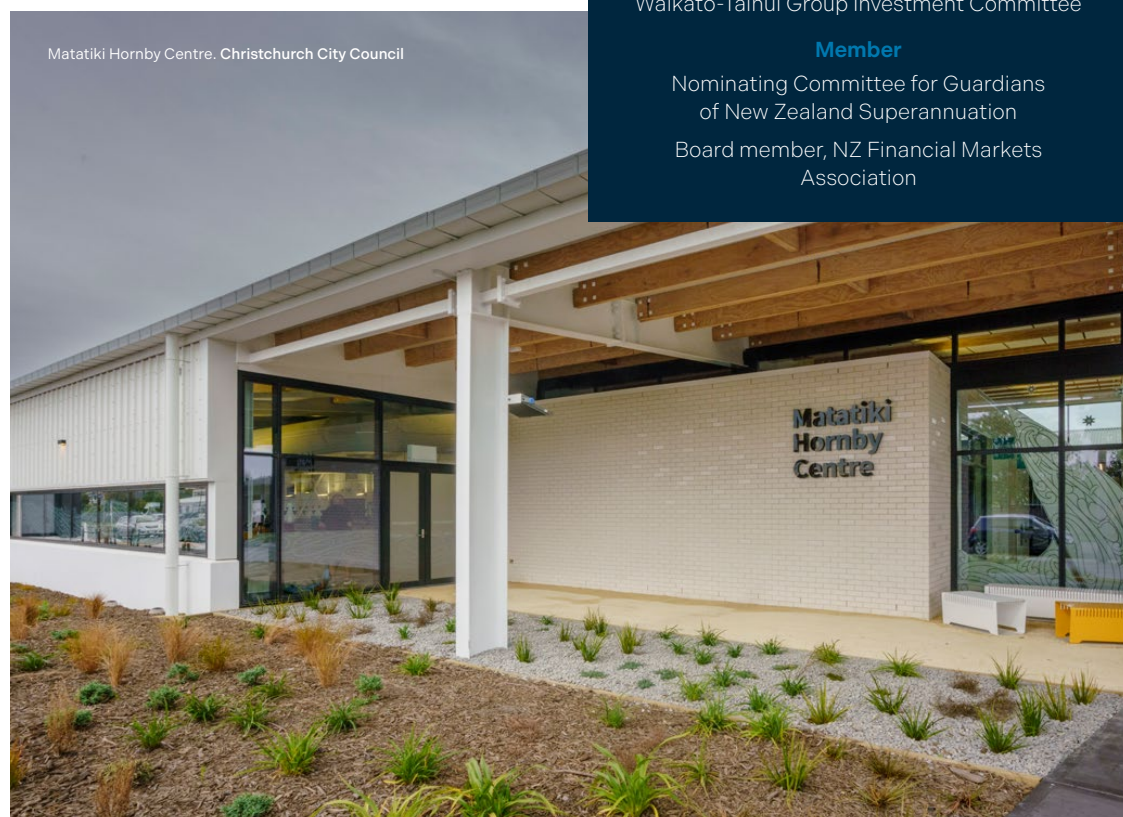
The remuneration of the CEO is determined by the Board and is reviewed annually taking into consideration the scope and complexity of the position with reference to the remuneration of CEOs of similar organisations. A specialist independent adviser is used periodically to ensure the remuneration is appropriate. The CEO remuneration package comprises a fixed cash component of \$804,518 per annum as at 30 June 2025 (\$804,518, 2024) and an at-risk short-term incentive of the fixed cash component. The short-term incentive payment is made annually at the Board's discretion subject to the CEO and LGFA meeting a range of specific performance objectives for the financial year.

Per annum	2025	2024
Salary	\$804,518	\$804,518
Taxable benefits	-	-
Subtotal	\$804,518	\$804,518
Pay for Performance STI	\$172,971	\$120,678
Kiwisaver Employer Contribution	\$39,100	\$37,008
Total remuneration	\$1,016,589	\$962,204

Staff remuneration

The following table shows the number of staff who received more than \$100,000 in total remuneration, in \$10,000 bands.

Total remuneration	2025
\$160,000 to \$170,000	1
\$180,000 to \$190,000	1
\$240,000 to \$250,000	1
\$250,000 to \$260,000	1
\$260,000 to \$270,000	1
\$290,000 to \$300,000	2
\$350,000 to \$360,000	1
\$390,000 to \$400,000	1
\$410,000 to \$420,000	1
\$1,000,000 to \$1,100,000	1



Matatiki Hornby Centre. Christchurch City Council

Staff interests

Mark Butcher

Chair

Waikato-Tainui Group Investment Committee

Member

Nominating Committee for Guardians of New Zealand Superannuation

Board member, NZ Financial Markets Association

LGFA Future Director

In 2024, LGFA appointed Sarah Matthews as its Future Director under the LGFA Future Directors programme, effective from January 2024 for a period of 18 months.

The purpose of the Future Director programme is to give talented people working in the Local Government sector the opportunity to observe and participate in Board room discussions over an 18-month period. During this time, the Future Director actively participates in all Board meetings, although they do not possess voting rights and are not involved in decision-making.

Sarah is a Chartered Accountant with a professional career spanning business advisory, financial management, and corporate services. She is currently GM – Organisation Performance of Taupō District Council and has been in local government leadership roles since 2017, across three different Councils. She is a member of Taituara Financial Management Reference Group and is also a Chartered Member of the Institute of Directors and has held board positions with several community organisations.



Sarah reflects on her experience as LGFA's Future Director

“Serving as the Future Director of LGFA has been a fantastic experience. Over the past 18 months, I’ve had the privilege of observing and contributing to the governance of a high-performing, purpose-driven board that plays a pivotal role in the local government sector.

Going into the Future Director role, I had many years of positive experience with LGFA and their amazing team at Council-level. This gave me a good idea of the positive impact LGFA makes to the sector through its purpose of benefiting local communities through delivering efficient financing for local government. The past 18 months have built on my positive Council-level experience and given me perspective on how LGFA’s purpose is led at governance level, being embedded in every strategic decision the Board makes.

The opportunity to engage with complex financial and policy challenges, particularly during a time of significant sector changes, has expanded my governance capability and deepened my understanding of the sector’s evolving needs. The opportunity to work with Central Government throughout these changes has also been a positive and insightful experience.

As a Future Director, I brought sector insight to the Board during these major transitions, also serving on the Audit and Risk Committee throughout this time. I am proud that I was able to bring my experience to the table and grateful that the Board fostered a supportive culture which allowed me to voice my perspective. The Board’s openness and commitment to excellence have made this a truly memorable experience.

I am leaving the role being proud to have played a small part in LGFA’s journey and its achievements. I would like to formally thank LGFA Board and staff for this opportunity and experience. The Future Director programme is a testament to LGFA’s leadership in fostering talent and strengthening governance across the local government sector.”


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Shareholders

Foundation documents

The Constitution and the Shareholders Agreement are foundation documents.

The Constitution defines the rights and powers of shareholders, the acquisition and redemption of company shares, proceedings of shareholder meetings, voting at meetings and the right to demand polls, shareholder proposals and review of management.

The Shareholders Agreement is an agreement between LGFA and its shareholders which clearly defines LGFA's business, its objectives, the role of the Board, the establishment of the Shareholders Council and the approval rights of the shareholders.

Members of the Shareholders Council as at 30 June 2025

Kathryn Sharplin (Chair)

Tauranga City Council

Sarah Houston-Eastergaard (Deputy Chair)

Wellington City Council

Kumaren Perumal

Bay of Plenty Regional Council

Mike Drummond

Tasman District Council

Andrew John

Auckland Council

Gary Connelly

Hamilton City Council

Steve Ballard

Christchurch City Council

Adele Henderson

Western Bay of Plenty District Council

Jacqueline Baker

New Plymouth District Council

James Stratford

New Zealand Government – DIA

Nyika Gwanoya

New Zealand Government – The Treasury

Hurunui District Water Safety Project. Hurunui District Council

People and culture

Ngā tāngata me te ahurea

Our values

Ō mātau uara



We act with integrity

E pono ana mātau

We are honest, transparent and are committed to doing what is best for our customers and our company.



We strive for excellence

E whakapau kaha mātau kia hiranga te mahi

We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.

Our purpose

Benefiting local communities through delivering efficient financing for local government.



We are customer focused

E arotahi ana mātau ki te kiritaki

Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.



We are innovative

He auaha mātau

To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.



We provide leadership

He kaiārahi mātau

We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.

Health, safety and wellbeing

LGFA is committed to providing a safe and healthy working environment for all employees and a flexible workplace environment that promotes increasing employee engagement, productivity and enhancing recruitment and retention.

LGFA maintains policies on health and safety, remote working, diversity and employment which outlines the company's commitment to health, safety and wellbeing.

Our Health and Safety Policy sets out the duty of directors and staff under the Health and Safety at Work Act 2015. A staff health and safety committee has been established with responsibility to

continuously review health and safety issues and ongoing compliance with the Act, with reporting on health and safety issues at each Board meeting.

LGFA provides staff with access to professional support for general counselling services, individual case management and ongoing monitoring of an employee's progress to ensure they have access to assistance and treatment to meet their needs.

Capability and development

LGFA is committed to ongoing education and professional development for staff and directors by funding professional development courses, membership of professional bodies and attendances at industry conferences.

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The Future Director programme, launched in 2021 by the Board and Shareholder Council, aims to give talented people within the Local Government sector with an interest in corporate governance the opportunity to observe and participate in Boardroom discussions for an 18-month period. The Future Director actively participates at Board meetings, but they have no voting rights. Sarah Matthews was appointed as our second Future Director in January 2024 for an 18 month term.

Diversity and inclusion

LGFA is committed to promoting a culture that supports both workplace diversity and inclusion within the organisation.

Diversity at LGFA involves recognising and valuing the contribution that people can make because of their skills, experience, background and differing perspectives. LGFA values employees by encouraging participation and providing opportunities for its people to succeed.

LGFA has formally adopted a Diversity Policy which applies to both LGFA employees and directors.

Diversity and inclusiveness at LGFA involves recognising the value of individual differences and managing them in the workplace. Diversity in this context includes gender, age, ethnicity, cultural background, sexual orientation, religious belief, disability, education and family responsibilities.

Each year, we complete a diversity review which is reported through to the Board and, when undertaking recruitment, selection panels for interview are split by gender.

Appointments to the Board are made in accordance with our Constitution and the Shareholders Agreement.

	2025		2024	
	Female	Male	Female	Male
Board	3	4	2	4
Staff	4	7	3	7

	2025			2024		
	Under 30 years	30-50 years	Over 50 years	Under 30 years	30-50 years	Over 50 years
Board	-	-	100%	-	-	100%
Staff	-	33%	67%	-	30%	70%

The Old Municipal Building has undergone an extensive programme of strengthening and restoration work. **Christchurch City Council**



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Managing risk

Te whakahaere tūraru

An effective risk management framework is a critical component of LGFA's structure for managing the company's exposure to business and treasury risks arising from its operations of raising and on-lending funds to local councils and approved council-controlled organisations.

The objective of LGFA's risk management function is to ensure that frameworks and controls are implemented to manage risks effectively and in compliance with LGFA's governance and legislative requirements. The risk management function ensures that LGFA achieves its objectives, as set out in the Statement of Intent, within the risk appetite of the company's shareholders and Board.

The objective of LGFA's risk management framework is to ensure that the organisation operates within shareholder and Board approved risk limits. LGFA's approach to risk management is based on the following core elements:

- The Board oversees the risk appetite of the organisation and ensures that it is consistent with the constitution and shareholders agreement.
- Risk appetite is reflected in policies approved by the Board and Audit and Risk Committee.
- LGFA management implements policies and controls to ensure that all relevant risks are identified, measured, monitored, and managed effectively.
- The Risk and Compliance and Internal Audit (IA) functions provide assurance to both the Board and the Audit and Risk Committee on the performance of internal controls and risk management systems.

LGFA adopts the three lines of defence model to ensure that essential risk management functions adopt a systematic approach that reflects industry best practice:

- The first line of defence establishes risk ownership within the company and is represented by its operational risk and control processes. LGFA managers are responsible for identifying and maintaining effective controls and mitigating risks.
- The second line of defence relates to establishing risk control within the organisation and involves ensuring policies are in place and up to date, reviewing risk reports, checking compliance against the risk management framework and ensuring that risks are actively and appropriately managed.
- The third line of defence is the independent assurance provided by both the internal and external audit functions which review and highlight control weaknesses and inefficiencies to management and the Board.

LGFA risk register

The LGFA risk register is a key component of the company's risk management framework.

The key objective of the risk register is to ensure that the company assesses the risks faced by the business on an ongoing basis.

The risk register:

- Identifies the inherent risks that LGFA is exposed to when conducting its core business activities;
- Assesses the likelihood and potential impact of the inherent risks on the business;

- Describes the internal control framework and management processes for managing and mitigating the identified inherent risks;
- Provides commentary on internal audit coverage of the identified inherent risks; and
- Provides an overall residual risk assessment and compares these to approved risk appetite settings and risk tolerance ranges.

The risk register is reviewed monthly by management and at each meeting of the Audit and Risk Committee.

Treasury risk management

LGFA funds itself through domestic and international wholesale and retail debt capital markets, with the funds raised on-lent to members. LGFA activities are governed by the Local Government Borrowing Act 2011, the Local Government Act 2002, and the Companies Act 1993. In addition, the company is required to comply with Foundation Policies outlined in the Shareholders Agreement. Any change to the Foundation Policies requires shareholder's consent.

LGFA's risk management uses an approved risk identification and assessment framework to actively monitor and manage all treasury and financial risk by applying best practice risk management principles and processes.

LGFA has treasury exposures arising from its normal business activities of raising and on-lending of funds. Specific treasury exposures relate to debt issuance and refinancing, liquidity, interest rate, foreign exchange, counterparty credit, operational

and lending risks. LGFA manages treasury exposures under a Board-approved Treasury Policy, the objectives of which are to:

- Effectively manage treasury risks, within approved compliance limits, to protect LGFA's capital position and net interest margin over time.
- Fund members in the most cost-effective manner and in accordance with LGFA's operating principles, values and objectives.
- Protect LGFA's assets and prevent unauthorised transactions.
- Minimise operational risk by maintaining adequate internal controls, systems and staffing competencies.
- Provide timely reporting to the Board with meaningful and accurate measurement of risk exposures and policy compliance.

Key treasury risks

Counterparty credit risk	Counterparty credit risk is the risk of financial loss arising from a counterparty defaulting on an investment, security and/or financial instrument where LGFA is a holder or party.	Counterparty credit risk is managed through counterparty limits for investments. These limits are determined as a function of the term of investment, liquidity and credit quality of the counterparty (as measured by a recognised credit rating). All derivative contracts are subject to formal collateral arrangements to mitigate counterparty credit risk. Investment is restricted to approved financial instruments listed in the Treasury Policy.
Debt Funding and Refinancing Risk	Funding risk is the potential inability to access capital markets to fund on-lending requirements. Refinancing risk is the potential inability to issue new debt to meet maturing debt obligations.	Funding and refinancing risk is managed through diversifying the concentration of debt instruments and maturities, and through the establishment of diverse funding programmes; long-term and short-term, onshore and offshore. Other important aspects include ongoing engagement with the investor community and maintaining a strong credit rating.
Foreign currency risk	Foreign currency risk is the risk of an adverse change in the fair value of a financial instrument due to a change in foreign exchange rates.	Exposure to foreign currency risk arises when LGFA accesses foreign capital markets for funding purposes. Foreign exchange risk is managed by fully hedging all foreign currency cash flows back to the New Zealand dollar. Any residual foreign currency risk arising from a timing mismatch of foreign currency cash flow, or arises from operational expenditure, is not material and is managed within a Board approved risk limit.

Interest rate risk	Interest rate risk is the risk that financial assets may re-price/ mature at a different time and/ or by a different amount than financial liabilities.	Interest rate risk is managed using Value at Risk (VaR) and Partial Differential Hedge (PDH) limits to mitigate the potential change in value of the balance sheet due to changes in interest rates. • VaR calculates the potential amount a portfolio could be expected to lose over a given time period. It is calculated using historical changes in underlying risk variables and applying those changes to the current portfolio. • VaR is measured over a daily time horizon with a 95% confidence interval. A daily 95% VaR exposure of \$1 million means that there is a 5% chance that the portfolio could potentially lose more than \$1 million over the next business day. • PDH measures the sensitivity of a portfolio to a one basis point change in underlying interest rates. For example, a PDH of NZD\$100,000 means that the portfolio value will increase by NZD\$100,000 for a one basis point fall in interest rates. In addition, LGFA also undertakes scenario analysis to model the potential effect of changing market environments on the balance sheet.
Lending risk	Lending risk is the risk of financial loss that could occur from lending funds to councils or council-controlled organisations.	LGFA is restricted through the Foundation Policies to lending only to councils and council-controlled organisations that are members of LGFA. The Foundation Policies lay out the conditions of borrowing with which members must comply. These include the provision of security, equity commitment liabilities and guarantee liabilities (if relevant), as well as complying with their own internal borrowing policies and complying with the financial covenants outlined in the Foundation Policies. Lending risk is further managed through regular engagement with borrowers and monitoring by LGFA of compliance with the lending covenants detailed in the Foundation Policies.
Liquidity risk	Liquidity risk is the potential inability to meet financial obligations when they become due, under normal or abnormal/ stressed operating conditions.	Liquidity risk is managed using a forecast cashflow approach measured over a 90-day period. LGFA is required to maintain sufficient liquidity, comprising holdings of cash and liquid investments, and a Crown liquidity facility, to support six months of funding commitments.
Operational risk	Operational risk, with respect to treasury management, is the risk of financial and/ or reputation loss arising from human error, fraud, negligent behaviour, system failures or inadequate procedures and controls.	Operational risk is managed using internal controls and procedures across operational functions. Segregation of duties between staff members who have the authority to enter transactions with external counterparties and the staff who control, check and confirm such transactions is a cornerstone internal control principle. Financial instruments are not entered into if the systems, operations and internal controls do not satisfactorily support the measurement, management and reporting of the risks associated with the instrument.

Performance against objectives

Te whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2024-27 (SOI).

2024-25 Objectives and performance targets

LGFA objectives and performance targets for 2024-25 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the four quarters' ended June 2025 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to best practice corporate governance to ensure its long-term sustainability and success.

Objectives	Our performance to 30 June 2025
Demonstrate best practice corporate governance.	LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. This 2025 Annual Report is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in the Statement of Intent.	Our performance against shareholder-agreed objectives and performance targets, as specified in the Statement of Intent, is reported quarterly to shareholders and annually in this section of our Annual Report.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial performance targets for the year-ended 30 June 2025 is summarised below under our performance targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	We have met this objective and comply. The 2025 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2024-2025 target	Our performance to 30 June 2025
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.	Not achieved. There was a breach of the Foundation Policy where the nominal amount of loans to a non-guarantor exceeded the \$20 million limit by \$186k.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	Achieved. Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings. Fitch Ratings affirmed LGFA Foreign Currency Rating at AA+ in December 2024. S&P Global Ratings affirmed our domestic currency credit rating at AAA in March 2025.
A succession plan be put in place for the Board and staff and be reviewed annually.		Achieved.
LGFA's total operating income for the year to 30 June 2025.	>\$31.4 million.	Achieved. \$36.3 million at June 2025, excluding unrealised gains/losses on hedged foreign currency issuance.
LGFA's total operating expenses for the year to 30 June 2025.	<\$11.5 million.	Achieved. \$11.2 million at June 2025, excluding AIL.



Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Objectives	How we measure our performance																																																																																																																																																																																											
Provide interest cost savings relative to alternative sources of financing.	LGFA's borrowing margins compare favourably to other high-grade issuers in the New Zealand capital markets. Comparison to other high-grade issuers - secondary market spread to swap (bps) <table><tr><th>30 June 2025</th><th>2026</th><th>2027</th><th>2028</th><th>2029</th><th>2030</th><th>2031</th><th>2032</th><th>2033</th><th>2035</th><th>2037</th></tr><tr><td>LGFA (AAA)</td><td>13</td><td>29</td><td>44</td><td>54</td><td>61</td><td>71</td><td>78</td><td>85</td><td>91</td><td>105</td></tr><tr><td>Kainga Ora (AAA)</td><td>19</td><td>29</td><td>46</td><td></td><td>54</td><td></td><td></td><td></td><td>88</td><td></td></tr><tr><td>Asian Development Bank (AAA)</td><td>11</td><td>24</td><td>30</td><td></td><td></td><td>49</td><td></td><td></td><td></td><td></td></tr><tr><td>IADB (AAA)</td><td>17</td><td>23</td><td>35</td><td></td><td>46</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>International Finance Corp (AAA)</td><td>15</td><td>21</td><td>33</td><td>39</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>KBN (AAA)</td><td>14</td><td>23</td><td></td><td></td><td>53</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Nordic Investment Bank (AAA)</td><td></td><td></td><td></td><td>34</td><td>43</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Rentenbank (AAA)</td><td></td><td>21</td><td></td><td>39</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>World Bank (AAA)</td><td>13</td><td>22</td><td>24</td><td></td><td>46</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>ASB (AA-)</td><td>25</td><td>48</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>ANZ (AA-)</td><td></td><td></td><td>60</td><td></td><td>85</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Kiwibank (AA-)</td><td>42</td><td>63</td><td>78</td><td>98</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>BNZ (AA-)</td><td>26</td><td>47</td><td>61</td><td>84</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Westpac Bank (AA-)</td><td>41</td><td>47</td><td></td><td>88</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Supranational, Sub-Sovereign, Agency Average</td><td>14</td><td>22</td><td>31</td><td>37</td><td>47</td><td>49</td><td></td><td></td><td></td><td></td></tr><tr><td>Bank Average</td><td>34</td><td>51</td><td>66</td><td>90</td><td>85</td><td></td><td></td><td></td><td></td><td></td></tr></table>	30 June 2025	2026	2027	2028	2029	2030	2031	2032	2033	2035	2037	LGFA (AAA)	13	29	44	54	61	71	78	85	91	105	Kainga Ora (AAA)	19	29	46		54				88		Asian Development Bank (AAA)	11	24	30			49					IADB (AAA)	17	23	35		46						International Finance Corp (AAA)	15	21	33	39							KBN (AAA)	14	23			53						Nordic Investment Bank (AAA)				34	43						Rentenbank (AAA)		21		39							World Bank (AAA)	13	22	24		46						ASB (AA-)	25	48									ANZ (AA-)			60		85						Kiwibank (AA-)	42	63	78	98							BNZ (AA-)	26	47	61	84							Westpac Bank (AA-)	41	47		88							Supranational, Sub-Sovereign, Agency Average	14	22	31	37	47	49					Bank Average	34	51	66	90	85					
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Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	LGFA provides members with short term loans (less than one year), long-term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans, Climate Access Loans and standby facilities. - Over the year-ended June 2025, our members borrowed \$4.160 billion in 365 long-term loans with an average term of 2.9 years. - As at June 2025 there was \$1.040 billion short-term loans outstanding to 44 members. - As at June 2025, standby facilities totalled \$867 million across 17 members.																																																																																																																																																																																											
Deliver operational best practice and efficiency for lending services.	Over the year-ended 30 June 2025, LGFA operations staff successfully: - settled 2,488 new trades with a gross value of \$39 billion; - processed 16,040 cash flows with a gross value of \$73 billion; and - rate set 13,447 existing trades.																																																																																																																																																																																											
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	There was significant activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the year-ended 30 June 2025, we issued bonds in the following native currency values: NZD 2.150 billion, AUD 800 million, USD 500 million, EUR 500 million, and CHF 220 million. Secondary market turnover in our NZD bonds totalled NZD 16.8 billion.																																																																																																																																																																																											

Performance targets	2024-2025 target	Our performance to June 2025
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	Not achieved. 74.9% at June 2025.
Total lending to Participating Borrowers.	> \$23,957 million.	Not achieved. \$22,657 million as at June 2025.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.	94% satisfaction score in August 2024 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	Achieved.
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	Achieved.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	Our performance to June 2025
Assist the local government sector in achieving their sustainability and climate change objectives.	Over the year to June 2025, we: - approved one new GSS loan application to Tauranga City Council for the \$103 million Te Manawataki o Te Papa green building project. As at June 2025, we have approved seven GSS loans with a combined approved value of \$675.3 million of which \$453.9 million has been advanced. - advanced a further \$923 million under our CAL lending programme. As at June 2025, seven councils have been approved for CAL loans with combined qualifying loans totalling \$3.7 billion. Our third Annual Impact Report, to be published on 30 September 2025, will provide information on the allocation of proceeds from LGFA's Sustainable Financing Bond issuance as at June 2025 In March 2025, the LGFA team organised a series of panel discussions and keynote presentations to provide guidance to councils on accessing climate-related financing instruments, as well as to highlight useful data and tools (for the development, collection and communication of risk information).
Improve sustainability outcomes within LGFA.	In 2021, LGFA directors committed to reducing our per employee emissions by 30% by 2030, compared with a 2018/19 base year. We continue to monitor our organisational emissions and remain within target. In addition, we have released our Climate-reporting Disclosures in compliance with XRB standards.

Performance targets	2024-2025 target	Our performance to June 2025
Comply with the Health and Safety at Work Act 2015.	No breaches.	Achieved.
Maintain Toitū Net Carbon Zero certification.	Net Carbon Zero certification maintained.	Achieved.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	Achieved. GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions from different gases. GHG emissions against targets are reported in the 2025 LGFA Climate-related Disclosures, which will be available on the LGFA website from 30 September 2025.
Increase our GSS lending book and Climate Action Loans.	Two new GSS loans undertaken. Three new borrowers approved for CAL.	Not achieved. One new GSS loan approved, and no new CAL borrowers approved.
Meet all mandatory climate reporting standards.	100%	Achieved.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position. LGFA manages its assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	Our performance to June 2025
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	Over the twelve months, we reviewed council annual plans, agendas and management reports on an ongoing basis for all members on the LGFA borrower watchlist. We received compliance certificates in respect of the LGFA financial covenants from all of our members with debt outstanding at June 2024. No council has requested that they be measured on a group basis. A small number of certificates were provided based upon unaudited financial statements given a delay in providing final audit signoff. These have subsequently been verified following the eventual publication of the council's annual report.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	Achieved. LGFA conducted 109 meetings with council and CCO members in the twelve months ended June 2025.
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA has actively engaged with DIA and council members and their advisors to provide information on how it will be able to assist councils with the financing of their water operations.

Performance targets	2024-2025 target	Our performance to June 2025
Review each Participating Borrower's financial position.	100%	Achieved.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	Achieved.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

Objectives	Our performance to June 2025
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	The Industry leadership and engagement section of this annual report discusses our performance in relation to these objectives.
Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government.	
Maintain productive relationships with central government representatives.	
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	

Performance targets	2024-2025 target	Our performance to June 2025
Provide input into Local Water Done Well Legislation.	Provide feedback to DIA and Treasury during legislation drafting.	Achieved.
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.	Achieved.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders.	Achieved.

Financial statements

Ngā Tauāki Ahumoni

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Income statement

For the year ended 30 June 2025 in \$000s

	Note	2025	2024
Interest income		1,267,103	1,213,259
Interest expense		1,232,327	1,193,809
Net interest income	4	34,776	19,450
Other operating income	5	1,551	1,494
Gains / (losses) on financial instruments		(680)	859
Total operating income		35,647	21,803
Operating expenses	6	16,653	11,753
Net operating profit		18,994	10,050

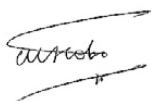
Statement of comprehensive income

For the year ended 30 June 2025 in \$000s

	Note	2025	2024
Net operating profit		18,994	10,050
Items that may be re-classified subsequently to the Income Statement			
Net change in cash flow hedge reserve	9	(6,477)	5,536
Cost of hedging	9	(2,079)	(6,531)
Total comprehensive income		10,438	9,056

These statements are to be read in conjunction with the notes to the financial statements.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 28 August 2025.



Craig Stobo, Director
Board Chair



Linda Robertson, Director
Chair, Audit and Risk Committee

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Statement of changes in equity

For the year ended 30 June 2025 in \$000s

	Note	Share capital	Cash flow hedge reserve	Cost of hedging reserve	Retained earnings	Total equity
Equity as at 1 July 2023		25,000	-	-	80,847	105,847
Net operating profit					10,050	10,050
Other comprehensive income/(expense)			5,536	(6,531)		(995)
Total comprehensive income for the year		-	5,536	(6,531)	10,050	9,055
Transactions with owners					-	-
Dividend paid on 1 September 2023					(1,713)	(1,713)
Equity as at 30 June 2024		25,000	5,536	(6,531)	89,185	113,190
Net operating profit					18,994	18,994
Other comprehensive income/(expense)			(6,477)	(2,079)		(8,556)
Total comprehensive income for the year		-	(6,477)	(2,079)	18,994	10,438
Transactions with owners						-
Dividend paid on 2 September 2024					(1,843)	(1,843)
Equity as at 30 June 2025	28	25,000	(941)	(8,610)	106,336	121,785

These statements are to be read in conjunction with the notes to the financial statements.

Statement of financial position

As at 30 June 2025 in \$000s

	Note	2025	2024
Assets			
Financial assets			
Receivables	11	2,973	378
Cash and cash equivalents		325,728	473,609
Cash pledged as collateral	10	187,836	251,605
Marketable securities		2,458,427	1,397,045
Deposits		578,878	718,493
Derivatives in gain	10	255,271	116,090
Loans to members	12	22,657,300	20,549,350
Non-financial assets			
Other assets	13	1,339	1,245
Total assets		26,467,752	23,507,816
Equity			
Share capital	28	25,000	25,000
Reserves	9	(9,551)	(995)
Retained earnings		106,336	89,185
Total equity		121,785	113,190
Liabilities			
Financial liabilities			
Payables and provisions	14	6,414	9,609
Bond repurchases	17	341,756	58,302
Derivatives in loss	10	1,067,121	1,526,526
Debt securities issued:			
At amortised cost	15	23,645,696	20,490,507
At fair value through income statement	16	613,077	815,175
Borrower notes	18	669,030	492,614
Non financial liabilities			
Other liabilities	19	2,873	1,891
Total liabilities		26,345,967	23,394,625
Total equity and liabilities		26,467,752	23,507,816

These statements are to be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the year ended 30 June 2025 in \$000s

	Note	2025	2024
Cash flows from operating activities			
Cash applied to loans	12	(2,119,168)	(4,174,912)
Interest paid on bonds issued		(737,888)	(596,886)
Interest paid on bills issued		(102,178)	(52,087)
Interest paid on borrower notes		(7,785)	(4,220)
Interest paid on bond repurchases		(9,682)	(10,436)
Interest received from loans		1,124,661	1,031,054
Interest received from cash & cash equivalents		27,512	24,285
Interest received from marketable securities		71,558	43,866
Interest received from deposits		56,100	47,860
Net interest on derivatives		(383,051)	(474,182)
Cash inflows from provision of standby facilities		1,551	1,496
Payments to suppliers and employees		(15,730)	(10,877)
Net cash flows from operating activities	32	(2,094,100)	(4,175,038)
Cash flows from investing activities			
Purchase of marketable securities		(1,008,422)	(233,720)
(Purchase)/maturity of deposits		200,470	(525,977)
Net cash flows from investing activities		(807,952)	(759,698)
Cash flows from financing activities			
Cash inflows from bonds issued	15, 16	5,014,063	3,958,755
Cash outflows from bond maturities	15, 16	(2,719,000)	-
Cash inflows (outflows) from bills issued	15, 16	(118,711)	623,761
Cash inflows (outflows) from bond repurchases		283,303	(71,584)
Cash inflows from borrower notes		158,273	114,288
Dividends paid		(1,843)	(1,713)
Cash applied to derivatives		138,086	558,616
Net cash flows from financing activities		2,754,171	5,182,123
Net increase / (decrease) in cash		(147,881)	247,388
Foreign exchange gains / (losses) on cash balances		1	-
Net cash flows from all activities		(147,880)	247,388
Cash, cash equivalents at beginning of year		473,609	226,222
Cash, cash equivalents at end of year		325,728	473,609

These statements are to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled trading organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 11, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

The financial statements are as at and for the year ended 30 June 2025.

These financial statements were authorised for issue by the Directors on 28 August 2025.

2. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

3. Basis of preparation

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

FOREIGN CURRENCY CONVERSIONS

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies.

EARLY ADOPTION STANDARDS AND INTERPRETATIONS

LGFA has not early adopted any standards.

STANDARDS NOT YET ADOPTED

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. This includes NZ IFRS 18 Presentation and Disclosure in Financial Statements.

FINANCIAL INSTRUMENTS

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at either:

- Amortised cost and subsequently measured at amortised cost using the effective interest rate method; or
- Fair value through income statement (FVTIS).

Financial liabilities are classified as FVTIS if they are derivative financial liabilities or if LGFA chooses to classify financial liabilities as FVTIS if the use of the classification removes or significantly reduces an accounting mismatch. This classification includes debt issues that are designated at FVTIS where LGFA has economically hedged the foreign exchange and interest rate risk using derivatives, but hedge account is not applied. Any such classification is made on the date of initial recognition and is irrevocable.

Purchases and sales of all financial liabilities are accounted for at trade date.

OTHER ASSETS

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

OTHER LIABILITIES

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

REVENUE

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

EXPENSES

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Approved issuer levy

Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented 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.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

SEGMENT REPORTING

LGFA operates in one segment being funding of participating borrowers in New Zealand.

JUDGEMENTS AND ESTIMATIONS

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

Revenue and expenditure**4. Net interest income**

For the year ended 30 June 2025 in \$000s	2025	2024
Interest income		
Cash and cash equivalents	27,668	24,314
Cash pledged as collateral	6,171	9,189
Marketable securities	99,965	62,356
Deposits	47,014	41,124
Derivatives	-	-
Loans	1,086,285	1,076,276
Total interest income	1,267,103	1,213,259
Interest expense		
Bills	84,790	55,627
Bond repurchase transactions	9,832	10,279
Lease liability	-	17
Derivatives	249,784	445,499
Bonds	862,245	660,065
Borrower notes	25,676	22,323
Total interest expense	1,232,327	1,193,809
Net interest income	34,776	19,450

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5. Other operating income

As at 30 June 2025, LGFA had provided standby facilities totalling \$867 million (2024: \$747 million) to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

For the year ended 30 June 2025 in \$000s	2025	2024
Standby facilities fee income	1,551	1,494
Total other operating income	1,551	1,494

6. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

For the year ended 30 June 2025 in \$000s	2025	2024
Issuance & onlending expenses		
Approved issuer levy ¹	5,392	1,982
Rating agency fees	811	697
NZDM facility fee	937	1,500
Legal fees – issuance	1,262	824
NZX	768	800
Trustee fees	119	116
Regulatory, registry, other fees	435	365
	9,724	6,284
Other operating expenses		
Information technology	922	739
Consultants	348	322
Directors fees	553	496
Insurance	107	103
Legal fees	242	108
Other expenses	662	496
Auditors' remuneration		
Statutory audit	180	131
Assurance services ²	30	-
Personnel	3,885	3,074
	6,929	5,469
Total operating expenses	16,653	11,753

1. The amount of Approved Issuer Levy is a function of securities held by offshore holders of certain LGFA bond maturities.

2. KPMG was engaged to provide a comfort letter addressed to LGFA, the Arranger and the Dealers relating to the contents of the EMTN Programme Offering Circular.

Financial instruments

7. Financial instruments accounting policy

Financial instruments recognised in the statement of financial position at amortised cost.

Fair values of financial instruments not recognised in the statement of financial position at fair value are determined for note disclosure as follows:

CASH AND BANK, TRADE AND OTHER RECEIVABLES, TRADE AND OTHER PAYABLES

The carrying value of cash and bank, trade and other receivables, trade and other payables approximate their fair value as they are short-term instruments.

CASH PLEDGED AS COLLATERAL

LGFA enters derivative financial instruments for hedging purpose which may require LGFA to post collateral as security with counterparties.

In line with standard industry practice, collateral is provided for derivative transactions in accordance with the terms set out in the relevant Credit Support Annex. LGFA's practice is to annex each CSA to the International Swaps and Derivatives Association (ISDA) Master Agreement it has with derivative counterparties.

LGFA is required to pledge cash deposits at call to meet its obligations under the CSAs for derivative positions. The pledged assets will be returned to LGFA when the underlying transaction is terminated, but in the event of default the counterparty is entitled to apply the collateral to settle the outstanding liability.

MARKETABLE SECURITIES AND BONDS

The fair value of bonds and marketable securities are determined using the quoted price for the instrument.

DEPOSITS

The fair value for deposits is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on current market interest rates.

LOANS

The fair value of loans is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on LGFA bond yields at the reporting date plus an appropriate credit spread to reflect the counterparty's credit risk.

LEASES

The lease liability is recognised at the present value of the remaining lease payments, discounted using LGFA's incremental borrowing rate, with the corresponding right-of-use asset recognised as an equal amount.

BORROWER NOTES

The fair value of borrower notes is determined using a discounted cash flow analysis. The interest rates used to discount the estimated cash flows are based on LGFA bond yields at the reporting date.

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table shows the fair value of financial assets and financial liabilities, together with the carrying amounts shown in the statement of financial position.

As at 30 June 2025 in \$000s	Financial liabilities at amortised cost	Financial liabilities at fair value through income statement	Financial assets at amortised cost	Financial assets measured at fair value in accordance with NZ IFRS 9	Fair value
Financial assets					
Receivables	-	-	2,973	-	2,973
Cash and bank balances	-	-	325,728	-	325,728
Cash pledged as collateral	-	-	187,836	-	187,836
Marketable securities	-	-	2,458,427	-	2,501,062
Deposits	-	-	578,878	-	579,011
Derivatives	-	-	-	255,271	255,271
Loans	-	-	22,657,300	-	23,227,171
	-	-	26,211,142	255,271	27,079,052
Financial liabilities					
Payables and provisions	6,414	-	-	-	6,414
Bond repurchases	341,756	-	-	-	341,756
Derivatives	-	-	-	1,067,121	1,067,121
Bills	992,159	-	-	-	992,340
ECP	-	613,077	-	-	613,077
Bonds	22,653,537	-	-	-	22,492,491
Borrower notes	669,030	-	-	-	662,582
	24,662,896	613,077	-	1,067,121	26,175,781

As at 30 June 2024 in \$000s	Financial liabilities at amortised cost	Financial liabilities at fair value through income statement	Financial assets at amortised cost	Financial assets measured at fair value in accordance with NZ IFRS 9	Fair value
Financial assets					
Receivables	-	-	378	-	378
Cash and bank balances	-	-	473,609	-	473,609
Cash pledged as collateral	-	-	251,605	-	251,605
Marketable securities	-	-	1,397,045	-	1,407,237
Deposits	-	-	718,493	-	719,223
Derivatives	-	-	-	116,090	116,090
Loans	-	-	20,549,350	-	20,915,910
	-	-	23,390,480	116,090	23,884,052
Financial liabilities					
Payables and provisions	9,609	-	-	-	9,609
Bond repurchases	58,302	-	-	-	58,302
Derivatives	-	-	-	1,526,526	1,526,526
Bills	911,386	-	-	-	911,396
ECP	-	815,175	-	-	815,175
Bonds	19,579,121	-	-	-	19,909,342
Borrower notes	492,614	-	-	-	480,434
	21,051,032	815,175	-	1,526,526	23,710,784

8. Derivative financial instruments

LGFA use three different types of derivatives financial instruments: interest rate swaps, cross currency interest rate swaps and foreign exchange transactions (spot and forward).

Derivative financial instruments are recognised in the statement of financial position at fair value. Derivatives are categorised as following:

- Derivatives designated into hedge accounting relationships to minimise profit or loss volatility by matching movements in underlying positions relating to hedges of the LGFA's exposures to interest rate risk and currency risk.
- Derivatives designated to manage risks that are not in a designated hedge accounting relationship.

Derivative financial instruments are valued under level 2 of the following hierarchy.

Level 1 Quoted market prices: Fair value based on quoted prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques using observable market inputs: Fair value based on a valuation technique using other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 Valuation techniques using significant non-observable market inputs: Fair value based on a valuation technique using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of derivative financial instruments is determined using a discounted cash flow analysis. Interest rates represent the most significant assumption used in valuing derivative financial instruments. The interest rates used to discount estimated cash flows are based on the New Zealand dollar swap curves at the reporting date.

Treatment of any fair value gains or losses depends on whether the derivative is designated as a hedging instrument. If the derivative is not designated as a hedging instrument, the remeasurement gain or loss is recognised immediately in the Consolidated income statement.

9. Hedge accounting

LGFA uses derivatives to establish economic hedges to manage its interest rate and foreign exchange risk. LGFA's risk management strategy with respect to hedge accounting is to minimise income statement volatility.

Hedge accounting is implemented to manage the following risks:

- Interest rate risk due to a mismatch between fixed and floating interest rates on assets and liabilities; and
- Combined risk on assets or liabilities with interest rate risk that are denominated in currencies other than New Zealand dollars.

LGFA enters cross-currency interest rate swaps to hedge the foreign currency and foreign interest rate risks on issued foreign currency bonds. Using the cross-currency interest rate swaps, LGFA will pay New Zealand Dollar floating interest rates and receive foreign currency fixed interest with coupon payments matching the underlying notes.

LGFA designated the foreign currency bonds and cross-currency interest rate swaps into three-part hedging relationships for each issue:

- a fair value hedge of foreign currency benchmark interest rates,
- a cash flow hedge of margin, and
- a cash flow hedge of the principal exchange.

FAIR VALUE HEDGE

Under a fair value hedge, the hedged item is revalued at fair value in respect of the hedged risk. This revaluation is recognised in the Consolidated income statement to offset the mark-to-market revaluation of the hedging derivative, except for any adjustment on the hedging derivative relating to credit risk.

CASH FLOW HEDGE

Under a cash flow hedge, the effective portion of gains or losses from remeasuring the fair value of the hedging instrument is recognised in Other comprehensive income and accumulated in the cash flow hedge reserve. Accumulated gains or losses are subsequently transferred to the Consolidated income statement when the hedged item affects the Income statement, or when the hedged item is a forecast transaction that is no longer expected to occur.

Any future gains or losses will be processed through the hedge equity reserves as long as the existing cash flow hedge relationships remain effective.

A reconciliation of the cash flow reserve is shown in the following table:

	2025	2024
Opening balance at 1 July	5,535	-
Changes in cash flow hedges	(6,476)	5,536
Closing balance at 30 June	(941)	5,536

COST OF HEDGING

The cost of hedging reserve captures changes in the fair value of the cost to convert foreign currency to NZD of LGFA's cross currency interest rate swaps on the foreign currency bonds.

A reconciliation of movements in the cost of hedging reserve is shown in the table below:

	2025	2024
Opening balance at 1 July	(6,531)	-
Change in currency basis spreads	(2,079)	(6,531)
Closing balance at 30 June	(8,610)	(6,531)

HEDGING INSTRUMENTS

\$'000	Life to date values as at 30 June 2025		
	Carrying amount of the hedging instrument		
	Nominal amount of hedging instrument	Asset / (liability)	Change in value for hedge ineffectiveness
Fair value hedges			
Interest rate swaps – NZD bonds hedge	14,618,000	(897,105)	417,919
Interest rate swaps – loans hedge	1,365,026	(12,096)	10,322
Interest rate swaps – marketable securities hedge	1,489,022	6,209	18,526
Fair value and cash flow hedges			
Fair value hedges – foreign currency	AUD 3,450,000 CHF 220,000 EUR 500,000 USD 500,000	87,924	(128,631)
Cash flow hedges – foreign currency	NZD 6,002,398		940

\$'000	Life to date values as at 30 June 2024		
	Carrying amount of the hedging instrument		
	Nominal amount of hedging instrument	Asset / (liability)	Change in value for hedge ineffectiveness
Fair value hedges			
Interest rate swaps – NZD bonds hedge	15,228,000	(1,007,019)	(1,007,019)
Interest rate swaps – loans hedge	700,200	25,510	25,510
Interest rate swaps – marketable securities hedge	611,480	5,917	5,917
Fair value and cash flow hedges			
Fair value hedges – foreign currency	AUD 2,650,000	(6,381)	(6,381)
Cash flow hedges – foreign currency	NZD 2,861,000	35,271	35,271

\$'000	Year to date values recognised during the year to 30 June 2025				
	Hedge effectiveness in reserves			Hedge effectiveness	Hedge effectiveness
	Cost of hedging reserve	Cash flow hedge (OCI)	Cash flow hedge reclassified to income statement	Fair value hedge recognised in Income statement	Recognised in Income Statement
Fair value hedges					
Interest rate swaps – NZD bonds hedge	-	-	-	1,424,938	-
Interest rate swaps – loans hedge	-	-	-	(15,188)	-
Interest rate swaps – marketable securities hedge	-	-	-	12,609	-
Fair value and cash flow hedges					
Fair value hedges – foreign currency	-	-	-	122,250	-
Cash flow hedges – foreign currency	2,079	6,477	78,050	-	1,719

\$'000	Year to date values recognised during the year ended 30 June 2024				
	Hedge effectiveness in reserves			Hedge effectiveness	Hedge effectiveness
	Cost of hedging reserve	Cash flow hedge (OCI)	Cash flow hedge reclassified to income statement	Fair value hedge recognised in Income statement	Recognised in Income Statement
Fair value hedges					
Interest rate swaps – NZD bonds hedge	-	-	-	333,352	-
Interest rate swaps – loans hedge	-	-	-	(12,340)	-
Interest rate swaps – marketable securities hedge	-	-	-	(16,956)	-
Fair value and cash flow hedges					
Fair value hedges – foreign currency	-	-	-	6,381	-
Cash flow hedges – foreign currency	6,531	(5,536)	(34,497)	-	(859)

10. Offsetting

NZ IAS 32: Financial Instruments Presentation allows financial assets and liabilities to be offset only when there is a current legally enforceable right to set off the amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

LGFA does not offset any amounts.

The following table shows the amounts subject to an enforceable master netting arrangement or similar agreement that are not offset in the statement of financial position.

As at 30 June 2025 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	255,271	1,067,121
Amounts offset	-	-
Carrying amounts	255,271	(255,271)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(255,271)	(255,271)
Collateral	-	(187,836)
Net amount	-	624,014

As at 30 June 2024 in \$000s	Derivative assets	Derivative liabilities
Gross amounts	116,090	1,526,526
Amounts offset	-	-
Carrying amounts	116,090	(116,090)
Amounts that don't qualify for offsetting	-	-
Financial assets & liabilities	(116,090)	(116,090)
Collateral	-	(251,605)
Net amount	-	1,158,831

11. Receivables

As at 30 June 2025 in \$000s	2025	2024
Bond repurchases to be received	-	-
Borrower notes to be received	-	-
Trade debtors	2,973	378
Total receivables	2,973	378

12. Loans

As at 30 June 2025 in \$000s	2025		2024	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	20,044	124,440	12,062	119,743
Auckland Council	48,672	3,111,545	-	3,655,028
Bay of Plenty Regional Council	117,701	224,766	50,506	219,044
Buller District Council	9,909	10,018	-	20,037
Canterbury Regional Council	-	96,421	5,085	92,416
Carterton District Council	-	27,279	-	24,839
Central Hawkes Bay District Council	-	49,434	5,132	39,401
Central Otago District Council	5,038	45,618	5,019	30,450
Christchurch City Council	-	2,749,479	-	2,511,678
Clutha District Council	15,522	130,327	11,585	108,398
Dunedin City Treasury	-	443,747	-	293,104
Far North District Council	35,204	120,785	32,703	90,518
Far North Holdings Ltd	49,036	26,521	-	-
Gisborne District Council	9,920	185,413	-	174,991
Gore District Council	8,534	49,873	8,554	46,998
Greater Wellington Regional Council	-	1,021,955	-	941,217
Grey District Council	3,971	31,768	3,972	28,807
Hamilton City Council	101,343	922,069	-	950,852
Hastings District Council	18,974	456,568	-	397,160
Hauraki District Council	-	141,000	-	101,092
Hawkes Bay Regional Council	-	115,630	-	110,708
Horizons Regional Council	9,952	69,472	9,906	62,026
Horowhenua District Council	14,054	227,539	21,199	182,674
Hurunui District Council	14,079	73,632	10,067	57,666
Hutt City Council	-	577,424	-	515,520
Infrastructure Holdings Ltd	9,994	109,297	9,989	104,463
Invercargill City Council	28,187	126,432	47,502	104,262
Invercargill City Holdings Ltd	-	-	48,252	48,403
Kaikoura District Council	-	7,354	-	7,374
Kaipara District Council	-	44,314	-	54,639
Kapiti Coast District Council	-	367,751	-	323,722
Kawerau District Council	-	6,058	-	4,051
Mackenzie District Council	4,016	19,255	4,040	16,257
Manawatu District Council	11,594	93,445	13,014	83,139
Marlborough District Council	14,606	230,935	14,694	190,067
Masterton District Council	-	66,918	-	63,357
Matamata-Piako District Council	-	85,673	-	66,201

As at 30 June 2025 in \$000s	2025		2024	
	Short-term loans	Loans	Short-term loans	Loans
Napier City Council	-	65,572	-	20,191
Nelson City Council	-	266,619	-	262,320
New Plymouth District Council	-	357,122	10,117	293,577
Northland Regional Council	6,883	59,605	-	24,741
Opotiki District Council	4,102	10,588	-	12,595
Otago Regional Council	42,767	132,638	35,739	104,122
Otorohanga District Council	10,123	2,019	9,110	-
Palmerston North City Council	-	305,995	-	273,466
Porirua City Council	-	362,827	-	269,807
Queenstown Lakes District Council	88,141	619,296	76,334	575,080
Rangitikei District Council	10,037	44,385	-	44,358
Rotorua District Council	-	472,652	1,889	448,948
Ruapehu District Council	10,039	54,191	8,050	50,214
Selwyn District Council	40,375	256,744	20,035	166,778
South Taranaki District Council	-	137,017	-	140,634
South Waikato District Council	-	50,369	-	44,469
Southland District Council	-	92,384	-	36,153
Southland Regional Council	-	7,003	-	-
South Wairarapa District Council	17,125	11,565	8,190	27,166
Stratford District Council	-	38,927	-	36,908
Taranaki Regional Council	-	57,934	-	31,780
Tararua District Council	-	80,621	-	69,986
Tasman District Council	31,537	317,397	25,379	325,787
Taupo District Council	-	200,203	-	165,543
Tauranga City Council	4,840	1,272,492	-	1,050,800
Thames-Coromandel District Council	-	91,729	-	84,003
Timaru District Council	39,727	212,425	19,340	202,822
Timaru District Holdings Ltd	9,316	-	-	-
Upper Hutt City Council	-	216,098	-	180,900
Waikato District Council	14,621	221,629	-	207,254
Waikato Regional Council	10,042	39,323	-	32,384
Waimakariri District Council	-	221,613	-	202,169
Waimate District Council	-	5,035	-	3,541
Waipa District Council	63,492	341,285	15,009	313,011
Wairoa District Council	-	9,624	-	11,100
Waitaki District Council	1,997	71,474	7,483	64,158
Waitomo District Council	6,024	27,165	6,103	27,246
Wellington City Council	-	1,843,472	-	1,595,914

As at 30 June 2025 in \$000s	2025		2024	
	Short-term loans	Loans	Short-term loans	Loans
West Coast Regional Council	2,991	21,234	2,986	14,715
Western Bay Of Plenty District Council	15,109	161,226	10,009	106,249
Westland District Council	3,928	35,051	4,713	32,666
Westland Holdings Ltd	-	-	-	-
Whakatane District Council	-	178,821	6,011	149,114
Whanganui District Council	7,551	196,538	7,560	176,878
Whangarei District Council	48,915	246,882	9,922	257,756
Fair value hedge adjustment	-	10,322	-	(25,510)
	1,040,033	21,617,267	597,260	19,952,095

Short-terms loans are loans that have a term to maturity of less than 12 months at origination. Loans have a term to maturity of 12 months or greater at origination. As at 30 June 2025, all short term loans and \$2,836 million of loans will mature within 12 months.

13. Other assets

As at 30 June 2025 in \$000s	2025	2024
Prepayments	980	987
Furniture and Fixtures	105	-
Right-of-use lease asset	254	258
Total other assets	1,339	1,245

14. Payables and provisions

As at 30 June 2025 in \$000s	2025	2024
Loans to be advanced	-	8,190
Trade creditors	5,909	1,038
Credit provision	301	249
Other provisions	204	132
Total payables	6,414	9,609

15. Debt securities issued at amortised cost

As at 30 June 2025 in \$000s					
	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2026	2,602,097	(33,254)	8,212		2,577,055
15 April 2027	2,321,000	29,456	21,973		2,372,429
15 May 2028	1,693,000	(57,147)	4,865		1,640,718
20 April 2029	1,992,000	(90,984)	5,878		1,906,894
15 May 2030	2,110,000	(38,228)	12,127		2,083,899
15 May 2031	2,195,000	(206,372)	6,308		1,994,936
14 May 2032	850,000	(5,841)	4,989		849,148
14 April 2033	1,835,000	(26,924)	13,687		1,821,763
15 May 2035	640,000	(38,955)	2,452		603,497
15 April 2037	1,230,000	(155,661)	5,175		1,079,514
Fair value hedge adjustment				(418,101)	(418,101)
	17,468,097	(623,910)	85,666	(418,101)	16,511,752
Foreign Currency Fixed interest bonds & EMTN					
8 September 2027 (AUD)	1,077,202	(1,914)	14,812		1,090,100
20 March 2028 (USD)	823,927	(1,150)	9,513		832,290
1 August 2028 (AUD)	1,077,202	(1,874)	20,979		1,096,307
1 April 2030 (EUR)	965,354	(1,504)	6,919		970,769
28 November 2030 (AUD)	700,181	(2,034)	3,299		701,446
2 April 2032 (CHF)	453,667	(1,328)	873		453,212
8 March 2034 (AUD)	861,762	(6,197)	13,465		869,030
Fair value hedge adjustment				128,631	128,631
	5,959,295	(16,001)	69,860	128,631	6,141,785
Total Fixed interest bonds	23,427,392	(639,911)	155,526	(289,470)	22,653,537
NZD Bills					
16 July 2025	331,000	-	(459)		330,541
30 July 2025	250,000	-	(744)		249,256
6 August 2025	25,000	-	(84)		24,916
13 August 2025	30,000	-	(119)		29,881
20 August 2025	20,000	-	(91)		19,909
27 August 2025	105,000	-	(520)		104,480
3 September 2025	77,000	-	(459)		76,541
8 September 2025	25,000	-	(157)		24,843
18 September 2025	48,000	-	(349)		47,651
25 September 2025	40,000	-	(311)		39,689
5 November 2025	25,000	-	(282)		24,718
27 November 2025	15,000	-	(197)		14,803
3 December 2025	5,000	-	(69)		4,931
Total NZD Bills	996,000	-	(3,841)	-	992,159
Total debt securities issued at amortised cost	24,423,392	(639,911)	151,685	(289,470)	23,645,696

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Audited as at 30 June 2024 in \$000s					
	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2025	2,719,000	(23,467)	15,731		2,711,264
15 April 2026	2,755,000	(73,596)	8,694		2,690,098
15 April 2027	2,261,000	46,176	21,405		2,328,581
15 May 2028	1,653,000	(72,604)	4,750		1,585,146
20 April 2029	1,932,000	(103,640)	5,701		1,834,061
15 May 2030	1,660,000	(45,881)	9,321		1,623,439
15 May 2031	2,095,000	(222,442)	6,020		1,878,578
14 April 2033	1,605,000	(6,347)	11,972		1,610,625
15 May 2035	550,000	(27,458)	2,107		524,649
15 April 2037	960,000	(84,540)	4,039		879,499
Fair value hedge adjustment				(1,007,019)	(1,007,019)
	18,190,000	(613,800)	89,741	(1,007,019)	16,658,921
AUD Fixed interest bonds					
8 September 2027	546,456	(1,140)	7,514		552,830
1 August 2028	1,092,912	(3,193)	21,309		1,111,028
28 November 2030	710,393	(1,560)	3,347		712,180
8 March 2034	546,456	(4,451)	8,538		550,543
Fair value hedge adjustment				(6,381)	(6,381)
	2,896,217	(10,344)	40,708	(6,381)	2,920,200
Total Fixed interest bonds	21,086,217	(624,144)	130,449	(1,013,400)	19,579,121
NZD Bills					
5 July 2024	25,000	-	(15)		24,985
12 July 2024	130,000	-	(171)		129,829
19 July 2024	190,000	-	(489)		189,511
1 August 2024	55,000	-	(252)		54,748
7 August 2024	40,000	-	(225)		39,775
16 August 2024	50,000	-	(338)		49,662
29 August 2024	20,000	-	(181)		19,819
6 September 2024	75,000	-	(749)		74,251
18 September 2024	55,000	-	(659)		54,341
26 September 2024	50,000	-	(666)		49,334
2 October 2024	25,000	-	(348)		24,652
7 October 2024	40,000	-	(587)		39,413
6 November 2024	25,000	-	(481)		24,519
4 December 2024	55,000	-	(1,292)		53,708
19 December 2024	85,000	-	(2,158)		82,842
Total NZD Bills	920,000	-	(8,614)		911,386
Total debt securities issued at amortised cost	22,006,217	(624,144)	121,836	(1,013,400)	20,490,508

16. Debt securities issued at fair value through income statement

As at 30 June 2025 in \$000s					
	Face Value	Unamortised premium	Accrued interest	Fair value adjustment	Total
Euro Commercial Paper	614,538		(1,693)	232	613,077

As at 30 June 2024 in \$000s					
	Face Value	Unamortised premium	Accrued interest	Fair value adjustment	Total
Euro Commercial Paper	835,052	-	(14,303)	(5,574)	815,175

17. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 30 June 2025, \$1,300 million of LGFA bonds had been subscribed as treasury stock (2024: \$1,100 million).

LGFA makes treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 30 June 2025 in \$000s	2025	2024
15 April 2026	-	-
15 April 2027	-	-
15 May 2028	5,769	-
20 April 2029	-	-
15 May 2030	112,942	58,302
15 May 2031	-	-
14 May 2032	132,314	-
14 April 2033	25,928	-
15 May 2035	-	-
15 April 2037	64,803	-
	341,756	58,302

18. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 5% for loans issued from 1 July 2024. Prior to this date, the fixed percentage was 2.5% for loans issued from 1 July 2020, and 1.6% for loans issued prior to this date.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

19. Other liabilities

As at 30 June 2025 in \$000s	2025	2024
Lease liability	255	258
Accruals	2,618	1,633
Total other liabilities	2,873	1,891

20. Operating leases

As at 30 June 2025 in \$000s	2025	2024
Less than one year	8	127
Between one and five years	197	131
Greater than five years	50	-
Total non-cancellable operating leases	255	258

Risk management

21. Financial risk management

The Board of Directors has overall responsibility for carrying out the business of LGFA in accordance with risk management policies, including those relating to investing, lending, borrowing and treasury activities. The use of financial instruments exposes LGFA to financial risks, the most significant being market risk, credit risk, and liquidity risk. The exposure and management of these risks is outlined below.

22. Market risk

Market risk is the risk that changes in market prices will affect LGFA's income or value of financial instruments. The most significant market risk which LGFA is exposed to is interest rate risk. LGFA has no significant unhedged exposure to foreign exchange risk and a 10% increase or decrease in the exchange rate, with all other variables held constant, would have minimal impact on profit and equity reserves of LGFA.

23. Interest rate risk

Interest rate risk is the risk that future cash flows or the fair value of financial instruments will decrease because of a change in market interest rates. LGFA is exposed to interest rate risk through its interest-bearing financial assets and liabilities.

Interest rate risk is managed using Value at Risk (VaR) and Partial Differential Hedge (PDH) limits to mitigate the potential change in value of the balance sheet due to changes in interest rates. PDH risk measures the sensitivity of a portfolio to a one basis point change in underlying interest rates, whereas VaR measures the expected loss for a given period with a given confidence.

The following table indicates the earliest period in which the interest-bearing financial instruments reprice.

As at 30 June 2025 in \$000s	Face value	Less than 6 months	6 months- 1 year	1-2 years	2-5 years	Over 5 years
Financial assets						
Cash and bank Balances	325,728	325,728	-	-	-	-
Marketable securities	2,459,831	892,125	154,650	525,096	692,960	195,000
Deposits	764,493	714,493	50,000	-	-	-
Loans	22,508,207	17,282,842	805,385	822,837	2,722,274	874,869
Financial liabilities						
Bills	(996,000)	(996,000)	-	-	-	-
ECP	(614,538)	(614,538)	-	-	-	-
Bond repurchases	(341,553)	(341,553)	-	-	-	-
Derivatives	-	(17,790,649)	1,967,000	1,119,982	7,150,141	7,553,526
Bonds	(23,427,392)	-	(2,602,097)	(2,321,000)	(9,738,685)	(8,765,610)
Borrower notes	(611,420)	(466,374)	(11,308)	(20,523)	(82,577)	(30,638)
Total	67,356	(993,927)	363,630	126,392	744,113	(172,853)

As at 30 June 2024 in \$000s	Face value	Less than 6 months	6 months- 1 year	1-2 years	2-5 years	Over 5 years
Financial assets						
Cash and bank Balances	473,609	473,609	-	-	-	-
Marketable securities	1,426,042	708,426	38,930	195,742	422,944	60,000
Deposits	718,493	618,493	100,000	-	-	-
Loans	20,380,577	16,130,830	395,029	512,967	2,318,894	1,022,858
Financial liabilities						
Bills	(920,000)	(920,000)	-	-	-	-
ECP	(835,052)	(835,052)	-	-	-	-
Bond repurchases	(58,249)	(58,249)	-	-	-	-
Derivatives	-	(16,842,390)	2,361,000	2,103,500	5,454,770	6,923,120
Bonds	(20,840,000)	-	(2,719,000)	(2,755,000)	(7,346,000)	(8,020,000)
Borrower notes	(453,103)	(353,829)	(7,716)	(11,938)	(55,175)	(24,446)
Total	(107,683)	(1,078,162)	168,243	45,271	795,433	(38,468)

INTEREST RATE SENSITIVITY

Changes in interest rates impact the fair value of fixed rate assets and liabilities, cash flows on floating rate assets and liabilities, and the fair value and cash flows of interest rate swaps. A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown in the following table. This analysis assumes that all other variables remain constant.

For the year ended 30 June 2025 in \$000s	2025		2024	
	P&L	Equity	P&L	Equity
Fair value sensitivity analysis				
100bps increase	1,184	4,287	376	(1,351)
100bps decrease	(1,203)	(4,520)	(372)	1,355

24. Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. LGFA is exposed to credit risk through its lending and investing activities.

Credit risk associated with lending activities is managed by requiring local authorities that borrow from LGFA to meet specific credit lending criteria and to provide security against the borrowing. The LGFA's credit risk framework restricts credit exposures to specific counterparties.

Credit risk associated with investing activities, excluding on-lending, is managed by only investing with New Zealand Government Agencies or counterparties that meet a minimum credit rating of A (Standard & Poor's equivalent). The LGFA's credit risk framework limits concentrations of credit risk for any single counterparty.

Credit risk for derivatives is managed under International Swaps and Derivatives Association (ISDA) agreements, which include provisions such as netting and collateral arrangements to mitigate counterparty risk.

EXPOSURE TO CREDIT RISK

LGFA monitors the concentration of credit risk by the type of counterparty. The following table shows the carrying value and maximum exposure to credit risk at the reporting date, before taking account of collateral or other credit enhancements, for significant counterparty types.

As at 30 June 2025 in \$000s	NZ government agencies	NZ local authorities	NZ registered banks	Other counter-parties	FV hedge adjustment	Total carrying value
Financial assets						
Receivables	-	-	-	2,973	-	2,973
Cash and bank balances	325,098		630			325,728
Cash pledged as collateral	-	-	187,836	-	-	187,836
Marketable securities	730,484	68,470	1,139,772	501,175	18,526	2,458,427
Deposits			578,878	-		578,878
Derivatives	38,958	-	116,157	100,156	-	255,271
Loans	-	22,646,978	-	-	10,322	22,657,300
	1,094,540	22,715,448	2,023,273	604,304	28,848	26,466,413

As at 30 June 2024 in \$000s	NZ government agencies	NZ local authorities	NZ registered banks	Other counter-parties	FV hedge adjustment	Total carrying value
Financial assets						
Receivables	-		-	378		378
Cash and bank balances	470,054	-	3,556	-		473,609
Cash pledged as collateral	-		251,605			251,605
Marketable securities	90,557	4,973	310,218	997,212	(5,917)	1,397,043
Deposits	-	-	701,894	16,599		718,493
Derivatives	(1,151,829)	-	(258,607)	-	-	(1,410,436)
Loans	-	20,574,861	-	-	(25,510)	20,549,350
	(591,218)	20,579,834	1,008,666	1,014,189	(31,427)	21,980,043

COLLATERAL AND CREDIT ENHANCEMENTS

LGFA holds collateral against borrowings from local authorities in the form of debenture securities and guarantees.

CREDIT QUALITY OF FINANCIAL ASSETS

All financial assets are neither past due nor impaired. The carrying value of the financial assets is expected to be recoverable.

25. Liquidity risk

Liquidity risk is the risk that LGFA will encounter difficulty in meeting the obligations of its financial liabilities. LGFA manages liquidity risk by holding cash and a portfolio of liquid assets to meet obligations when they fall due. LGFA is required by policy to maintain sufficient liquidity (comprising a committed liquidity facility and holdings of cash and liquid investments) to meet all operating and funding commitments over a rolling 12-month period.

The Treasury (New Zealand Debt Management) provides a committed liquidity facility that LGFA can draw upon to meet any exceptional and temporary liquidity shortfall. As at 30 June 2025, the undrawn committed liquidity facility was \$750 million (2024: \$1,500 million). The facility is due to expire in December 2031.

26. Contractual cash flows of financial instruments.

The following table shows the contractual cash flows associated with financial assets and liabilities.

As at 30 June 2025 in \$'000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
Financial assets							
Receivables	2,973	-	-	-	-	2,973	2,973
Cash and bank balances	325,728	-	-	-	-	325,728	325,728
Cash pledged as collateral	187,836	-	-	-	-	187,836	187,836
Marketable securities	-	295,407	306,865	1,853,457	205,110	2,660,839	2,458,428
Deposits	-	350,473	233,622	-	-	584,095	578,878
Loans	-	962,672	3,802,395	16,703,202	4,422,368	25,890,637	22,657,300
Financial liabilities							
Payables and provisions	(6,414)	-	-	-	-	(6,414)	(6,414)
Bills	-	(951,000)	(45,000)	-	-	(996,000)	(992,159)
ECP	-	(565,103)	(49,436)	-	-	(614,538)	(613,083)
Bond repurchases	-	(341,765)	-	-	-	(341,765)	(341,756)
Bonds	-	(87,550)	(3,218,110)	(14,198,405)	(9,549,657)	(27,053,722)	(22,653,537)
Borrower notes	-	(5,564)	(74,284)	(505,669)	(174,754)	(760,271)	(669,030)
Derivatives	-	(93,481)	(42,760)	(397,974)	(265,205)	(799,420)	(811,850)
	510,123	(435,909)	913,291	3,454,612	(5,362,138)	(920,021)	123,319

As at 30 June 2024 in \$'000s	On demand	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total contractual cash flows	Total carrying value
Financial assets							
Receivables	378	-	-	-	-	378	378
Cash and bank balances	473,609	-	-	-	-	473,609	473,609
Cash pledged as collateral	251,605	-	-	-	-	251,605	251,605
Marketable securities	-	240,165	291,490	955,751	61,800	1,549,207	1,397,045
Deposits	-	208,790	526,414	-	-	735,204	718,493
Loans	-	900,617	3,289,336	14,976,059	5,956,294	25,122,306	20,549,350
Financial liabilities							
Payables and provisions	(9,609)	-	-	-	-	(9,609)	(9,609)
Bills	-	(690,000)	(230,000)	-	-	(920,000)	(911,386)
ECP	-	(331,870)	(483,306)	-	-	(815,175)	(815,175)
Bond repurchases	-	(58,362)	-	-	-	(58,362)	(58,302)
Bonds	-	(36,694)	(3,361,528)	(11,966,381)	(8,848,775)	(24,213,378)	(19,579,121)
Borrower notes	-	(4,741)	(52,232)	(350,211)	(188,464)	(595,648)	(492,614)
Derivatives	-	(214,117)	(290,108)	(1,317,951)	(745,798)	(2,567,974)	(1,410,436)
	715,983	13,788	(309,934)	2,297,268	(3,764,943)	(1,047,838)	113,837

Capital and dividends

27. Share capital

As at 30 June 2025, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

28. Shareholder information

Registered holders of equity securities	As at 30 June 2025		As at 30 June 2024	
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames - Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

29. Capital management

LGFA's capital is equity, which comprises share capital and retained earnings. The objective of managing LGFA's equity is to ensure LGFA achieves its goals and objectives for which it has been established, whilst remaining a going concern.

30. Dividend

LGFA paid a dividend of \$1,842,500 on 2 September 2024, being \$0.0737 per paid up share (2024: \$1,712,500 on 1 September 2023 being \$0.0685 per paid up share).

31. Capital commitments

As at 30 June 2025, there are no capital commitments.

Other notes

32. Reconciliation of net profit to net cash flow from operating activities

For the year ended 30 June 2025 in \$000s	2025	2024
Net profit/(loss) for the period	18,994	10,050
Cash applied to loans	(2,119,168)	(4,174,912)
Non-cash adjustments		
Financial instrument amortisation	6,189	(11,053)
Working capital movements	(115)	876
Net Cash From Operating Activities	(2,094,100)	(4,175,038)

33. Contingencies

There are no contingent liabilities at balance date.

34. Related parties

IDENTITY OF RELATED PARTIES

LGFA is related to the local authorities set out in the Shareholder Information in Note 28.

LGFA operates under an annual Statement of Intent that sets out the intentions and expectations for LGFA's operations and lending to participating borrowers.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

RELATED PARTY TRANSACTIONS

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in Note 12, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer Note 18.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is a derivatives counterparty.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Salaries (2) \$1,413,300 (2024: \$1,151,293)

Fees paid to directors are disclosed in operating expenses in Note 6.

35. Subsequent events

On 28 August 2025, the Directors of LGFA declared a dividend of \$1,675,500 (\$0.0670 per paid up share). Subsequent to balance date, LGFA has issued bonds of NZD 200 million.

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2025



The Auditor-General is the auditor of New Zealand Local Government Funding Agency Limited (the Company). The Auditor-General has appointed me, David Gates, using the staff and resources of KPMG, to carry out the audit of the financial statements and the performance information of the Company on his behalf.

Opinion

We have audited the financial statements of the Company on pages 44 to 70, that comprise the statement of financial position as at 30 June 2025, the income statement, statement of comprehensive income, 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 and the performance information of the Company for the year ended 30 June 2025 on pages 38 to 43.

In our opinion:

- the financial statements present fairly, in all material respects the financial position of the Company as at 30 June 2025 and its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS); and
- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent, and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Basis for our opinion

We conducted 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 *Auditor's responsibilities for the audit of the financial statements and the performance information* section of our report. 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, as applicable to audits of public interest entities. We have also fulfilled our other ethical 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.

For the year ended 30 June 2025 and subsequently, the Chair of the Audit and Risk Committee of the Company is a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the Company.

In addition to the audit we have carried out engagements in the areas of limited assurance over greenhouse gas emissions and provided a comfort letter in relation to the Company's offshore funding programme, which are compatible with those independence requirements. Other than the audit and these engagements, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with or interests in the Company.

Emphasis of Matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Company has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related



information, we draw attention to page 42 of the annual report, which outlines the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements and the performance information of the current period. These matters were addressed in the context of our audit of the financial statements and the performance information as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matter	How we addressed this matter
Existence and impairment of loans	
Refer to Note 12 to the Financial Statements. The loans LGFA has provided to local government make up over 82% of total assets. The loans are recognised at amortised cost and the nature of the counterparties is such that we do not consider these loans to be at high risk of significant misstatement. However, based on their materiality, and the judgement involved in assessing the credit worthiness of counterparties they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our audit procedures included: - performing a walkthrough to understand the processes and controls LGFA has in place to assess borrowers and to record loan transactions. - agreeing the 30 June 2025 loan balances to external confirmations received from NZ Clear. - assessing the borrowers' compliance with financial covenants. We did not identify material differences in relation to the existence or impairment of loans.
Application of hedge accounting	
Refer to Notes 8 and 9 of the Financial Statements. LGFA enters into derivatives (interest rate swaps and, beginning in FY24, cross currency interest rate swaps) to manage interest rate risk and foreign exchange risk related to issuing fixed rate borrowings (NZD and AUD), fixed rate loans and investing in fixed rate securities. Hedge accounting is applied where specific requirements are met around documentation of the hedge relationship and the relationship is demonstrated as being an effective hedge. Hedge accounting is complex, particularly in the area of whether the requirements (both initial and ongoing) for its application are met. Should the requirements for hedge accounting not be met, LGFA could experience significant volatility in the Statement of Comprehensive Income from changes in the fair value of the derivatives.	Our audit procedures included: - reviewing LGFA's accounting policies related to financial instruments. - agreeing the terms of the derivatives to the confirmation provided by the derivative counterparty. - ensuring the hedge documentation supporting the application of hedge accounting was in accordance with NZ IFRS 9. - using our treasury valuation specialists we: - independently recalculated the fair value of all of the derivatives recorded by LGFA; and - evaluated the hedge effectiveness of the derivatives including independently modelling the future changes in value of these instruments to assess whether the underlying derivatives were effective. - ensuring the disclosures made in the financial statements were appropriate. We did not identify material differences in relation to the application of hedge accounting.



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 the performance information, and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the 2025 LGFA Climate-Related Disclosures, which is expected to be made available to us after that date.

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

When we read the 2025 LGFA Climate-Related Disclosures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors.

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

The Board of Directors is responsible on behalf of the Company for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practice in New Zealand in accordance with NZ IFRS and IFRS. The Board of Directors is also responsible for the preparation of the performance information in accordance with the Act. The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Markets Conduct Act 2013.

Auditor's responsibilities for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of readers, taken on the basis of these financial statements and the 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. We also:

- Identify and assess the risks of material misstatement of the financial statements and the 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.



- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 financial statements and the performance information 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.
- 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.
- 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements and performance information of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our responsibilities arise from the Public Audit Act 2001.

A handwritten signature in black ink, appearing to read 'David Gates', with a horizontal line extending to the right.

David Gates

KPMG

On behalf of the Auditor-General

Wellington, New Zealand

28 August 2025

Other disclosures

He whākitanga anō

Donations

A donation of \$4,000 was made to Kauri 2000 for the year ended 30 June 2025.

Net Tangible Assets

Net tangible assets per \$1,000 of listed bonds as at 30 June 2025 is \$5.20 (2024: \$5.12).

Earnings per security

Earnings per \$1,000 of bonds on issue as at 30 June 2025 is \$0.81 (2024: \$0.46).

Amount per security of final dividends

Not applicable

Spread of Quoted Security Holders NZD Bonds

Holding Range	Holder Count	Holder Count %	Holding Quantity NZD 000's	Holding Quantity %
10,000 to 49,999	394	49%	9,096	0.06
50,000 to 99,999	120	15%	7,568	0.07
100,000 to 499,999	156	19%	30,495	0.25
500,000 to 999,999	27	3%	18,178	0.11
1,000,000 or more	108	13%	18,702,760	99.51
Total	805	100%	18,768,097	100.00

Top 20 bondholders across all NZD bonds

As at 30 June 2025	Total NZD 000's
HSBC Nominees (New Zealand) Limited O/A Euroclear Bank	3,749,966
Bank of New Zealand	1,946,020
ANZ Bank New Zealand Limited	1,746,855
BNP Paribas Nominees (NZ) Limited	1,899,033
HSBC Nominees (New Zealand) Limited	1,269,941
Westpac New Zealand Limited	1,057,777
TEA Custodians Limited Client Property Trust Account	871,545
ASB Bank Limited	738,400
Reserve Bank of New Zealand	732,000
HSBC Nominees (New Zealand) Limited A/C State Street	361,620
Westpac Banking Corporate NZ Financial Markets Group	353,520
Citibank Nominees (New Zealand) Limited	309,786
ANZ Fixed Interest Fund	264,960
Kiwibank Limited	255,000
FNZ Custodians Limited	210,406
ANZ Custodial Services New Zealand Limited	204,951
Hong Kong and Shanghai Banking Corporation Limited	187,550
Custodial Services Limited	187,484
Forsyth Barr Custodians Limited	168,193
ANZ Wholesale NZ Fixed Interest Fund	108,030

Directory

Rārangi tauwaea

Postal address

P.O. Box 5704, Lambton Quay
Wellington 6145

Phone

+64 4 974 6530

Office hours

Monday – Friday, 9am to 5pm
Except Public Holidays

General enquiries

lgfa@lgfa.co.nz

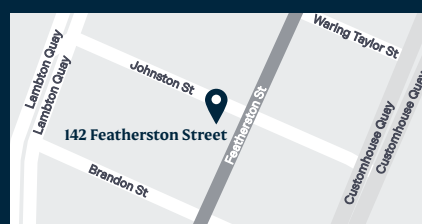
Staff e-mail addresses

firstname.lastname@
lgfa.co.nz

Wellington

Registered office

Level 11
City Chambers
142 Featherston Street
Wellington 6011
(entrance on Johnston Street)



Auckland

Level 7
The Shortland Centre
55 Shortland Street
Auckland 1010



Predator Free Wellington, trap setting. Wellington City Council

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28 August 2025

Dear Shareholder,

LGFA 2025 Annual Report

The LGFA Annual Report for the 12-month period to 30 June 2025 is now available from the LGFA website: [LGFA 2025 Annual Report](#)

We are pleased to highlight a strong year for LGFA that included a number of financial and non-financial achievements.

Financial performance was strong with Net Operating Profit of \$19.0 million compared to \$10.05 million for the prior year. Our total operating income was higher, and our operating expenses were lower than the Statement of Intent (SOI) forecasts.

We achieved 17 out of 21 SOI performance objectives. Sector borrowing was less than our forecast and we missed the SOI targets for loans made to the sector, market share and the number of new sustainable loans. We had one minor breach of the Foundation Policies which was regrettable but was rectified immediately without any financial loss.

We undertook several initiatives which will underpin the success of the business well into the future.

- We broadened our funding base with the establishment of a European Medium-Term Notes (EMTN) Programme. This reduces our financing and liquidity risk and delivered a cost of borrowing (on a fully hedged basis) over the past financial year below that of our comparable domestic borrowing levels.
- We negotiated a refreshed Crown Liquidity Facility that is upsized and extended in tenor.
- Our Stand Alone Credit Profile increased two notches under the revised credit ratings methodology adopted by S&P Global Ratings.
- We introduced more flexible financing for high growth councils and enabled lending to new water Council controlled Organisations.

Our Annual General Meeting (AGM) will be held on Tuesday 18 November 2025 in Wellington. We will send out a Notice of AGM by Tuesday 16 September 2025 and look forward to seeing you there.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

A handwritten signature in black ink, appearing to read 'Mark Butcher', is written over a light blue horizontal line.

Mark Butcher
Chief Executive

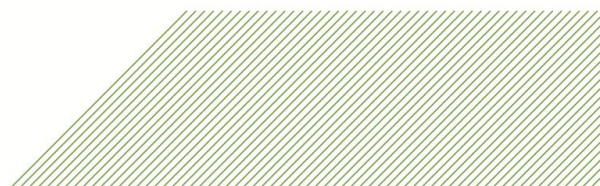
New Zealand Local Government Funding Agency Limited

Auckland Level 7, The Shortland Centre, 55 Shortland Street

Wellington Level 11, City Chambers, 142 Featherston Street

PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530

lgfa.co.nz





15 September 2025

The Shareholders
NZ Local Government Funding Agency Limited

Dear Shareholder.

The LGFA will hold its Annual Meeting (AM) on 18 November 2025. The Shareholders' Council has considered the material for the Annual Meeting and wishes to make recommendations to help with your decision making prior to the AM.

Our role (as per the Shareholders' Agreement) includes requirements to:

- Make recommendations to Shareholders about the appointment, removal, re-election, replacement and remuneration of Directors.
- Make recommendations to Shareholders about any matters which require the approval of Shareholders.

Our recommendations on the AM resolutions are as follows:

Resolutions 2 (a) and (b) – Election of Company Directors

In accordance with clause 3.3 of the Shareholders Agreement ("SHA"), **Helen Robinson** retires by rotation and being eligible, offers herself for re-election as an Independent Director.

In accordance with clause 3.5 of the SHA, **Paul Anderson** has been nominated by Bay of Plenty Regional Council to the Independent Director position made available by the retirement of Linda Robertson.

The biographies of Helen Robinson and Paul Anderson are attached as Appendix one to the Notice of Annual Meeting.

Regarding Director appointments, the Shareholders' Council considers there are core competencies that every Director should have, related to Governance, financial and commercial experience. There are a range of other skills and experience required that are achieved through the mix on the Board. Diversity in thinking and experience can be achieved by having a Board with a wide range of backgrounds and the Shareholders Council considers the skills matrix of the

Board in selecting preferred nominees.

Reappointment of Helen Robinson as an Independent Director

The Shareholder's Council supports the re-appointment of Helen Robinson for a second term. Helen has broad experience as a business leader with strong skills in technology and sustainability.

Appointment of Paul Anderson as an Independent Director

Paul Anderson was identified as the preferred candidate for nomination through a robust recruitment process conducted by a Nomination Panel made up of representatives from the LGFA Board and the LGFA Shareholders' Council.

The Panel concluded that Paul Anderson provided a valuable mix of core commercial and financial experience through his current role as CEO of NZSKI and previous corporate business finance roles as well as experience within the local and central government sectors. Paul is a Chartered Accountant and a Chartered Member of the Institute of Directors.

Paul's range of skills and experience will complement the existing skills of the Board and ensure ongoing strength across core financial and commercial areas of LGFA governance as some of our long-standing board members retire over the next few years.

Paul has strong stakeholder relationship capabilities and has good foundations for relationship building with central government as well as Local Government.

The Shareholders' Council recommends Helen Robinson is re-elected for a further term and Paul Anderson is elected as an independent director for a three-year term.

Resolutions 3 (a) and (b) – Appointment of Nominating Local Authorities to the Shareholders Council

Clause 4.6 of the SHA provides that the shareholders shall ensure that two Nominating local Authorities retire from office at the Annual Meeting each year. This year Christchurch City Council and Tasman District Council shall retire by rotation at this meeting.

Christchurch City Council offer themselves for re-election, with Primary representative Steven Ballard – Group Treasurer.

Tasman District Council offer themselves for re-election, with primary representative Leonie Rae – Chief Executive.

The Shareholders' Council recommends the re-election of Christchurch City Council and the re-election of Tasman District Council.

I trust you find this information helpful. Please contact me or one of the Shareholders' Council members below should you wish to discuss any matter relating to this letter or any other aspects of LGFA operations.

Contact details for the Shareholders Council representatives are as follows:

Chair: Kathryn Sharplin – Tauranga City Council - kathryn.sharplin@tauranga.govt.nz

Deputy Chair: Sarah Houston-Eastergaard – Wellington City Council - sarah.houston-eastergaard@wcc.govt.nz

Other Local Authority Members:

- Kumaren Perumal – Bay of Plenty Regional Council - kumaren.perumal@boprc.govt.nz
- Mike Drummond – Tasman District Council - mike.drummond@tasman.govt.nz
- Gary Connolly – Hamilton City Council – Gary.Connolly@hcc.govt.nz
- Andrew John – Auckland City Council - andrew.john@aucklandcouncil.govt.nz
- Steven Ballard – Christchurch City Council - steve.ballard@ccc.govt.nz
- Adele Henderson – Western Bay of Plenty District Council- adele.henderson@westernbay.govt.nz
- Jacqueline Baker – New Plymouth District Council- jacqueline.baker@NPDC.govt.nz

Yours sincerely



Kathryn Sharplin
Chair, LGFA Shareholders' Council

cc. Mark Butcher, Chief Executive LGFA



NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED NOTICE OF ANNUAL MEETING

Notice is given that the 2025 annual meeting of shareholders of New Zealand Local Government Funding Agency Limited ("**Company**" or "**LGFA**") will be held at the **Bolton Hotel, 11 Bolton Street, Wellington** on **18 November 2025** commencing at **3:00pm**.

For those shareholders unable to attend in person you can attend via Teams. **Jane Phelan will provide the Teams link upon request at jane.phelan@lgfa.co.nz.**

BUSINESS

1. **FINANCIAL STATEMENTS AND REPORTS:** To receive and consider the financial statements of the Company for the year ended 30 June 2025 together with the directors' and auditor's reports to shareholders.

2. **ELECTION OF COMPANY DIRECTORS**

In accordance with clause 3.3 of the Shareholders Agreement ("**SHA**"), **Helen Robinson** retires by rotation and being eligible, offers herself for re-election as an Independent Director.

In accordance with clause 3.5 of the SHA, **Paul Anderson** has been nominated by **Bay of Plenty Regional Council** to the Independent Director position made available by the retirement of Linda Robertson.

Accordingly, to:

- (a) Re-elect **Helen Robinson** as an Independent Director of the Company, by way of Ordinary Resolution;
- (b) Elect **Paul Anderson** as an Independent Director of the Company, by way of Ordinary Resolution.

(See Explanatory Note 2)

3. **ELECTION OF NOMINATING LOCAL AUTHORITIES TO THE SHAREHOLDERS' COUNCIL**

In accordance with clause 4.6 of the SHA, **Christchurch City Council** and **Tasman District Council** retire by rotation. **Christchurch City Council** and **Tasman District Council** being eligible, offer themselves for re-election.

Accordingly, to re-elect or elect (as appropriate) as a Nominating Local Authority, by way of Ordinary Resolution:

- (a) **Christchurch City Council** as a Nominating Local Authority;
- (b) **Tasman District Council** as a Nominating Local Authority

(See Explanatory Note 3)

4. **QUESTIONS AND COMMENTS FROM SHAREHOLDERS**

Opportunity for shareholders to comment or question directors, Shareholders' Council or management.

5. **GENERAL BUSINESS**

To consider such other business as may properly be raised at the meeting.

Please refer to the explanatory notes that accompany this notice of meeting.

By order of the board:



Craig Stobo, LGFA Board Chair
15 September 2025

ORDINARY RESOLUTIONS: *Ordinary resolutions are resolutions approved by a simple majority of more than 50% of the votes of the shareholders entitled to vote and voting at the annual meeting.*

SHAREHOLDERS ENTITLED TO ATTEND AND VOTE: *Pursuant to section 125 of the Companies Act 1993, for the purposes of voting at the annual meeting, those registered shareholders of the Company as at 9.00am on Monday 17 November 2025 shall be entitled to exercise the right to vote at the meeting.*

CAPITALISED TERMS: *Unless otherwise defined in this notice, capitalised terms have the meanings given to them in the Shareholders' Agreement dated 7 December 2011 (as amended and restated on 23 November 2021).*

EXPLANATORY NOTES**EXPLANATORY NOTE 1 - PROXY VOTE**

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder. To be effective, a copy of the proxy form must be received by the Company at **Level 11, City Chambers, 142 Featherston Street, Wellington 6145** or via email to jane.phelan@lgfa.co.nz not later than 48 hours before the start of the meeting.

A corporation may appoint a person to attend the meeting as its representative in the same manner as that in which it could appoint a proxy.

EXPLANATORY NOTE 2 - ELECTION OF DIRECTORS

Clause 3.3 of the SHA was amended by shareholder resolution at the 2021 AGM to state that a Director must not hold office (without re-election) past the third annual meeting of the Company following the Director's appointment or three years, whichever is longer. A retiring Director shall be eligible for re-election.

In this case, **Helen Robinson** who was elected on 22 November 2022 shall retire at this annual meeting.

Helen Robinson being eligible, offers herself for re-election.

Paul Anderson offers himself for election.

In accordance with the Ordinary Resolution passed by Shareholders at the 2021 annual meeting of Shareholders, and clause 3.1 of the SHA, the size of the Board shall be between five and seven Directors, including no less than five Independent Directors. The Board currently consists of seven Directors (being Alan Adcock (non-Independent Director), Philip Cory-Wright (Independent Director), David Rae (Independent Director), Linda Robertson (Independent Director), Helen Robinson (Independent Director) Craig Stobo (Independent Director) and Elena Trout (Independent Director)). As Linda Robertson and Helen Robinson are retiring at this meeting, the Shareholders can appoint at least one Independent Director and up to two Directors in total to the Board.

The following biographies have been provided by the candidates and are attached at Appendix One to this notice of meeting:

- **Helen Robinson**
- **Paul Anderson**

EXPLANATORY NOTE 3 - ELECTION OF NOMINATING LOCAL AUTHORITIES TO THE SHAREHOLDERS' COUNCIL

Clause 4.3 of the SHA provides that a Principal Shareholder may be appointed or removed as a nominator to the Shareholders' Council ("**Nominating Local Authority**") at any time by an Ordinary Resolution, provided that no more than nine Nominating Local Authorities may be so appointed. Each Nominating Local Authority, and the New Zealand Government (for so long as it is a Shareholder), may appoint one member of the Shareholders' Council, and remove and replace any member so appointed, in accordance with clause 4.4 of the SHA.

Clause 4.6 of the SHA provides that, beginning at, and including, the annual meeting for 2013, the Shareholders shall ensure that two Nominating Local Authorities retire from office at the annual meeting of the Company in each year. The Nominating Local Authorities to retire shall be those who have been

longest in office since their last election, and if two or more of those Nominating Local Authorities were last elected on the same day, the Nominating Local Authority to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Nominating Local Authority is eligible for re-election.

In this case, Christchurch City Council having been re-elected as a Nominating Local Authority on 23 November 2021 and Tasman District Council having been re-elected as a Nominating Local Authority on 19 November 2020 are the Nominating Local Authorities who have been longest in office since their last election (New Plymouth having been re-elected on 23 November 2021, Bay of Plenty Regional Council having been re-elected on 23 November 2022, Hamilton City Council having been re-elected on 23 November 2022, Tauranga City Council having been re-elected on 23 November 2023, Western Bay of Plenty District Council having been elected on 23 November 2023, Auckland Council having been re-elected on 21 November 2024 and Wellington City Council having been re-elected on 21 November 2024). Accordingly, being the longest in office since their last election, **Christchurch City Council** and **Tasman District Council** shall retire by rotation at this annual meeting.

The Shareholders' Council is comprised of between five and ten members. The New Zealand Government can appoint a member, and the remaining members are nominated by up to nine Nominating Local Authorities. Following the retirement of **Christchurch City Council** and **Tasman District Council** there are currently two positions available.

Christchurch City Council offers themselves for re-election as a Nominating Local Authority.

Tasman District Council offers themselves for re-election as a Nominating Local Authority.

APPENDIX ONE: HELEN ROBINSON AND PAUL ANDERSON BIOGRAPHIES**HELEN ROBINSON - BIOGRAPHY**

Helen is an experienced business leader locally and internationally mostly in the technology and sustainability sectors. Helen was Managing Director of Microsoft New Zealand, VP of Pivotal Corporation Asia Pacific and Managing Director, Markit Group (co-founding its Environmental Registry; now part of S&P Global).

Helen has decades of governance experience acting as Director or Chair for numerous public, private and public sector organisations.

She is a member of Global Women, INFENZ, a Chartered Member of the NZ Institute of Directors, and has been recognised in numerous awards for business and innovation including the NZ Women of Influence Supreme Award and as an Officer of Merit in the Queens Honours.

PAUL ANDERSON – BIOGRAPHY

Paul Anderson is Chief Executive Officer of Queenstown-based NZSki Limited and Executive Director of its parent company, Trojan Holdings Limited. NZSki owns and operates Coronet Peak, The Remarkables and Mt Hutt ski areas, catering for more than 700,000 guests each year and employing more than 1,400 staff at the height of the season.

Paul's governance experience spans private sector and council-controlled trading organisations including the Establishment Board of the NZ Local Government Funding Agency, EcoCentral Limited and Port Hills Leisure Limited.

Paul previously held executive roles in the private, public and local government sectors. Prior to his current role he was General Manager Corporate Services for Christchurch City Council, and he held corporate and business finance roles at Telecom New Zealand and London-based Natwest Global Financial Markets. He started his career as a policy analyst at the New Zealand Treasury. Paul holds a Master of Commerce (First Class Honours) from the University of Canterbury, is a Chartered Accountant (CA) and a Chartered Member of the Institute of Directors.

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

PROXY FORM



I/We _____

of _____

being a Shareholder of New Zealand Local Government Funding Agency Limited ("**Company**") appoint

of _____ or failing him/her _____

as my/our proxy to vote for me/us at the annual meeting of the Company to be held on 18 November 2025 and at any adjournment thereof.

If you wish to direct the proxy how to vote, please indicate with a ☒ in the appropriate box below.
Unless otherwise instructed, the proxy will vote as he or she thinks fit.

		For	Against	Abstain
1 (a)	To re-elect Helen Robinson as an Independent Director	☐	☐	☐
1 (b)	To elect Paul Anderson as an Independent Director	☐	☐	☐
2 (a)	To re-elect Christchurch City Council as a Nominating Local Authority to the Shareholders' Council	☐	☐	☐
2 (b)	To re-elect Tasman District Council as a Nominating Local Authority to the Shareholders' Council	☐	☐	☐

(Please refer to the notice of meeting for details of the resolutions)

Signature of Shareholder

Dated: 2025

Notes:

1. If you wish you may appoint as your proxy the chairperson of the meeting.
2. If you are a body corporate, this proxy form must be signed on behalf of the body corporate by a person acting under the body corporate's express or implied authority.
3. For this proxy form to be valid, you must complete it and provide it to the Company at least 48 hours before the time for holding the meeting. You can provide it to the Company by delivering it to **Level 11, City Chambers, 142 Featherston Street, Wellington 6145** or via email to jane.phelan@lgfa.co.nz. **It must be received at least 48 hours before the time for holding the meeting.**
4. If this proxy form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be provided to the Company with this proxy form.
5. If you return this form without directing the proxy how to vote on any particular resolution, the proxy can vote how he or she thinks fit if authorised by you in this proxy form by ticking the appropriate box. Otherwise, the proxy will be deemed to have abstained from voting on that matter.
6. Capitalised terms in this proxy form have the meanings given to them in the Shareholders' Agreement in respect of New Zealand Local Government Funding Agency Limited dated 7 December 2011, as amended and restated on 23 November 2021, between the Company and its Shareholders.



Mercury
BAYPARK

CLUBfit

Baywave
© TEST Health & Performance

**MOUNT
HOT POOLS**

ADAMS CENTRE
FOR HIGH PERFORMANCE

BayCatering

Facilities

- Mercury Baypark (Arena, Stadium, Pavilions)
- Adams Centre for High Performance
- 3 Community Centres
- 5 Sports Centres
- 5 Aquatics Facilities
- 8 Community Halls

BayAudioVisual

COMMUNITY
CENTRES & HALLSTAURANGA
POOLS

BayActive

BaySwim



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2006

1994

Who We Are and What We Do

Bay Venues is the kaitiaki of more than 20 community facilities – aquatic centres, indoor sport and fitness facilities, event venues, and community centres and halls. Connecting the community through exceptional experiences is the driving force behind this council-controlled organisation that has the community at heart. Bay Venues also has several commercial business units, which help keep entry to these public facilities affordable and accessible.



Tauranga City

These facilities are operated by Bay Venues, a Tauranga City Council organisation.



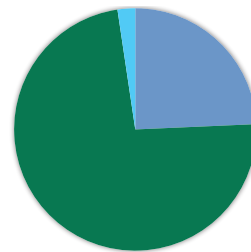
OUR YEAR IN NUMBERS

NET PROFIT BEFORE TAX (UNFUNDED)*

\$260,772

(\$107,589 or 70% ahead of budget, \$2.85m ahead of prior year)

OPERATING REVENUE SOURCES



■ TCC Community Operating Grant (24%)
■ Bay Venues User Fees & Charges (73%)
■ Other Revenue (3%)

OPERATING REVENUE

\$31.28m

(\$190,267 or 1% ahead of budget, \$3.8m or 14% ahead of prior year)

\$7.60m TCC COMMUNITY OPERATING GRANT**

\$0.78m COMMUNITY CENTRES & HALLS

\$7.05m AQUATICS

\$9.46m EVENTS & ASSOCIATED ACTIVITIES

\$5.07m SPORTS & FITNESS

\$1.32m BUSINESS SUPPORT

NON-OPERATING REVENUE

\$13.80m TCC RENEWALS FUNDING

\$1.10m TCC DEBT SERVICING

VISITS TO OUR FACILITIES

2,173,085

(3% ahead of target, 1% behind prior year)

858,780

AQUATICS

(4% ahead of prior year)

311,988

COMMUNITY CENTRES & HALLS

(13% behind prior year)

810,073

SPORTS & FITNESS

(1% ahead of prior year)

192,244

EVENTS

(8% behind prior year)



CUSTOMER SATISFACTION SCORE

86.7%

(1.7% ahead of target, 0.7% ahead of prior year)



SIGNIFICANT EVENTS (OVER 500 PAX)

77

(3% ahead target, 7% behind prior year)



SPORTING & AQUATIC TOURNAMENTS

57

(16% behind prior year)

Full Time Equivalent (FTE) – 190 | Number of Staff (Headcount) – 296*

*Includes permanent full-time and part-time staff, as well as fixed-term staff. Excludes casuals.

* Net Profit Before Tax (unfunded) is net profit after funding and capital costs on assets Bay Venues are responsible for funding, it does not include funding and capital costs on assets funded by Council. See breakdown on page 6.

** Tauranga City Council (our shareholder) facilitated the return of Bay Venues to a cash-flow break-even position from FY25 via increased operational funding in the Long-Term Plan. This operating revenue excludes Tauranga City Council renewal and interest funding.



A YEAR IN REVIEW

Exceptional Community Outcomes with a Modest Surplus

Strong and sustained financial discipline saw Bay Venues end the year to 30 June 2025 with a surplus of \$260,772 (against a budget of \$153,183), while maintaining strong customer satisfaction and service standards.

Our network of community facilities hosted more than 2.1m visits this year – comparable to last year – despite economic uncertainty and fewer large-scale events.

A highlight of the year was the successful opening of The University of Waikato Haumaru Sport & Recreation Centre, Tauranga's first new community indoor sports facility in over a decade.

We also launched new revenue generating initiatives and commercial partnerships, such as two new catering contracts and cafes, and implemented targeted cost savings in response to shifting customer spending and financial pressures.

All these measures helped us maintain financial resilience in a challenging environment and have strengthened our ability to adapt and deliver value for money for the city.

Strong Financial Discipline

Bay Venues finished FY25 with Net Profit Before Tax (NPBT – Unfunded) of \$260,772, outperforming budget by \$107,589. Achieving a positive NPBT was a core requirement under our new funding model with Tauranga City Council, which was introduced this year.

Annual revenue of \$31.28m was \$190,267 ahead of budget and \$3.8m ahead of FY24, the year-on-year increase was primarily due to increased operating funding from Council. Underlying user fees fell \$0.83m behind budget during the year, driven by fewer events and an associated drop in event-related revenue, as well as lower average spend through our aquatic venues. This prompted an organisational reset to drive \$0.84m of cost savings, mainly achieved through staff reductions and tight cost control measures.

Looking ahead to FY26, annual operating grant funding from the Council is set to decrease further by around 10%. This has meant we have already had to implement further cost savings, staff reductions, at the same time as progressing near-term additional revenue measures. We will need to work hard to deliver another NPBT surplus in FY26.



Community Outcomes

This year our venues hosted 77 significant events and 57 sporting and aquatic tournaments. Our total number of annual visits remained steady and finished the year just 1% behind last year's record high. This resilience was largely thanks to our aquatic facilities, which saw annual visits rise by almost 30,000 (4%). Baywave was the standout and achieved record attendance, and our swim school BaySwim surpassed 10,000 participants for the first time.

Our indoor sports and fitness facilities also recorded a 1% year-on-year increase in visits, boosted by the opening of four new indoor courts at Haumaru in the final quarter of the year. These new courts have been fully booked at peak times since launch, hosting more than 24,000 visits each month. The nearby Queen Elizabeth Youth Centre has likewise remained fully booked during peak periods.

Customer satisfaction remained strong throughout FY25, with an overall score of 86.7% remaining slightly above both target and last year's result. This reflects our commitment to deliver high-quality service, even in the face of disruption and change.

Facilities Management

FY25 also marked our most successful year yet in capital programme delivery, achieving over 99% completion and a total investment of \$17 million. Among the renewals and maintenance projects completed across our portfolio was a much-needed refurbishment of four ageing community halls. The project was delivered on time and on budget and met with overwhelmingly positive feedback from the community groups that frequent these facilities on a weekly basis. Other projects included resurfacing three courts at Mercury Baypark Arena, renewals and maintenance at Greerton Aquatic & Leisure Centre, the introduction of digital scoreboards and displays, and new LED sports floodlighting at Mercury Baypark Stadium.

Our energy reduction goals were not met this year, however we did open two new cafes and a new indoor sports facility, which brought additional energy consumption to the network. Sustainability remains a key focus with a series



A YEAR IN REVIEW



of initiatives underway, including solar projects delivered late in the year which are expected to improve our energy consumption as we enter FY26. This is all aimed at driving operational efficiencies, reducing costs, and minimising our environmental footprint.

Tauriko Hall, dating back to the 1930s, was decommissioned this year due to its poor condition and end-of-life status, with demolition aligned with the SH29 Tauriko Enabling Works. All regular users of the hall were supported to find alternative locations, however losing this venue did mean fewer annual visits to our community centres and halls network in FY25. The Council is planning to replace the hall with a new community centre and library as part of Tauriko West's development.

Culture & Engagement

Organisational restructuring this year saw several roles removed, resulting in a leaner headcount. Understandably, these changes have affected how our people are feeling at work, and as a result our staff engagement and turnover metrics have fallen below target. Plans are in progress to rebuild our team culture in FY26. A positive development this year was the significant reduction of up to 7% in the pay gaps for Māori and Pacific Peoples. As of the end of FY25, Bay Venues can report the following pay gaps: Gender – 3.9%, Māori – 0.0%, and Pacific Peoples – 3.2%.

A Māori Engagement Strategy was developed this year, and a dedicated Māori Engagement Advisor will be introduced in FY26 to strengthen our partnerships with tangata whenua.

Revenue Generating Initiatives

This year, new commercial projects and partnerships strengthened and diversified our revenue base. We signed two significant agreements with the University of Waikato – a sports and fitness naming rights partnership, and an events catering contract and cafe at the University's Tauranga campus. We also launched another event catering and cafe contract at the Historic Village.

We continued to maximise the use of our facilities through new initiatives, such as installing a digital billboard at Mercury Baypark and repurposing and leasing under-used spaces to aligned community organisations. Notably, Pavilion 3 at

Mercury Baypark was converted into the Revolution Skate Centre, the first dedicated multi-code indoor skating rink in the region. This work reflects our ongoing commitment to having the community at heart, while being commercial in mind.

Looking Ahead

As our venue network continues to age and our city grows, ongoing investment in community facilities is crucial. Existing venues like Ōtūmoetai Pool and Queen Elizabeth Youth Centre will now remain open and operating longer than initially planned in previous budgets. They will require investment to meet more modern standards and demand, especially as population growth continues to place pressure on our indoor sports facilities and aquatic centres.

The opening of The University of Waikato Haumaru Sport & Recreation Centre this year was a step in the right direction, and we are working closely with the Council to explore future aquatic facilities, including in the central city at Memorial Park. Two major decisions this year by the Council will shape Mercury Baypark's future as part of the Baypark Master Plan. Firstly, Council has come to an agreement with Tauranga Netball Centre to relocate to Mercury Baypark, with a detailed design and consenting phase now commencing. We look forward to welcoming the netball community in the coming years.

Secondly, following community consultation, Council instructed Bay Venues to re-contract with Speedway to allow them to remain at Mercury Baypark beyond their current contract to 2029, until at least 2039. Planning is underway for the new ownership and operating model at Mercury Baypark Stadium. While the Bay Venues Board felt that more time should have been given to consider alternative uses for the site it also acknowledges Council's decision and we will now work with Speedway to bring commercial effect to what has been agreed with Council.

As we move into FY26, Bay Venues remains committed to financial sustainability, delivering exceptional community outcomes and providing value for money. Through disciplined management, strategic partnerships, and a focus on innovation and adaptation, we are well placed to meet the changing needs of Tauranga's growing population and continue to make a positive impact across our city.



Simon Clarke, Chair



Chad Hooker, CEO



FINANCIAL PERFORMANCE

	FY25 SOI*	FY25 Budget (Updated)*	FY25 Actual
Operating Revenue	31,361	31,093	31,283
Less: Operating Expenses	(31,143)	(30,695)	(30,878)
EBITDA	218	398	405
Less: Finance & Depreciation Costs (Unfunded)	-	(244)	(144)
Net Profit before Tax (Un-funded)	218	153	261
Add:			
TCC Renewal Funding	15,887	15,887	13,798
TCC Debt Servicing Grant	1,098	1,098	1,098
Less:			
Finance & Depreciation Costs (Funded)	(9,062)**	(7,916)	(10,200)
Profit/(Loss) on Disposal***			(2,664)
Net Surplus/(Deficit) before Tax	8,142	9,223	2,293

*2024-25 budget was updated after the SOI was approved, therefore we have included both the updated budget & approved SOI figures.

**Finance & Depreciation Costs were not split between funded & non-funded in the FY25 SOI.

***During the year, major upgrades to our Halls & Greerton Pools led to partial disposal of building assets. Of the \$2.7m disposal loss recognised, \$2.1m relates to assets with remaining residual value, triggering the loss.



STATEMENT OF INTENT PERFORMANCE

Activity	Target	Status	Commentary
Maximising Activity & Events	Visitation to our facilities is >2.1 million	✓	2.17 million visits to facilities in FY25.
	Host >75 significant events (500+ people)	✓	77 significant events in FY25. Major events (500+ people) included the Zespri Aims Games, Tauranga Food Show, BOP Home & Outdoors Show, Tauranga Home Show and the Mel Young Classic basketball tournament.
	Achieve a customer feedback rating >85%	✓	Of the 2,227 survey responses received, 1,930 were satisfied* with their experience, equating to a 86.7% customer satisfaction score.
	Zero preventable** serious harm incidents in our facilities	✓	Zero preventable serious harm injuries occurred this year.
Looking After Our Assets	Zero preventable unplanned facility closures (>4 Hours)	✗	Otumoetai Pool closure for a total of 7.5 hours over a period of three days due to pool chemical issue.
	Key capital projects on time & on budget (Stadium lighting project)	✓	The Stadium lighting project was due for completion on 10 of September 2024, and was completed on 6 August 2024, at a cost of \$1.4m against a budget of \$1.5m.
	Capital programme v budget +/- 5%	✓	99.5% of our overall capital programme was delivered. One project has been carried forward into FY26.
	Reduce energy consumption by 5%***	✗	FY25 finished at 5,866,318 KWh, an increase of 2%, with solar delivered late in the financial year. This is expected to improve our energy consumption as we go into FY26.
Leveraging Our Capability	Achieve budgeted financial performance	✓	Bay Venues measures financial performance via EBITDA. EBITDA finished \$187,069 ahead of budget as per the SOI for FY25.
	Six proposals for commercial partnerships	✓	We have initiated more than six new partnership proposals during FY25. Significant ones executed during the year include the University of Waikato naming rights and catering partnerships, a new digital billboard partnership, the Historic Village cafe and catering partnership, and a new tenancy agreement at Mercury Baypark.
Building our Capability	Achieve >75% team engagement score	✗	Our engagement survey, conducted during the first wave of our organisation-wide restructure, returned a full engagement score of 58%. While the target was appropriate in a business-as-usual context, the result reflects the impact of significant organisational change.
	Achieve <30% staff turnover	✗	Our overall turnover was 30.5%, just above the 30% target. This combines full-time turnover of 21.6% and part-time turnover of 39%.
	At least one Memorandum of Understanding with tangata whenua	✗	We didn't meet the target of an MoU with tangata whenua, but made a strong start in how we lead in the Maori Engagement space through the developing a Maori Engagement Strategy.

Traffic Light Status Key ✓ On track and remaining so ✗ Off track and needing further monitoring

Refer to the Statement of Intent for Individual Weightings of Balanced Scorecards Measures.

* This measure is from a survey of customers who on a 5-point rating scale, with 3 being neutral, rated their satisfaction as satisfied or better.

** Preventable means that Bay Venues was reasonably able to identify a hazard before it occurred and stop harm from occurring by eliminating a hazard or minimising the hazard so far as reasonably practicable.

*** Target of 5% reduction was set on 27 November, 2025.



HIGHLIGHTS

Board and Senior Management Transitions

This year, Bay Venues farewells two valued Board members whose contributions have helped shape our organisation. We extend our heartfelt thanks to Nick Lowe, who has been a cornerstone of Bay Venues' governance for the past eight years. As the longest-serving Board member in our 12-year history, Nick provided consistent leadership, deep insight, and unwavering commitment to our employees and wider community through periods of growth and change. We also acknowledge Adam Lynch, who has served on the Board for the past four years. Adam's strategic thinking and strong governance in health, safety and wellbeing have been invaluable to our decision-making. We thank him sincerely for his contribution and wish both Nick and Adam every success in their future endeavours.



Mary-Anne Macleod Director Wayne Beilby Director Jeremy Curragh Director Simon Clarke Chair Julie Hardaker Deputy Chair Gareth Wallis Director Clare Swallow Director Sam Hastings Board Intern

We're delighted to welcome Clare Swallow and Mary-Anne McLeod to the Board, bringing fresh perspectives and expertise to guide our strategic direction. We also introduce our new Board intern, Sam Hastings, who joins us as part of our commitment to developing future governance leaders. A special acknowledgment also to Tina Harris-Ririnui (outgoing General Manager: Operations), who marked 20 years of service this year. Her dedication, deep institutional knowledge, and unique ability to bring fun, enriched our culture and we thank her for her enduring contribution.



Solar Project

The first stage of our solar panel project has been completed, with panels installed at three facilities – the Mount Hot Pools, the Adams Centre for High Performance, and Pavilion 3 at Mercury Baypark. There are plans to extend the number of solar panels at our venues across the city over the coming years, which will positively contribute to both our environmental and financial sustainability, reducing our reliance on the main grid at time when electricity prices continue to rise.

Revolution Skate Centre

Revolution Skate Centre opened earlier this year after Pavilion 3 at Mercury Baypark was converted into a purpose-built indoor skating rink for Tauranga. The facility is being leased by Bay Roller Sports, a joint community sports venture between Mount Mustangs Inline Hockey Club and Tauranga Roller Skating Club. Both clubs have spent years hopping between community halls for their training and travelling out of town for events and games. Now, through the collective power and persistence of passionate volunteers, they have somewhere to call their own and both clubs are thriving with growing membership and a space specifically designed for their sports. They are now also able to host regional events and tournaments for the first time in many years. "It's been a dream come true," said Joel Coppins, President of both the Mount Mustangs and Bay Roller Sports. Revolution Skate Centre is also the first dedicated multi-code indoor skating rink in the region, catering to inline hockey, artistic/figure skating, speed skating, roller derby, as well as learn to skate and play programmes, roller discos, and other community events. "To come here and see the rink ready to go just felt like coming home," Tauranga Roller Skating Club President Jackie Evans said.





HIGHLIGHTS

The University of Waikato Haumaru Sport & Recreation Centre

Four new indoor courts opened in May in Tauranga, providing the community with much-needed space for sport and recreation as the city continues to grow. The former site of The Warehouse on Cameron Road was purchased by Tauranga City Council in early 2024 with a vision to convert the existing building into a multi-purpose sport and recreation centre, delivering new courts for the city quickly and cost effectively. The University of Waikato Haumaru Sport & Recreation Centre is the first community sports facility to open in Tauranga in more than a decade and will be home to a wide range of community sports, including basketball, volleyball, pickleball, badminton, netball, and more. The venue, which has been fully booked at peak times since day one, will also help host large sports tournaments that come to the city, such as the recent Basketball New Zealand U20 Nationals, and the annual Zespri AIMS Games. There are also opportunities for casual bookings and court hire, as well as recreational activities for local schools and the wider community. This includes Tumble Time play sessions for preschoolers and their parents during weekdays. Feedback from the community has been overwhelmingly positive and more than 3,000 people attended a Community Fun Day to celebrate the venue opening. Max Pringle, a keen basketball player and student at Ōtūmoetai Intermediate, gave Haumaru the tick of approval after attending the Community Fun Day and then playing on the courts the following week. "It's awesome to have more courts to play at. Our basketball team had our first game there on Monday and the courts, rims and backboard were perfect," Max said. "Mum said it was easy to find a park and that me and my mates could even catch the bus there sometimes." The name "Haumaru" was gifted by mana whenua. The name has local significance and also relates to health and wellbeing, which fits with the active sport and recreation activities that will take place in this facility. The University of Waikato is the naming rights partner for Haumaru, through its new commercial partnership with Bay Venues, helping to support the activation and growth of Tauranga's sports and fitness venues.



New Catering and Cafe Contracts

Bay Catering made major advances this year, securing two new commercial catering and cafe contracts that have expanded our reach and revenue base across the city. The University of Waikato Tauranga campus contract includes both event catering as well as an on-site cafe, 101 Cafe Experiment. The contract at the Historic Village involves catering for the hireable event spaces, including the refurbished Balcony Room, as well as the operation of a new cafe at the Village, Market & Main. We have also introduced on-site composting systems at both cafes, diverting food and coffee waste from landfill and offering customers the opportunity to take home bags of compost.





HIGHLIGHTS

BaySwim Bringing Community and Commercial Benefits



Emily McCall was born with progressive hearing loss. She has a cochlear implant in her right ear and wears a hearing aid in her left. When she takes them off to swim, it means she cannot hear her teacher. So, at BaySwim, Emily and her teacher Heidi Dixon use sign language in the pool instead. Emily was the first student to sign up for BaySwim's new sign-supported swimming lessons, which began in August. "We are so grateful to Heidi and BaySwim for getting this off the ground," Emily's mum says. "It is just totally normalising it. She is doing what a 5-year-old girl should be able to go and do." Inclusive programming such as this is driving record growth and national recognition for BaySwim. For the first time, our swim school has climbed above 10,000 annual participants, while still maintaining a high customer satisfaction score above 88%. BaySwim's continued success is grounded in an ongoing commitment to meet people where they are and remove the barriers that are keeping them from learning to swim. For example, instead of busing or ferrying kids in from remote schools and communities like Paengaroa, Maketu, and Matakana Island, BaySwim trained teachers to deliver their own classes in Te Reo Māori, using BaySwim resources. It means learners stay in familiar environments, with trusted adults, speaking their language. And when Tauranga families also shared that language was a barrier, BaySwim hired a trilingual instructor. Now over 100 Korean and Chinese-speaking swimmers, from toddlers to adults, are enrolled and staying longer. Specialist lessons in quiet, low-light settings for people with sensory sensitivities are also fully booked each week. And an ethnic women's swimming initiative that offers culturally safe spaces to learn to swim, which BaySwim piloted with Tauranga City Council support, is also becoming increasingly popular, with high retention and all sessions full.

Refurbishment of Community Halls

Four of our community halls across the city – Welcome Bay, Greerton, Bethlehem, and Matua – underwent much-needed refurbishment over the summer holiday period (a quieter time of year for these facilities). All four of these halls are more than 40 years old and the project was delivered on time and on budget. Feedback from the community was overwhelmingly positive. Ian Neal, representing Shuttlecocks and Hens Badminton Club, said the refurbishment had made Greerton Hall "very bright and welcoming" and added that it "even seems a more cheerful place". Dianne Mannington from Body & Soul Fitness echoed this sentiment, commending the "great mahi" and highlighting that both Greerton and Bethlehem halls are now "nice and bright and clean, a pleasure to work in". Also impressed by the project, Tony Clarke of The Bay of Plenty Remote Control Stockcar Club described the refurbished Greerton Hall as a "really amazing transformation" and noted a "real wow moment" upon seeing the completed facility for the first time this year. Clarke emphasised that the "refurbishment is top level" and said it is "a very impressive facility to be proud of and have the use of".





FINANCIAL STATEMENTS 2024-2025

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES for the Year Ended 30 June 2025

	Note	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 Restated (\$000's)
Revenue				
User Revenue	2	22,252	23,339	20,621
Other Revenue	2	736	455	1,276
TCC Operational Grant	2	7,602	7,567	5,167
TCC Debt Servicing Grant	2	1,098	1,098	1,317
TCC Renewal Funding	2,29	13,798	15,887	4,824
Rehabilitation Expense Funding	2	693	-	416
Covid-19 Leave Subsidy	2	-	-	6
Total Operational Revenue	29	46,179	48,347	33,627
Expenditure				
Employee Expense	3	17,922	18,672	17,416
Administrative Expense	7	1,681	1,709	1,659
Consulting & Governance Expenses	4	1,286	761	1,251
Operating Expenses (Incl. Cogs)	5	8,306	8,777	7,967
Repairs & Maintenance Expense		991	1,225	1,191
Rehabilitation Expense		693	-	416
Profit/Loss on Disposal	13	2,664	-	144
Finance Costs		999	655	1,305
Depreciation & Amortisation Expense	6	9,345	8,406	7,981
Total Operating Expenditure		43,887	40,205	39,330
Surplus/(Deficit) Before Tax	29	2,292	8,142	(5,703)
Income Tax Expense	8	(1,043)	-	(6,721)
Surplus/(Deficit) After Tax	29	1,249	8,142	(12,424)
Gain on Property, Plant & Equipment Revaluation		-	-	21,809
Tax on Revaluation		-	-	(6,135)
		-	-	15,674
Total Comprehensive Income	29	1,249	8,142	3,250

Summary of significant accounting policies and the accompanying notes form part of these financial statements.



FINANCIAL STATEMENTS 2024-2025

STATEMENT OF CHANGES IN EQUITY for the Year ended 30 June 2025

	Note	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 Restated (\$000's)
Share Capital				
Share Capital at Beginning of the Year		84,232	84,232	84,232
Loan Conversion		-	15,000*	-
Share Capital at End of the Year		84,232	99,232	84,232
Retained Earnings				
Retained Earnings at Beginning of the Year	29	(43,425)	(29,858)	(31,803)
Surplus/ (Deficit) for the Year	29	1,249	8,142	(12,424)
Transfer from Trustpower Reserve		-	-	933
Transfer to Mercury Reserve	18	(140)	(200)	(131)
Transfer to University of Waikato Reserve		(59)	-	-
Disposal of Property, Plant & Equipment		257	-	-
Retained Earnings at End of the Year	29	(42,117)	(21,916)	(43,425)
Asset Revaluation Reserves				
Asset Revaluation Reserves at Beginning of the Year		56,841	41,165	41,165
Net Revaluation Gains/(Loss)	19	(257)	-	15,675
Asset Revaluation Reserves at End of the Year		56,584	41,165	56,840
Other Reserves				
Other Reserves at Beginning of the Year		131	1,133	933
Mercury Reserve	20	140	-	131
University of Waikato Reserve		59	-	-
Trustpower Reserve		-	200	(933)
Other Reserves at End of the Year		330	1,333	131
Equity Contribution from Owners				
Loan Conversion at Beginning of the Year		-	-	-
Loan Conversion	21	15,000	-	-
New Capital Funding		3,097	-	-
Loan Conversion at End of the Year		18,097	-	-
Equity at End of the Year	29	117,126	119,814	97,779

* Accounting treatment of loan conversion was unknown at time of budget.



FINANCIAL STATEMENTS 2024-2025

STATEMENT OF FINANCIAL POSITION as at 30 June 2025

	Note	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 Restated (\$000's)
Assets				
Current Assets				
Cash & Cash Equivalents	9	1,005	2	1,526
Inventories	10	427	461	475
Debtors & Other Receivables	11	4,607	2,335	1,232
Total Current Assets		6,039	2,798	3,233
Non-Current Assets				
Other Non-Current Assets		-	5,501	-
Intangible Assets	12	380	572	208
Property, Plant & Equipment	13	161,831	139,574	157,035
Total Non-Current Assets	29	162,211	145,647	157,243
Total Assets	29	168,250	148,445	160,476
Liabilities				
Current Liabilities				
Employee Entitlements	14	2,285	1,055	2,195
Creditors & Other Payables	15	5,447	1,322	3,598
Borrowings - Adams Centre Loan	16	1,000	1,000	1,000
Total Current Liabilities		8,732	3,377	6,793
Non-Current Liabilities				
Borrowings - TCC Loan	16	20,011	16,771	34,565
Deferred Tax	8	22,381	8,483	21,339
Total Non-Current Liabilities		42,392	25,254	55,904
Total Liabilities		51,124	28,631	62,697
Net Assets	29	117,126	119,814	97,779
Equity				
Share Capital	17	84,232	99,232	84,232
Retained Earnings	18,29	(42,117)	(21,916)	(43,425)
Other Reserves	20	330	1,333	131
Equity Contribution from Owners	21	18,097	-	-
Revaluation Reserves	19	56,584	41,165	56,841
Total Equity	29	117,126	119,814	97,779

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Simon Clarke – Director

29 September 2025
Date

Jeremy Curragh – Director

29 September 2025
Date



FINANCIAL STATEMENTS 2024-2025

STATEMENT OF CASHFLOWS for the Year ended 30 June 2025

	Note	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 Restated (\$000's)
Cash Flows from Operating Activities				
Cash Received from Customers		20,697	22,959	22,908
Grants Received	29	22,499	25,052	11,308
Dividend Received		-	11	6
Cash Received from Other Sources		168	94	356
Goods & Services Tax (Net)		(454)	-	(111)
Resident Withholding Tax		(34)	-	-
Payments to Employees		(17,831)	(18,672)	(16,975)
Payments to Suppliers		(11,133)	(12,472)	(12,567)
Interest Paid		(999)	(655)	(1,305)
Net Cash Flow from Operating Activities	23,29	12,913	16,317	3,620
Cash Flows from Investing Activities				
Proceeds from Sale of Property, Plant & Equipment		63	88	-
Purchase of Property, Plant & Equipment		(17,038)	(16,887)	(9,513)
Transfer to Depreciation Investment		-	(150)	-
Net Cash Flow from Investing Activities	29	(16,975)	(16,949)	(9,513)
Cash Flows from Financing Activities				
Proceeds from Borrowings		5,042	560	11,292
Repayment of TCC Borrowings		(1,500)	-	(4,500)
Net Cash Flow from Financing Activities	23	3,542	560	6,792
Net Increase / Decrease in Cash Held		(520)	(72)	898
Cash & Cash Equivalents at Beginning of Year		1,526	72	629
Cash, Cash Equivalents, & Bank Overdrafts at the End of the Year	9	1,006	-	1,527

Summary of significant accounting policies and the accompanying notes form part of these financial statements.



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

1.1 ENTITY STATEMENT

Bay Venues Limited is a Council Controlled Organisation (CCO) as defined in Section 6 of the Local Government Act 2002. The company is wholly owned by Tauranga City Council. The company is registered under the Companies Act 1993 and is a reporting entity for the purposes of the Financial Reporting Act 1993.

The primary objective of Bay Venues Limited is to provide goods and services for the community or social benefit, rather than making a financial return. Accordingly, Bay Venues Limited, as part of the Tauranga City Council group, has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial statements of Bay Venues Limited are for the year ended 30 June 2025. The financial statements were authorised for issue by Bay Venues Limited Directors on 9 September 2025.

1.2 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 financial statements of Bay Venues Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002, which includes the requirements to comply with New Zealand generally accepted accounting practice (GAAP).

These financial statements and service performance information have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards. These financial statements comply with PBE standards.

The accounting notes set out below have been applied consistently to all periods presented in these financial statements.

Measurement Base

The financial statements have been prepared on historical cost basis, modified by the revaluation of land, plant and buildings.

Functional & Presentation Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Bay Venues Limited is New Zealand dollars.

New Standards Issued & Adopted in Current Annual Reporting

Amendment applicable for the year ending 30 June 2025.

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specific categories. This new disclosure is included in Note 4.

Standards, Amendments, and Interpretations Issued that are Not Yet Effective

Standards, amendments, and interpretation issued that are not yet effective will have a minimal impact on the entity.

1.3 REVENUE RECOGNITION

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

Sale of Goods

Revenue from the sale of goods is recognised when the product is sold to the customer.

User Fees & Charges

User fees and charges are recognised on the basis of actual services provided. Any fees and charges received in advance are recognised as unearned income.

Grant Income

Grant income is recognised upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Revenue is classified as exchange and non-exchange. Subsidised income received is recognised as non-exchange revenue.

1.4 BORROWING COSTS

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

1.5 INCOME TAXATION

Income tax expense includes components relating to current tax and deferred tax, and is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date.

Current tax is the 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.



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

Deferred tax liabilities are generally recognised for all taxable 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 from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

1.6 LEASES

(i) Operating Lease

An operating lease is a lease that does not transfer substantially all the risks and benefits of ownership of the leased item to the lessee.

Lease payments under an operating lease are recognised as expenses in the surplus or deficit on a straight line basis over the lease term.

1.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

1.8 DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are included at their net realisable value after deduction of a provision for doubtful debts.

1.9 IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Receivables

Impairment is established when there is objective evidence that Bay Venues Limited will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default on the payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable,

it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is not past due). Impairment in term deposits is recognised directly against the instrument's carrying value.

1.10 INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at cost, adjusted when applicable, for any loss of service potential. The loss of service potential of inventory held for distribution is determined on the basis of obsolescence. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first in first out (FIFO) method.

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost adjusted for any loss of service potential.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

1.11 PROPERTY, PLANT & EQUIPMENT

Property, plant, and equipment consists of land, buildings & improvements, plant & equipment, and motor vehicles.

Property, plant, and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings and plant are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost. Revaluations of property, plant, and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

The most recent valuations were performed by Quotable Value on buildings & land and by Forbes Valuation on property, plant & equipment, with the valuations being effective as at 30 June 2024.

Additions

The cost of an item of property plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Bay Venues Limited and the cost of the item can be measured reliably.

Costs incurred subsequent to initial recognition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Bay Venues Limited and the cost of the item can be measured reliably.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

All assets are depreciated over their expected useful lives. Depreciation is provided on a straight line (SL) basis, at rates calculated to allocate the asset cost less estimated residual value over the estimated useful life. When assets are revalued, depreciation rates are overridden by the new annual depreciation rates to accurately reflect the useful life of the asset.

Class of Asset Depreciated	Estimated Useful Life (Years)	Depreciation Method
Operational Assets		
Buildings & Improvements	1-100	SL
Plant & Equipment	1-100	SL
Computer Equipment	3-10	SL
Office Furniture & Equipment	1-20	SL
Motor Vehicles	4.5-10	SL

1.12 INTANGIBLE ASSETS

Software Acquisition & Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised as an expense when incurred.

Intellectual Property Development

Class of Intangible Asset	Estimated Useful Life	Amortisation Rates
Acquired Computer Software	3-10 years	10% - 33.3%

1.13 IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of property, plant and equipment exceeds its recoverable amount. Any impairment loss is recognised immediately in surplus or deficit unless the asset is revalued, in which case any impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash generating assets is the present value of expected future cash flows. For non cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

1.14 CREDITORS AND OTHER PAYABLES

Creditors and other payables are recognised at fair value and subsequently measured at amortised cost.

1.15 BORROWINGS

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless Bay Venues Limited has an unconditional right to defer settlement of the liability for at least 12 months after balance date, or if the borrowings are expected to be settled within 12 months of balance date.



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

1.16 EMPLOYEE ENTITLEMENTS

Short-term Employee Entitlements

Salaries, wages and annual leave, that are due to be settled within 12 months after the end of the period in which the employee renders the related service, are measured at nominal values based on accrued entitlements at current rates of pay.

A liability and an expense are recognised for bonuses where Bay Venues Limited has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term Employee Entitlements

Employee entitlements are those entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- The present value of the estimated future cash flows.

Superannuation Schemes

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

Annual leave and long service leave, expected to be settled within 12 months or balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

1.17 PROVISIONS

Bay Venues Limited recognises a provision for future expenditure of an uncertain amount or timing when there is a present obligation (either legal or constructive), as a result of a past event. It is probable that expenditures 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. Provisions are not recognised for future operating losses.

1.18 EQUITY

Capital Management

Bay Venues Limited capital is its equity, which comprises accumulated comprehensive revenue and expenses and all equity reserves. Equity is represented by net assets.

Bay Venues Limited is a Council Controlled Organisation as defined by the Local Government Act 2002 which includes restrictions on how it operates and defines reporting and accountability processes. Tauranga City Council has a general security agreement over all Bay Venues Limited assets which restricts the ability to dispose of certain property and to enter into new borrowing arrangements.

Bay Venues Limited manages its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that promotes the current and future interest of the community. Bay Venues Limited's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities and general financial dealings.

The objective of managing Bay Venues Limited's equity is to ensure that it effectively and efficiently achieves the goals and objectives for which it has been established, while remaining a going concern.

There have been no changes in relation to Capital Management during the current financial period.

Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Share Capital - (Note 18)
- Retained Earnings - (Note 19)
- Property, Plant & Equipment Revaluation Reserve - (Note 20)
- Other Reserves - (Note 21)
- Loan Conversion - (Note 22)

Property Revaluation Reserves

This reserve relates to the revaluation of property, plant, and equipment to fair value.

The revaluation reserve will be realised when the assets within the class of property, plant and equipment to which the surplus relates to, are retired or disposed of.



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

Other Reserves

This reserve relates to the Mercury & University of Waikato naming rights reserve.

Loan Conversion

This reserve relates to loan conversions including a one-off loan conversion and an annual loan conversion for funded capital.

1.19 GOODS & SERVICES TAX

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables, which are stated with GST included. When GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

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 received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

1.20 BUDGET FIGURES

The budget figures are those adopted by Bay Venues Limited and approved by Tauranga City Council in its 2024/25 Statement of Intent. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by Bay Venues Limited for the preparation of the financial statements.

1.21 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

In preparing these financial statements, Bay Venues Limited has made estimates and assumptions 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 disclosed below:

Note 13 - Property Plant & Equipment

Note 28 - Financial Instruments

1.22 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Note 27 provides explanations of major variances against budget.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

NOTE 2: REVENUE FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

	2025 Actual (\$000's)	Actual 2024 Restated (\$000's)
Non-Exchange		
TCC Operational Grant	7,602	5,167
TCC Debt Servicing Grant	1,098	1,317
TCC Renewal Funding	13,798	4,824
Aquatics	5,097	4,667
Indoor Facilities	2,410	2,158
Memberships	269	262
Rehabilitation Expense Funding	693	416
Covid-19 Leave Subsidy	-	6
Total Non-Exchange	30,967	18,817
Exchange		
Memberships	2,613	2,485
Events & Catering	9,632	9,616
Other User Fees & Charges	1,347	1,304
Learn to Swim	1,619	1,404
Total Exchange	15,211	14,809
Total Exchange & Non-Exchange	46,178	33,626

NOTE 3: EMPLOYEE EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Salaries & Wages	17,231	16,655
Defined Contribution Plan Employer Contributions (Kiwisaver)	329	321
Other Personnel Expense	362	440
Total Employee Expenses	17,922	17,416

NOTE 4: CONSULTING & GOVERNANCE EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Fees Incurred for Services Provided by Audit New Zealand		
Audit of the Financial Report*	156	146
Total Fees Incurred for Services Provided by Audit New Zealand	156	146
Consulting**	826	785
Director Fees	254	254
TCC Shared Services	24	20
Tax Advisory	26	46
Total Consulting & Governance Expenses	1,286	1,251

*Total audit fees incurred for services provided by Audit New Zealand in FY25 were for the annual financial report audit.

** Consultancy includes SaaS costs for Humanforce & Ecoportal.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

NOTE 5: OPERATING EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Cost of Goods Sold	2,561	2,562
Electricity	1,379	1,347
Insurance	774	720
Other*	3,214	2,886
Events Expenses	-	149
Marketing	378	303
Total Operating Expenses	8,306	7,967

*Other Operating Expenditure includes such items as: (i) Recoverable expenses that are charged to clients (ii) Other operating costs such as cleaning and rates.

NOTE 6: DEPRECIATION & AMORTISATION EXPENSE

	2025 Actual (\$000's)	2024 Actual (\$000's)
Buildings & Improvements	4,926	4,090
Intangibles	36	157
Office Furniture & Equipment	1,394	1,048
Plant & Equipment	2,875	2,566
Motor Vehicles	114	120
Total Depreciation & Amortisation	9,345	7,981

NOTE 7: ADMINISTRATIVE EXPENSES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Operating Lease Costs	84	102
Other Administrative Expenses	1,596	1,557
Total Administrative Expenses	1,680	1,659



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

NOTE 8: INCOME TAX EXPENSE / (BENEFIT)

	2025 Actual (\$000's)	2024 Actual (\$000's)
(A) Operational Surplus /(Deficit) Before Taxation	2,292	(5,704)
Prima Facie Taxation at 28% (2024: 28%)	642	(1,597)
Non-Deductible Expenditure	2,755	1,967
Non Taxable Income	(2,755)	(1,967)
Prior Year Adjustment	-	150
Removal of Tax Depreciation on Buildings	-	7,526
Deferred Tax Adjustment	401	642
Deferred Taxation Expense/(Benefit)	1,043	6,721

(B) Deferred Tax Asset /(Liability)

	Property, Plant & Equipment (\$000's)	Employee Entitlements (\$000's)	Other Provisions (\$000's)	Tax Losses (\$000's)	Total (\$000's)
Entity					
Balance at 30 June 2023	(22,448)	375	18	13,572	(8,482)
Charged to Surplus or Deficit	(8,704)	80	(1)	1,903	(6,721)
Charged to Other Comprehensive Income	(6,135)	-	-	-	(6,135)
Balance at 30 June 2024	(37,287)	456	17	15,476	(21,338)
Charged to Surplus or Deficit	(1,334)	7	9	275	(1,043)
Balance at 30 June 2025	(38,621)	463	26	15,751	(22,381)

NOTE 9: CASH & CASH EQUIVALENTS

	2025 Actual (\$000's)	2024 Actual (\$000's)
Cash at Bank	993	1,514
Cash in Hand	12	12
Total Cash & Cash Equivalents	1,005	1,526

The carrying value of cash at bank or till floats approximates their fair value. There is no restriction on their use.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

NOTE 10: INVENTORIES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Held for Distribution Inventories		
Chemical at Cost	-	12
Held for Commercial Inventories		
Merchandise at Cost	210	218
Food & Beverages	217	245
Total Inventory	427	475

There is no write down of inventory during the year. No inventory is pledged as security for liabilities (2024 \$nil).

NOTE 11: DEBTORS AND OTHER RECEIVABLES

	2025 Actual (\$000's)	2024 Actual (\$000's)
Trade Debtors	1,653	888
Accruals	2,237*	17
Provision for Doubtful Receivables	(54)	(18)
GST Receivable	385	-
RWT Receivable	33	-
Prepayments	353	343
Total Debtors & Other Receivables	4,607	1,231
Receivables from Non Exchange Transactions	3,082	205
Receivables from Exchange Transactions	1,525	1,025
Total Debtors & Other Receivables	4,607	1,231

*Includes TCC Renewal Funding washup.

	2025 Gross (\$000's)	Impairment (\$000's)	2025 Net (\$000's)	2024 Gross (\$000's)	Impairment (\$000's)	2024 Net (\$000's)
Trade & Related Parties Debtors						
Not Past Due	1,298	-	1,298	653	-	653
Aged Receivables: 31-60 Days	75	(4)	71	120	(6)	114
Aged Receivables: 61-90 Days	161	-	161	40	-	40
Aged Receivables: Greater than 90 Days	117	(50)	67	75	(11)	64
Total	1,651	(54)	1,597	888	(17)	871

FAIR VALUE

Debtors and other receivables are non interest bearing and receipt is normally a 30 day term. Therefore, the carrying amount of debtors and other receivables approximates to their fair value.

IMPAIRMENT

An impairment of \$54,364 was provided for doubtful debt at 30 June 2025. (2024: \$17,934). No debtor is pledged as security for liabilities (2024: \$nil)



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

EXPECTED CREDIT LOSS (ECL) ALLOWANCE

Bay Venues Limited consider a financial asset to be in default when the financial asset is more than 90 days past due. Bay Venues Limited 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.

OTHER FINANCIAL ASSETS

ECL measured for other financial assets are trivial. They are low risk and Bay Venues Limited has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

RECEIVABLES

ECL for other receivables is based on the payment profile of revenue on credit over the prior two years the measurement date and the corresponding historical credit losses experienced for that period. These historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant. There have been no changes in the estimation techniques or significant assumptions in measuring the loss allowance.

NOTE 12: INTANGIBLE ASSETS

	Computer Software (\$000's)	Total (\$000's)
Cost		
Balance as at 1 July 2023	2,369	2,369
Additions	9	9
Work in Progress	(216)	(216)
Balance as at 30 June 2024	2,162	2,162
Balance as at 1 July 2024	2,162	2,162
Additions	126	126
Disposals	(3)	(3)
Work in Progress	82	82
Balance as at 30 June 2025	2,368	2,367
Accumulated Amortisation & Impairment		
Balance as at 1 July 2023	(1,797)	(1,797)
Amortisation Charge	(157)	(157)
Balance as at 30 June 2024	(1,954)	(1,954)
Balance as at 1 July 2024	(1,954)	(1,954)
Amortisation Charge	(36)	(36)
Balance as at 30 June 2025	(1,990)	(1,990)
Carrying Amounts		
As at 1 July 2023	572	572
As at 30 June 2024	208	208
As at 30 June 2025	377	380

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

NOTE 13: PROPERTY PLANT AND EQUIPMENT

	2024 Cost / Valuation (\$'000's)	2024 Accum Depn (\$'000's)	Opening Book Value (\$'000's)	2025 Asset Additions (\$'000's)	2025 Asset Disposals (\$'000's)	Current Depn (\$'000's)	Revaluation 2025 (\$'000's)	Cost Reval (\$'000's)	2025 Accum Depn (\$'000's)	2025 Closing Book Value (\$'000's)
At Cost & Valuation										
Land	2,400	-	2,400	-	-	-	-	2,400	-	2,400
Buildings & Improvements	126,049	-	126,049	5,762	(2,467)	(4,926)	-	129,345	(4,926)	124,419
Plant & Equipment	19,729	-	19,729	3,495	(282)	(2,875)	-	22,944	(2,875)	20,068
Office Furniture & Equipment	9,129	(4,618)	4,510	3,321	(15)	(1,394)	-	12,436	(6,012)	6,424
Motor Vehicles	1,110	(500)	610	383	(26)	(114)	-	1,467	(615)	852
Subtotal	158,417	(5,118)	153,298	12,962	(2,789)	(9,309)	-	168,592	(14,427)	154,163
Work in Progress	3,737	-	3,737	16,893	(12,962)	-	-	7,668	-	7,668
Total	162,154	(5,118)	157,035	29,855	(15,751)	(9,309)	-	176,260	(14,427)	161,831

Work in Progress: additional work is shown within the Assets Additions column and any capitalised assets are shown in Assets Disposed column.

	2023 Cost / Valuation (\$'000's)	2023 Accum Depn (\$'000's)	Opening Book Value (\$'000's)	2024 Asset Additions (\$'000's)	2024 Asset Disposals (\$'000's)	Current Depn (\$'000's)	Revaluation 2024 (\$'000's)	Cost Reval (\$'000's)	2024 Accum Depn (\$'000's)	2024 Closing Book Value (\$'000's)
At Cost & Valuation										
Land	2,500	-	2,500	-	-	-	(100)	2,400	-	2,400
Buildings & Improvements	113,870	(7,189)	106,680	4,158	-	(4,090)	19,301	126,049	-	126,049
Plant & Equipment	22,942	(4,756)	18,186	1,648	(146)	(2,566)	2,608	19,729	-	19,729
Office Furniture & Equipment	7,124	(3,570)	3,554	2,005	-	(1,048)	-	9,129	(4,618)	4,510
Motor Vehicles	980	(381)	599	130	-	(120)	-	1,110	(500)	610
Sub Total	147,415	(15,896)	131,519	7,941	(146)	(7,823)	21,809	158,417	(5,118)	153,298
Work in Progress	1,953	-	1,953	9,510	(7,725)	-	-	3,737	-	3,737
Total	149,368	(15,896)	133,472	17,451	(7,871)	(7,823)	21,809	162,154	(5,118)	157,035



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

VALUATION

CRITICAL ACCOUNTING ESTIMATES & ASSUMPTIONS

Land & Buildings

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Adjustments have been made where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensively.

Specialised buildings are valued at fair value using Optimised Depreciated Replacement Cost (ODRC) because no reliable market data is available for such buildings.

Optimised Depreciated Replacement Cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non specialised buildings (for example, residential buildings) are valued at fair value using market based evidence. Market rents and capitalisation rates were applied to reflect market value.

The building valuation was performed by a registered independent valuer, Ashley Pont of the firm Quotable Value Limited, and the valuation is effective 30 June 2024.

Restrictions

Bay Venues Limited does not own any of the land that building and improvements are located on, except for a house at Miro Street. All land is owned by Tauranga City Council, with some of this land being reserve land. As such there are restrictions on both use and disposal of these buildings and improvements.

There is no restriction on the other classes of asset in the account and no amount of any Property, Plant & Equipment was pledged as security for liabilities.

Plant

The approach utilised is a "fair" or "equitable" value which is reflected as market value for the existing use. Market value being defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Generally values have been calculated utilising either a comparable sales approach or on a depreciated replacement cost basis, whichever was more appropriate. Depreciated replacement cost is defined as the gross current replacement cost reduced by factors providing for age, physical depreciation and technical and functional obsolescence taking into account the assets total estimated useful life and anticipated residual value.

The age of each asset has been established utilising:

- Data provided;
- Research;
- On-site assessment;
- Assessment based on the assets being combined with other fixtures.

The most recent plant valuation was undertaken by a registered independent valuer, Ewan Forbes of the firm Forbes Valuation, on behalf of Quotable Value Limited, and the valuation is effective 30 June 2024.

WORK IN PROGRESS

The total amount of property, plant, and equipment in the course of construction is \$7,788,922 (2024 \$3,775,862). Intangibles in the course of construction, included in above balance, is \$120,840 (2024 \$38,581).



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

DISPOSAL OF ASSETS

During the year, we undertook major building upgrades to our Halls & Greerton Pools. As part of these works, portions of existing building assets were replaced & removed from the asset register resulting in a partial disposal. Of the \$2.7m loss on disposal recognised in the statement of comprehensive revenue and expense, \$2.1m is related to the partial disposal of building assets with residual value remaining therefore triggering a loss on disposal.

NOTE 14: EMPLOYEE ENTITLEMENT LIABILITIES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Accrued Pay	449	377
Annual Leave*	1,654	1,628
ACC Employer Contribution	39	42
Payroll Taxes	143	148
Total Employee Entitlements	2,285	2,195

*Annual Leave includes estimate of \$630k for Holiday Act Remediation in both FY25 & FY24.

NOTE 15: CREDITORS AND OTHER PAYABLES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Income in Advance	682	540
Trade & Other Payables	2,006	549
Accrued Expenditure	2,732	2,416
Deposits & Bonds	27	24
GST Payable	-	69
Total Creditors & Other Payables	5,447	3,598
Payables from Non Exchange Transactions	440	4
Payables from Exchange Transactions	5,007	3,593
Total Creditors & Other Payables	5,447	3,597

Accounting Policy

Short-term creditors and other payables are measured at the amount payable.

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their value.

There is a liability calculated by ASB Bank for our Credit Card Clearing account \$16,073 (2024 : \$19,087)



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

NOTE 16: BORROWINGS

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Current Borrowings		
Adams Centre for High Performance	1,000	1,000
Total Current Portion	1,000	1,000
Non-Current Borrowings		
Loan from Tauranga City Council*	20,011	34,565
Total Non-Current Portion	20,011	34,565

*Refer to Note 25: Related Party Transactions for details.

SECURITY

Tauranga City Council loan is unsecured.

Council has agreed to guarantee the Adams Centre for High Performance loan on the terms contained in the agreement.

FINANCE COSTS

Tauranga City Council charge interest at 5.25%. (2024 : 4.25%)

University of Waikato charge interest to the value of 55% of the total rental fee for the Adams Centre for High Performance.

NOTE 17: SHARE CAPITAL

Fully Paid Ordinary Shares

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Balance at Beginning of Financial Year	84,232	84,232
Reclassification of Capital	-	-
Closing Balance of Ordinary Shares Issued	84,232	84,232

- Fully paid ordinary shares carry one vote per share and carry the right to dividends.
- No ready market for these shares so recognised at cost.
- Shares have no par value.
- Bay Venues Limited also holds \$18,000,000 uncalled shares of \$1 per share.
- 84,232,000 ordinary shares at \$1 per share are fully paid out and carry the right to dividends per share.

NOTE 18: RETAINED EARNINGS

	Actual 2025 (\$000's)	Actual 2024 Restated (\$000's)
Accumulated Funds		
Balance at 1 July	(43,425)	(31,803)
Surplus/(Deficit) for the Year	1,249	(12,424)
Transfer (to) / from Trustpower Reserve	-	933
Transfer to Mercury Reserve	(140)	(131)
Transfer to University of Waikato Reserve	(59)	-
Disposal of Property, Plant & Equipment	257	-
Balance 30 June 2025	(42,117)	(43,425)



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

NOTE 19: REVALUATION RESERVE

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Balance at 1 July	56,841	41,165
Net Revaluation Gains	(257)	15,675
Balance at 30 June	56,584	56,840

NOTE 20: OTHER RESERVES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Naming Rights	330	131
Total Reserves	330	131

The Naming Rights reflects the Mercury naming rights arrangement for Mercury Baypark and the University of Waikato sports & fitness partnership.

NOTE 21: EQUITY CONTRIBUTION FROM OWNERS

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Loan Conversion	15,000	-
New Capital Funding	3,097	-
Total	18,097	-

Loan conversion is the reduction of part of the loan from Tauranga City Council to Bay Venues Limited, converting the loan to equity. This loan was converted to equity, as this is a material one-off transaction.

New Capital Funding is recognising Tauranga City Council's funding of 80% of the funded capital network via debt to equity conversion.

Refer to Note 25: Related Party Transactions for details.

NOTE 22: CONTINGENCIES

Bay Venues Limited has no contingent liabilities at 30 June 2025 (2024: \$180,000).

Bay Venues Limited has no contingent assets at 30 June 2025 (2024: nil).

Bay Venues Limited has no contingent rent recognised during the year. (2024: nil).

NOTE 23: RECONCILIATION OF NET SURPLUS / (DEFICIT) AFTER TAX TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Actual 2025 (\$000's)	Actual 2024 Restated (\$000's)
Net Surplus / (Deficit) from Statement of Comprehensive Income	1,249	(12,424)
Add/(Deduct) Non Cash Items		
Depreciation/Amortisation + Loss on Disposal	12,010	8,124
Add/(Deduct) Movements in Working Capital		
Movement in Trade & Other Receivables	(3,342)	1,263
Movement in Inventories	47	(13)
Movement in Employee Entitlements	90	441
Movement in Trade & Other Payables	2,303	(381)
Movement in GST Payable	(454)	(111)
Movement in Deferred Tax Relating to Operating Activities	1,043	6,721
Movement in RWT Payable	(34)	-
Net Cash Inflow/(Outflow) from Operating Activities	12,912	3,620



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

NOTE 23: (A) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cash flows that will be, classified as a financing activity in the statement of cash flows.

	Loan from Tauranga City Council 2025 (\$000's)	Loan from Tauranga City Council 2024 (\$000's)
Balance as at 1 July	34,565	27,773
Cash Inflows	5,042	11,292
Cash Outflows	(1,500)	(4,500)
Non-Cash Changes*	(18,097)	-
Balance as at 30 June	20,010	34,565

*Equity Contribution from Owners, refer to Note 25: Related Party Transactions for details.

NOTE 24: CAPITAL COMMITMENTS AND OPERATING LEASES

Capital Commitments

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Mother Grid Truss & Motors	240	-
Total capital commitments	240	-

OPERATING LEASES AS LESSEE

The Company leases equipment in the normal course of its business for a range of terms from 1 to 60 months. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Not Later than One Year	37	44
Later than One Year & Not Later than Five Years	-	30
Total Non-Cancellable Operating Leases	37	74

OPERATING LEASES AS LESSOR

The Company provides the lease of facilities in the normal course of its business. Signed lease agreements are in place for periods from 12 to 250 months.

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Not Later than One Year	280	320
Later than One Year & Not Later than Five Years	743	632
Later than Five Years	1,634	1,737
Total Non-Cancellable Operating Leases	2,657	2,689

No contingent rents have been recognised during the year (2024: nil).



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

NOTE 25: 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 Company 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 Council (such as funding), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

During the year there were multiple related-party non-cash financing transactions which are equity contributions from owners:

- **Loan Conversion:** Council re-allocated \$15m of capital to offset the financial impact of the pandemic and un-funded asset purchases at Baypark & Adams Centre for High Performance by way of converting the loan to equity to re-balance Bay Venues debt-to-equity ratio. This transaction included a loan reduction & an increase in equity, being an increased equity contribution from Council.
- **New Capital Funding:** Council annually funds 80% of the funded new capital programme. Assets are classified as part of the funded network if they deliver community benefit. This transaction includes a loan reduction & an increase in equity, being an equity contribution from Council.

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
Transactions with Key Management Personnel		
Salaries & Other Short Term Employee Benefits	1,352	1,231
Directors Fees & Travel	254	254
Total Key Management Personnel Remuneration	1,606	1,485
Total Full-Time Equivalent Personnel	7	7

Key management personnel include the Board of Directors, Chief Executive, General Manager Finance & Commercial, General Manager Community Experience, General Manager Operations, General Manager Community Facilities and General Manager People & Engagement. Directors fees and travel excludes meeting costs such as catering. Due to the difficulty in determining the full-time equivalent for all Directors, the full-time equivalent is taken as one.

NOTE 26: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

2024-25 Budget has been updated after the SOI has been published, therefore explanations for major variances from the Company's updated & approved budget figures for 2024-25 are as follows:

Statement of Comprehensive Revenue & Expense

- User fee revenue was \$1.09m behind SOI budget and \$0.76m behind updated budget due to a decline in customer spend in aquatics and lower volumes across Events and Sports & Fitness.
- Employee expenses were \$0.75m below SOI budget and \$0.93m below updated budget due to an organisational reset.
- Renewal funding was \$2m below budget due to a small number of significant projects brought forward to prior year (2023/24) and delayed to the following year (2025/26), as well as funding for SaaS projects transferred to operational funding.



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

NOTE 27: FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENT CATEGORIES

	Actual 2025 (\$000's)	Actual 2024 (\$000's)
FINANCIAL ASSETS		
Loans & Receivables		
Cash & Cash Equivalents	1,005	1,526
Debtors & Other Receivables	1,598	870
Total Financial Assets	2,603	2,396
FINANCIAL LIABILITIES		
Financial Liabilities at Amortised Cost		
Creditors & Other Payables	2,043	571
Borrowings - Adams Centre Loan	1,000	1,000
Borrowings - TCC Loan	20,011	34,565
Total Financial Liabilities	23,054	36,136

(B) FINANCIAL INSTRUMENT RISKS

Bay Venues Limited complies with Tauranga City Council's policies to manage the risks associated with financial instruments. Bay Venues Limited is risk averse and seeks to minimise exposure from its financial instruments. Bay Venues Limited complies with Tauranga City Council's established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

(i) MARKET RISK

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change. All current borrowings are from Tauranga City Council. The interest rates are fixed by Tauranga City Council annually on 1 July each year therefore Bay Venues Limited is not subject to market interest rate fluctuations during the financial year.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Bay Venues Limited only borrows, or invests, with Tauranga City Council and the interest rates on these borrowings are fixed by Tauranga City Council annually on 1 July each year therefore Bay Venues Limited is not subject to fluctuating market interest rates during the financial year.

Currency Risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates.

Bay Venues Limited purchases events from overseas event promoters, which require it to enter into transactions dominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

It is Bay Venues Limited's policy to manage foreign currency risks arising from contractual commitments and liabilities that are above \$20,000 by entering into forward foreign exchange contracts to manage the foreign currency risk. This means that Bay Venues Limited is able to fix the New Zealand dollar amount payable for the delivery of these events.

Sensitivity Analysis

The table below illustrates the potential effect on the surplus or deficit and equity for reasonably possible market movements, with all other variables held constant based on Bay Venues Limited's financial instrument exposure at balance date.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

	Interest Rate Risk			
	-50BPS		+50BPS	
30 JUNE 2025	Surplus/(Deficit)	Equity	Surplus/(Deficit)	Equity
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Financial Liabilities				
Secured Loans	105	-	(105)	-
Total Sensitivity	105	-	(105)	-

	Interest Rate Risk			
	-100BPS		+100BPS	
30 JUNE 2024	Surplus/(Deficit)	Equity	Surplus/(Deficit)	Equity
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Financial Liabilities				
Secured Loans	356	-	(356)	-
Total Sensitivity	356	-	(356)	-

Explanation of Interest Rate Risk Sensitivity

The interest rate risk sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100 bps is equivalent to a decrease in market interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of 50bps/+50bps (2024: 100bps/+100bps).

(ii) CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to Bay Venues Limited, causing the company to incur a loss. In the normal course of business, Bay Venues Limited incurs credit risk from accounts receivables only.

The carrying value of financial instruments in the Statement of Financial Position reflects their credit risk exposure. The exposures are net of any recognised provisions for losses on these financial instruments. No collateral is held.

Bay Venues Limited complies with Councils Treasury Policy which permits a minimum credit rating of A for registered banks and other organisations. On 30 June 2025 all financial instruments were held with the New Zealand registered trading banks which are rated AA-. There are no major concentrations of credit risk in relation to debtors and other receivables, as it has many credit customers.

Maximum Exposure to Credit Risk

Bay Venues Limited's maximum credit risk exposure for each class of financial instruments is as follows:

	30 June 2025 (\$000's)	30 June 2024 (\$000's)
Cash at Bank	1,005	1,526
Debtors & Other Receivables	1,598	870
Total Credit Risk	2,603	2,396

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Counterparties with Credit Ratings	30 June 2025 (\$000's)	30 June 2024 (\$000's)
Cash at Bank		
AA-	1,005	1,526
Total Credit Risk	1,005	1,526

Bay Venues Limited has no significant concentrations of credit risk in relation to debtors and other receivables, as it has many credit customers.



STATEMENT OF ACCOUNTING POLICIES AND NOTES for the Year Ended 30 June 2025

(iii) LIQUIDITY RISK

Liquidity risk is the risk that Bay Venues Limited will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, in Bay Venues Limited case, via funding through Tauranga City Council. Bay Venues Limited mostly manages liquidity risk by continuously monitoring forecast and actual cashflow requirements.

Contractual Maturity Analysis

The table below analyses Bay Venues Limited's financial assets and liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 Year (\$000's)	Between 1 & 2 Years (\$000's)	Between 2 & 5 years (\$000's)	Over 5 Years (\$000's)	Total Contractual Cash Flows (\$000's)
30 JUNE 2025					
Contractual Maturity Analysis					
Financial Assets					
Cash & Cash Equivalents	1,005	-	-	-	1,005
Debtors & Other Receivables	1,598	-	-	-	1,598
Total Financial Assets	2,603	-	-	-	2,603
Financial Liabilities					
Borrowings - Adams Centre Loan	1,000	-	-	-	1,000
Creditors & Other Payables	2,043	-	-	-	2,043
Borrowings - TCC Loan	-	-	-	20,011	20,011
Total Financial Liabilities	3,043	-	-	20,011	23,054

	Less than 1 Years (\$000's)	Between 1 & 2 Years (\$000's)	Between 2 & 5 Years (\$000's)	Over 5 Years (\$000's)	Total Contractual Cash Flows (\$000's)
30 JUNE 2024					
Contractual Maturity Analysis					
Financial Assets					
Cash & Cash Equivalents	1,526	-	-	-	1,526
Debtors & Other Receivables	870	-	-	-	870
Total Financial Assets	2,396	-	-	-	2,396
Financial Liabilities					
Borrowings - Adams Centre Loan	1,000	-	-	-	1,000
Creditors & Other Payables	570	-	-	-	570
Borrowings - TCC Loan	-	-	-	34,565	34,565
Total Financial Liabilities	1,570	0	0	34,565	36,135

NOTE 28: EVENTS AFTER BALANCE DATE

After year end Council has approved the sale of the Stadium North Stand to Speedway Racing Limited for \$1, pending execution of a formal agreement. Bay Venues will seek third party accounting advice to determine the impact to the financial statements in FY26.



STATEMENT OF ACCOUNTING POLICIES AND NOTES

for the Year Ended 30 June 2025

NOTE 29: PRIOR PERIOD ERROR CORRECTION

In accordance with IPSAS 3, Accounting Policies, Changes in Accounting Estimates and Errors, the financial statements have been restated to correct an error identified in the accounting for depreciation contributions to Council. In the prior period from 2016 onwards, Bay Venues classified the depreciation contribution to Council as a non-current asset each year, whereas Council treated that as a revenue. To address this inconsistency in accounting, the error in Bay Venues accounts has been corrected by adjusting the depreciation contributions created till 1 July 2023 to retained earnings and contribution for 2023/24 adjusted in income statement for 2023/24. The correction has no impact on the Statement of Comprehensive Revenue and Expenses for the current period, as the error relates to prior periods. The impact of the adjustments on the comparative information in these financial statements is as follows:

	2024 As Previously Reported (\$000's)	Adjustment (\$000's)	Restated 2024 (\$000's)
Statement of Comprehensive Revenue and Expenses			
Renewals Funding	5,894	(1,070)	4,824
Total Operating Revenue	34,697	(1,070)	33,627
Surplus/(Deficit) Before Tax	(4,633)	(1,070)	(5,703)
Surplus/(Deficit) After Tax	(11,354)	(1,070)	(12,424)
Total Comprehensive Income	4,320	(1,070)	3,250
Statement of Changes in Equity			
Retained Earnings at Beginning of the Year	(27,448)	(4,355)	(31,803)
Surplus/ (Deficit) for the Year	(11,354)	(1,070)	(12,424)
Retained Earnings at End of the Year	(38,000)	(5,425)	(43,425)
Equity at End of the Year	103,204	(5,425)	97,779
Statement of Financial Position			
Other Non-Current Assets	5,425	(5,425)	-
Total Non-Current Assets	162,668	(5,425)	157,243
Total Assets	165,901	(5,425)	160,476
Net Assets	103,204	(5,425)	97,779
Retained Earnings	(38,000)	(5,425)	(43,425)
Total Equity	103,204	(5,425)	97,779
Statement of Cash Flows			
Grants Received	12,378	(1,070)	11,308
Net Cash Flow from Operating Activities	4,690	(1,070)	3,620
Transfer to Depreciation Investment	(1,070)	1,070	-
Net Cash Flow from Investing Activities	(10,584)	1,070	(9,514)

The figures in the notes have been updated for the impact of the prior period error accordingly.



STATUTORY DISCLOSURES for the Year Ended 30 June 2025

STATUTORY DISCLOSURES

NATURE OF BUSINESS

There have been no changes to the nature of the business of the company.

EMPLOYEES REMUNERATION EXCEEDING \$100,000

	Actual Number of Employees	
	2025	2024*
\$100,001 - \$110,000	4	2
\$110,001 - \$120,000	3	2
\$120,001 - \$130,000	1	5
\$130,001 - \$140,000	3	4
\$140,001 - \$150,000	2	-
\$150,001 - \$160,000	1	1
\$160,001 - \$170,000	1	2
\$170,001 - \$180,000	1	-
\$180,001 - \$190,000	-	2
\$190,001 - \$200,000	2	1
\$200,001 - \$210,000	1	1
\$270,001 - \$280,000	1	-
\$290,001 - \$300,000	-	1
\$300,001 - \$310,000	1	-
Total Employees	21	21

Remuneration includes paid and payable at 30 June 2025.

*Prior year bands have been restated to include employer's KiwiSaver contribution.

CHIEF EXECUTIVE REMUNERATION

Total Remuneration Paid or Payable	2025	2024
\$290,001 - \$300,000	-	1
\$300,001 - \$310,000	1	-

This is also reflected in the employees remuneration table above.



STATUTORY DISCLOSURES for the Year Ended 30 June 2025

Directors during the year and directors fees paid and accrued were as follows:

Director	Appointed Date	Resigned Date	Director Fees 2025	Travel & Accom 2025	Director Fees 2024	Travel & Accom 2024
Nick Lowe	07/01/2017	30/06/2025	35,000	-	35,000	-
Simon Clarke (Chair)	07/01/2021	N/A	70,000	-	70,000	-
Julie Hardaker (Deputy Chair)	07/01/2021	N/A	43,750	-	43,750	-
Adam Lynch	07/01/2021	30/06/2025	35,000	-	35,000	-
Jeremy Curragh	07/01/2021	N/A	35,000	-	35,000	-
Wayne Beilby	25/07/2022	N/A	35,000	-	35,000	-
Gareth Wallis*	05/10/2021	N/A	-	-	-	-

Sam Hastings & Carey Ulrich were Board Interns in 2025.

There were no Director remuneration benefits paid in excess of \$100,000.

**Gareth Wallis is not paid Director fees as he is a Tauranga City Council staff appointment.*

DONATIONS

There were no donations made by the company during the period.

INTEREST REGISTER

There have been no disclosures of self interest during the year.



FINANCIAL PERFORMANCE for the Year Ended 30 June 2025

	Actual 2025 (\$000's)	Budget 2025 (\$000's)	Actual 2024 (\$000's)
Revenue	31,283	31,361	27,485
Less Expenses	(33,542)	(31,143)	(30,045)
EBITDA	(2,259)	218	(2,560)
Add back Adjustments for Prior Year & Capital Transactions			
Holiday Act Remediation Provision	-	-	180
Loss on Disposal of Assets	2,664	-	144
Adjusted EBITDA	405	218	(2,236)

Notes:

- Revenue includes TCC Operational Grant, user fees and charges and other sundry revenue. Excludes TCC funding for depreciation, debt servicing and renewals.
- Expenditure includes costs relating to employees, administration, cost of goods sold, marketing, governance, normal business operations and repairs and maintenance. Excludes depreciation and debt servicing.
- During the year, major upgrades to our Halls & Greerton Pools led to partial disposal of building assets. Of the \$2.7m disposal loss recognised, \$2.1m relates to assets with remaining residual value, triggering the loss.
- Details on the results and variances to budget are reported within the Annual Financial Statements and notes.

RECONCILIATION TO STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

	Actual 2025 (\$000's)
Adjusted EBITDA	405
Add	
TCC Debt Servicing Grant	1,098
TCC Renewal Funding	13,798
Less	
Finance Cost	(999)
Depreciation	(9,346)
Loss on Disposal of Assets	(2,664)
Surplus Before Tax	2,292



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BAY VENUES LIMITED'S FINANCIAL STATEMENTS AND STATEMENT OF INTENT PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Bay Venues Limited (the Company). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of intent performance of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 11 to 35, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, 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; and
- the statement of intent performance of the Company for the year ended 30 June 2025 on pages 7 and 38.

OPINION

In our opinion:

- the financial statements of the Company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of intent performance:
 - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and
 - has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 29 September 2025. This is the date at which our opinion is expressed.

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 for the audit of the financial statements and the statement of intent performance* 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 THE STATEMENT OF INTENT PERFORMANCE

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of intent performance 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 the statement of intent performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of intent performance, 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE STATEMENT OF INTENT PERFORMANCE

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of intent performance, 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 the statement of intent performance.

For the budget information reported in the financial statements and in the statement of intent performance, 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 the statement of intent performance.

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 the statement of intent performance, 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 financial statements and the statement of intent performance 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 statement of intent performance, including the disclosures, and assess whether the statement of intent performance 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 the statement of intent performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of intent performance 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 the statement of intent performance, 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 the statement of intent performance 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.



INDEPENDENT AUDITOR'S REPORT

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 the audit, we have no relationship with, or interests in, the Company.

Leon Pieterse

Audit New Zealand

On behalf of the Auditor-General

Tauranga, New Zealand



toi tauranga
art gallery

Tauranga Art Gallery Trust Annual Report — 2024–2025

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Tauranga Art Gallery Trust (TAGT) is incorporated under the Charitable Trusts Act 1957 as a not-for-profit entity, established to deliver and operate a public art gallery to serve residents of Tauranga, the Western Bay of Plenty, and visitors to the region. TAGT has charitable status with the Inland Revenue Department.

This report has been completed in accordance with our Tauranga City Council Statement of Intent and the Local Government Act 2002, which requires that TAGT report to Council on a six-monthly and annual basis.

Chair's Report

The 2024–2025 year has been one of significant transformation and strategic resilience for Tauranga Art Gallery Trust. Central to our activity has been the major redevelopment of Toi Tauranga Art Gallery—an ambitious project essential for the long-term preservation and enhancement of this vital cultural institution.

Capital Project and Financial Stewardship

The \$3.38 million commitment in March 2023 from Tauranga City Council laid the foundation for the reorientation and redevelopment of the Gallery. As the project progressed, amongst other items, seismic strengthening requirements and additional structural work increased the total cost to \$9.657 million. Partway through the project an agreement was reached between the Tauranga Art Gallery Trust and Tauranga City Council: the Trust would sell the Gallery's land to the Council, which in turn would lease it back to the Trust. This strategic move released critical capital, enabling the redevelopment to proceed.

The Tauranga Art Gallery Trust gratefully acknowledges further contributions from the Tauranga Art Gallery Foundation, TECT, Pub Charity, and local community trusts. Their collective support has provided together with Gallery contributions \$4.374 million—representing 45.3% of the total project cost. The remaining 54.7% has been funded by Tauranga City Council and our ratepayers—a true and valued partnership that reflects the shared commitment to securing the Gallery's future for generations to come.

Financial Performance

- Revenue \$8,764,642
- (less) Expenses \$4,998,085
- \$3,766,558

Key Financials at Year-End

- Total Assets: \$13.41 million
- Liabilities: \$804K
- Net Assets: \$12.61 million

The surplus marks a point in time of the capital redevelopment and a vested asset of \$6,766,842. Being non-cash revenue it recognises the work in progress of the building and has been noted at the request of Tauranga City Council. It is still subject to final audit approval. See page 35 for notes to variances.

Aligned with Tauranga City Council's broader fiscal directive to reduce operational expenditure by 7%, the Gallery has revised its budget accordingly for the coming year.

Non-Financial Performance

12 achieved

5 to be achieved next financial year when Gallery is open.

Despite the temporary closure, the Gallery maintained strong performance across capital project delivery, programme development, and strategic planning achieving 12 KPI's. The remaining five were impacted by project timelines pushing out the scheduled reopening of May 2025 to late 2025.

Governance

The Trust welcomed new trustee Allanah Winiata-Kelly, our Māori representative, and thanked outgoing members Ciska Vogelzang and Sylvia Willison for their valued service. The Gallery also welcomed Dave Guruge to the Board and Grace Hakaria as Board Intern. Trustees, including Deputy Chair Wayne Werder and Audit, Finance and Risk Chair Alan Withrington, have demonstrated unwavering commitment throughout this transformative year.

Community and Acknowledgements

This year marked a new chapter for our supporter community. Following wide consultation, the Friends of the Art Gallery Incorporated formally voted to wind up and support a refreshed membership model led by the Gallery. Art trips and lecture series are already underway, signalling a renewed era of engagement.

The Trust extends its sincere thanks to all funders, partners, artists, and supporters. Your continued belief in our mission has enabled us to remain bold in vision and careful in execution. In November we look forward to reopening a revitalised Tauranga Art Gallery that will serve and inspire the community for generations to come.

Rosemary Protheroe

Chair – Tauranga Art Gallery Trust

Director's Report

As I write this report I do so conscious that whilst Toi Tauranga Art Gallery has been temporarily closed for two years, it could have been much longer, as it has been for other cultural institutions around the country also facing structural and seismic challenges. I wish to take a moment to acknowledge Tauranga Art Gallery Trust Board and Tauranga City Council in valuing the role of the Gallery as important cultural infrastructure and their commitment together to reopening the Gallery to the public.

For my team this financial year has been one completing the fit-out and relocation of artworks to the new Art Storage; designing, procuring and preparing the Gallery as a facility to reopen; continuing engagement with community and schools; and a significant identity refresh and website project.

Exhibitions can take two to three years to develop, and we have been working with artists on a range of survey, solo, group exhibitions and Art Prizes. We seek to present a wide range of research and creative practice, so over the coming 24 months visitors will experience contemporary and historical shows across diverse art making from Augmented Reality, to soft sculpture, moving image, ceramics, design and photography – to name a few. Finally, 2027 will see Tauranga Art Gallery turn 20 and celebratory exhibitions and events are already in development.

Toi Tauranga Art Gallery has always collaborated with our City Centre partners, festivals and other cultural institutions, to the benefit of our audiences. We can't wait to reopen and build on these opportunities. Imagine what Matariki celebrations will be like over the coming years as our Te Manwataki o Te Papa precinct, and City Centre comes to life.

Later this year I look forward to opening the doors and welcoming our community back into the Gallery. It'll be like reconnecting with an old friend – you don't realise how much you've missed them until they're back, and you're reminded of just how special they are.

Nāku te rourou, nāu te rourou, ka ora ai te iwi.

With your contribution and my contribution, together we will all flourish.

Sonya Korohina
Director – Toi Tauranga Art Gallery



Tauranga Art Gallery Trust (TAGT) was established in 1998 to manage and operate Toi Tauranga Art Gallery (Toi TAG), ensuring sound governance and financial management.

Toi TAG creates lifelong relationships with art through exceptional art experiences that engage, inspire, challenge, and educate.



Exhibitions and Events

Pop-up exhibitions, trips away and talks have been a great opportunity to collaborate with city centre venue partners to present.

Ans Westra Book Launch *Tauranga City Libraries—July 2024*

We hosted a lively and engaging conversation at Tauranga City Library that discussed the accomplishments of formidable New Zealand documentary photographer Ans Westra.

Claudia Jarman Lecture *University of Waikato—October 2024*

Mary Kisler, a renowned art historian, writer, and former senior curator at Auckland Art Gallery shared her research into the work and life of Frances Hodgkins.

Frances Hodgkins Exhibition *Waihirere Lane—November 2024*

With artworks generously loaned by Claudia Jarman's son, following the lecture audiences were able to view works by the famous New Zealand artist.

Playback Exhibition *The Strand—December 2024*

Showcasing exhibitions over the years visitors to Tauranga City Centre were able to enjoy this walk down memory lane over the Summer.

Art trip to Kirikiriroa *Hamilton—February 2025*

We hosted a group of Friends of the Gallery discovering public artworks and exploring galleries in Hamilton.

Street Art Festival Artist Talks *City Centre—March 2025*

Paul Darragh was commissioned to create a mural on the Wharf Street exterior of the Gallery as part of the Tauranga Street Art Festival.

Monthly Walking Tours *February-June 2025*

Starting at Sarah Hughes' Midnight Sun artwork, monthly public art tours around the city centre were led by the Gallery Director.



Tauranga Art Gallery Trust Annual Report 2024–2025

Education Programmes

Even though the Gallery has been temporarily closed, engagement with our community has remained a priority. Over the year the team has presented holiday workshops, community workshops, and a schools outreach programme.

Winter Holiday workshops

Eye Sculptures – inspired by the bold, vibrant artwork of NZ/Scottish artist Rob McCleod.

Summer Holiday workshops

Children studied Peata Larkin's sculpture in Red Square, Rauheia and created lanterns that cast shadow patterns

Monthly Little Big Market craft experience

Tauranga City Council Children's Day craft experience

Online workshops

To enhance learning resources whilst closed this the team have created a suite of online art making workshops that can be accessed via the website by schools and the public.



Education Programmes

The outreach programme focussed on schools such as kura kaupapa, special needs or low decile that have not had strong engagement with the gallery. It has been an opportunity to strengthen relationships with teachers and link our programmes with local pūrākau, stories what is being taught in the classroom. An example follows.

Workshop at Merivale School

Pūrākau Landscapes – this workshop format was inspired by a recent gallery exhibition *Tauranga Moana Waterscapes*. After viewing a slideshow about the artists, landscape drawing and the local pūrākau of Taurikura the children explored different drawing techniques and materials. Using a reference photo from the rohe they created a realistic water colour drawing (pictured below).



"Thank you for your wonderful mahi with our tamariki. Loads of positive feedback from the akonga and the kaiako."

Irene Martin – Year 5 & 6 teacher, Merivale School

"Thank you again for your mahi with us last week, the tamariki really enjoyed themselves and responded really well to your presence and facilitation style 😊"

Brody Leatham – Rangatahi Projects Coordinator



Rauhea by Peeta Larkin

Art Collection

Art Storage and Exhibition at 90 Devonport

Creating a New Entrance and Storage Facility

The Gallery's new entrance onto Masonic Park has been developed on the site previously occupied by our Education offices. To accommodate this change, Collection storage was relocated, making way for a new open-plan office for Education and Exhibitions teams. This reconfiguration will foster greater collaboration between the two teams and create a more efficient working environment.

Relocating the Collection presented a significant challenge. After exploring several options, a preferred solution was identified within 100 metres of the Gallery, ensuring artworks could be transported easily and securely without the added risks of a distant, fringe location. In consultation with sector colleagues and fire suppression specialists UltraFire, designers BCD Group developed detailed plans. Consent was secured, and the new facility was completed in March.

With this project successfully delivered, the Gallery team has been able to dedicate valuable time to the Collection—undertaking conservation work, reframing, and matting—ensuring artworks are prepared and presentation-ready for future exhibitions.





In May the team installed artworks from the Tauranga Civic and Gallery Collections at 90 Devonport Road, an opportunity to showcase some of our collection.

Preparing for Reopening

Supporting the Redevelopment

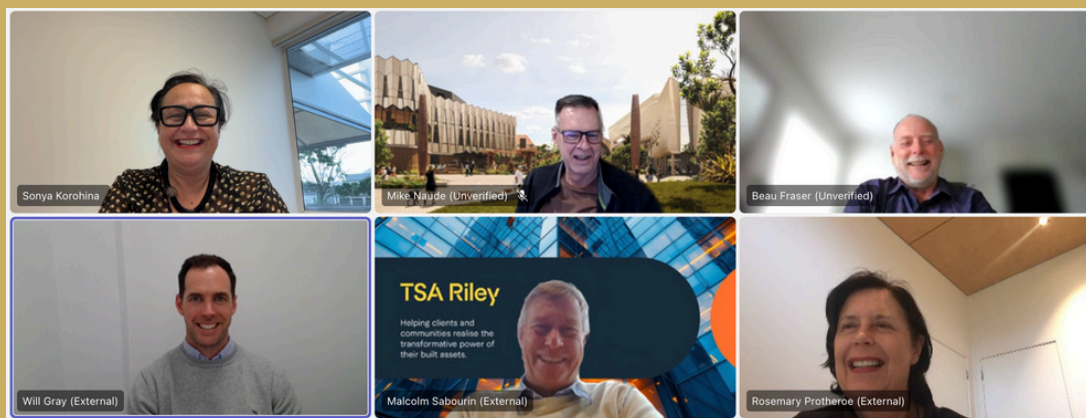
Gallery staff have worked tirelessly alongside Tauranga City Council and Warren and Mahoney Architects to ensure the redeveloped building and its fit-out will meet both future presentation needs and international museum standards. One example was the replacement of the original HVAC system, installed in 2007, which was increasingly costly to maintain as it neared the end of its life. Staff consulted with Te Papa, the Sarjeant Art Gallery, and other industry specialists, before engaging a consultant to design a solution that informed the final detailed designs for the building.

A Multi-Functional Community Facility

The redevelopment has also been shaped with the Gallery's role as a community hub in mind. Considerations have extended from lighting, sound, suspension points, and cabling to digital systems, with every detail reviewed to ensure that spaces are versatile and optimised for multiple uses.

Fit-Out and Public Spaces

The detailed fit-out of public areas—including the café, reception, retail space, and the Creativity Centre—has been led by Gallery staff to ensure these spaces are practical and welcoming. Staff have sourced furniture and fittings and provided input on finishes throughout the wider build. The café has been designed for daytime use by visitors as well as evening event catering, while the reception area can adapt to function as both a welcoming entrance and a bar service area when required.



Preparing for Reopening

Visitors to the Gallery, and particularly Tauranga residents, are going to experience greater opportunities to engage and enjoy their visit once we reopen.

Enhancing Visitor Experience

A new Curiosity Activity booklet invites audiences of all ages to discover and learn more about artworks and the artists behind them in a fun, engaging way. Funding from Lotteries has also supported the development of digital resources, including artist videos, exhibition audio guides, and online art-making workshops, extending access beyond the Gallery walls. Publications have been written and designed to accompany three of the reopening exhibitions, copies of which will be sent to schools around the region.

To further improve the visitor experience, the Gallery website is undergoing a major upgrade. Enhanced content and functionality—ranging from “What’s On” listings to travel tips and parking information—will make it easier for visitors to plan and enjoy their time at the Gallery.

Te Kāhu ō Hinewa

Te Kāhu ō Hinewa, our Māori Advisory Group, share a commitment to advancing Māori art, empowering Māori artists and communities, and ensuring a culturally safe and inclusive space at the Gallery. As experts in their respective mātauranga (knowledge), they have guided the Director and team in the implementation of our Māori Engagement Strategy and preparing for the reopening of the Gallery.

Ngā mihi nui

Quinton Bidois (Ngāi Te Rangī and Ngāti Ranginui)

Ngairo Eruera (Ngāti Ranginui, Ngāti Awa, Ngāi Tūhoe)

Arohanoa Matthews (Ngāi Te Rangī and Ngāti Ranginui)

Julie Paama-Pengelly (Ngāi Te Rangī: Ngāi Tuwhiwhia, Ngāti Tapu, Ngāti Tauaiti)

Chair, Tipene Walters (Ngāi Te Rangī, Ngāti Ranginui and Te Rarawa)



Non-Financial Performance



Strategy	Objective	Performance Target	Results
He Tauranga Auaha To be an anchor of innovation and creativity Toi TAG is a destination for both city visitors and residents, providing the opportunity for all to learn about and experience art	1. Deliver a range of exhibition, learning and engagement programmes that achieve a high level of visitor experience satisfaction	Annual programme of at least 12 shows is in development	
		Content to enhance visitor experiences is in development to include publications, digital, and self-guided resources	
		Re-opening annual programme of exhibitions and experiences is launched and achieves a high level of visitor satisfaction*	
He Tauranga Matarau To be an anchor for diversity Toi TAG is inclusive and promotes partnerships with tangata whenua, values culture, and diversity and where people of all ages and backgrounds are included, feel safe, connected, and healthy	2. Implement Visitor Experience Strategy that grows and diversifies audiences, and engagement	Stakeholders and audiences are informed during the closure and leading up to the reopening of the gallery through a targeted campaign and an upgraded website is launched	
		Diverse audiences engage with gallery reopening programme *	
	3. Implement Māori Engagement Framework.	Kaitohotohu toi Māori role appointed **	
		Māori advisory group established	
	4. Our brand value is strengthened through touring exhibitions, media coverage and invitations to participate in high profile events	Media coverage is tracked and is positive	
		Touring shows in development with confirmed venues	
He Tauranga Whaihua To be an anchor of enduring success TAGT will pursue opportunities to secure funding and manage all funds with prudence and care with a commitment towards being financially sustainable.	5. Implement and monitor prudent financial management and processes	Annual Budget is approved and met	
		Audit Report completed	
	6. Establish, grow and diversify revenue streams that will achieve financial sustainability	Approved Annual revenue Plan and targets met *	
		7. Demonstrate accountability and transparency of investment of public funds.	Annual report and audited accounts are loaded onto website.
	*Target will not be met due to gallery building not open. **Role deferred		
KEY TARGET NOT MET TARGET COMPLETED OR ON TRACK TO BE MET			

Strategy	Objective	Performance Target	Results
He Tauranga Haukaha To be an anchor of great shelter He Tauranga Taiao To be an anchor in environmental sustainability	8. Deliver an enhanced facility contributing towards a strong Te Manawataki o Te Papa civic precinct and city centre partnerships	Building reopens offering enhanced visitor and art experiences * Toi TAG works closely with Te Manawataki o Te Papa partners to grow the profile of the civic precinct and city	 
He Tauranga Haumaru To be anchor for development. TAGT will take all practical steps to ensure our people are valued, supported feel safe, connected, and healthy.	9. Health, safety, well-being, and organisational culture is a priority 10. The board is providing best practice governance.	Monthly H&S Report to Board for review and discussion Safe 365 implemented Board professional development undertaken and reported on	 
*Target will not be met due to gallery building not open.			

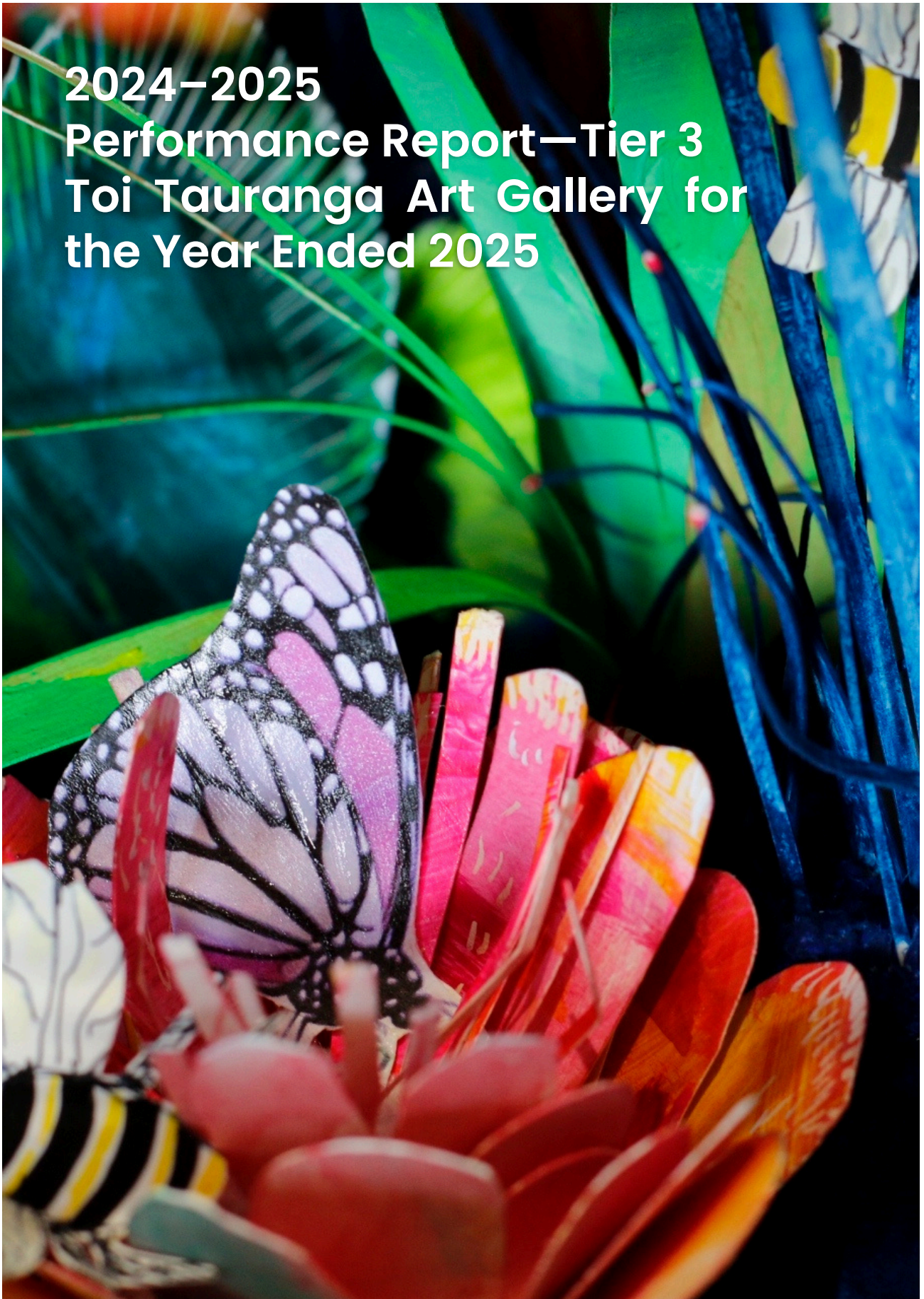
KEY



TARGET NOT MET

TARGET COMPLETED OR
ON TRACK TO BE MET

2024–2025 Performance Report—Tier 3 Toi Tauranga Art Gallery for the Year Ended 2025



**2024-25 Performance Report - Tier 3
Tauranga Art Gallery for the Year Ended 2025**

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Entity Information

TaurangaArt Gallery
For the year ended 30 June 2025

Legal Name of Entity

The Tauranga Art Gallery Trust

Entity Identifier

CC38535

Type of Entity

The Tauranga Art Gallery Trust (Trust) is a charitable trust formed in 1998 and is registered as a charitable entity under the New Zealand Charities Act 2005. The Trust also has charitable status with the Inland Revenue Department.

Entity's Purpose or Mission

The primary objective of The Tauranga Art Gallery Trust is to develop and manage a public art gallery for the community, rather than making a financial return.

Entity Structure

The Trust is controlled by the Tauranga City Council and is a Council Controlled Organisation as defined in section 7 of the Local Government Act 2002.

Entity's Governance Arrangements

The Trust comprises a Board of 8 Trustees who oversee the governance of the Trust, a Director who is responsible for the day to day operations of the Trust and reporting to the Trustees, as well as 6 full time and 3 part time staff who support the Director in delivering against the Trust's objectives. The Trustees are appointed by the Tauranga City Council.

Main Sources of Entity's Cash and Resources

An operating grant received from the Tauranga City Council is the Trust's main source of income. The Trust also has a Community Service Contract with the Western Bay of Plenty District Council and had a three-year Contract for Service with the Ministry of Education to provide Enriching Local Curriculum (ELC) programmes to local schools.

Physical Address

108 Willow Street, Tauranga, Tauranga, New Zealand, 3110

Postal Address

108 Willow Street, Tauranga, Tauranga, New Zealand, 3110

Contact details

Corner of Wharf and Willow Streets
Box 13255, Tauranga 3141 | New Zealand
Phone 07 578 7933
email: accounts@artgallery.org.nz
www.artgallery.org.nz



Statement of Service Performance

TaurangaArt Gallery

For the year ended 30 June 2025

Description of medium to long term objectives

Vision:

Toi Tu Tauranga: Enriching relationships with Art
Creating life-long relationships with art.

Mission:

He Tauranga Toi: To be an anchorage for Art
To create exceptional art experiences that engage, inspire, educate and challenge.

What we do:

Toi TaurangaArt Gallery is the Bay of Plenty's leading art gallery. We strive for excellence in the arts for our local, national, and international communities.

Working with emerging to established practitioners, across a wide range of research and creative practice, we seek to inspire, challenge, and reimagine the world we live in - from Aotearoa New Zealand and beyond. We present survey, solo, group, collection exhibitions and art prizes.

Through meaningful encounters with art, we look to serve the widest possible audience, recognising the importance of intergenerational work. Our expanded learning programmes and engagement and events encourage deeper connections with our exhibitions across all ages.

Description of key activities

	Current year	Quantity
		Last year
Achieve a high level of customer satisfaction	Gallery closed	The Gallery delivered a fortnightly newsletter to keep supporters up to date with developments and offered programme of talks and art day trips away
Develop and present a diverse exhibition and events programme	Gallery closed	The Gallery showcased 48 artists between 12 exhibitions across a wide range of media and practice. A quarter of the programme showcased the practice of local artists
Develop and present a range of education programmes and learning opportunities that meets the needs of our clients	Gallery closed	Achieved 53% of the target with 3,938 students attending programmes. These students mainly came from Tauranga and the Western Bay of Plenty
Build our relationship with government agencies, councils and other organisations	Maintained and grew relationships with TCC, WBOPDC, Ministry of Education, Lotteries and Creative New Zealand	The Gallery worked closely with the City Centre team across partnership, development and Te Manawataki o Te Papa
Present and maintain a world-class fit for purpose facility	Gallery closed	20,733 visitors to the Gallery and 45,000 to our touring programmes.



Statement of Financial Performance

Tauranga Art Gallery

For the year ended 30 June 2025

'How was it funded?' and 'What did it cost?'

Account	Notes	2025 Actual \$	2025 Budget (unaudited) \$	2024 Actual \$
Revenue				
Funding from Local and Central Government	1	1,717,610	1,608,540	1,548,478
Non-government grants, sponsorship and donations	1	140,671	387,480	61,788
Interest, dividends and other investment revenue	1	116,860	31,200	65,323
Other revenue	1	22,659	69,000	308,854
Vested Asset	1	6,766,842	-	-
Total Revenue		8,764,642	2,096,220	1,984,443
Expenses				
Employee remuneration and other related expenses	2	914,071	1,238,280	935,023
Other expenses related to service delivery	2	4,084,013	891,676	971,029
Special Projects		-	-	42,717
Total Expenses		4,998,085	2,129,956	1,948,769
Surplus/(Deficit) for the Year		3,766,558	(33,736)	35,673

Explanation of major variances against budget are provided on Note "14. Explanations of Major Variances to Budget"

This performance report has been approved by those charged with governance.

Date 30 Sep 2025

Signature 

Name Rosemary Protheroe

Position Chairperson

Date 30 Sep 2025

Signature 

Name WAYNE WERDER

Position Deputy Chair



Statement of Financial Position

Tauranga Art Gallery

As at 30 June 2025

	Account	Notes	30-Jun-25	30-Jun-24
Assets				
	Current Assets			
	Bank accounts and cash	3	1,226,824	1,043,893
	Debtors and prepayments	3	42,379	45,127
	Inventory	3	-	2,806
	Short term deposits	3	1,728,537	915,681
	Total Current Assets		2,997,741	2,007,508
	Non-Current Assets			
	Property, plant and equipment	5	14,800,605	11,250,971
	Total Non-Current Assets		14,800,605	11,250,971
Total Assets			17,798,346	13,258,479
Liabilities				
	Current Liabilities			
	Creditors and accrued expenses	4	1,299,377	757,427
	Employee costs payable	4	55,304	53,355
	Total Current Liabilities		1,354,681	810,782
	Non-current Liabilities			
	Other non-current liabilities	4	101,161	-
	Total Non-current Liabilities		101,161	-
Total Liabilities			1,455,842	810,782
	Total Assets less Total Liabilities (Net Assets)		16,342,504	12,447,697
Accumulated Funds				
	Capital contributed by owners or members		1,000,000	1,000,000
	Accumulated surpluses or (deficits)		9,649,384	5,882,827
	Reserves		5,693,120	5,564,870
Total Accumulated Funds		6	16,342,504	12,447,697



Statement of Cash Flows

TaurangaArt Gallery

For the year ended 30 June 2025

Account	2025	2024
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	46,671	61,788
Funding from Central and Local Government	2,180,739	1,553,316
Receipts from non-governmental sources for providing of goods or services	103,242	308,854
Interest, dividends and other investment receipts	125,450	57,744
GST	37,735	(28,244)
Payments to suppliers and employees	(1,324,295)	(1,826,117)
Cash flows from other operating activities	-	-
Total Cash Flows from Operating Activities	1,169,541	127,341
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	-	-
Payments to acquire property, plant and equipment	(173,755)	(88,453)
Payments to purchase investments	(812,856)	(42,793)
Cash flows from other investing and financing activities	-	538,600
Total Cash Flows from Investing and Financing Activities	(986,610)	407,354
Net Increase/(Decrease) in Cash	182,931	534,695
Bank Accounts and Cash		
Opening cash	1,043,893	509,198
Closing cash	1,226,824	1,043,893
Net change in cash for period	182,931	534,695



Statement of Accounting Policies

TaurangaArt Gallery

For the year ended 30 June 2025

Basis of Preparation

This performance report is prepared in accordance with the XRB's Tier 3 (NFP) Standard. The entity is eligible to apply these requirements as it does not have public accountability and has total annual expenses of less than \$5,000,000. All transactions in the performance report are reported using the accrual basis of accounting. This performance report is prepared under the assumption that the entity will continue to operate for the foreseeable future.

Treatment of GST

All amounts are recorded on a GST exclusive basis, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

Tauranga Art Gallery Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Grants

Council, government and non-government grants are recognised as revenue when the funding is received or receivable unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from the sale of goods is recognised when the goods are sold to the customer.

Sale of services

Revenue from the sale of services is recognised when the services are provided to the customer.

Donated assets

Revenue from donated assets is recognised upon receipt of the asset, if the asset has a useful life of 12 months or more and the value of the asset is readily obtainable and significant.

Entrance fees

Entrance fees are not charged, any revenue in the form of admission donations is recognised upon receipt of the donation.

Venue hire

Fees charged for events or venue hire are recognised upon attendance at the event or at the time of venue hire. Refundable fees, paid in advance of an event or venue hire are recognised as liabilities until the time of the event or venue hire, at which time they are recognised as revenue. Non-refundable deposits are recognised as revenue at the time of receipt.



Interest and dividend revenue

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

Employee related costs

Wages, salaries and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide the services and become entitled to the contributions.

Advertising, marketing, administration, overhead and fundraising costs

These costs are expensed when the related service has been received.

Lease expense

Lease payments are recognised as an expense on a straight line basis over the lease term.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventories

Inventories are initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling price. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete. When inventories are sold, exchanged or distributed, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed or the related service is rendered. The amount of any write-down of inventories and all losses of inventories is recognised as an expense in the period the write-down loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Investments

Investments comprise term deposits with banks. Bank deposits are initially measured at the amount paid. The carrying value of bank deposits maturing within 12 months approximates their fair value. If it appears that the carrying amount of the investment will not be recovered, it is written down to expected recoverable amount.



Property, Plant and Equipment

Land is measured at fair value and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Land, buildings and artwork are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. A revaluation is undertaken at least every three years with the most recent being 30 June 2022.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expense.

Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more and the current value of the asset can be readily obtainable and significant. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight line (SL) or diminishing value (DV) basis, at rates that will write the asset off over their useful lives. The useful lives and associated depreciation rates of major classes of assets is unchanged from prior

	R a t e	N/A	N/A	SL	and/or
Artworks	1.0% - 2.0%	1.0%	DV	N/A	N/A
Land	- 33.3% / 20%	10%	SL	SL/DV	
Building	4.0% -	33.3%	SL	SL/DV	
Building Improvements	6.6%	- 40.0%	SL/DV	SL	
Leasehold Improvements	20.0%	- 25%	SL		
Tools and Office Equipment	20.0% - 50.0%				
Exhibition Equipment					
Computer Equipment:					
Intangibles					

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Employee costs payable

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and gratuities are recognised when the entitlement becomes available to the employee.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include interest accrued at year end that has not yet been paid.



Provisions

The Trust recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, if it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Credit Card

Tauranga Art Gallery has a credit card limit of \$8,000.

Income Tax

Tauranga Art Gallery is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Budget figures

The budget is approved by the Board at the beginning of each financial year.
The budget figures have been approved in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The trust has not applied any Tier 2 PBE accounting standards in preparing these financial statements.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil).



Notes to the Performance Report

TaurangaArt Gallery

For the year ended 30 June 2024

Account	2025	2025 Budget \$ (unaudited)	2024
1. Analysis of Revenue			
Funding from Central and Local Government			
Tauranga City Council			
Operating Grant	1,534,539	1,534,540	1,255,102
Other Grants	105,071	-	219,377
Total Tauranga City Council	1,639,610	1,534,540	1,474,479
Western Bay of Plenty District Council	44,000	40,000	40,000
Education ELC Funding	34,000	34,000	33,999
Total Funding from Central and Local Government	1,717,610	1,608,540	1,548,478
Non-government grants, sponsorship and donations	22,375	177,980	7,500
Exhibition Sponsorship	-	-	4,178
Artbus Sponsorship	-	-	4,658
Admission Donations	770	13,500	6,299
Other donations		8,000	135
Friends Membership	476	-	38,007
Other Sponsorship In Kind	-	-	1,011
Grants Other (Non Ed/Exh related)	112,000	168,000	45,452
Donations	5,050	20,000	61,788
Total other donations	117,526	196,000	65,323
Total non-government grants, sponsorship and donations	140,671	387,480	114,387
Interest, dividends and other investment revenue	116,860	31,200	178,879
Other revenue	16,920	10,500	
Education programme revenue	-	3,000	
Events and exhibitions	-	10,000	
Public Programmes	(25)	15,000	-
Retail Sales	-	10,500	4,151
Venue hire	-	20,000	-
Sundry Income	5,763	69,000	11,437
Total other revenue	22,659		308,855



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Account	2025	2025 Budget \$ (unaudited)	2023
2. Analysis of Expenses			
Volunteer and employee related costs			
Salaries and wages	687,688	1,122,150	835,435
Recruitment and HR costs	26,453	18,200	14,488
Staff travel	24,933	17,080	12,688
Staff training	2,574	7,000	2,604
Other Employee related costs	26,994	37,850	11,302
Contractor expenses	145,429	36,000	58,505
Total volunteer and employee related costs	914,071	1,238,280	935,023
Other Expenses related to service delivery			
Other			
Accounting and payroll administration	2,393	10,408	(2,761)
Administration expenses Audit fees	120,348	113,189	116,198
Building and maintenance Consultants	47,301	41,600	27,917
and legal Cost of goods sold Education	62,085	114,989	163,105
expenses - Art bus Education program	28,688	3,120	7,360
expenses Interest Expense Relocation	(6,846)	6,270	11,804
expenses Insurance Collection	2,116	9,000	26,300
expenses Offsite Storage Depreciation	8,017	7,500	16,204
and amortisation Loss on	21	-	(5)
disposal/impairment of assets Lease	9,158	3,500	171,755
make good provision	32,879	27,125	14,214
	36,022	92,807	-
	23,229	26,000	25,704
	148,618	151,740	150,827
	3,334,328		
	101,161	-	-
Total other	3,949,514	607,248	728,623
Event, exhibition and experience expenses			
Exhibition Misc Expenses	9,778	191,100	44,404
Artist Exhibition Fee	11,250	-	39,159
Licencing Fees	3,275	-	954
Materials Exhibition	16,222	-	28,033
Artist related expenses	22,795	-	6,753
Paint	82	-	1,609
Freight	1,701	-	10,871
Graphics Production Exhibitions	-	-	8,306
Exhibition Catalogue	-	-	1,892
Exhibition Contractors	-	-	13,700
Touring Costs Exhibitions	-	-	5,156
Fundraising Expenses	-	3,500	14,342
Experience Costs	3,515	-	-
Events External	1,375	20,000	2,448
TAG Events Supplies and Facilities	5,626	-	14,216
Total Event and exhibition expenses	75,619	214,600	191,841
Advertising and marketing	1,700		
Advertising Print Media	0	-	15,385
Advertising Radio, TV	1,533	-	4,165
Digital Media	10,433	-	7,936
Marketing and advertising	38,700	66,500	5,851
Graphic Design	3,680	-	9,210
Large Format M&M	56,046	-	2,455
Total advertising and marketing		66,500	45,002
Lease expense			2,214
TCC Car Park Lease	-	-	3,349
TCC Transformer Site Rental	2,834	3,328	5,564
Total lease expense	2,834	3,328	971,029
Total other expenses related to service delivery	4,084,013	891,676	



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Account	2025	2025 Budget \$ (unaudited)	2024
3. Analysis of Assets			
Bank accounts and cash			
BNZ Oncall account	1,224,331	-	1,034,517
BNZ Operational Account	2,494	-	9,377
Total Bank accounts and cash	1,226,824	-	1,043,893
Debtors and prepayments			
Debtors	27,906	-	20,198
Prepayments	-	-	1,865
Interest Accrued	14,473	-	23,063
Total Debtors and prepayments	42,379	-	45,127
Inventory			
Inventory	-	-	2,806
Investments			
Short term deposits	1,728,537	-	915,681

All investments are fixed interest investments deposited with a maturity date of 12 month or less.

Account	2025	2025 Budget \$ (unaudited)	2024
4. Analysis of Liabilities			
Creditors and accrued expenses			
Accounts Payable	74,680	-	62,661
Accruals Business	101,521	-	70,513
Credit Card GST	4,380	-	2,339
Revelopment Fund	52,048	-	14,313
Income in Advance	538,600	-	538,600
	528,149	-	69,000
Total Creditors and accrued expenses	1,299,377	-	757,427
Employee costs payable			
Holiday Pay Accrual	27,278	-	29,786
Salary Accruals	28,026	-	23,569
Total Employee costs payable	55,304	-	53,355
Other non-current liabilities			
Make good provision	101,161	-	-



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Note 5 - Property, Plant and Equipment

Asset Class	Current year					
	Opening Carrying Amount	Purchases	Disposals	Depreciation and Impairment	Revaluation Movements	Closing Carrying amount
Land						
Buildings & Improvements	4,018,000	-	-	-	-	4,018,000
Furniture & Fittings	5,110,000	6,766,842	-	3,451,012	-	8,425,830
Leasehold Improvements	-	46,202	-	-	-	46,202
Tools & Office Equipment	-	96,344	-	803	-	95,541
Computer Equipment, Website, Intangible	61,085	5,278	18,216	6,093	-	42,054
Exhibition Equipment	40,104	39,363	14,838	9,323	-	55,306
Artworks	56,482	1,269	26,604	7,025	-	24,122
	1,965,300	-	-	-	128,250	2,093,550
Total	11,250,971	6,955,296	59,658	3,474,255	128,250	14,800,605

Asset Class	Last year					
	Opening Carrying Amount	Purchases	Disposals	Depreciation and Impairment	Revaluation Movements	Closing Carrying amount
Land						
Buildings & Improvements	4,018,000	-	-	-	-	4,018,000
Furniture & Fittings	5,322,000	72,617	-	128,806	- 155,811	5,110,000
Leasehold Improvements	-	-	-	-	-	-
Tools & Office Equipment	-	-	-	-	-	-
Computer Equipment, Website, Intangible	61,479	4,761	-	5,156	-	61,085
Exhibition Equipment	41,287	5,298	-	6,481	-	40,104
Artworks	61,090	5,777	-	10,384	-	56,482
	1,965,300	-	-	-	-	1,965,300
Total	11,469,156	88,453	-	150,827	- 155,811	11,250,971



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Note 6 - Accumulated Funds

Description	Current year						Total
	Capital Contributed by Owners	Accumulated Surpluses or Deficits	Restricted Reserves	Discretionary Reserves	Revaluation Reserves	Other Reserves	
Opening balance	1,000,000	5,882,826			5,564,870	-	12,447,696
Capital contributed by owners			-	-		-	
Capital returned to owners			-	-		-	
Surplus/(Deficit)	-	-	-	-	-	-	-
Distributions paid to owners	-	3,766,558	-	-	-	-	3,766,558
Transfer to restricted or discretionary reserves	-	-	-	-	-	-	-
Transfer from restricted or discretionary reserves	-	-	-	-	-	-	-
Revaluation movements	-	-	-	-	-	-	-
Transfers from revaluation reserve due to disposal of assets	-	-	-	-	128,250	-	128,250
Other movements recognised directly	-	-	-	-	-	-	-
inaccumulated funds	-	-	-	-	-	-	-
Closing balance	1,000,000	9,649,384	-	-	5,693,120	-	16,342,504

Description	Last year						Total
	Capital Contributed by Owners	Accumulated Surpluses or Deficits	Restricted Reserves	Discretionary Reserves	Revaluation Reserves	Other Reserves	
Opening balance	1,000,000	5,845,022			5,720,681	-	12,565,703
Capital contributed by owners			-	-		-	
Capital returned to owners			-	-		-	
Surplus/(Deficit)	-	-	-	-	-	-	-
Distributions paid to owners	-	35,673	-	-	-	-	35,673
Transfer to restricted or discretionary reserves	-	-	-	-	-	-	-
Transfer from restricted or discretionary reserves	-	-	-	-	-	-	-
Revaluation movements	-	-	-	-	-	-	-
Transfers from revaluation reserve due to disposal of assets	-	-	-	-	(155,811)	-	(155,811)
Other movements recognised directly	-	-	-	-	-	-	-
inaccumulated funds	-	2,131	-	-	-	-	2,131
Closing balance	1,000,000	5,882,826	-	-	5,564,870	-	12,447,696



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Account	2025	Budget \$	2024
		(unaudited)	
7.Commitments and Contingencies			
Commitment	Explanation and Timing		
Commitments to lease of buildings	Less than one year	44,222	-
	Between two and five years	39,385	-
	More than five years	-	-
	Sub-total	83,607	-
Commitments to lease of plant and equipm ent	Less than one year	3,060	-
	Between two and five years	1,020	-
	More than five years	-	-
	Sub-total	4,080	-
	47,282	-	
Total less than one year	40,405	-	23,060
Total between two and five years		-	10,802
Total move than five years	-	-	-
TOTAL	87,687		33,862
Commitment to purchase property, plant and	A capital commitment existed at year end for the completion of Membrane Roof Overlay	380,000	-

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (2024 - nil)

8. Significant Grants and Donations with Conditions not Recorded as a Liability

No such revenue noted in 2025 Financial year (2024: Nil)

9. Related Parties

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 conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

There are no related party transactions to disclose in 2025 (2024: Nil)

10. Events After the Balance Date

Nature of the Event	Estimate of the financial effect	Effect, if any on the entity's ability to continue operating
The completion of the sale of the Gallery's land, (see 2024 note below) will be completed in 2026. Tauranga City Council will complete the Tauranga Art Gallery's building redevelopment in 2026 (approximately another one third of the value of the project) and the balance of the project will be recognised in 2026. (2024: A sale and purchase agreement was signed after balance date for the sale of Tauranga Art Gallery's land, on the corner of Wharf and Willow Street, to Tauranga City Council)		Nil



11. Property used as Security

Tauranga Art Gallery Trust property is used as security for Fujifilm Business Innovation New Zealand Limited.

12. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

13. Audit Timing

Tauranga Art Gallery Trust was required under section 67(5)(b) - Amendments to the Local Government Act 2002 which requires the Trust Board to complete its audited financial statements and service performance information three months after the end of the financial year. This timeframe was met.



14. Variances

Account	Notes	2025 Actual \$	2025 Budget \$	Variance
Revenue				
Funding from Local and Central Government	1	1,717,610	1,608,540	109,070
Non-government grants, sponsorship and donations	2	140,671	387,480	(246,809)
Interest, dividends and other investment revenue	3	116,860	31,200	85,660
Other revenue	4	22,659	69,000	(46,341)
Vested asset		6,766,842	-	6,766,842
Total Revenue		8,764,642	2,096,220	6,668,422
Expenses				
Volunteer and employee related costs	5	914,071	1,238,280	324,209
Other expenses related to service delivery made up as:				
Other	6	3,949,514	607,248	(3,342,266)
Event, exhibition and experience expenses	7	75,619	214,600	138,981
Advertising and marketing		56,046	66,500	10,454
Lease expense		2,834	3,328	494
Total other expenses related to service delivery		4,084,013	891,676	(3,192,337)
Total Expenses		4,998,085	2,129,956	(2,868,129)
Surplus/(Deficit) for the Year		3,766,558	(33,736)	3,800,294

Notes

1 Higher actuals to budget relates to additional funding received for professional fees pertaining to the Gallery fitout.

2 The variance is due to lower exhibition sponsorship and admissions than budgeted as the Gallery was closed during 2024/25 and reopening delayed.

3 The higher interest income is a result of higher than budgeted deposits and interest rates.

4 The vested asset revenue is a non-cash revenue that recognises the work in progress building and improvement asset on behalf of TAGT, at no cost to TAGT to date, recorded in TAGT's accounts.

5 The saving is due to restructuring of roles, with the temporary closure of the main TAGT, together with delays in opening the Gallery and subsequent hire of new staff.

6 The majority of the variance \$3.3m relates to the unbudgeted write-down of the building and improvements asset by 66% to account for bringing in 66% of the building redevelopment costs, as work in progress, which will make up the new improved building asset. Without the write-down, the overall building and improvement asset would be overstated. A provision of \$101k was added (no budget) to account for the future liability to 'make good' the new leased property at Waihirere Lane for the Collection and workspace.

7 Lower actuals to budget mainly due to lower exhibition costs with the Gallery planning to opening later than budgeted for.





INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TAURANGA ART GALLERY TRUST'S FINANCIAL
STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30
JUNE 2025

The Auditor-General is the auditor Tauranga Art Gallery (the Trust). The Auditor-General has appointed me, Cameron Town, using the staff and resources of Silks Audit Chartered Accountants, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- policies and other explanatory information; and the the financial statements of the Trust on pages 24 to 38, that comprise the Statement of Financial Position as at 30 June 2025, the Statement of Financial Performance for the year ended on that date and the notes to the financial statements that include accounting

- the performance information of the Trust on pages 22 to 23

In our opinion:

- the financial statements of the Trust:
 - o present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with Tier 3: PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) ; and
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2025





Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed. The

basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

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 Trustees for the financial statements and the performance information

The Board of Trustees is responsible on behalf of the Trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is also responsible for preparing the performance information for the Trust.

The Board of Trustees 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 the performance information, the Board of Trustees is responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Trustees intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

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

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

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



Whanganui | Ngāmotu | Taupō | Te Papaioea | Rotorua
(06) 345 8539 | tanderson@silks.co.nz | ctown@silks.co.nz | www.silksaudit.co.nz



We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.⁸

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 the 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 Trust'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 Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information 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 Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees 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 Trustees is responsible for the other information. The other information comprises the information included on pages 1 to 20, 39 to 42, but does not include the financial statements and the performance information, and our auditor's report thereon. Our opinion on the financial statements and the performance information does not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our opinion on the financial statements and the 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 the 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 the 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 Trust in accordance with the independence requirements of 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) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

A handwritten signature in blue ink, appearing to read 'Cameron Town'.

Cameron Town
Silks Audit Chartered Accountants Limited
On behalf of the Auditor-General
Whanganui, New Zealand



People

Tauranga Art Gallery Trust

Chair: Rosemary Protheroe

Deputy Chair: Wayne Werder

Trustee: Alan Withrington, Chair Finance Audit and Risk

Trustee: Rachel Scott

Trustee: Hanna Scott

Trustee: Ciska Vogelzang

Trustee: Sylvia Willison (until August)

trustee: Allanah Winiata-Kelly (from September)

Trustee: Grace Hakaria (intern)

Tauranga Art Gallery Staff

Director: Sonya Korohina

Business Development and Operations Manager: Iain Griffin

Office and Accounts Manager: Janeen Gleeson

Exhibitions and Collections Manager: Monique Barnett

Technician: Elliot Mason

Experience Manager: Hannah Wynn

Lead Educator: Angie Ogilvy-Clark

Retail: Karen Kearney

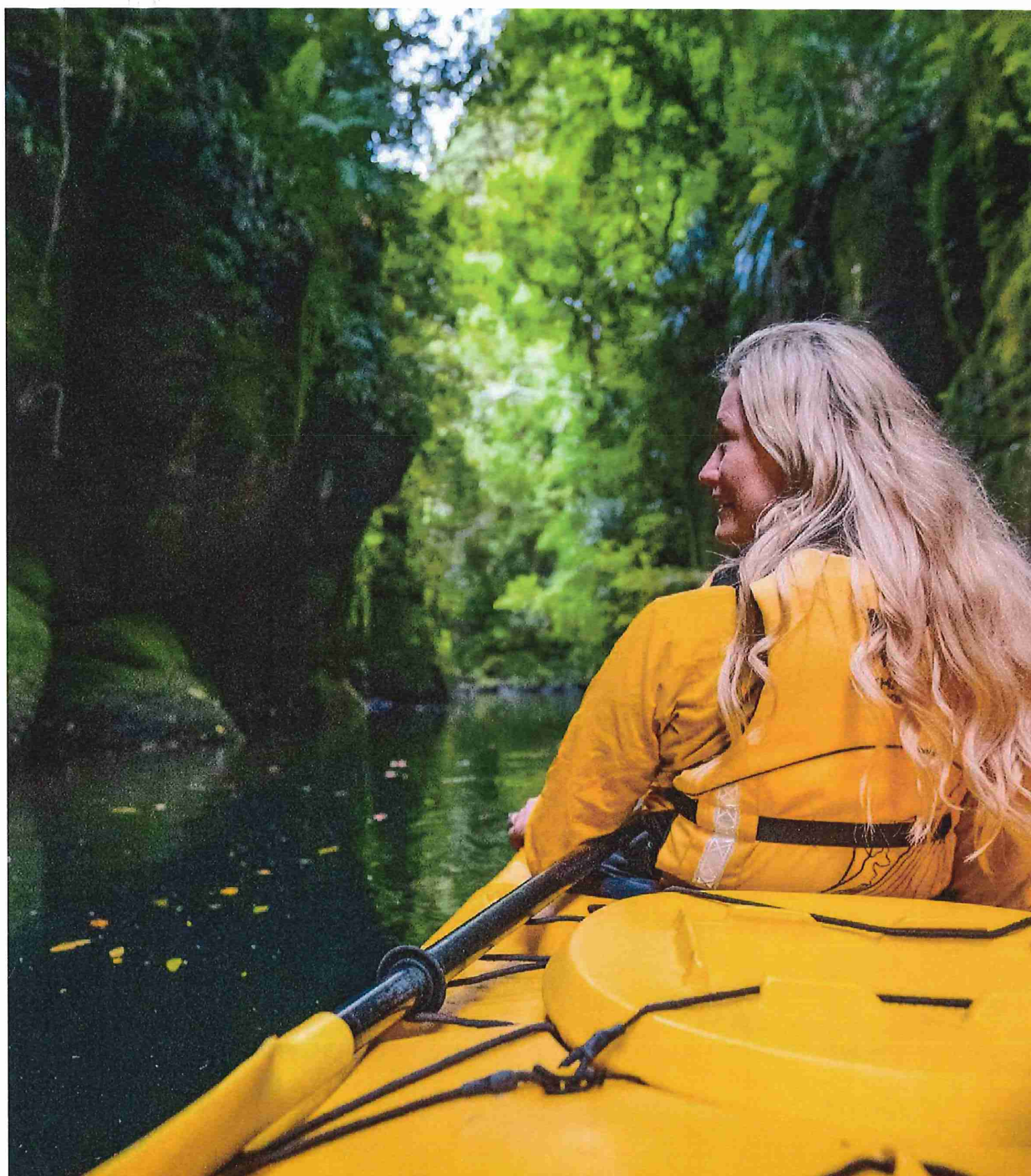
Management Accountant: Sophia Benbow

Curator: Van Mei (fixed term)

Redevelopment Project Manager: Campbell (fixed term)







ANNUAL REPORT

TO 30 JUNE 2025

TOURISM BAY OF PLENTY | TĀPOI TE MOANANUI Ā TOI

(WESTERN BAY OF PLENTY TOURISM AND VISITOR TRUST)



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Service Performance

YEAR IN REVIEW

Pragmatism and partnership were the themes of our mahi in 2024-2025. We focused on doing the basics well, supporting smart initiatives and strengthening our relationships with operators, iwi, residents and of course, our shareholder councils. Despite tough economic times, we have managed to deliver on our key programmes.

CRUISE: A REGIONAL ENGINE

Cruise remained a cornerstone of our visitor economy. This past season saw us expand our iPort facilities with an additional 20-foot container housing five sales desks for 13 operators, easing passenger flow and boosting on-the-day sales. Supported by Port of Tauranga, Tauranga City Council, Road Safe, iwi, and various national agencies, Tauranga again delivered as the most highly rated cruise passenger destination in New Zealand. We refreshed our cruise-day brochure, launched a digital companion, and ran pre-season familiarisations to prepare sales teams. A targeted Australian Google Ads campaign (Dec-Feb) further stimulated demand and dispersal. Our Coastal Bay of Plenty Cruise Study, commissioned in partnership with Priority One and delivered by KPMG in November 2024 - provided clear steps and insights into cruise perceptions and value. Along with our role on the NZ Cruise Association board, we have started to see some real progress in addressing the national decline in ship arrivals, albeit Tauranga passenger arrivals remain at the same level.

FLAVOURS OF PLENTY: GROWING A PLATFORM

Flavours of Plenty has matured from foodie festival to a significant regional platform, celebrating our food and hospitality ecosystem - a living expression of our Horticultural Place DNA®. National recognition came in November 2024 with a NZ Tourism Award for industry collaboration. The fourth festival (27 March - 13 April 2025) brought "Edible Stories" to life with 50+ events, 5,000+ attendees, and 150+ contributors. Results were outstanding: 85% of attendees plan to return, 94% of partners want to participate again, and media coverage exceeded \$1M in advertising value across 60+ features. Digital channels added 2,000+ followers, 3,000 subscribers, and 34,000 website users. Planning for 2026's *Pushing the Palate* theme is well underway.

REACHING VISITORS

Demand for our visitor collateral remained strong: 20,000 visitor guides were distributed nationwide, with two reprints adding 12,500 copies. The 2024 cycle trails booklet (17 off-road trails) saw 7,500 copies printed and distributed across airports, accommodation, shops, and information centres. Media exposure amplified our story further. News activity generated \$675,600 in digital EAV and reached 221.7 million readers. Of 83 online articles, highlights included the 2024/25 cruise season, Flavours of Plenty, Tauranga city-centre development, our NZ Tourism Award win, and the new North Island RTO alliance. Seven hosted travel journalists (four international, three domestic) produced three feature stories, 11 videos, and \$6.71M in digital EAV.

DIGITAL INNOVATION

We've continued to invest in smart, customer-focused infrastructure. Three new city wayfinding kiosks were installed, and in partnership with Emergency Management Bay of Plenty, delivers real-time civil defence alerts. Digitally, we launched the *Explore BOP* app (available on Google and Apple APP stores) to connect users with deals, events, and experiences. We also introduced another regional tourism first with the integration of an AI travel assistant on our website to provide instant, tailored responses to travel queries.

Tourism Bay of Plenty, Annual Report 2024-2025

YEAR IN REVIEW

EVENTS & PARTNERSHIPS

Events continue to drive vibrancy and dispersal. We supported 100+ events through digital, print, and social promotion, assisted Tauranga City Council with a major bid, and produced guidance for local businesses during the Zespri AIMS Games. A targeted ANZAC-weekend campaign (X*Air Games, Chiefs, D1NZ) generated 2,000+ landing-page views, reached 61,000+ people, and added 519 new contacts to our database. Offshore it has been partnerships that extended our reach. With Tairāwhiti Gisborne and JUCY, we hosted Australian adventure media brand *We Are Explorers*, generating significant editorial, competitions, social content, and advertising that raised our adventure profile in Australia.

TRADE & OPERATOR SUPPORT

Building our operator capability and international reach remained central. We assisted in the delivery of digital trade workshops with 24 operators and the hosting of 2 operator connect events. Presented the region on virtual sales calls in Australia, UK/Europe and North America, whilst also leading the regions presence at TRENZ (four operators) and Explore (eleven). Hosting of travel agent familiarisation visits (famils) was also a key program of delivery for us, with partners including ANZCRO, Pacific Destinations, *GetYourGuide*, Tāpoi Travel, Down Under Answers, and Grand Circle. Boost-funding alliances with Auckland in North America and with the new Jetstar (Hamilton Airport) services from the Gold Coast and Sydney from Australia, as well as our new Kiwi North activity in offshore market promotion in a collaboration M.O.U with other North Island regions and Auckland International Airport has been a significant milestone this year. Supporting operator Qualmark accreditations remains a key focus for us and builds our destination credibility amongst trade and consumers. Newly accredited this year were Tauranga Taxi Society, The Clarence, Dolphin Seafaris, Smith Touring Company, and Warbirds Adventure Flights.

BUSINESS EVENTS

Business events diversified our economy and showcased our destination and capability. We hosted planners from organisations including Chartered Accountants NZ, NZ Dairy, Global Dairy Trade, Physiotherapy NZ, Acoustical Society of NZ, and MAS Insurance. Alongside UoW, TCC, and Bay Venues, we attended *Meetings*, generating 30 appointments, six strong leads, and two qualified famils. A Business Events sales workshop with eight partners, product activations with Mount Brewing Co. and Avocado Tours, a BA5 presentation to 40+ businesses, and the completion of a regional BE strategy rounded out the year.

CULTURE-LED DEVELOPMENT

Through Native Nations, we partnered with Kohutapu Lodge to deliver a second indigenous youth exchange across Australia, Canada, and New Zealand, culminating in a Tauranga celebration event. A new website launched with itineraries and listings, supported by cultural safety resources for visitors. With Tāpoi Travel, we hosted a successful North American luxury famil, alongside further cultural famils that converted into inbound relationships. At Te Rere Ōmanawa (Ōmanawa Falls), our JV with Kaitiaki Adventures and Ngāti Hangarau continues to grow. Post-launch (Dec 2023), the experience is now contracted by inbound partners, sold on-board cruise ships, and represented at iPORT - a model of authentic, genuine and sustainable growth.

YEAR IN REVIEW

SUSTAINABILITY

Sustainability remains a signature pillar of our regional DNA. We proudly saw an additional 35 organisations complete *The Green Room* | *Te Rūma Kākāriki*, lifting total participation to 135 - the largest regional tourism sustainability programme of its kind in Aotearoa. Participants successfully advanced tailored action plans in carbon reduction, waste minimisation, resilience, and community contributions. Going forward, we have negotiated free access for both past and future BOP operator participants in Tourism Industry Aotearoa's new national programme *Akiaki* - which has been based on our regional programme.

2025-2026 TOP-LINE PRIORITIES

1. Providing strong direction and support in the promotion of major and business events into the region.
2. Continued cruise sector advocacy and actions that balance growth with community outcomes.
3. Smart-city digital integrations to enhance visitor info, safety and multiple device accessibility.
4. Destination marketing and low-season campaigns to lift shoulder-period yield.
5. Exploring sustainable funding models to deliver long-term resilience and reduce ratepayer investment.

Ngā mihi nui ki a koutou to the entities and individuals we have had the privilege to support, work alongside and represent in our mahi. The board and team at Tourism Bay of Plenty remain excited about the future and committed to our mission to lead the prosperity of our people and place through tourism.



Oscar Nathan
General Manager | Tumuaki



Russ Browne
Board of Trustees Chair

Handwritten signature/initials

OUR YEAR IN NUMBERS

VISITOR SPEND*

**TOTAL
VISITOR SPEND**

\$720.8m

(Down 1.5% YoY)

**TOTAL DOMESTIC
VISITOR SPEND**

\$605.6m

(Down 4.8% YoY)

**TOTAL INTERNATIONAL
VISITOR SPEND**

\$115.2m

(Up 20.5% YoY)

*Electronic card expenditure only. Excludes cash and online bookings.

CRUISE

**CRUISE TOTAL DIRECT & INDIRECT
BAY OF PLENTY ECONOMIC OUTPUT**

\$111.8m

(2023/2024 Cruise Season. 2024/2025 data yet to be released)



90 Total ships



81 ship days



162,000 passengers



70,000 crew

FLAVOURS OF PLENTY

5,000+ ATTENDEES

50+ EVENTS

150 CONTRIBUTORS

2024 NEW ZEALAND TOURISM AWARD WINNER

(For Industry Collaboration & Alignment)

MARKETING & COMMUNICATIONS

**VISITOR GUIDE
BOOKLETS**

32,500

**CYCLE TRAIL
BOOKLETS**

7,500

**ONLINE
ARTICLES**

83

**EARNED ADVERTISING
EQUIVALENT VALUE**

\$6.7m

Tourism Bay of Plenty, Annual Report 2024-2025

OUR YEAR IN NUMBERS

EVENTS

EVENTS
SUPPORTED

100+

BUSINESS EVENT
BIDS

44

BUSINESS EVENTS
SECURED

31

INTERNATIONAL TRADE

OPERATOR DIGITAL
WOKSHOP ATTENDEES

24

OPERATOR CONNECT
EVENTS

2

NEW QUALMARK
ACCREDITATIONS

5

TRENZ
ATTENDEES

4

EXPLORE
ATTENDEES

11

SUSTAINABILITY

TOTAL GREEN ROOM PARTICIPANTS

135

2024 NEW ZEALAND TOURISM AWARD FINALIST

(For Industry Collaboration & Alignment)

STATEMENT OF SERVICE PERFORMANCE SUMMARY

 Achieved
  On track
  Work in progress
  Not achieved

ECONOMIC WELLBEING  Year on Year Visitor Spend (Western Bay Combined) -1.5% -4.8% +20.5% Total Spend Domestic Spend International Spend	SOCIAL WELLBEING  Percentage of residents who agree that tourism has a positive impact on the community 66% Target: 60%
CULTURAL WELLBEING  Incorporated Tauranga Moana cultural history and stories into digital storytelling and wayfinding platforms managed by TBOP.	ENVIRONMENTAL WELLBEING  Number of businesses participating in The Green Room. 35 Target 35 Delivered
TBOP ORGANISATIONAL WELLBEING  Based on June employment engagement survey: +94% Target: 80%	DESTINATION MARKETING  Elevate the region's cycling offering. 7,500 copies of the Coastal Bay of Plenty cycle trails booklet were printed and distributed.
DESTINATION MARKETING  Elevate the region's food story. 50+ Events Flavours of Plenty Festival 27 March-13 April 2025.	DESTINATION MANAGEMENT  Operator capability building. Operators supported to engage in capability building programmes, with a minimum of five additional operators being endorsed with Qualmark certification.
DESTINATION MARKETING  Promote destination to target markets. Deliver an updated domestic marketing campaign which incorporates the destination's DNA elements and is focused on the target markets.	DESTINATION MANAGEMENT  Business Events. 44 Conference bids submitted. Yearly target is 25. 31 Confirmed conferences. Yearly target is 7.

Tourism Bay of Plenty, Annual Report 2024-2025

7

CRUISE SECTOR FACILITATION

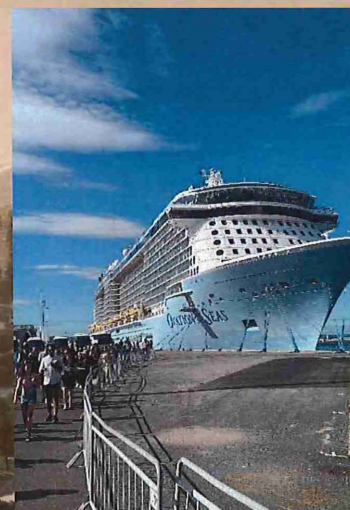
I-PORT OPERATIONS

- An additional 20ft container was set up on the port to support operator sales which includes 5 operator desks and 13 operators.
- TBOP continues to work closely with Port of Tauranga, Tauranga City Council and Road Safe to ensure the delivery of a safe and successful visitor experience.



OPERATOR SUPPORT

- TBOP continues to support cruise day operations.
- TBOP developed a sales brochure for distribution on cruise days with a digital version available on the TBOP website.
- In December, TBOP launched an Australian targeted Google Ads campaign to raise awareness, generate operator sales and promote the digital version of the brochure. The campaign will run through to the end of February 2025.
- TBOP facilitated operator pre-season familiarisation tours to ensure the cruise sales team are well informed on what passengers can experience when visiting the region to support operator sales.



CRUISE STUDY

- TBOP in partnership with Priority One commissioned KPMG to conduct a research study to better understand stakeholder perceptions and the value proposition of the cruise sector for coastal Bay of Plenty.
- Following release of the study in November 2024, TBOP are progressing the recommended next steps, with particular focus on operator traffic management outside the port.



90 Total ships



81 ship days



162,000 passengers



70,000 crew

Tourism Bay of Plenty, Annual Report 2024-2025

FLAVOURS OF PLENTY

Tourism Industry New Zealand Trust
Industry Collaboration and
Alignment Award

WINNER

NEW ZEALAND
**TOURISM
AWARDS**
2024

FLAVOURS OF PLENTY PLATFORM

While the Flavours of Plenty Festival continues to grow each year, its greater value lies in the Flavours of Plenty platform itself — an integrated network that uncovers, connects, and celebrates the region's unique food and hospitality ecosystem. This collaborative approach was recognised nationally with a Tourism Industry Aotearoa award for industry collaboration and alignment in November 2024.

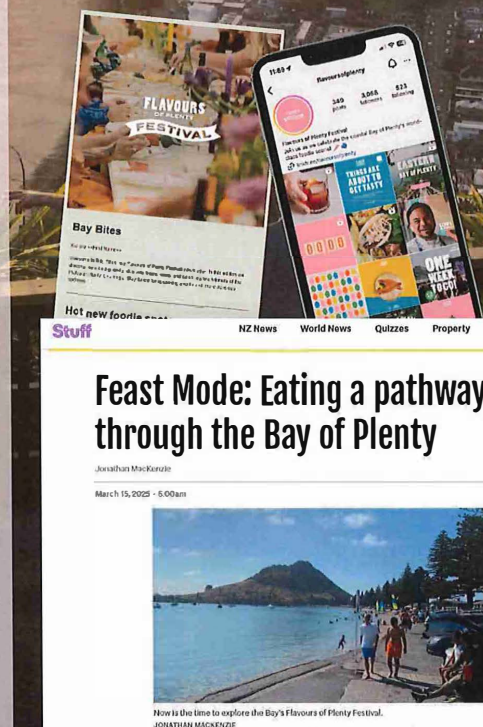
FLAVOURS OF PLENTY FESTIVAL

The fourth annual Flavours of Plenty Festival (27 March–13 April 2025) showcased the theme *Edible Stories* through more than 50 events, attracting 5,000+ attendees and featuring over 150 contributors. The programme highlighted the people, produce, and cultural narratives that define the Coastal Bay of Plenty, reinforcing the festival's role as a driver of connection, creativity, and regional pride.

Results included:

- 85% of festival attendees likely to return
- 94% of event partners eager to participate again
- Media and marketing impact was significant, with \$1M+ in estimated advertising value, 60+ articles or features
- Strong digital engagement included 2,000+ new social followers, 3,000 new subscribers, and 34,000 website users.

The 2026 festival (16 April–3 May) will return with the theme *Pushing the Palate*, celebrating culinary creativity and innovation across the region.



Tourism Bay of Plenty, Annual Report 2024-2025

MARKETING & COMMUNICATIONS

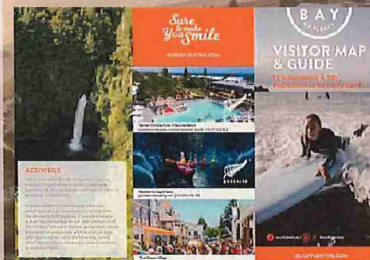
DOMESTIC CAMPAIGNS

- Ran three campaigns: a winter campaign which focused on Matariki events and compelling reasons to visit the region during July 2024. Our second campaign highlighted the Bay of Plenty as a spring travel destination during October-November 2024. During the winter of 2025, we ran a small Matariki campaign targeting locals and our drive markets.
- These campaigns generated over 3.2m impressions, 89k website visits, 226,895 video views and over 6000 new subscribers to our e-newsletter databases.



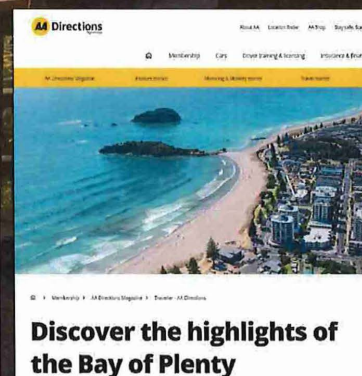
COLLATERAL

- 20,000 copies of the refreshed regional visitor guide were printed and distributed nationwide across accommodation providers, airports, and ferries. Strong demand required two additional print runs during the year, adding a further 12,500 copies.
- 7,500 copies of the latest cycle trails booklets were printed in November. The 2024 version features 17 off-road trails across the Coastal BOP, and these booklets were distributed via information centres, airports, accommodation providers, bike shops, cycle groups, and shopping centres.



NEWS & MEDIA COVERAGE

- TBOP news media responses, media releases, and media mentions generated a digital advertising value (EAV) of \$675,600 and reached a potential audience of 221.7 million readers. (This data excludes print and broadcast coverage.)
- Of the 83 online articles, the most far-reaching were about the 2024/2025 cruise season, 2025 Flavours of Plenty Festival, Tauranga city centre development project, our New Zealand Tourism Award win, and the new North Island Regional Tourism Organisations trade and marketing alliance.
- Hosted seven travel journalists (four international, three domestic) to experience the region, resulting in three in-depth digital travel stories, 11 unique videos promoting the Bay of Plenty and \$6.71M in digital EAV for destination travel stories.



Tourism Bay of Plenty, Annual Report 2024-2025

DIGITAL & EVENTS MARKETING

DIGITAL KIOSK PROJECT

TBOP advanced its city wayfinding project with the installation of three new digital kiosks, taking the total to four. In partnership with Emergency Management Bay of Plenty, the kiosks now also deliver real-time emergency alerts, enhancing public safety alongside visitor information.

AI TRAVEL ASSISTANT & DESTINATION APP

Launched the Explore BOP app, connecting users to regional deals, events, and experiences. We also deployed an AI travel assistant on our website offering visitors instant, tailored answers to their travel questions which included queries about accommodation, tourism activities and walking trails.

EVENT PROMOTION

- Supported over 100 events via social, digital, and print promotions, including *Kia Ora* magazine submissions and seasonal event guides.
- Supported Tauranga City Council with destination footage for a major event bid and creation of a Zespri AIMS Games document for local tourism and hospitality businesses.
- Ran digital ads to promote the Bay of Plenty as the place to be over Anzac weekend, featuring events such as the X*Air Games, a Chiefs game, and the D1NZ National Championships. The campaign generated over 2,000 landing page views, reached more than 61,000 people, and added 519 new contacts to our email database.

DOMESTIC ELECTRONIC VISITOR SPEND*

TAURANGA DOMESTIC VISITOR SPEND

Down 6.5% compared to July-June 2024



WESTERN BOP DOMESTIC VISITOR SPEND

Down 1% compared to July-June 2024



*Electronic card transactions only. Excludes cash, online & pre-bookings. Source: Marketview

Tourism Bay of Plenty, Annual Report 2024-2025

INTERNATIONAL TRADE & MARKETING

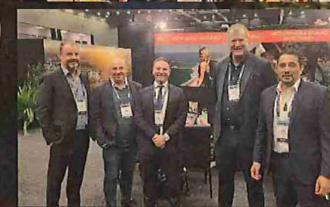
PARTNERSHIP CAMPAIGNS

- We partnered with fellow RTO, Tairawhiti Gisborne, and Jucy rentals, to host Australian adventure travel media company We Are Explorers for a Pacific Coast Highway famil. Resulting in 1 branded web editorial, a competition, 4 social media posts / stories, 2 inclusions in their weekly eDM and display advertising across the We Are Explorers website, raising awareness of the BOP as an adventure travel destination amongst Australians.
- Hosted Canadian influencers Made To Explore for a famil, which resulted in five reels and 29 stories, and 150 full rights photos and videos.
- In April, as part of Tourism New Zealand's *Minecraft* Movie campaign, TBOP targeted Sydney and Brisbane audiences with digital ads linking to a new four-day Bay of Plenty adventure itinerary. The campaign generated 5,710 impressions and nearly 22,000 video views.



SALES ACTIVITY AND OPERATOR SUPPORT

- TBOP facilitated a Digital Trade Workshop with twenty-four operators aimed at helping build capability.
- TBOP delivered virtual sales calls to travel sellers that supports international sales in our key markets Australia, UK/Europe and North America.
- TBOP hosted two operator connect events to connect our industry and encourage collaboration in our region.
- TBOP supported an education collection to increase visitation from schools around the country.
- Incorporated trade itineraries as part of regional boost funding campaigns. Included alliances with Auckland for NAM and Jet Star/Hamilton Airport for the Australian market.
- Kiwi North activity as part of an international trade campaign, including events and marketing targeting Australia and NAM.
- Attended TRENZ with four operators.
- Attended Explore with eleven operators.



Tourism Bay of Plenty, Annual Report 2024-2025

INTERNATIONAL TRADE & MARKETING

TRADE FAMILIARISATIONS

- TBOP hosted various industry and trade leaders over the period, including the likes of ANZCRO, Pacific Destinations, Get your Guide, Tāpoi Travel, Down Under Answers (DUA) and Grand Circle.



OPERATOR QUALMARK ACCREDITATION

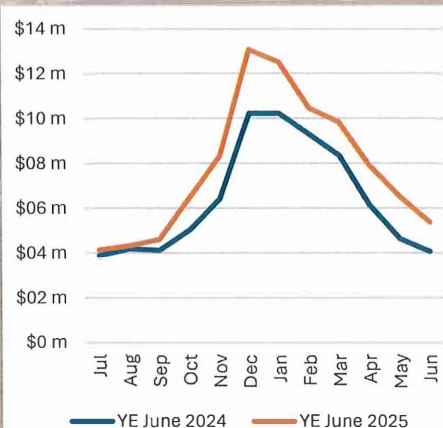
- TBOP continues to support operators to become Qualmark accredited, which in turn also enables them to be included within Tourism New Zealand international marketing and familiarisations.
- Newly accredited operators include:
 - Tauranga Taxi Society
 - The Clarence
 - Dolphin Seafaris
 - Smith Touring Company
 - Warbirds Adventure Flights



INTERNATIONAL ELECTRONIC VISITOR SPEND*

TAURANGA INTERNATIONAL VISITOR SPEND

Up 22% compared to July-June 2024



WESTERN BOP INTERNATIONAL VISITOR SPEND

Up 14% compared to July-June 2024



*Electronic card transactions only. Excludes cash, online & pre-bookings. Source: Marketview

Tourism Bay of Plenty, Annual Report 2024-2025

BUSINESS EVENTS

BUSINESS EVENTS FAMILIARISATIONS

- TBOP hosted a variety of Professional Conference Organisers and Event Planners from around NZ Including: Chartered Accountants NZ, NZ Dairy, Global Dairy Trade, Physiotherapy NZ, Emerge Aotearoa, Acoustical Society of NZ, Property Investors Association, Harding Conferences, Funeral Directors Association, MAS Insurance and Meeting News. These opportunities connect our business partners and showcase new and existing venue experiences.



OPERATOR SUPPORT

- TBOP facilitated a Business Events sales workshop with over 8 BE partners to help build capability and provide partners and suppliers with tools to grow their presence in the BE sector. With the inclusion of the sales training, this workshop is a popular choice with our industry and aligns with our recently developed BE strategy.



SALES ACTIVITY

- TBOP alongside the University of Waikato, Tauranga City Council, and Bay Venues attended Meetings, which resulted in thirty appointments, six strong leads and two qualified familiarisations. It also included activations with local suppliers Mount Brewery Co. Brewery, Bay Venues, Avocado Tours and Wilderken.
- TBOP presented to over forty local businesses at a BA5 event hosted by the UoW, encouraging local businesses to attract conferences into the region.
- TBOP has developed a regional BE strategy to strengthen regional collaboration, drive more interest and attract new business into the region.



Tourism Bay of Plenty, Annual Report 2024-2025

ELEVATION OF CULTURAL TOURISM

NATIVE NATIONS

- Partnered with Kohutapu Lodge and local industry on the second Native Nations indigenous youth exchange between Australia, Canada and New Zealand, with the final celebration event successfully held in Tauranga.
- Native Nations also launched a new website that includes various Bay of Plenty itineraries and operator listings to generate awareness and drive sales.
- TBOP has hosted various famils showcasing new and existing Māori experiences that follow Native Nations Itinerary suggestions.
- Native Nations has partnered with AU to develop resources to support the visitor experience by providing cultural safety information when visiting Māori operators, significant landmarks and sites.



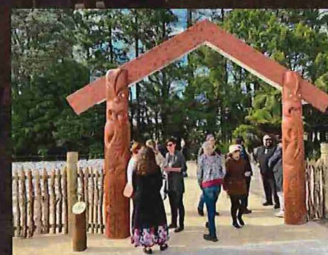
CULTURAL FAMILARISATIONS

- Together with Tāpoi Travel, TBOP hosted a very successful North American luxury famil agents visit.
- In addition to Tāpoi Travel and Native Nations, TBOP also hosted a number of other cultural famils to showcase Māori experiences which has resulted in relationships formed and operators signing up with inbound operators.



OMANAWA FALLS

- TBOP continues to support the development of Te Rere Ōmanawa Falls with JV partner Kaitiaki Adventures and local Iwi Ngāti Hangarau, which launched in December 2023.
- TBOP supported a detailed cruise famil that resulted in the Ōmanawa Falls experience being contracted with key inbound operators and is now selling on board cruise ships.
- Ōmanawa Falls also has a desk in the i-port the during cruise season to build awareness and generate sales.



Tourism Bay of Plenty, Annual Report 2024-2025

VALUING OUR ENVIRONMENT

THE GREEN ROOM | TE RŪMA KĀKĀRIKI

- A further 35 organisations have now completed our industry-leading sustainability programme, taking the total to 135, which is the largest of its type in New Zealand.
- The programme assists visitor sector organisations to become more environmentally, socially, culturally and financially sustainable via tailored action plans.
- Key actions of this programme include carbon and waste measurement and reduction, reviewing business plans to build resilience, along with donating to and participating in community and environmental initiatives.
- Going forward, TBOP will align with Tourism Industry Aotearoa's recently developed national sustainability programme, called Akiaki. TBOP has negotiated free access to this programme for both past Green Room participants and any future organisations seeking to improve sustainability.

FINALIST

NEW ZEALAND
**TOURISM
AWARDS**
2024



Tourism Bay of Plenty, Annual Report 2024-2025

NEXT STEPS

LEADERSHIP AND PROMOTION OF MAJOR & BUSINESS EVENTS

Tourism Bay of Plenty will strengthen its leadership role in attracting and supporting major and business events, positioning the region as a premier destination for meetings, events and festivals. By working in proactive partnership with TCC, WBOPDC, Bay Venues and key event and conference venues and organisers, we aim to reinforce the regions' appeal in this area. This will not only enhance the visitor experience but also stimulate wider economic benefits, increasing accommodation demand, and strengthening Tauranga and the Bay of Plenty's reputation as an events hub.

SMART CITY DIGITAL INTEGRATION

We will explore and implement smart-city technologies that enhance the way visitors access information and navigate our city and the region. Initiatives will include digital kiosks, integrated mobile platforms, and real-time updates on safety, transport, and events. These solutions will ensure integration with social channels and our various websites, as well as multi-device accessibility, enabling visitors to connect seamlessly with local operators, accessing special deals and services.

CRUISE SECTOR ADVOCACY & SUSTAINING SOCIAL LICENSE

The cruise sector remains a vital driver of regional visitation, and our focus will be on ensuring its growth is managed responsibly and sustainably. Advocacy will continue to be key focus, as we work to improve our international reputation as a desirable and welcoming cruise destination globally. On a regional front, we will continue to lead and coordinate our regions' cruise arrival experience, both on the Port and in association with local tour operators, the Port of Tauranga, Council and residents.

EXPLORING NEW TOURISM FUNDING & GROWTH MODELS

Securing the long-term financial resilience of Tourism Bay of Plenty is a priority. Alongside other RTO's and with central government agencies such as MBIE and DOC, we will explore a range of sustainable funding models that diversify revenue sources. Options will include international case studies (e.g., Scotland and Ireland), as well as potential 'at-point-of-sale' visitor levies, revised central government funding priorities, and sector-based contributions that directly link to tourism activity, and potential public-private partnerships.

DELIVERY OF LOW-SEASON CAMPAIGNS TO LIFT SHOULDER PERIOD DEMAND

Targeted destination marketing will remain a core strategy, with an increased focus on campaigns that attract visitors during low and shoulder seasons. By showcasing diverse experiences—culinary, cultural, adventure, and nature-based—we aim to extend visitor stays and increase year-round spend. Working with Tourism New Zealand, industry partners, and local operators, we will deliver campaigns that not only raise awareness of the region but also address seasonality challenges, driving stronger, more consistent returns for our visitor economy.

ACCOUNTS

WESTERN BAY OF PLENTY TOURISM AND VISITOR TRUST

TRUST DIRECTORY AS AT 30 JUNE 2025

PURPOSE OF BUSINESS

The principle objective of Tourism Bay of Plenty is to promote the economic welfare and development of the region and its community through marketing and management that impacts on the region as a visitor and tourist destination.

LEGAL BASIS

Charitable Trust

STRUCTURE

The Trust comprises a Board of seven Trustees who oversee the governance of the Trust, a General Manager who is responsible for the day-to-day operations of the Trust and reporting to the Trustees, and 16 staff who support the General Manager in delivering the Trust's objectives. The Trustees are appointed by the Tauranga City Council and the Western Bay of Plenty District Council.

MAIN SOURCES OF CASH AND RESOURCES

Operating grants received from the Tauranga City Council, Western Bay of Plenty District Council and Whakatāne District Council are the primary sources of funding to the Trust. The Trust also earns revenue from sales of local and domestic products.

TRUSTEES

R. Browne – Chair
C. Swallow -Deputy Chair (Retired 30th June 2025)
J. Hill (Retired 30th June 2025)
P. Blakeway
J. Tulloch
A. Webster
C. Russell (Resigned December 2024)

SOLICITORS

Holland Beckett
Tauranga

BANKERS

ASB
Tauranga

REGISTERED OFFICE

8 Wharf Street
Tauranga

AUDITORS

Skills Audit Chartered Accountants

AD 14



Tourism Bay of Plenty, Annual Report 2024-2025

ACCOUNTS

STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 Actual	2025 Unaudited Budget	2024 Actual
REVENUE				
Funding - Tauranga City Council		2,056,523	2,056,523	2,158,851
Funding - Western Bay of Plenty District Council		268,000	268,000	248,960
Funding - Whakatāne District Council		86,520	86,520	84,000
Retail sales		16,360	8,700	9,167
Finance revenue		32,890	38,762	47,649
Other revenue	1	1,276,857	1,302,077	975,126
Total revenue		3,737,150	3,760,582	3,523,753
EXPENDITURE				
Cost of sales	2	12,593	5,200	5,722
Operating & Marketing	3	1,762,987	1,893,114	1,606,720
Administration & overhead	4	427,749	377,930	376,777
Finance costs		0	0	11
Employee benefit expenses	5	1,658,810	1,655,851	1,529,150
Trustee fees		95,625	97,875	93,375
Depreciation and loss on sale of assets		61,072	49,320	85,605
Total expenditure		4,018,836	4,079,290	3,697,360
SURPLUS/(DEFICIT) before Tax		(281,686)	(318,708)	(173,607)
Taxation	7	0	0	0
SURPLUS/(DEFICIT) after tax		(281,686)	(318,708)	(173,607)
Other Comprehensive Revenue & Expense				
Other comprehensive revenue		0	0	0
Total Other Comprehensive Revenue & Expense		0	0	0
Total Comprehensive Revenue & Expense		(281,686)	(318,708)	(173,607)

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	2025 Actual	2024 Actual
Net Assets/Equity at start of the year	857,483	1,031,090
Total comprehensive revenue and expenses	(281,686)	(173,607)
BALANCE AT 30 JUNE	575,797	857,483

The accompanying notes form part of these financial statements

ACCOUNTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalents	8	747,031	648,019
Investments	9	300,000	700,000
Debtors & prepayments from exchange transactions	10	38,279	104,169
Debtors & prepayments from non-exchange transactions	10	22,392	47,032
Work in Progress	10	15,450	0
Accrued Income	10	1,436	4,792
Inventories		7,183	7,038
Total current assets		1,131,771	1,511,050
Non-current assets			
Property, plant and equipment	11	132,521	177,158
Intangible assets	12	2,862	5,722
Total non-current assets		135,383	182,880
TOTAL ASSETS		1,267,154	1,693,930
LIABILITIES			
Current liabilities			
Creditors and accrued expenses	13	231,818	305,282
Revenue received in advance	14	238,362	356,269
Employee benefit liabilities	15	221,177	174,896
Total current liabilities		691,357	836,447
TOTAL LIABILITIES		691,357	836,447
TOTAL ASSETS LESS TOTAL LIABILITIES		575,797	857,483
EQUITY			
Retained Earnings		857,483	1,031,090
Current Year Earnings		(281,686)	(173,607)
TOTAL EQUITY		575,797	857,483

The accompanying notes form part of these financial statements

ACCOUNTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	2025 Actual	2024 Actual
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Flow from Exchange Transactions:		
Receipts from retail sales	16,360	9,167
Receipts from other revenue	1,273,762	919,190
Interest receipts	35,475	42,164
Dividend receipts	500	1,000
Payments to suppliers and employees	(4,001,159)	(3,498,130)
Total Cash Flows from Exchange Transactions	(2,675,062)	(2,526,609)
Net cash flow from non-exchange transactions:		
Receipt of funding - Tauranga City Council	2,056,523	2,158,851
Receipt of funding - Western Bay of Plenty District Council	268,000	248,960
Receipt of funding - Whakatane District Council	86,520	84,000
GST (Net)	(23,359)	9,717
Total cash flows from non-exchange transactions	2,387,684	2,501,528
Net Cash Flow from Operating Activities	(287,378)	(25,081)
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Purchase of investments	400,000	(200,000)
Funds held on behalf of third parties	0	
Receipts from sale of fixed assets	0	
Payments to acquire fixed assets	(13,610)	(74,799)
Net cash flow from investing and financing activities	386,390	(274,799)
Net increase / (Decrease) in cash	99,012	(299,880)
Opening cash and cash equivalents	648,019	947,899
CLOSING BANK ACCOUNTS AND CASH	747,031	648,019

The accompanying notes form part of these financial statements

SA
SIXES
AUDIT

ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2025

ENTITY STATEMENT

Western Bay of Plenty Tourism and Visitors Trust is a Council Controlled Organisation (CCO), by virtue of the Council's right to appoint the Board of Trustees. Governance is provided by the Trust Board as per the Trust Deed. The relevant legislation governing the Trust's operations includes the Local Government Act 2002. The financial statements of the Trust have been prepared in accordance with the provisions of section 68 and 69 of the Local Government Act 2002. The Trust is a public benefit entity for financial reporting purposes.

The principle objective of the Trust is to promote the economic welfare and development of the region and its community through marketing and management that impacts on the region as a visitor and tourist destination.

The financial statements of the Trust are for the year ended 30 June 2025. The unaudited financial statements were approved by the Board of Trustees on 19th August 2025. Audited financial statements approval date to be confirmed.

BASIS OF PREPARATION

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

The financial statements of the Trust 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 (NZGAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards on the basis that the Trust is not publicly accountable and expenses are under \$5 million. These financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

GOODS & SERVICES TAX

The Trust is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST. GST is shown as a net amount in the cashflow.

ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

REVENUE

GRANTS

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ('use or return condition'). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue associated costs are expensed.

SALE OF GOODS

Revenue from the sale of goods is recognised when the goods are sold to the customer.

SALE OF SERVICES

Revenue from the sale of services is recognised when the service is provided.

INTEREST AND DIVIDEND REVENUE

Interest revenue is recorded as it is earned during the year. Dividend revenue is recognised when the dividend is declared.

EMPLOYEE RELATED COSTS

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries, and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

ADVERTISING, MARKETING, ADMINISTRATION, AND OVERHEAD COSTS

These are expensed when the related service has been received.

OPERATING LEASES

Lease payments are recognised as an expense on a straight-line basis over the lease term.

FINANCE LEASES

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. The lease is fully depreciated over the lease term.

ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

INVESTMENTS

Investments are shares, term deposits, bonds, units in unit trusts, or similar instruments held by the entity.

DEBTORS

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

INVENTORY

Inventory held for sale on a commercial basis is valued at the lower of cost or net realisable value. The cost of the inventory is determined using the weighted average method.

PROPERTY, PLANT, EQUIPMENT

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value or straight line basis on all property, plant and equipment, at rates that will write-off the cost of the assets to their estimated residual values over their estimated useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Furniture and fittings (8.5% - 40%)
- Computers and software (40% - 67%)
- Buildings and leasehold improvements (10% - 40%)
- Office equipment (7% - 67%)

INTANGIBLE ASSETS

WEBSITE DEVELOPMENT

Website development costs are capitalised when it is probable that the expected economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Furthermore, the website must be shown to be capable of generating revenues, including direct revenues from enabling orders to be placed.

ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

AMORTISATION

Website costs are amortised on a diminishing value basis over the asset's useful life. Amortisation begins when the asset is available for use and ceases at the date when the asset is disposed of. The amortisation charge for each year is included with depreciation and recognised in the Statement of Comprehensive Income.

The useful life and associated amortisation rate have been estimated as follows:

Website (50%)

CREDITORS AND ACCRUED EXPENSES

Creditors and accrued expenses are recorded at their face value.

EMPLOYEE ENTITLEMENTS

A liability for employee costs payable is recognised when an employee has earned the entitlement. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date, using current rates of pay.

LOANS

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year end that has not yet been paid.

INCOME TAXATION

The Trust holds a tax exemption from the Inland Revenue Department in terms of section CW40 of the Income Tax Act 2007, as a local or regional promotional body.

BUDGET FIGURES

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. Note that the classification of the expenses is different from the Statement of Intent as the employee costs are shown separately in the accounts.

CASHFLOW

Operating activities have been presented in accordance with the direct method.

EQUITY

Equity is the council's interest in the Trust and is measured as the difference between total assets and total liabilities.

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ACCOUNT NOTES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
1 Other Revenue		
Industry Contributions	-	-
Regional Events Funding	351,846	271,299
Regional Events Promotion Funding	185,820	
STAPP Funding	-	94,647
BOPRC Funding	50,000	60,000
Other Income	689,191	549,180
	<u>1,276,857</u>	<u>975,126</u>
Other income this year includes iSite revenue and Kiosks on-sold.		
2 Cost of Sales		
The write-down of inventory during the year and 2023/24 was Nil.		
Opening Inventory	7,038	8,516
Purchases	12,738	4,244
Closing Inventory	- 7,183	- 7,038
Total Cost of Sales	<u>12,593</u>	<u>5,722</u>
3 Operating and Marketing		
Credit Card Charges	1,690	1,773
Events Marketing	167,156	285,555
Cruise Marketing and Operating	216,160	154,030
Consumer Marketing	234,876	639,218
Development & Research	81,278	192,732
General and Other Marketing	1,061,827	333,412
	<u>1,762,987</u>	<u>1,606,720</u>
4 Administration and Overhead		
Audit Fees	28,887	30,000
Cleaning & Security	9,779	8,936
Rent	127,525	121,828
Recruitment, Training & HR	39,700	16,401
Repairs & Maintenance	11,086	8,279
Vehicle	29,589	30,766
Subscriptions	27,545	15,685
IT expenses	41,904	48,584
Telephone	9,840	9,930
Electricity	7,578	7,064
Other Administration & Overhead	94,316	79,304
	<u>427,749</u>	<u>376,777</u>

ACCOUNT NOTES

	2025	2024	
5 Employee Benefit Expenses			
Salaries and Wages	1,616,420	1,488,973	
Employer Superannuation Contributions	39,269	38,702	
Other Employee Related Costs	3,121	1,475	
	<u>1,658,810</u>	<u>1,529,150</u>	
6 Variance Budget to Actual			
	Actual	Budget	Variance
INCOME			
Marketing advertising sold and destination management Expo contribution	18,030	-	18,030
iSite income higher than budget	224,566	211,250	13,316
EXPENDITURE			
Admin and overheads higher than budget due to HR costs	427,749	377,930	- 49,819
Depreciation and loss on sale of assets (Includes write off assets no longer existing)	61,072	49,320	- 11,752
7 Taxation			
The Trust holds confirmation of a tax exemption under section CW 40 of the Income Tax Act 2007			
8 Cash and Cash Equivalents			
Cheque Accounts	50,734	59,266	
Savings Accounts	695,497	587,953	
Cash on Hand	800	800	
	<u>747,031</u>	<u>648,019</u>	
9 Investments			
Term Deposits at ASB Bank			
Matures 27 Jul 2025; interest at 3.50%	100,000		
Matures 19 Aug 2025; interest at 3.50%	100,000		
Matures 07 Sep 2025; interest at 3.40%	100,000		
	<u>300,000</u>	<u>700,000</u>	
10 Debtors and Prepayments			
Debtors	8,668	87,573	
Prepayments	29,611	16,596	
	<u>38,279</u>	<u>104,169</u>	
GST	22,392	47,032	
Work in Progress	15,450	-	
Accrued Income	1,436	4,792	
	<u>77,557</u>	<u>155,993</u>	
Debtors and prepayments from exchange transactions	55,165	108,961	
Debtors and prepayments from non-exchange transactions	22,392	47,032	
	<u>77,557</u>	<u>155,993</u>	

ACCOUNT NOTES

11 Property, Plant and Equipment

	Cost	Accum Dep'n	01-Jul-24	Purchases	Disposals	Depreciation	30-Jun-25
Total Computers & Software	95,826	54,822	41,004	1,930	225	21,678	21,031
Total Furniture & Fittings	92,497	63,146	29,351	1,055	3,628	3,871	22,907
Total Leasehold Improvements	267,111	183,777	83,334	1,820	3,102	12,731	69,321
Total Office Equipment	129,717	106,248	23,469	8,805	304	12,708	19,262
Total	585,151	407,993	177,158	13,610	7,259	50,988	132,521

	Cost	Accum Dep'n	01-Jul-23	Purchases	Depreciation	Disposals	30-Jun-24
Total Computers & Software	138,918	118,812	20,106	34,833	12,997	938	41,004
Total Furniture & Fittings	99,885	61,129	38,756	-	4,586	4,820	29,350
Total Leasehold Improvements	308,321	202,055	106,266	19,922	13,820	29,033	83,335
Total Office Equipment	133,829	122,691	11,138	20,044	6,761	952	23,469
Total	680,953	504,687	176,266	74,799	38,164	35,743	177,158

12 Intangible Assets

	Cost	Accum Amort	01-Jul-24	Purchases	Disposals	Amortisation	30-Jun-25
Website	75,585	71,648	3,937	-	-	1,988	1,989
Website	14,900	13,115	1,785	-	-	892	893
Total	90,485	84,763	5,722	-	-	2,880	2,882

	Cost	Accum	01-Jul-23	Purchases	Disposals	Amortisation	30-Jun-24
CRM	28,997	20,810	6,187	-	4,382	1,805	-
Website	90,485	79,042	11,443	-	-	5,721	5,722
Total	117,482	99,852	17,630	-	4,382	7,526	5,722

13 Creditors and Accruals

	2025	2024
Creditors	150,563	175,613
Accrued Expenses	61,760	86,911
Funds Received on Behalf of Tourism Operators	19,505	39,630
	<u>231,818</u>	<u>302,154</u>
Creditors and Accruals from Exchange Transactions	231,818	300,872
Creditors and Accruals from Non-exchange Transactions	-	<u>1,282</u>
	<u>231,818</u>	<u>302,154</u>

The Trust holds credit cards with ASB Bank, with a credit limit of \$50,000.

14 Revenue Received in Advance

Revenue Received in Advance	238,362	356,269
Revenue Received in Advance from exchange transactions	238,362	356,269
Revenue Received in Advance from non-exchange transactions	-	-
	<u>238,362</u>	<u>356,269</u>

15 Employee Benefit Liabilities

Accrued Salaries and Wages	138,419	102,175
Annual Leave	<u>82,758</u>	<u>72,721</u>
	<u>221,177</u>	<u>174,896</u>

ACCOUNT NOTES

16 Finance Lease

There are currently no finance leases.

17 Capital and Operational Commitments and Operating Leases

Non-cancellable operating leases as lessee:

The Trust leases property, equipment and vehicles in the normal course of its business; total expenditure for the year was \$155,319. The lease of 8 Wharf Street expires on 31st July 2027, and the lease of 8 Wharf Street, middle tenancy, is an on-going lease with two months notice of exit. The following amounts relate to 8 Wharf Street leases, Haval vehicle lease, and Eftpos machines and photocopier lease. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Payable no later than one year	155,037	115,982
Later than one year, not later than five years	128,140	10,452
Later than five years	-	-
	<u>283,177</u>	<u>126,434</u>

18 Contingent Liabilities

The Trust has no contingent liabilities. (PY: NIL)

19 Related Party Transactions

The Trust received a significant amount of operating grants from the Councils* to deliver its objectives as specified in the Trust Deed.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship and/or 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.

	2025	2024
Key Management Personnel compensation		
Trustees		
Number of Trustees	7	7
Remuneration	95,625	93,375
Senior Management Team including CEO		
Full-time equivalent members	6	6
Remuneration	752,346	677,440
Total Full-time equivalent members	13	13
Total Remuneration	847,971	770,815

20 Donations

There were no donations paid.



ACCOUNT NOTES

21 Financial Instruments

Financial Instrument Categories

FINANCIAL ASSETS

Cash & Cash Equivalents	1,047,031	1,348,019
Debtors & Other Receivables	60,671	134,605
Total Financial Assets	1,107,702	1,482,624

FINANCIAL LIABILITIES

Creditors & Other Payables	231,818	305,282
Revenue Received in Advance	238,362	356,269
Total Financial Liabilities at Cost	470,180	661,551

22 Events After Balance Date

There are no significant events post balance date.

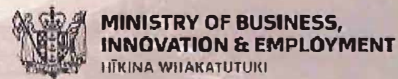
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MAIN FUNDERS



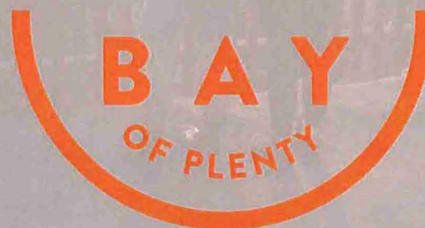
OTHER FUNDING PARTNERS



THANK YOU FOR YOUR CONTINUED SUPPORT

CONTACT

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Tourism Bay of Plenty, Annual Report 2024-2025



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APPENDIX: STATEMENT OF SERVICE PERFORMANCE

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	TARGET BY JUNE 2025	UPDATE	STATUS
ECONOMIC Wellbeing	Grow the value of tourism to the western bay economy.	Trends in visitor spending via electronic card transactions.	Direct Partnered Indirect	Marketview.	Increased visitor spend compared to YE June 2024.	Total = -1.5%* Domestic = -4.8% International = +20.5% *Despite international visitor spend up YoY considerably, domestic visitor spend continues to be impacted by challenging economic conditions. Domestic visitor spend accounts for 84% of total visitor spend.	Not Achieved.
SOCIAL Wellbeing	Enhance the value of tourism to our community (according to the community).	Residents' sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on their community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	Direct Partnered Indirect	Residents surveys conducted by the respective councils.	Tauranga City Council resident positive impact sentiment: 60% Western Bay District Council survey currently paused.	TCC YE June 2025 = 66%.	Achieved.
CULTURAL Wellbeing	Improving the cultural wellbeing of the community through tourism.	Facilitation of programmes that elevate the Māori cultural tourism proposition in the western bay region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Incorporated Western Bay of Plenty District cultural history and stories into digital storytelling and wayfinding platforms managed by TBOP.	Both cultural history and stories continue to be updated on various platforms, including the TBOP website, digital kiosks and Te Ara Whānui app.	Work in progress.
ENVIRONMENTAL Wellbeing	Improving the environmental wellbeing of the region via environmental sustainability and regeneration projects.	Industry-focused environmental sustainability and regeneration initiatives facilitated or enabled by TBOP.	Direct Partnered	Programme reports.	35 additional organisations complete the Green Room sustainability programme.	An additional 35 organisations completed the Green Room sustainability programme for YE June 2025. This takes the total number to 135.	Achieved.
TBOP ORGANISATION Wellbeing	Enhance TBOP's ability to achieve its goals through high staff engagement.	TBOP staff engagement.	Direct	Employee engagement survey.	Employee Engagement score of ≥80%.	June Employment Engagement score of 94%.	Achieved.

Tourism Bay of Plenty, Annual Report 2024-2025



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APPENDIX: STATEMENT OF SERVICE PERFORMANCE

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	TARGET BY JUNE 2025	UPDATE	STATUS
DESTINATION MANAGEMENT & MARKETING	Elevate the region's cycling proposition.	Develop, update, and promote informative material on cycle trail options in the western bay.	Direct Partnered	Council's feedback.	Cycle trails booklet updated with new trails, supported by an initial print run and digital deployment. Support the development of tourism ventures that make use of this experience.	7,500 copies of the Western Bay of Plenty and Tauranga cycle trails booklet were printed, distributed and deployed online.	Achieved.
	Build operator capability to enhance the quality of the region's tourism offering.	Provide opportunities for western bay operators to train or upskill in sales, marketing and trade capability areas while also gaining, retaining or achieving higher Qualmark rated certification.	Direct Partnered Indirect	Capability programme report.	Operators supported to engage in capability building programmes, with a minimum of five additional operators being endorsed with Qualmark certification.	Operators continue to be supported by TBOP to build capability, with five new operators accredited with Qualmark certification for YE June 2025.	Achieved.
	Coordinate activity that attracts key business events to the western bay region.	Facilitate leads and bids for business events in the region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Facilitated 25 leads or bids for business events in the region and won 7.	44 conference bids have been submitted, and 31 have been confirmed.	Achieved.
	Elevate the region's food story and proposition.	Promote and support the delivery of the Flavours of Plenty Festival to draw visitors to the Coastal Bay of Plenty region.	Direct Partnered	Festival delivery.	Continued TBOP support of Flavours of Plenty, via key visitor marketing channels, reaffirms the festival as a signature DNA™ event for the region.	The Flavours of Plenty festival took place from the 27 th of March to 13 th of April, and included 51 events, with 81% of festival tickets sold.	Achieved.
	Promotion of the western bay region to key target markets (cultural explorers, surf & beach lovers, outdoor adventurers, and eco-travellers).	Annual development and delivery of marketing campaigns that incorporate our key DNA™ pillars that reach and convert the travel intentions of our target markets to visit, stay and spend in the region.	Direct Partnered	Campaign collateral.	Review previous campaign results and deliver an updated/renewed domestic marketing campaign which incorporates the destination's DNA™, converting the travel intentions of our target markets to visit, stay and spend in the region.	Our spring campaign ran from 18 October to 17 November 2024, focusing the outdoor adventure-seeking market. Key results included: 60k campaign landing page views, 226k video views and 4.3k new email subscribers.	Achieved.

Tourism Bay of Plenty, Annual Report 2024-2025



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**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST'S
GROUP FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR
ENDED 30 JUNE 2025**

The Auditor-General is the auditor of Western Bay of Plenty Tourism and Visitors Trust (the Trust), and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Mark Fraser using the staff and resources of Silks Audit Chartered Accountants to carry out the audit of the financial statements and the performance information of the Group, on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 19 to 30, that comprise the *statement of financial position* as at 30 June 2025, the *statement of comprehensive income*, *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*]; and
- the performance information of the Group on pages 19 to 30.

In our opinion:

- the financial statements of the Group:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the Group presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2025.



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Our audit was completed on 26 September 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

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 Trustees for the financial statements and the performance information

The trustees are responsible for the preparation and fair presentation of financial statements for the Group that comply with generally accepted accounting practice in New Zealand. The trustees also responsible for preparing the performance information for the Group.

The trustees responsible for such internal control as *they determine* s necessary to enable *them* 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 the performance information, the Trustees are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees *intend* to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Trustees responsibilities arise from the Local Government Act 2002 [*and other relevant Act or document (such as a Trust Deed)*].

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

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



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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 the performance information.

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

We did not evaluate the security and controls over the electronic publication of the financial statements and the 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 the 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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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Our responsibilities arise from the Public Audit Act 2001.

Other information

The trustees are responsible for the other information. The other information comprises the information included on pages 32 to 33, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Independence

We are independent of the Group in accordance with the independence requirements of 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) (PES 1) issued by New Zealand Auditing and Assurance Standards Board.

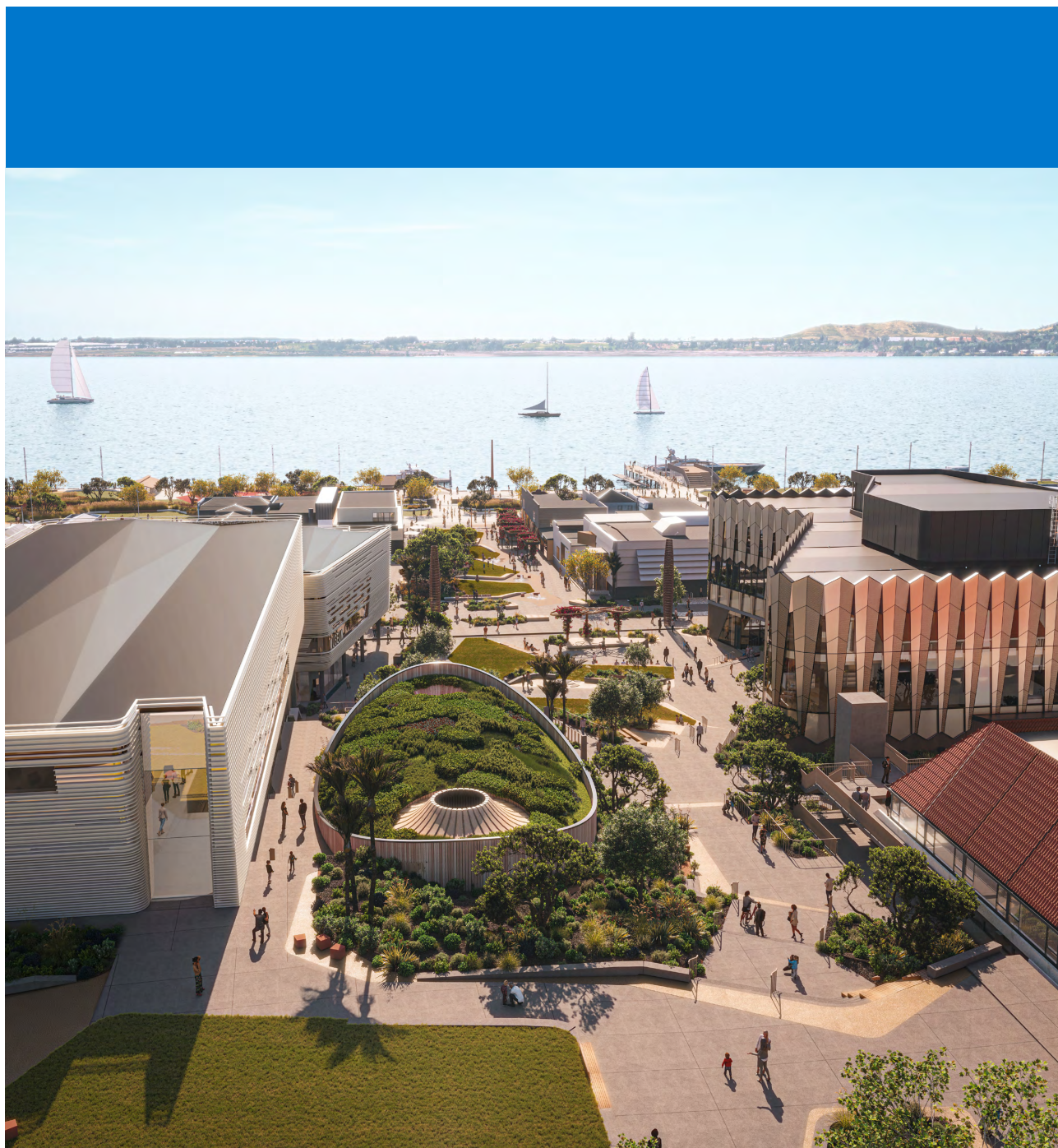
Other than the audit, we have no relationship with, or interests in, the Group.

A handwritten signature in blue ink that reads 'Cameron Town'.

**Cameron Town
Silks Audit Chartered
Accountants
On behalf of the Auditor-General
Whanganui, New Zealand**

A decorative banner at the bottom of the page featuring a dark green background with a pattern of fern fronds. A thick, curved green line arches across the top of the banner.

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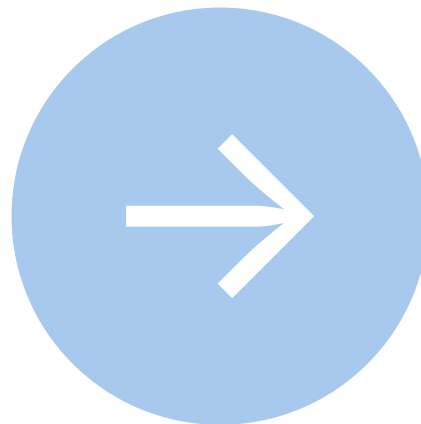


Te Manawataki o Te Papa Limited

Welcome

Te Manawataki o Te Papa Limited (TMOTPL) was established in December 2022 and is the Council Controlled Organisation (CCO) responsible for governing the effective delivery of a suite of projects across the Tauranga City Centre, for the benefit of the whole community.

Tauranga City Council (Council) appointed four independent directors to the TMOTPL Board in 2023: Kim Wallace (Chair), Barry Bragg, Peter Neven, and Nathan Speir. Together, they bring a broad spectrum of sector-specific, industry, and commercial experience, complemented by proven leadership in managing complex, large-scale projects. This report has been completed in accordance with the Council's Statement of Intent and the Local Government Act 2002.



*Te Manawataki o Te Papa Limited
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Te Manawataki o Te Papa Limited

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Te Manawataki o Te Papa - Library and Community Hub

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Chair's Report

The past year has been a significant one for the Te Manawataki o Te Papa Limited Board (the Board) and the revitalisation of the Tauranga city centre.

Over the past year, various key projects and spaces have been opened to the public. These milestones have marked a significant transformation of the city's waterfront and urban landscape.

The Board was honoured to attend a series of site blessings and opening ceremonies, that celebrated the contributions of project teams, stakeholders, and community members. The launch of Masonic Park, the Railway Underpass and Southern Waterfront Boardwalk, Park North, Council's new offices on 90 Devonport Road, the Haumaru Sport & Recreation Centre, and the Waterfront Playground has reshaped the city centre, creating vibrant, inclusive spaces that reflect Tauranga's cultural heritage and civic aspirations. This momentum has been further strengthened by the recent completion and handover of the Tauranga Art Gallery, a significant enhancement to the city's vibrant arts and cultural landscape.

The Board's close working relationship with the Otamataha Trust was especially evident during these events. Kaumatua shared the historical significance of each site, reinforcing the cultural depth of the transformation. Elected Members also spoke to the collaborative design process, highlighting the integration of cultural, artistic, and functional elements that define these spaces. Public and commercial sentiment toward the city centre has improved markedly. Media coverage has reflected this shift, with increased recognition of the programme's impact. The City Centre Communications and Engagement team has also played a pivotal role, with an enhanced engagement approach, including regular and direct outreach with city centre businesses. This proactive approach has fostered greater understanding of the programme's objectives and generated support across the community.

*Te Manawataki o Te Papa Limited
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Continued →

Chair's Report

The playground, as a shining example, has emerged as a valuable contributor to strengthening public perception of Council, demonstrating its commitment to community-focused development.

Public and commercial sentiment toward the city centre has improved.

Media coverage has reflected this shift, with increased recognition of the programme's impact.

Over the past year, the Board has established a strong and collaborative working relationship with the Elected Members. The Board has continued to provide strategic oversight, challenging the wider project team to proactively manage risks to ensure value for money through robust procurement and project management practices and disciplines.

Following formal approval by the Mayor and Councillors, two major construction contracts have been successfully executed for the Library and Community Hub (COMHUB) and the Civic Whare, Exhibition and Museum (CWEM), in partnership with Willis Bond and LT McGuinness. This milestone represents a significant step forward in the city's civic development programme and was celebrated by the community, project

Public and commercial sentiment toward the city centre has improved. Media coverage has reflected this shift, with increased recognition of the programme's impact.

stakeholders, and especially those who have long advocated for a museum in Tauranga. The Board and Civic Development team have further strengthened relationships with key stakeholders, including contractors, Council departments, the Otamataha Trust, Tauranga Art Gallery Trust, Bay of Plenty Tourism, and Bay Venues Limited. Throughout the year, the team has worked diligently to ensure that the Council's Spaces & Places team remains central to all civic space projects—from initial design through to delivery and the final handover for ongoing management.

Bay Venues continues to be a key stakeholder in the Haumaru Sport & Recreation Centre and Memorial Park Aquatic Centre projects, contributing actively through representation within

*Te Manawataki o Te Papa Limited
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Continued →

Chair's Report

project teams and a collaborative approach across all phases of delivery. The strength of these partnerships has been evident as several projects have progressed smoothly toward handover, with remaining initiatives on track to become valuable public assets for the community.

The Civic Development team's contributions were formally recognised at the annual Te Waka Taumata o Tauranga awards ceremony, where the team received two prestigious accolades: the Environmental Sustainability Award for The Strand Living Seawall Project, and the Making Tauranga Better Award in recognition of their work delivering high-quality public spaces throughout the year. These awards reflect the team's commitment to excellence, sustainability, and community impact.

The Civic Development Team received recognition at the annual Te Waka Taumata o Tauranga awards ceremony, earning two prestigious accolades that underscored their contributions. It was a moment of immense pride for all involved. In the next six months we are set to see significant progress across

The Civic Development Team received recognition at the annual Te Waka Taumata o Tauranga awards ceremony, earning two prestigious accolades that underscored their contributions. It was a moment of immense pride for all involved.

multiple projects within the city centre programme. At the Civic Precinct site, construction has intensified with the completion of structural elements for the Library and Community Hub, alongside the installation of curtain walls and façade components. Now that the structure is enclosed, the fitout work is proceeding on track and at pace towards practical completion in June 2026. Concurrently, the Civic Whare, Exhibition and Museum site advanced through critical foundation works, laying the groundwork for vertical construction to commence. Preparatory activities - including exploratory works, design revisions, and geotechnical investigations - are

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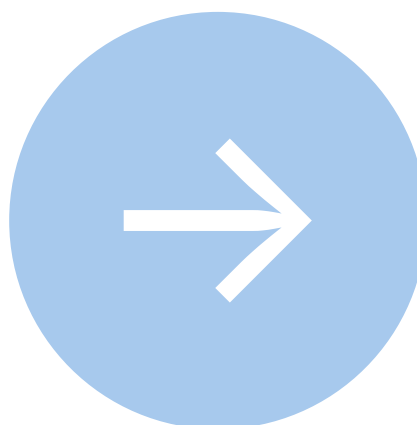
currently underway in readiness for anticipated Council approval, which will enable progression of the Memorial Park Aquatic Centre project.

The Board extends its sincere appreciation to all contributors who have played a role in these achievements to date. We remain committed to the collaborative delivery of these projects and look forward to continuing our work toward a shared vision for the future of Tauranga.

Over the next six months, the city centre programme will see major progress across key projects, reflecting a shared commitment to Tauranga's future.



Kim Wallace



Te Manawataki o Te Papa Limited
Annual Report 2025



Te Manawataki o Te Papa Limited

Our Programmes

Te Manawataki o Te Papa \$306m

- Central Library and Community Hub (COMHUB)
- Civic Plaza
- Masonic Park upgrade (Completed)
- Museum, Exhibition Centre and Civic Whare (CWEM)
- Baycourt upgrade
- Willow Street upgrade
- Hamilton, Durham, and Wharf Street upgrade
- Art Gallery door relocation and upgrade (Completed)
- Strand Waterfront, road and footpath upgrade (Completed)
- Waterfront Central Plaza (transferred to TCC Spaces and Places delivery programme)
- Strand Waterfront Wharewaka
- Strand Rail Crossing - Central Plaza (transferred to TCC Transport delivery programme)

Strand Waterfront \$66m

- Tunks Reserve upgrade (Completed)
- Memorial Park to City Centre Pathway - Stage 1 (Completed)
- Strand Seawall North (Completed) and Strand Seawall South
- North (Completed) and South Reserve
- Waterfront Playground (Completed)
- Dive Crescent car park (Completed)
- Beacon Wharf upgrade (Completed)
- Fisherman's Wharf
- Strand Rail Crossings – North and South (transferred to TCC Transport delivery programme)

**Change occurred after the year-end and will show up in the half-year report to December 2025.*

Te Manawataki o Te Papa Limited
Annual Report 2025



Te Manawataki o Te Papa Limited

Other Projects

\$197m

- Civic Administration Building (Completed)
- Civic Heart Building demolition (Completed)
- Seismic works – Spring Street car park (Completed)
- Memorial Park – Aquatics Centre
- Haumaru Sport & Recreation Centre (Completed)
- Art Gallery upgrades on behalf of Tauranga Art Gallery Trust (Completed)
- Emergency Operations Centre Fitout



Interior of the upgraded Tauranga Art Gallery



Haumaru Sports & Recreation Centre

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Te Manawataki o Te Papa Limited

Overview

Highlights

Construction of the 90 Devonport Road Civic Administration Building, led by LT McGuinness, began in January 2023 and has now been successfully completed. As New Zealand's largest mass timber office building, it stands as a landmark in sustainable architecture and urban development. Council officially moved into the new premises in Q2 2025, bringing the entire organisation together under one roof in the heart of the city. The building proudly achieved a NZGBC 6 Green Star Design rating and Gold WELL certification, meeting the highest standards in sustainable design

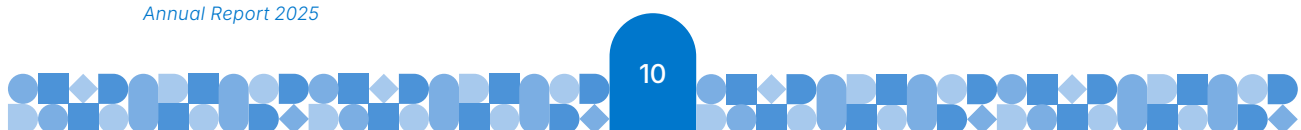
and construction. This project has become a benchmark for excellence in partnership, innovation, and construction efficiency.

The handover of the Haumaru Sport & Recreation Centre marked the completion of Tauranga's newest home for community sport and recreation. Conveniently located on Cameron Road, this versatile indoor venue was thoughtfully designed to cater for everything from relaxed social games to high-level competitive leagues. With courts marked for basketball, netball, volleyball, pickleball, and badminton, the centre has firmly established itself as a go-to destination for seasoned athletes and newcomers alike. Extensive seismic strengthening was undertaken to ensure the building is safe and compliant.

The award-winning accessible Waterfront Playground has become a standout attraction in the city centre, enriching Tauranga's cultural identity alongside the popular waterfront boardwalk and upgraded Tunks Reserve.

One of our most popular achievements and additions to the vibrant city centre is the Waterfront Playground alongside The Strand. The Waterfront Playground is far more than a recreational space, it embodies a powerful sense of connection - linking land and sea, past and future, people and place. As a key feature of the waterfront revitalisation, this remarkable playground seamlessly

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Te Manawataki o Te Papa Limited



Waterfront Playground.

integrates the city's heritage, Māori cultural narratives, and innovative design to create a truly unique destination. It plays a vital role in enriching Tauranga's urban experience and boosting economic vitality, drawing both locals and visitors to the newly transformed city centre. It has certainly proven to be a popular attraction, along with the equally popular boardwalk linking the waterfront to Elizabeth Street via the beautifully upgraded Tunks Reserve.

We are extremely proud to have been awarded the Playspace of the Year (Over \$500,000) at the Recreation Aotearoa Parks Awards 2025.

The award-winning accessible Waterfront Playground has become a standout attraction in the city centre, enriching Tauranga's cultural identity alongside the popular waterfront boardwalk and upgraded Tunks Reserve.

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Continued →



Te Manawataki o Te Papa Limited

After being closed for two years, the fully refurbished Toi Tauranga Art Gallery will be formally reopened to the public in November 2025. The project team overcame numerous challenges throughout delivery, including the discovery of legacy issues from the 2006 refurbishment, which created delays, added complexity, and unexpected project costs. Council provided additional project funding, ensuring the successful completion of the project, which proudly sits within the Te Manawataki o Te Papa precinct.

This year marked a period of transition from Commissioners to Elected Members, with increased focus on fiscal restraint having a notable impact on the Civic Development programme. Several projects, including the Memorial Park Aquatic Centre, were placed on hold, while others - such as the final stages of the Waterfront suite - entered redesign. The Civic Development team was restructured and, as of September 2025, the reduced team has formally merged with Transport Major Projects to establish the Major Projects team. We look forward to collaborating on a range of transformative initiatives across the city.

Looking ahead

The COMHUB and CWEM projects are advancing swiftly, with COMHUB scheduled for completion by 30 June 2026 and CWEM by December 2027. Construction is progressing well and remains on schedule to meet these deadlines.

The Memorial Park Aquatic Centre project is expected to be revitalised, pending Council approval, and the Wharewaka project is also pending final approval by Council.

The merger of Civic Development and Transport teams into one Major Projects Team presents us with a promising and exciting opportunity to take a more integrated and wide-ranging approach to the city's full portfolio of major projects.

Health, Safety & Wellness

In total, 97 Health and Safety monitoring inspections were conducted across the Te Manawataki o Te Papa (TMoTP) projects. These inspections are conducted collaboratively by our project managers and the Health, Safety, and Wellbeing (HSW) business

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Te Manawataki o Te Papa Limited



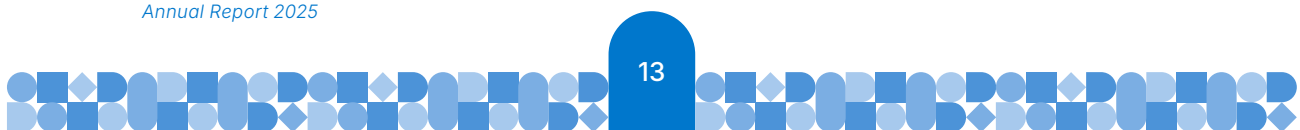
partner, alongside contractors' project managers, site managers, and their health and safety officers. Documentation of the inspections, including findings and any corrective measures, is maintained within the council's health and safety portal (DAMSTRA).

Additionally, 26 due diligence site visits by officers have been completed across all TMOtP projects. These visits focus on critical risks, worker engagement, safety observations, and potential areas for improvement. All due diligence records are securely stored in DAMSTRA. Four in-depth reviews addressing critical risks have been undertaken, covering topics such as Working at Height, Hot Works, Traffic Management, and Drugs and Alcohol procedures.

Following the outcome of the Ports of Auckland (Maritime NZ v Gibson) court case, the Board undertook a review of our health, safety, and wellness process to ensure compliance with the five key considerations set out by the court, thereby ensuring that our processes, systems, and oversight are robust. The aim was to verify that the monitoring, reporting, due diligence visits, risk management, and compliance measures in place were adequate for the projects, ensuring tangible work outcomes matched expectations. The Board was satisfied with the quality of reporting, the frequency of due diligence visits, and the follow-up actions taken.

The Board reviewed our health, safety, and wellness processes to ensure compliance with the key requirements from the Ports of Auckland case, ensuring strong oversight and outcomes.

*Te Manawataki o Te Papa Limited
Annual Report 2025*



Te Manawataki o Te Papa Limited

Performance Targets and Measures

Performance targets	Performance measures	Status: Achieved, Not Achieved, Not Measured	Comments
Establish a health, safety, and wellbeing system to ensure all involved with the projects are kept safe and well	Comply with health, safety, and wellbeing system.	Achieved	TMOTP Ltd Board receive monthly reports and dashboards which provide relevant data relating to health and safety issues. Bi-monthly due diligence inspections on two work sites are conducted by Directors. Training is provided to all relevant stakeholders on TCC's Contractor Management procedures.
Manage critical hazards effectively, with baseline lead and lag indicators monitored	Critical risk inspections are carried out on schedule and reported on, with no harm incidents reported in any phase.	Achieved	TCC's Contractor Management procedures ensures critical hazards are managed effectively. All accidents/incidents are reported to the TMOTP Ltd Board on a monthly basis. Serious injuries are reported immediately after event with follow up close out reports.
Develop and maintain with TCC, Contractors and Consultants a comprehensive risk register	Total Recordable Incident Frequency Rate (TRIFR) less than 10.0 per 1,000,000 hours worked on the projects.	Not measured	Comprehensive risk registers are maintained at both a programme and project level (including TRIFR as project appropriate) and are reviewed monthly with key stakeholders.
Delegations	Comply with delegations hierarchy.	Achieved	All delegation hierarchies complied with.

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025

Performance Targets and Measures

Performance targets	Performance measures	Status: Achieved, Not Achieved, Not Measured	Comments
Recommend project delivery to Council	Recommend developed and detailed design for each project, along with relevant contracts.	Achieved	All detailed designs signed off through formal steering groups and TMOTP Ltd Board, and progress on each project reported to Council.
Contract management and legal compliance	Provide oversight of all contracts, expenditure, and progress during all phases in 100% compliance with all standards.	Achieved	Monthly project reports are presented to the TMOTP Ltd Board to provide oversight of project status.
Risk management and lessons learnt.	Proactively manage risk through timely risk workshops and the Contract Oversight Group	Achieved	Project completion reports are reported to the TMOTP Ltd Board. A database of lessons learned is maintained and forms part of ongoing improvement of project management plans. Risk and assurance specialist participates in monthly risk workshops and reports findings to the Board.
Delivery on time and at expected quality	Ensure the programme is delivered within specification and agreed timelines. Any future deviations to be communicated to Council in a timely manner.	Achieved	Delivery of programmes are ongoing and are regularly reviewed to ensure agreed timelines are met. Components of the programme are evaluated as part of the project completion reporting for each project.

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025



Performance Targets and Measures

Performance targets	Performance measures	Status: Achieved, Not Achieved, Not Measured	Comments
Deliver the Programme on or below budget	Capital and whole of life costs optimised. Operational implications considered.	Achieved	Ongoing evaluation of project estimated costs to completion versus approved budget with an emphasis on value engineering to ensure projects and programmes remain within budget prior to tendering.
Reporting and consultation	Report and discuss with Council any risk of budget being exceeded prior to any approval for increased budget.	Achieved	Where, following value engineering, evaluation of projects identify additional funding requirements to meet design standards and/or regulatory compliance, Council is reported to and appropriate authorisation obtained.
Advocate efforts by Council or other opportunities for third party funding	Third party funding opportunities advocated.	Achieved	A number of sources of external funding have been secured to date. The board have participated in and supported fund raising activities.
Prepare and agree regular reporting programme which ensures Council is fully informed in a timely manner of all major issues, project progress against PMP and opportunities for further enhancement	100% compliance with reporting requirements outlined in SIO and major issues are raised on a no surprise basis.	Achieved	TMOTP Ltd Board has reported to the Council on a monthly basis and as requested.

Performance Targets and Measures

Performance targets	Performance measures	Status: Achieved, Not Achieved, Not Measured	Comments
Nurture respectful, collaborative, and open relationships in the best interests of the city	Ensure all stakeholders receive regular updates on progress of the programme	Achieved	TMOTP Ltd Board engages regularly with mana whenua, the community and other key stakeholders.
Cultural connection	Engage with mana whenua to ensure cultural narrative incorporated into design.	Achieved	Cultural design and interpretation form a key part of the design process.
Clear sustainability standards developed for the Programme during the PCS and D&C phases	Monitor Programme sustainability outcomes on project delivery.	Achieved.	Current designs include sustainable design solutions to achieve Green Star accreditation where relevant.

Financial Statements For The Year Ended 30 June 2025

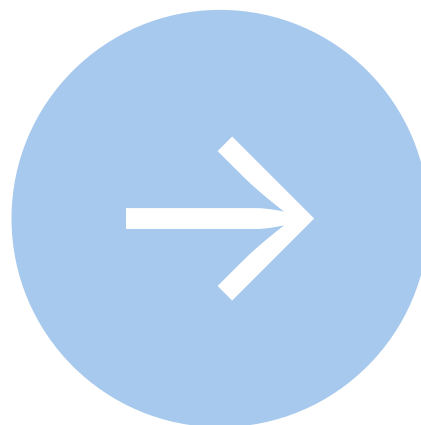
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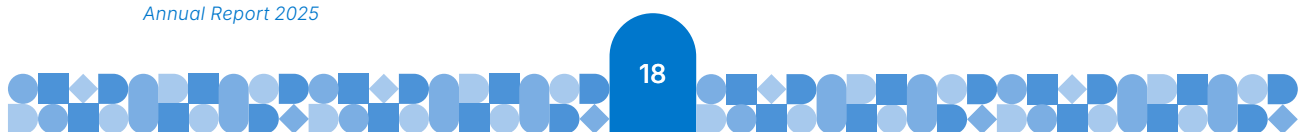
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*Te Manawataki o Te Papa Limited
Annual Report 2025*



Te Manawataki o Te Papa Limited

Financial Statements For The Year Ended 30 June 2025

Entity Information

"Who are we?", "Why do we exist?"

Legal Name of Entity:	Te Manawataki o Te Papa Limited
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Other Name of Entity (if any):	TMOTP Ltd
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Type of Entity and Legal Basis (if any):	NZ Limited Company
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Company Number:	8595250
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Entity's Purpose or Mission:

"The purpose of the Entity is to:
Deliver on behalf of Tauranga City Council the development of the Tauranga civic precinct and Strand waterfront. Projects to be delivered include (but are not limited to) a library, civic whare, museum and exhibition centre, aquatics facility and indoor courts, the Strand waterfront, and beautification of the surrounding areas."

Entity Structure:

Te Manawataki o Te Papa Limited. The Tauranga City Council owns 100% of shares

Main Sources of the Entity's Cash and Resources:

Tauranga City Council grant funding

General Description of the Entity's Outputs:

TMOTP Limited was incorporated on the 16th of February 2023.

Directors:

Kim Wallace, Nathan Speir, Peter Neven, Barry Bragg

Contact details:

Postal Address:	"Te Manawataki o Te Papa Ltd, Private Bag 12022, Tauranga Mail Centre, Tauranga 3143"
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Email/Website:	TMOTPL@Tauranga.govt.nz
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*Te Manawataki o Te Papa Limited
Annual Report 2025*

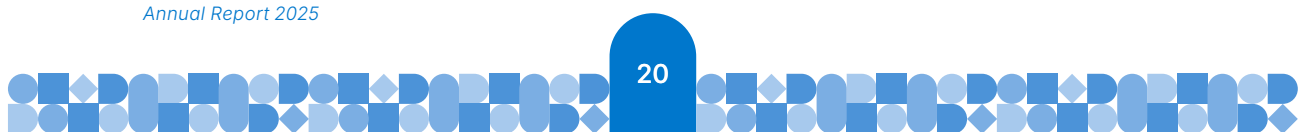
Te Manawataki o Te Papa Limited

Financial Statements For The Year Ended 30 June 2025 Statement of Financial Performance "How was it funded?" and "What did it cost?"

	Note.	Actual. Year Ended 30 June 2025. \$	Budget. Year Ended 30 June 2025. \$	Actual. Year Ended 30 June 2024. \$
Revenue				
Grant revenue	1	650,858	607,902	778,625
Interest, dividends and other investment revenue	1	341	–	560
Total Revenue		651,199	607,902	779,185
Expenses				
Costs related to providing goods or services	2	651,199	607,902	779,185
Total Expenses		651,199	607,902	779,185
Surplus/(Deficit) for the Year		–	–	–

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025



Te Manawataki o Te Papa Limited

Financial Statements For The Year Ended 30 June 2025 Statement of Financial Position "What the entity owns?" and "What the entity owes?"

	Note.	Actual. Year Ended 30 June 2025. \$	Budget. Year Ended 30 June 2025. \$	Actual. Year Ended 30 June 2024. \$
Assets				
Current Assets				
Bank accounts and cash	3	51,234	–	90,092
Other current assets	3	3,232	–	27,860
Total Current Assets		54,465	–	117,952
Total Assets		54,465	–	117,952
Liabilities				
Current Liabilities				
Creditors and accrued expenses	3	24,232	–	25,905
Other current liabilities	3	30,234	–	92,047
Total Current Liabilities		54,465	–	117,952
Total Liabilities		54,465	–	–
Total Assets less Total Liabilities (Net Assets)		–	–	–
Accumulated Funds				
Total Accumulated Funds		–	–	–

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025



Te Manawataki o Te Papa Limited

Financial Statements For The Year Ended 30 June 2025

Statement of Cash Flows

"How the entity has received and used cash"

	Actual. Year Ended 30 June 2025. \$	Budget. Year Ended 30 June 2025. \$	Actual. Year Ended 30 June 2024. \$
Cash Flows from Operating Activities			
Cash was received from:			
Grant revenue	609,608	–	910,711
Interest receipts	341	–	560
Net GST	(13,879)	–	2,180
Cash was applied to:			
Payments to suppliers and employees	634,928		823,359
Net Cash Flows from Operating Activities	(38,858)	–	90,092
Net Increase / (Decrease) in Cash	(38,858)	–	90,092
Opening Cash	90,092	–	–
Closing Cash	51,234	–	90,092
This is represented by:			
Bank Accounts and Cash	51,234	–	90,092

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025

Te Manawataki o Te Papa Limited

Financial Statements For The Year Ended 30 June 2025

Statement of Accounting Policies

"How did we do our accounting?"

Basis of Preparation

Te Manawataki O Te Papa Limited has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

Te Manawataki O Te Papa Limited is registered for GST.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil)

Subsequent Events

There were no significant events subsequent to 30 June 2025.

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025



Te Manawataki o Te Papa Limited

Notes to the Financial Statements For The Year Ended 30 June 2025

Note 1 : Analysis of Revenue

		Actual. Year Ended 30 June 2025.	Actual. Year Ended 30 June 2024.
Revenue Item	Analysis	\$	\$
Grant revenue	Grant - Tauranga City Council	650,858	778,625
	Total	650,858	778,625

Revenue Item	Analysis	\$	\$
Interest, dividends and other investment revenue	Interest	341	560
	Total	341	560

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025

Te Manawataki o Te Papa Limited

Notes to the Financial Statements For The Year Ended 30 June 2025

Note 2 : Analysis of Expenses

		Actual. Year Ended 30 June 2025.	Actual. Year Ended 30 June 2024.
Expense Item	Analysis	\$	\$
Costs related to providing goods or services	Board Remuneration	225,000	271,558
	Governance and Board Support	402,757	466,078
	Subscriptions	888	707
	Travel	18,919	30,659
	Consultancy	–	5,233
	Protective Clothing & Equipment	–	1,953
	Meeting Expenses	3,635	2,997
	Total	651,199	779,185

Continued →

Te Manawataki o Te Papa Limited
Annual Report 2025

Te Manawataki o Te Papa Limited

Notes to the Financial Statements For The Year Ended 30 June 2025

Note 3 : Analysis of Assets and Liabilities

		Actual. Year Ended 30 June 2025.	Actual. Year Ended 30 June 2024.
Asset Item	Analysis	\$	\$
Bank accounts and cash	Current account	51,234	90,092
	Total	51,234	90,092

Asset Item	Analysis	\$	\$
Other current assets	Accrued revenue - Grant Tauranga City Council	–	27,860
	GST receivable	3,232	–
	Total	3,232	27,860

Liability Item	Analysis	\$	\$
Creditors and accrued expenses	Accounts payable	24,232	25,905
	Total	24,232	25,905

Liability Item	Analysis		
Other current liabilities	Grant received in advance	28,627	86,250
	GST and WHT payable	1,607	5,797
	Total	30,234	92,047

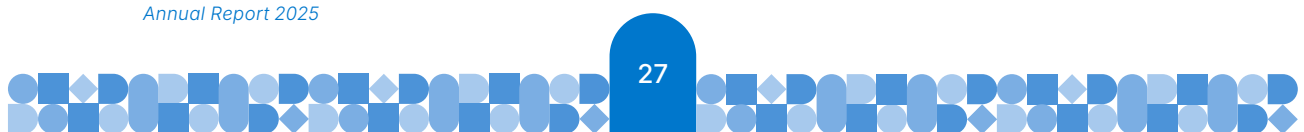
Te Manawataki o Te Papa Limited
Annual Report 2025

Te Manawataki o Te Papa Limited



Te Manawataki o Te Papa - Museum, Exhibition and Civic Whare

*Te Manawataki o Te Papa Limited
Annual Report 2025*





Tauranga City



Te Manawataki o Te Papa Charitable Trust

ANNUAL REPORT 2024-25



INTRODUCTION

Te Manawataki o Te Papa Charitable Trust is incorporated under the Charitable Trusts Act (1957) as a not-for-profit entity. Te Manawataki o Te Papa Charitable Trust has charitable status with Inland Revenue.

This report has been completed in accordance with the Te Manawataki o Te Papa Charitable Trust's Statement of Intent with Tauranga City Council and the Local Government Act (2002), which requires that the Trust reports to Council on a six-monthly and annual basis.

PURPOSE

Joint land ownership – the right thing to do

To achieve the objectives of restoring mana of the whenua to hapū and iwi and provide certainty for how the land will be used in the future for the community, a new council-controlled organisation (CCO) was established as a charitable trust in 2023, called Te Manawataki o Te Papa Charitable Trust.

The Council and Otamataha Trust each appointed 50 percent of the trustees to the CCO Charitable Trust.

The purpose of the CCO Charitable Trust is to:

- **Own the land referred to as Site A** of the civic precinct – the land bounded by Willow Street, Wharf Street, Durham Street, and Hamilton Street.
- **Support and encourage the development of Site A** of the civic precinct, including (but not limited to) a library, civic whare, museum and exhibition centre and the beautification of surrounding areas.

In addition, the Trust was established to:

- **Formally recognise long-standing grievances** associated with this land and provide certainty for how the land will be owned and used in the future, so that everyone in the community can benefit.
- **Ensure that Te Manawataki o Te Papa development respects and reflects** the significant history and importance of the area to mana whenua.
- **Restore the original trust relationship** to which our ancestors (both Māori and the Church Missionary Society) agreed. The relationship with mana whenua will be pivotal to the success of many of the outcomes to be achieved on the civic precinct site.

KEY DELIVERABLES AND PERFORMANCE MEASURES

Key Deliverables	Status	2024-2025 Results
The launch of <i>Te Manawataki o Te Papa Restoring Our City's Beating Heart</i> documentary series to the public		Achieved. This documentary series tells the story of Tauranga, and how Te Manawataki o Te Papa is now an important part of that story.
Review and produce a new Statement of Intent for 2025/26–2028/29 by 30 June 2025		Achieved. The new SOI acknowledges the founding documentation of this CCO and includes the addition of two new key deliverables (review the statement of intent annually and ensure the history of Te Papa is captured for future generations).
Develop close and collaborative relationships with Tauranga City Council, Te Manawataki o Te Papa Charitable Trust and Te Manawataki o Te Papa Limited Board		Achieved.

Ensure that the Te Manawataki o Te Papa civic development project respects and reflects the significant history and importance of the area to mana whenua			Achieved.
Produce Annual and Half-yearly reporting and monitoring			Achieved.
Establishment of CCO structure e.g. Trust Deed, rules, etc			Achieved.
Appointment of Trustees			Achieved.
Establish management and administration structure			Achieved.
IRD registration			Achieved..
Set up system required, including accounting etc			Achieved.
Divest Lot 45 reserve with DOC consent			Subsequent ground lease of Lot 45 from Te Manawataki o Te Papa Charitable Trust back to TCC is ongoing. TCC will confirm upon completion of agreement review.
Annual audit			Awaiting audit completion from Silks Audit Chartered Accountants Ltd. To be completed by October 2025.
Objective	Performance Measures	Status	2024-2025 Results
Support and encourage the development of a vibrant civic precinct.	Quarterly meetings with Te Manawataki o Te Papa Limited Board		Achieved.
Ensure that the project respects and reflects the significant history and importance of the area to mana whenua.	Representative of Otamataha Trust, Puhirake Ihaka, to act as Cultural Advisor to the Te Manawataki o Te Papa Limited Board.		Achieved.
Stakeholder relationships	Nurture respectful and open relationships in the best interest of the community and the city. Develop close and collaborative relationships.		Achieved.
Approach to governance	Otamataha Trust and Tauranga City Council both have the power, exercisable by deed, to appoint up to two persons as Trustees. Te Manawataki o Te Papa Charitable Trust will have Half-Yearly board meetings.		Achieved. TCC Mayor Mahé Drysdale and Chief Executive Marty Grenfell were appointed to the CCO Board, along with two trustees from the Otamataha Trust. The AGM took place on 5 November 2024. The Half-yearly meeting took place on 8 April 2025.
Accounting policies	The CCO Charitable Trust will adopt accounting practices that comply with NZIFRS, the requirements of the Local Government Act (2002), and the Financial Reporting Act (1993).		Achieved.
Financial reporting	Within three months after the end of each financial year, the CCO Charitable Trust will deliver audited financial statements in respect of that financial year.		Awaiting audit completion from Silks Audit Chartered Accountants Ltd. To be completed by October 2025.



Te Manawataki o Te Papa Charitable Trust – Signing of the Deed of Transfer 2022 and witnessed by former PM Jacinda Ardern

ATTACHMENTS TO THE REPORT

Attachment A – Financial Statement 30 June 2025

Te Manawataki O Te Papa Charitable Trust
Performance Report
For the year ended
30 June 2025

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Te Manawataki O Te Papa Charitable Trust	
Entity Information	
"Who are we?", "Why do we exist?"	
For the year ended 30 June 2025	
Legal Name of Entity:	Te Manawataki o Te Papa Charitable Trust
Other Name of Entity (if any):	TMOTP Charitable trust
Type of Entity and Legal Basis (if any):	Registered Charity
Registration Number:	CC60888
Entity's Purpose or Mission:	
The purpose of the CCO Charitable Trust is to:	
• Own the land referred to as Site A of the civic precinct – the land bounded by Willow Street, Wharf Street, Durham Street, and Hamilton Street. • Support and encourage the development of Site A of the civic precinct, including (but not limited to) a library, civic whare, museum and exhibition centre and the beautification of surrounding areas.	
Entity Structure:	
Te Manawataki o Te Papa Charitable Trust (CCO Charitable Trust). The Tauranga City Council and OtamatahaTrust each appointed 50 percent of the trustees to the CCO CharitableTrust.	
Main Sources of the Entity's Cash and Resources:	
Local Government and Iwi	
Main Methods Used by the Entity to Raise Funds:	
Title amalgamation, transfer to the CCO and subsequently leased back to Tauranga City Council	
Entity's Reliance on Volunteers and Donated Goods or Services:	
Te Manawataki o Te Papa Charitable Trust (CCO Charitable Trust) is reliant on the return of Crown land	
Contact details	
Postal Address:	Te Manawataki o Te Papa Charitable Trust Private Bag 12022, Tauranga Mail Centre, Tauranga 3143
Email/Website:	https://www.tauranga.govt.nz/council/working-with-organisations/council-controlled-organisations/te-manawataki-o-te-

Te Manawataki O Te Papa Charitable Trust

Statement of Financial Performance

"How was it funded?" and "What did it cost?"

For the year ended
30 June 2025

	Note	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
Revenue				
Donations, fundraising and other similar revenue		-	-	
Fees, subscriptions and other revenue from members		-	-	
Revenue from providing goods or services		-	-	
Interest, dividends and other investment revenue		-	-	
Other revenue		-	-	
Total Revenue		0.00	0.00	0.00
Expenses				
Expenses related to public fundraising		-	-	
Volunteer and employee related costs		-	-	
Costs related to providing goods or services		-	-	
Grants and donations made		-	-	
Other expenses		-	-	
Total Expenses		0.00	0.00	0.00
Surplus/(Deficit) for the Year		0.00	0.00	0.00

Te Manawataki O Te Papa Charitable Trust

Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
30 June 2025

	Note	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
Assets				
Current Assets				
Bank accounts and cash		-	-	
Debtors and prepayments		-	-	
Inventory		-	-	
Other current assets		-	-	
Total Current Assets		0.00	0.00	0.00
Non-Current Assets				
Property, plant and equipment		1	-	
Investments		-	-	
Other non-current assets		-	-	
Total Non-Current Assets		1.00	0.00	0.00
Total Assets		1.00	0.00	0.00
Liabilities				
Current Liabilities				
Bank overdraft		-	-	
Creditors and accrued expenses		1	-	
Employee costs payable		-	-	
Unused donations and grants with conditions		-	-	
Other current liabilities		-	-	
Total Current Liabilities		1.00	0.00	0.00
Non-Current Liabilities				
Loans		-	-	
Other non-current liabilities		-	-	
Total Non-Current Liabilities		0.00	0.00	0.00
Total Liabilities		1.00	0.00	0.00
Total Assets less Total Liabilities (Net Assets)		0.00	0.00	0.00
Accumulated Funds				
Capital contributed by owners or members		-		-
Accumulated surpluses or (deficits)		-		-
Reserves		-		-
Total Accumulated Funds		0.00	0.00	0.00

This performance report has been approved by the Trustees for and on behalf of Te Manawataki O Te Papa Charitable Trust

Date _____ Date _____

Signature _____ Signature _____

Name _____ Name _____

Position _____ Position _____

Te Manawataki O Te Papa Charitable Trust

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended

30 June 2025

	Actual 2025 \$	Budget 2025 \$	Actual 2024 \$
Cash Flows from Operating Activities			
Cash was received from:			
Donations, fundraising and other similar receipts	-	-	
Fees, subscriptions and other receipts from members	-	-	
Receipts from providing goods or services	-	-	
Interest, dividends and other investment receipts	-	-	
Net GST	-	-	
Cash was applied to:			
Payments to suppliers and employees	-	-	
Donations or grants paid	-	-	
Net Cash Flows from Operating Activities	0.00	0.00	0.00
Cash flows from Investing and Financing Activities			
Cash was received from:			
Receipts from the sale of property, plant and equipment	-	-	
Receipts from the sale of investments	-	-	
Proceeds from loans borrowed from other parties	-	-	
Capital contributed from owners or members	-	-	
Cash was applied to:			
Payments to acquire property, plant and equipment	-	-	
Payments to purchase investments	-	-	
Repayments of loans borrowed from other parties	-	-	
Capital repaid to owners or members	-	-	
Net Cash Flows from Investing and Financing Activities	0.00	0.00	0.00
Net Increase / (Decrease) in Cash	0.00	0.00	0.00
Opening Cash	0.00		
Closing Cash	0.00	0.00	0.00
This is represented by:			
Bank Accounts and Cash	0.00	0.00	0.00

Te Manawataki O Te Papa Charitable Trust

Statement of Accounting Policies

"How did we do our accounting?"

**For the year ended
30 June 2025**

Basis of Preparation

Te Manawataki O Te Papa Charitable Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

Te Manawataki O Te Papa Charitable Trust is registered for GST. Therefore amounts recorded in the Performance Report are exclusive of GST (if any).

Income Tax

Te Manawataki O Te Papa Charitable Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil)

Related Party Transactions

Te Manawataki o Te Papa has purchased land from the Tauranga City Council for \$1.

Subsequent Events



ANNUAL REPORT 2024-2025

For the year ended
30 June 2025

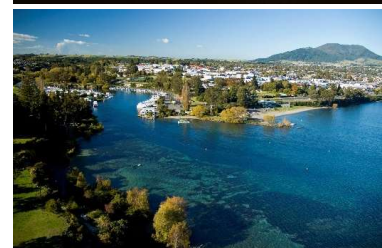
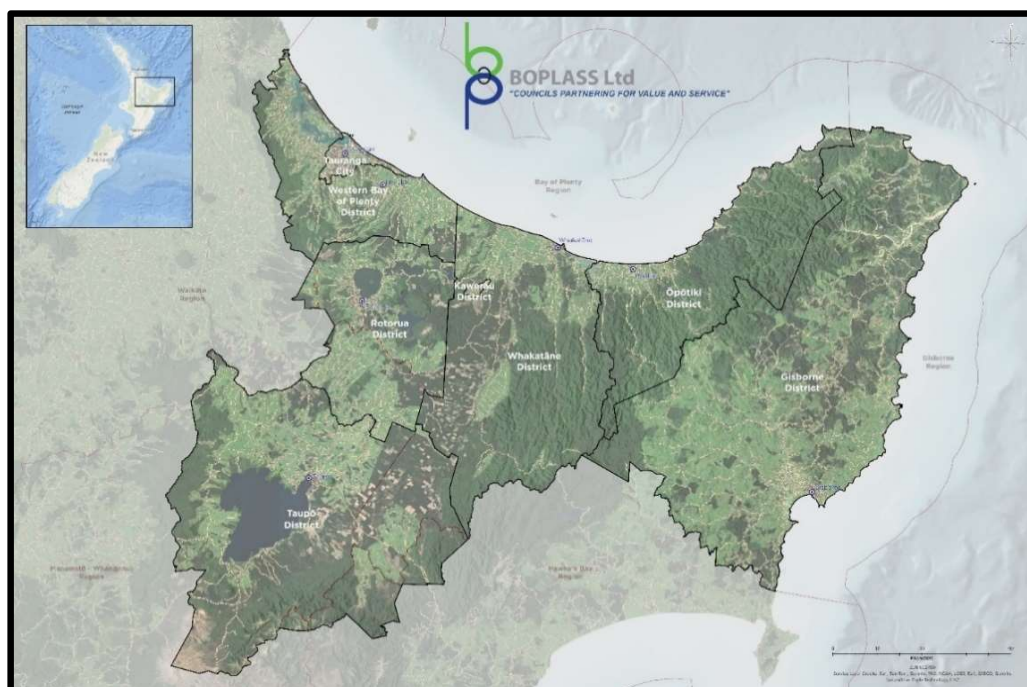


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PART ONE – OUR YEAR



BOPLASS Chair's Report

On behalf of our Directors, I am pleased to present the BOPLASS 2025 Annual Report to our Shareholders.

Throughout 2024/25, BOPLASS has continued to deliver significant value to our shareholding councils through collaborative procurement, shared services, and strategic engagement. This year has seen several of large contracts come due for renewal and, in almost every case, BOPLASS has successfully renegotiated or replaced these agreements with improved rates and service levels. These outcomes have been achieved by continuing to leverage and promote aggregated volumes across BOPLASS councils, as well as increased collaboration with other Local Authority Shared Services (LASS) groups.

The recent joint tender for occupational health services undertaken with Co-Lab illustrates the incremental benefits of working collaboratively. The aggregated approach simplified procurement, secured competitive pricing, and established best practice service levels across a large group of councils. Similarly, the renewal of key supplier agreements including NAMS+, IPWEA, VertiGIS Studio, FME Software, and Esri has ensured continued access to essential services at discounted rates for the BOPLASS councils; with BOPLASS often negotiating these benefits despite there being no alternative providers in New Zealand.

Adequate and cost-effective insurance cover remains an important requirement for all councils and BOPLASS has taken leadership with a number of strategic risk management projects this year. A collective project for earthquake loss modelling of infrastructural assets is delivering consistent and accurate hazard assessments, which is essential for supporting informed decisions for insurance coverage and risk transfer mechanisms within councils.

To assist with communicating essential strategic insurance knowledge within councils, BOPLASS worked with our brokers to facilitate a senior-level strategic insurance workshop to provide insights into emerging risks, insurance market challenges, and insurance implications of the Local Water Done Well reforms. Through the inclusion of speakers from DIA, Treasury, LGFA, and international insurers, the workshop was beneficial in knowledge sharing and helping councils prepare for impending sector-wide changes.

Despite ongoing challenges in the insurance market, BOPLASS successfully secured full cyber insurance cover for all councils. This was supported by a BOPLASS led cyber-crime information session to help enhance councils' understanding of insurer expectations and best practices.

It was very pleasing for BOPLASS to achieve a reduction in most insurance rates with last year's renewal, with an average rate reduction of approximately 5% across councils' infrastructure insurance placements. There is confidence that further savings should be achieved with this years' renewals as the strong relationships with international insurers are further leveraged.

Several new procurement initiatives were investigated, including oblique aerial imagery, high-volume printing, office supplies, and energy services. While some projects are still underway, others such as the occupational health services tender and urban orthophotography contracts have already delivered tangible benefits.

Inter-regional collaboration remains a cornerstone of BOPLASS' strategy. We continue to work closely with MW LASS and Co-Lab, sharing services and offering projects across regions. Notable initiatives include the Waste Operator Licensing and Data System, staff wellbeing portal, regional contractor database, and workforce management system.

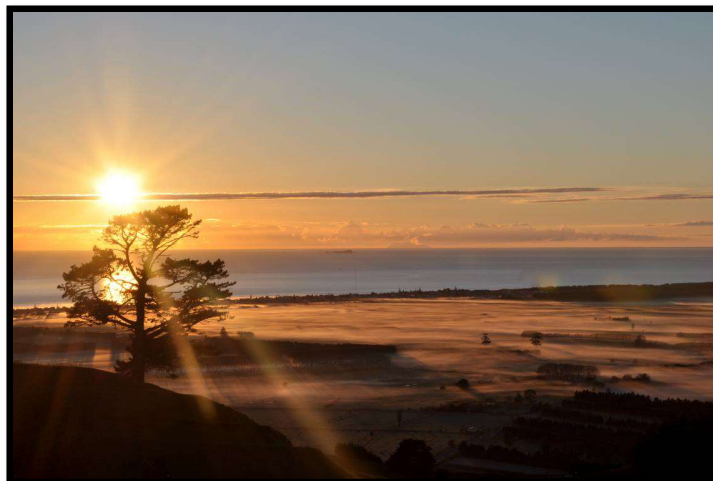
We welcomed two new directors to the governance table in 2024/25 with Steven Perdia and Miriam Taris joining from Whakatāne and Western Bay of Plenty District Councils. We extend our gratitude to our departing directors and their significant contributions to BOPLASS' success. The leadership and support received from BOPLASS directors continues to be instrumental in helping the group of councils drive collaborative initiatives.

Looking ahead to 2025/26, BOPLASS will continue to progress projects identified by our shareholding councils, expand inter-regional initiatives, and closely monitor developments in water service delivery to manage changes within our group insurance policies.

On behalf of the Board, I thank all those who have supported BOPLASS throughout the year.



Craig O'Connell
Chair



Company Directory

Nature of Business:	Shared Service Provider
Registered Office:	Regional House, 1 Elizabeth Street, Tauranga 3110
Telephone:	+64 7 577 7342
Email:	contact@boplass.govt.nz
Website:	https://www.boplass.govt.nz
Incorporation Number:	2074873
Incorporation Date:	14 January 2008
IRD Number:	98-965-361
Directors:	Craig O'Connell Fiona McTavish Julie Gardyne Andrew Moraes Martin Grenfell Miriam Taris Nedine Thatcher-Swann Morgan Godfery Steven Perdia Stace Lewer
Shareholders:	Bay of Plenty Regional Council Gisborne District Council Kawerau District Council Ōpōtiki District Council Rotorua Lakes Council Taupō District Council Tauranga City Council Western Bay of Plenty District Council Whakatāne District Council
Auditor:	BDO Tauranga
Bankers:	ANZ Bank
Solicitors:	Cooney Lees and Morgan

Statement of Intent and Performance

The company has complied with section 64 of the Local Government Act 2002 (LGA) and has had the Statement of Intent for 2025-2028 and associated budget formally adopted by the directors by resolution on 27 June 2025.

Performance Targets 2025-2028

To ensure the company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Targets 2025-2028	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders.	Identify Shared Services projects of benefit to two or more councils and lead the implementation.	Initiate at least one new Shared Service each year and no less than two Shared Services successfully implemented within three years.
Communicate with each shareholding council at appropriate levels.	Actively engage in obtaining political support for identified projects.	Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2024/27.

Target <u>2024/25</u>	Result	Narration
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. Manage and/or renegotiate existing contracts. Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.	Achieved	Contracts negotiated and/or renewed for: <u>NAMS+ Subscription (Asset Management)</u> – BOPLASS renewed the collective NAMS+ agreement with discounted rates for BOPLASS councils through a collective agreement. <i>No alternative provider in NZ.</i> <u>IPWEA Membership (Engineering)</u> – The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2024 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. <i>No alternative provider in NZ</i> <u>Inter-Council Network (ICN)</u> – BOPLASS renegotiated the network agreement with Kordia for a further 12 months on the same terms. The Kordia service covers the primary connectivity to the ICN for councils. The BOPLASS agreement achieves a reduction in cost of approximately 19% for these services. Additional services were added to the ICN as requested by participating councils. In conjunction with participant councils, BOPLASS will be going to market for network services in the next financial year. <u>Zoom Video Conferencing Services (VC)</u> - The Zoom enterprise agreement was renewed by BOPLASS on behalf of the participating councils. While Microsoft Teams has become the primary VC platform for most councils' internal and external communications, Zoom is still widely used by council governance teams and for public meetings. <i>No alternative provider</i>

Target <u>2024/25</u>	Result	Narration
		<u>VertiGIS Studio (G/S)</u> – Contracts were renewed for the VertiGIS Studio products. BOPLASS councils continue to benefit from the collective contract through reduced pricing, collective training, and the utilisation of common software across the councils. <i>No alternative provider in NZ</i> <u>NZ Archaeological Association (NZAA)</u> – BOPLASS has been in negotiations with NZAA to establish a new collective agreement for councils' access to archaeological information and to ensure financial savings and benefits continue to be delivered through the collective agreement. <i>No alternative suppliers</i> <u>Esri Enterprise Licensing Agreement (G/S)</u> – With the expiration of the existing agreement, BOPLASS has negotiated for a new three-year agreement for Esri software used extensively within BOPLASS councils. The agreement includes discounted pricing and supports a common GIS platform across BOPLASS councils. <i>No alternative suppliers.</i> <u>Insurance Brokerage Services</u> – The collective insurance brokerage agreement with Aon reached the end of its term in June 2025, with an option for a further and final two-year extension. After reviewing performance, and consulting member councils, BOPLASS received approval to proceed with the contract extension. This retains alignment with the MW LASS and Co-Lab contracts, allowing for future collective procurement opportunities. Under the contract extension, Aon have committed to maintaining current pricing and service levels. <u>n3 (Procurement)</u> – As a group buying organisation, n3 usually charge individual membership fees. Through BOPLASS a collective purchasing group membership has been negotiated to cover all BOPLASS. Councils achieve significant savings on membership costs and have access to trade pricing through the group scheme. The agreement has been renewed with the same discounted rates. <i>Sole NZ provider.</i>

Target <u>2024/25</u>	Result	Narration
		<u>My Everyday Wellbeing (H&S)</u> – BOPLASS renewed the agreement for the staff online wellbeing platform. Discounted pricing is provided to BOPLASS as a single entity, allowing all member councils to benefit from the associated savings. The agreement has been extended to cover MW LASS and Co-Lab councils. Increased participation from MW LASS, Co-Lab and BOPLASS councils this year has resulted in further financial savings for all participating councils. <u>Media Copyright Agency (MCA)</u> – A collective contract providing savings for all BOPLASS councils has been renewed with MCA (originally PMCA) for councils' print and media copyright services. <i>Sole NZ provider of print and media copyright services.</i> <u>Cyber Insurance</u> – All councils have successfully secured full cyber insurance cover through the collective BOPLASS programme, despite increasingly stringent requirements from insurers. Maintaining this cover requires consistently high standards of cyber security across all councils. To support this, BOPLASS facilitated a cyber-crime information session for IT Managers led by a cyber security insurance expert. This was provided at no cost to the councils and provided insights into evolving insurer expectations, emerging cyber threats, and best practices for incident response. <i>Cyber cover is an annual agreement that requires going to market every year.</i> <u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. In addition to the financial savings for councils, the BOPLASS agreement provides full access to all standards and the full standards library for councils. <i>No alternative provider in NZ.</i>

Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils. Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.	Achieved	Procurement initiatives which have been investigated during the year are as follows: <u>Oblique Aerial Imagery</u> – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. Working with the councils a free trial was negotiated. Group pricing has been investigated but, given the limited number of councils currently able to commit, the benefits are not significant enough at this time. <u>Infrastructure Earthquake Loss Modelling</u> – BOPLASS engaged Aon, as our risk advisor, to provide a collective loss modelling proposal covering all BOPLASS councils. This project was essential for reassessing risk exposure and informing decisions on insurance coverage and risk transfer strategies. Approaching the procurement collectively through BOPLASS resulted in a 39% saving, when compared with if councils were to undertake the risk modelling independently. <u>Risk Management Resourcing</u> – Quality and accuracy of valuation and asset data continues to hold high-importance with insurance underwriters and the quality of this data has a direct impact on councils' premium rates. While these data demands are equally applicable to all councils, some of the smaller councils may not have dedicated risk management resource to deliver on all the requirements. In collaboration with our risk advisors, a specialised service has been established to provide on-demand expert assistance in areas such as risk appetite, maturity assessments, policy and framework reviews, business continuity planning, strategic risk, and organisational risk registers. Not only has this initiative strengthened councils' ability to meet insurance requirements, but it has also helped improve overall risk governance without the need to employ specialist staff. <u>Starlink Management</u> – As a result of the major interruptions to communication technologies during and following Cyclone Gabrielle, BOPLASS IT Managers explored the potential of collective procurement of Starlink satellite WAN services to enhance business continuity and disaster recovery capabilities.
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		While collective procurement options did not yield financial benefits, councils opted to assess and implement Starlink solutions based on individual needs, ranging from disaster recovery to supporting remote operations. The initiative fostered significant knowledge sharing across councils. Additionally, a separate project is underway to evaluate Starlink and alternative technologies for improving connectivity for lone workers in remote areas, led by BOPLASS Health & Safety and IT Managers. <i>Project still underway</i> <u>High Volume Print</u> – BOPLASS is working with councils to investigate a collective approach to high-volume printing in response to rising costs and evolving council requirements. Councils currently operate with a mix of in-house and outsourced services, and there is strong interest in assessing the opportunity for councils to address print requirements as a strategic group. Engagement is underway to evaluate alignment across councils and identify opportunities for coordinated procurement that deliver improved service outcomes and cost efficiencies. <i>Project still underway</i> <u>Office supplies</u> – BOPLASS is leading a collective secondary procurement process to engage All of Government (AoG) panellists for the provision of general office supplies. Coordinating the procurement process collectively offers efficiencies in time and resources and may provide enhanced leverage with suppliers. <i>Project still underway</i> <u>Energy Services</u> – An Eastern Bay consortium of councils has appointed a provider for energy services. BOPLASS has investigated the opportunity for Western Bay councils to participate in the arrangements. Most of the other BOPLASS councils are contracted directly with providers or through the All of Government agreement. Opportunities for savings will continue to be investigated. <i>Project still underway</i> <u>Infrastructure Insurance</u> – Placements for BOPLASS councils' infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually through a process involving multiple underwriters and insurance syndicates. This involves identifying and
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		negotiating with alternative markets every year and considering options to undertake placements through new or different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2024 through direct engagement with the international and local markets. The size of the collective BOPLASS account allows us to undertake this direct engagement. Particularly good outcomes were achieved for the 2024-25 infrastructure placements, with an average reduction of approximately 5% on last years rates, and a saving of up to 20% when compared with councils that don't procure through a collective group. The high standard of the information being provided by BOPLASS councils, and our historical relationships with the international markets, have proven to be a strength for us at renewal time. Most insurers demonstrate ongoing support for the BOPLASS programme, however, BOPLASS continues to review alternative risk transfer options and alternative markets. <u>Aerial Imagery</u> – Two tenders for aerial imagery were managed by BOPLASS on behalf of participating councils. Tenders were awarded to Woolpert for urban orthophotography covering Tauranga City, Kawerau, Ōpōtiki, and Whakatāne, with additional capture over Moutohora and Whakaari Islands. <u>Occupational Health Services Tender</u> – Working in conjunction with Co-Lab, a joint tender for the procurement of occupational health services for BOPLASS and Waikato councils has been awarded. While each LASS will be managed independently, the aggregated tender volumes provided greater leverage for securing competitive pricing and enhanced services. <u>Contours from LiDAR</u> – A regional initiative is in progress to generate contour mapping for the entire Bay of Plenty using LiDAR data acquired collectively by BOPLASS councils. This will deliver a comprehensive topographic layer for council mapping systems. The joint procurement approach ensures cost savings and operational efficiency through a streamlined process. <i>Project still underway</i>
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Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties. BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration. Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.	Achieved	BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and aiming to meet formally on a quarterly basis. Shared services projects being undertaken by other LASS have been offered to BOPLASS councils. Equally, most BOPLASS projects are offered to the other LASS. Some of the shared service projects offered to BOPLASS councils include: • Wellbeing health and safety training • Debt Management • Archives • Building Consent services BOPLASS is leading or managing, on behalf of other LASS: • Waste Operator and Licensing Data System • Staff wellbeing portal • Regional contractor database • Rates collections • Inter-council secondments • Insurance broker renewal/appointment • Workforce management system <u>Workforce Management System</u> – BOPLASS has engaged with the incumbent supplier on behalf of Co-Lab and BOPLASS councils to address service issues and to negotiate collective pricing. <u>Occupational Health Services</u> – BOPLASS and Co-Lab collectively initiated a joint procurement project for occupational health services across BOPLASS and Waikato councils. <u>NZ Aerial Imagery consortium</u> – BOPLASS engaged with other regions to explore the potential for a national aerial imagery consortium. The concept aimed to improve pricing and coordination of flying schedules through a larger, collective tender. BOPLASS participated in meetings to assess the feasibility and potential benefits of the initiative. After reviewing the proposal against the existing BOPLASS aerial imagery programme, which has consistently delivered strong results through smaller, regionally focused tenders, it was determined that a national approach would not offer additional value to BOPLASS councils. The current model ensures timely delivery, equitable service to smaller councils, and maintains market competitiveness. <u>Engagement with other LG collaborative groups</u> – In addition to the two North Island LASS, BOPLASS continues to offer support to other local government collaborative groups looking to leverage benefits from working collectively.
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Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration. Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to the councils. Number of active users to increase by 5% per year.	Achieved	Collaborative projects continue to be added to the MahiTahi Local Government Collaboration Portal, along with several specific Teams or Channels established for confidential projects outside of the main Portal. There has been continued promotion of the MahiTahi LG Collaboration Portal within local government and this has seen a 5% increase in registered users with numbers increasing from 507 to 539. Induction and training material has been developed for creating smooth on-boarding of any new members. The Te Uru Kahika hub (regional and unitary councils) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal. There are now 3,191 users within the wider portal.
Communicate with each shareholding council at appropriate levels. Actively engage in obtaining political support for identified projects. Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.	Achieved	BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. In addition, BOPLASS chairs and coordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council. The BOPLASS Statement of Intent, Annual and Half-Yearly reports are provided to council for comment or feedback and the CEO is available to attend council meetings as requested.
Ensure current funding model is appropriate. Review BOPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.	Achieved	The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board. Council contributions were levied with annual council contributions CPI adjusted. Contributions were received from activities that are producing savings. An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal. Monthly and quarterly performance reviewed. Financial statements and budget variances reported and reviewed at Board meetings. Financial position year end 30 June 2025: (9,243) deficit.

Other Value-Add Projects

Project	Narration
Composite Flood Mapping Datasets	BOPLASS supported the Ministry for the Environment's (MfE) development of a national climate adaptation framework by facilitating access to BOPLASS composite flood mapping datasets. This collaboration with MfE highlights the strategic value of BOPLASS shared data initiatives and the value being contributed to national resiliency planning.
Bay Maps open data	Bay Maps now serves as a unified platform for mapping services across the Bay of Plenty and is actively used by the BOPLASS councils. This shared portal eliminates the need for individual councils to build and maintain separate mapping systems.
Council insurance strategy	Working with our brokers, BOPLASS facilitated a senior level strategic insurance workshop to provide insights into emerging risks, insurance market challenges, and the insurance implications of the Local Water Done Well reforms. Speakers included DIA, Treasury, LGFA, and international insurers, and was beneficial in helping councils prepare for sector-wide changes.
Artificial Intelligence (AI)	AI technologies continue to evolve rapidly, with integration become embedded in a multitude of platforms and software solutions used by councils. BOPLASS hosted a dedicated seminar led by Houston Technology to help member councils prepare for AI adoption within Microsoft Office 365. BOPLASS remains committed to fostering collaboration and knowledge-sharing as councils explore AI implementation.
Waste Operator and Licensing Data System (WOLDS)	The rollout of WOLDS is being phased across BOPLASS and Waikato councils, beginning with six councils in the initial group. Remaining councils will follow once necessary bylaw updates are completed to support external service management. WOLDS enables centralised oversight of waste contractor licensing, easing administrative burdens for councils and improving the quality of waste data.

Building Blocks

BOPLASS Ltd has been built on a number of principles and activities and these are the building blocks of our success.

You will find examples in text boxes scattered throughout the document.



Statement of Intent and Performance continued

The following is a report of performance against targets set in the Statement of Intent for 2023/24 and is provided for comparative purposes.

Target 2023/24	Result	Narration
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils. Manage and/or renegotiate existing contracts. Contracts are reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.	Achieved	Contracts negotiated and/or renewed for: <u>VertiGIS Studio</u> – Contracts for Geocortex Essentials and Analytics were renewed as the newly rebranded product VertiGIS Studio. BOPLASS councils continue to benefit from the renewed collective contract through reduced pricing and collective training. <u>Aerial Imagery</u> – Two BOPLASS tenders were awarded to Aerial Surveys Ltd for rural orthophotography covering Taupō, Rotorua and Western Bay of Plenty regions, and urban imagery for the Gisborne region. The Tauranga City interim flying programme was awarded to Woolpert NZ Ltd, including specific requirements for the capture of high growth areas. <u>Inter-Council Network (ICN)</u> – Following the expiry of the initial 24-month agreement for ICN services with Kordia, BOPLASS renegotiated the agreement for a further 12 months, achieving a reduction in cost of approximately 19% for these services. The Kordia service covers the primary connectivity to the ICN for councils. Councils are currently investigating using the ICN for CCTV services between councils as part of the BOPLASS CCTV project. <u>Zoom Video Conferencing Services (VC)</u> – BOPLASS has managed a Zoom video conference service for councils for several years. This was renegotiated and renewed by BOPLASS this year on behalf of the councils. While Microsoft Teams appears to be becoming the primary VC platform for most councils' internal communications, many use Zoom for their councillors and governance teams. <u>Health & Safety Management Software</u> – BOPLASS renegotiated the collective contract with Damstra (ex-Vault) as H&S management software provider for the BOPLASS and Waikato councils.

Target <u>2023/24</u>	Result	Narration
		<u>GIS software and services</u> – • NZ Archaeological Association • FME Software • ESRI Enterprise Licensing Agreement <i>Contracts renegotiated and renewed – no alternative suppliers.</i> <u>My Everyday Wellbeing</u> – BOPLASS renewed the agreement for the staff online wellbeing platform. Discounted pricing is provided to BOPLASS as a single entity, allowing all participating councils to benefit from the associated savings. Increased participation from MW LASS, Co-Lab and BOPLASS councils has resulted in further financial savings for the collective. <u>Media Copyright Agency (MCA)</u> – a collective contract providing savings for all BOPLASS councils has been renewed with MCA (originally PMCA) for councils' print and media copyright services. <i>Sole NZ provider of print and media copyright services.</i> <u>Cyber Insurance</u> – BOPLASS was able to facilitate the renewal of councils' cyber insurance policies on favourable terms with Berkshire Hathaway by working closely with councils to ensure all underwriter requirements were met and demonstrated through the collective approach. <i>Cyber cover is an annual agreement that requires going to market every year.</i> <u>n3</u> – Collective purchasing group membership negotiated by BOPLASS. Councils achieve significant savings on membership costs and trade pricing through the group scheme. Agreement renewed for another year at same discounted rates. <i>Sole NZ provider.</i> <u>Standards NZ</u> – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. <i>No alternative provider in NZ.</i> <u>NAMS+ Subscription</u> – BOPLASS renewed the collective NAMS+ agreement with discounted rates for BOPLASS councils. <i>No alternative provider in NZ.</i>

Target <u>2023/24</u>	Result	Narration
		<u>IPWEA Membership</u> - The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2023 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements. <i>No alternative provider in NZ.</i> <u>GIS Training</u> – BOPLASS coordinated specialised GIS training across the BOPLASS councils. Substantial savings were achieved through the collective training while also helping to bring all councils up to similar skill levels.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils. Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.	Achieved	The new procurement initiatives which have been investigated during the year are as follows: <u>Internal Audits</u> – BOPLASS completed a review of councils' internal audit services requirements with the intention of undertaking a collective procurement process on behalf of BOPLASS councils. Through the procurement process, BOPLASS identified that the Ministry of Business Innovation and Employment (MBIE) has an All of Government (AoG) panel contract available to Local Authorities that covers most councils' requirements. BOPLASS recommended that councils give consideration to the AoG Consultancy Services contract for the provision of internal audit services. Given the variations of councils' internal audit requirements, the diversity of the AoG panel and the ease of take up of the contract was suitable for most councils' requirements. <u>Schedule of Values (SOVs) – Data Enhancement</u> – BOPLASS has been investigating options for improving councils' SOVs. Accurate schedules are demanded by insurance underwriters and directly reflect on the premiums councils will be charged. They are also essential in avoiding potential exposure to shortfalls or losses at the time of an insurance claim. Working with our brokers, we have engaged Harmonic Analytics to develop a methodology to produce accurate SOVs. This project is being underwritten by Aon as a pilot for two councils. The project will save

Target <u>2023/24</u>	Result	Narration
		BOPLASS councils significant time, reduce costs, improve data quality, and reduce the likelihood of assets being missed off schedules. <u>Above Ground Earthquake Loss Modelling</u> – The existing BOPLASS Material Damage placement does not have an overarching loss limit, making it less attractive to underwriters. BOPLASS engaged Aon to undertake a high-level loss modelling exercise to determine and set appropriate loss limits for the region and for BOPLASS councils. <u>Business Continuity Planning</u> – BOPLASS councils are working together to further improve business interruption processes from a technology perspective. The catalyst for this work was the learnings from Cyclone Gabrielle, with this invaluable information shared within the IT Managers Group to assist all councils. <i>Project still underway.</i> <u>Protected Disclosures</u> – With many councils reviewing their Protected Disclosures policies and processes, BOPLASS is coordinating a workgroup to share information and help develop best practice. <i>Project still underway.</i> <u>GIS Technical Advisory Group (GIS TAG)</u> – GIS team leaders recognised the benefit in GIS technical staff establishing a forum to develop opportunities and share learnings at a practitioner level. In addition to sharing expertise and learnings, the technical group have investigated the development of further system commonality across councils. While common platforms support improved sharing opportunities and joint procurement of software, they also help enable councils to provide GIS support to each other in civil defence events. <u>CCTV monitoring</u> – BOPLASS secured \$1M co-funding from the Ministry of Social Development (MSD) to undertake crime prevention initiatives and programmes within the Bay of Plenty. BOPLASS councils identified the installation of CCTV cameras and monitoring services as a key initiative to help reduce retail crime and create safer communities. This project has been completed in conjunction with NZ Police, with improved CCTV cameras and monitoring achieved for all Bay of Plenty councils.

Target <u>2023/24</u>	Result	Narration
		<u>Waste Operator and Licensing Data System – Information Management System</u> – BOPLASS facilitated an extensive tender for an Information Management System (IMS), with Water Outlook appointed as the provider for the delivery of the IMS. Water Outlook provide existing water services to many BOPLASS and Waikato councils and their proposal allows for an extension of the existing software into waste services requirements. The single shared service provides standardisation across all regions, improved waste data, and savings through a centralised service. The project covers all BOPLASS and Co-Lab councils. However, strong interest has been expressed from councils outside the LASS councils with further growth expected with the established service. <u>Waste Operator and Licensing Data System (WOLDS) – Administration Service</u> – BOPLASS is investigating options for the delivery of the Administration Service. The Administration Service will streamline and centralise waste operators, and significantly reduce much of the workload for councils, while ensuring councils still retain control over the service. <i>Project is currently underway.</i> <u>Infrastructure Insurance</u> – Placements for BOPLASS councils' infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually. This involves identifying and negotiating with alternative markets every year and often undertaking placements through new or different insurers. Negotiations for councils' infrastructure insurance were undertaken in late 2023 through direct engagement with the international markets and Lloyds syndicates. The size of the collective BOPLASS account allows us to undertake this direct engagement. Given the continued global increase in natural disaster events, underwriters remain very risk adverse and demanding in the level of data and information they require. Through providing up to date and accurate information, and being able to leverage off our established relationships, very good outcomes were achieved for all BOPLASS councils, in both insurance rates and the level of cover achieved.

Target <u>2023/24</u>	Result	Narration
		Insurers continue to demonstrate support for the BOPLASS programme; however, councils are encouraged to continue reviewing alternative risk transfer options. <u>Media Monitoring Services</u> – BOPLASS facilitated a secondary procurement process for media monitoring services and social listening services. Fuseworks were awarded the contract and appointed as Preferred Supplier to BOPLASS councils. The collective contract provides significant savings and a range of new services for all participants. Social listening services require specific tools for identifying and analysing online conversations to help better understand sentiments within council communities.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties. BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration. Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.	Achieved	BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and formally meeting on a quarterly basis. Shared services projects being undertaken by other LASS have been offered to BOPLASS councils, with the board making a decision to utilise these opportunities to avoid any duplication of services where we can work with other LASS. Some of the shared service projects offered to BOPLASS councils include: • Debt Management • Archives • Building Consent services • Health and Safety training BOPLASS is leading or managing, on behalf of other LASS: • Waste Operator and Licensing Data System • H&S management system • Staff wellbeing portal • Regional contractor database • Rates collections • Inter-council secondments • Insurance Markets Joint Communications • Occupational Health Services <u>Managing Conflict & Aggression</u> – Addressing aggressive behaviour continues to be a challenge for councils and for the BOPLASS Health & Safety Advisory Group. Working in collaboration with Waikato councils and other Council-Controlled Organisations (CCOs) has allowed the

Target <u>2023/24</u>	Result	Narration
		group to share resources between regions ensuring best practice is shared and developed to the benefit of all parties. <u>Motor vehicle monitoring</u> – MW LASS identified four vehicle monitoring providers used across their LASS and extended an invitation for BOPLASS and Waikato councils to participate in presentations from these organisations. <u>LGOIMA requests</u> – BOPLASS councils have collaborated to draft appropriate responses to LGOIMA requests to reduce duplication of effort and ensure best practice is established and shared. This project is to be extended across the other two LASS and possibly more widely within local government. <u>Health & Safety training</u> – BOPLASS and Co-Lab have established aligned contracts with H&S trainers. To provide improved market leverage and ensure the best value is delivered to all councils, it was agreed to tender for service as a collective covering all BOPLASS and Co-Lab councils. <u>Insurance Forum</u> – BOPLASS hosted and coordinated an insurance forum to cover key insurance topics in local government. The forum was well attended by councils from throughout the upper and central North Island. <u>Engagement with other LG collaborative groups</u> – BOPLASS continues to offer support to other local government collaborative groups looking to leverage benefits from working collectively.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration. Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils. Number of active users to increase by 5% per year.	Achieved	Collaborative projects continue to be added to the MahiTahi LG Collaboration Portal, along with several specific Teams or Channels established for confidential projects being run outside of the main Portal. Continued promotion of the MahiTahi LG Collaboration Portal has seen a 5% increase in registered users with numbers increasing from 485 to 507. On-boarding and training material has been developed for creating a smooth transition for any new members. The Te Uru Kahika hub (regional and unitary councils) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal. There are now over 2,800 users within the wider portal.

Target 2023/24	Result	Narration
Communicate with each shareholding council at appropriate levels. Meeting with members of Executive Leadership Team. At least one meeting per year.	Achieved	BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders. In addition, BOPLASS chairs and coordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council.
Ensure current funding model is appropriate. Review BOPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.	Achieved	The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board. Council contributions were levied with annual council contributions now CPI adjusted. Contributions were received from activities producing savings. An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal. Monthly and quarterly performance reviewed. Financial statements and budget variances reported and reviewed at Board meetings. Financial position year end 30 June 2024: (\$20,344) deficit.



MahiTahi Local Government Collaboration Portal

A portal for registration of council projects, collaboration opportunities and identification of potential project partners. Also includes collaboration areas for staff to engage with their peers within other councils.



PART TWO – ACCOUNTABILITY STATEMENTS



Statement of Responsibility

The following pages 27-50 outline the financial statements and notes for year ended 30 June 2025 for BOPLASS Limited.

The directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The directors are pleased to present the financial statements of BOPLASS Ltd for the twelve months ended 30 June 2025.

For and on behalf of the Board of Directors:

Signed:  Craig O'Connell – Chair Date: 05/09/2025

Signed:  Fiona McTavish – Director Date: 05/09/2025



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New Zealand

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BOP LASS LIMITED'S FINANCIAL STATEMENTS AND THE STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of BOP LASS Limited (the Company). The Auditor-General has appointed me, Donna Taylor, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements and the statement of performance of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 30 to 50, that comprise the statement of financial position as at 30 June 2025, the statement of financial performance 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

Opinion

In our opinion:

- the financial statements of the Company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector); and
- the statement of performance, in all material respects :
 - accurately reports the Company's actual performance compared against the performance targets and other measures by which Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025]; and
 - has been prepared in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 5 September 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

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.

PARTNERS: Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA Michael Lim CA

BDO New Zealand Ltd, a New Zealand limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

In preparing the financial statements, 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 the Board of Directors intends to liquidate the Company or to cease operations, or has 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

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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 shareholders, taken on the basis of these financial statements.

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

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, 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 financial statements, including the disclosures, and assess whether the financial statements achieves it's statutory purpose of enabling the Company's shareholders 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 the information included on pages 1 to 6, but does not include the financial statements and the statement of intent and performance, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on 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 independence requirements of 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 the audit, we have no relationship with, or interests in, the Company.



Donna Taylor
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand

Financial Statements – Statement of Financial Position

STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2025			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
ASSETS - CURRENT			
Bank accounts and cash	10	722,667	853,691
Short Term Investments	10	0	0
Debtors and Other Receivables	11	743,065	624,266
Prepayments	12	88,042	112,812
Total Current Assets		1,553,774	1,590,769
ASSETS - NON-CURRENT			
Intangible Assets	13	4,104	5,365
Plant and Equipment	14	8,782	12,560
Total Non-Current Assets		12,886	17,925
TOTAL ASSETS		1,566,660	1,608,694
LIABILITIES - CURRENT			
Creditors and Accrued Expenses	15	186,417	223,843
Employee Costs Payable	16	28,128	45,683
Income in Advance	17	1,334,162	1,311,972
Borrowings	18	0	0
Total Current Liabilities		1,548,706	1,581,498
TOTAL LIABILITIES		1,548,706	1,581,498
TOTAL ASSETS less TOTAL LIABILITIES		17,954	27,197
EQUITY			
Accumulated Deficits	19	81,048	71,805
Share Capital	19	99,002	99,002
TOTAL EQUITY		17,954	27,197

The notes and Statement of Accounting Policies form part of these financial statements.

For and on behalf of the Board of Directors:

Signed:  Craig O'Connell – Chair Date: 05/09/2025

Signed:  Fiona McTavish – Director Date: 05/09/2025

Financial Statements – Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE - FOR THE YEAR ENDED 30 JUNE 2025				
BOP LASS LTD	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
REVENUE				
Council Contribution	2	359,710	360,615	348,219
Project Revenue	2	1,338,360	1,310,000	2,053,866
Interest Revenue	3	18,171	8,500	56,149
Other Income	2.5	37,330	0	2,670
Total Revenue		1,753,571	1,679,115	2,460,904
EXPENSES				
Depreciation and Amortisation	4	5,041	9,300	5,984
Employee Related Costs	5	353,762	310,173	334,694
Directors Costs	6	21,865	23,000	19,314
Finance Cost	7	0	0	0
Other Expenses	8	1,382,146	1,336,642	2,102,234
Total Expenses		1,762,814	1,679,115	2,462,226
Surplus/(Deficit) before tax		(9,243)		(1,323)
Income Tax Expense/(Benefit)	9	0		0
Surplus/(Deficit) after tax		(9,243)	0	(1,323)

The notes and Statement of Accounting Policies form part of these financial statements.
 Explanations of major variances against budget are provided in note 25.

Media Monitoring

A shared media monitoring portal provides councils with improved visibility of community feedback through monitoring of press and social media.



Financial Statements – Statement of Cashflows

STATEMENT OF CASHFLOWS - FOR THE YEAR ENDED 30 JUNE 2025			
BOP LASS LTD	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
CASHFLOWS FROM OPERATING ACTIVITIES			
Council Contribution		359,710	348,219
Other Revenue		0	2,670
Project Revenue		1,271,718	2,500,185
Interest Revenue		18,171	20,589
Tax Paid - RWT (net)			
Goods and Services Tax (net)		91,047	
Total Cash Provided		1,740,646	2,871,663
Employee Related Costs		(371,318)	(329,599)
Payments to Suppliers		(1,494,356)	(2,104,470)
Interest Paid			0
Tax Paid - RWT (net)		(5,996)	(13,142)
Goods and Services Tax (net)			(266,544)
Total Cash Applied		(1,871,670)	(2,713,722)
NET CASHFLOWS FROM OPERATING ACTIVITIES		(131,024)	157,941
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of Investments			250,000
Purchase of Plant and Equipment			
Purchase of Intangibles			
Total Investing Cash Applied		0	250,000
NET CASHFLOWS FROM INVESTING ACTIVITIES		0	250,000
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans			
Repayment of Loans			
NET CASHFLOWS FROM FINANCING ACTIVITIES		0	0
NET INCREASE/(DECREASE) IN CASH		(131,024)	407,940
CASH AT BEGINNING OF THE YEAR		853,691	445,751
CASH AT END OF THE YEAR	10	722,667	853,691

The GST component of operating activities reflects the net GST paid and received to and from the Inland Revenue Department. The GST component has been prepared on a net basis, as the gross amounts do not provide meaningful information for financial purposes.

The notes and Statement of Accounting Policies form part of these financial statements.

Entity Information for the Year Ended 30 June 2025

LEGAL NAME

BOPLASS Limited stands for Bay of Plenty Local Authority Shared Services.

TYPE OF ENTITY AND LEGAL BASIS

BOPLASS Limited is incorporated in New Zealand under the Companies Act 1993.

COMPANY'S PURPOSE

BOPLASS Ltd is based in Tauranga and is a joint venture between nine councils formed to provide shared services.

STRUCTURE OF COMPANY'S OPERATIONS INCLUDING GOVERNANCE ARRANGEMENTS

The company is owned and controlled by the nine councils and comprises a Board of ten directors who oversee the governance of the company. A Chief Executive is responsible for the day-to-day operations of the company and reports to the Board, with two other staff supporting the Chief Executive in delivering against the company's objectives. The Board is made up of nine Chief Executives from participating councils and one independent director. Refer Statutory Disclosure note page 50 for list of councils.

MAIN SOURCE OF THE COMPANY'S CASH AND RESOURCES

Annual operating contribution received from each of the nine councils and project commissions are the main source of funding.

OUTPUTS

As per the Statement of Intent and Performance.

All of Government (AoG) Procurement

BOPLASS takes into account and supports opportunities available through All of Government purchasing arrangements.



Statement of Accounting Policies

Statement of Accounting Policies for the Year Ended 30 June 2025

ACCOUNTING POLICIES APPLIED:

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the company does not have public accountability (as defined) and has total annual expenses less than \$5 million.

All transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest dollar. The functional currency of BOPLASS Ltd is New Zealand dollars.

The financial statements are prepared on the assumption that the company will continue to operate in the foreseeable future.

SIGNIFICANT ACCOUNTING POLICIES

There have been no changes to accounting policies during the reporting period.

GOODS AND SERVICES TAX

The company is registered for GST. All amounts in the financial Statements are recorded exclusive of GST, except for debtors and creditors which are stated inclusive of GST.

REVENUE RECOGNITION

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

Contributions received from the nine shareholder councils are BOPLASS Limited's primary source of funding for the 12 months ended 30 June 2025.

Council contributions are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the contributions are not met. No such obligation is attached to the council contributions received for the twelve months ended 30 June 2025.

Revenue from projects is recognised when control of the goods or services has been transferred to the customer, reflecting the satisfaction of the performance obligation. Where

consideration is received prior to the delivery of goods or services, it is recorded as income in advance and recognised as a liability until the related performance obligation is fulfilled.

Interest revenue is recorded as it is earned during the year.

EMPLOYEE RELATED COSTS

Wages, salaries, and annual leave are recorded as an expense as staff provide services and become entitled to wages, salaries and leave entitlements.

Performance payments are recorded when the employee is notified that the payment has been granted.

Superannuation contributions are recorded as an expense as staff provide services.

ADMINISTRATION, OVERHEADS AND PROJECT EXPENDITURE COSTS

These are expensed when the related service has been received.

LEASE EXPENSES

Lease payments are recognised as an expense on a straight-line basis over the lease term.

BANK ACCOUNTS AND CASH

Bank accounts and cash comprise cash on hand, cheque or savings accounts, and deposits held at call with banks.

DEBTORS AND OTHER RECEIVABLES

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

PLANT AND EQUIPMENT

Plant and equipment is recorded at cost, less accumulated depreciation and impairment losses.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the company, the asset is impaired if the value to the company in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.

The useful lives for associated depreciation rates of other assets have been estimated using the diminishing value basis as follows:

Office equipment	5 years	20%
Computer equipment/ICN	4 years	25%
Mobile Phone	3 years	67%

INTANGIBLE ASSETS

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

The carrying value of an intangible asset with a finite life is amortised on a diminishing value basis over its estimated useful life, at the same rate as is allowed by the Income Tax Act 1994. This charge is recognised as an expense.

The useful lives for associated amortisation rates of major classes of intangible assets have been estimated using the diminishing basis as follows:

2022 Computer Software	2 years	50%
------------------------	---------	-----

CREDITORS AND ACCRUED EXPENSES

Creditors and accrued expenses are measured at the amount owed.

EMPLOYEE COSTS PAYABLE

A liability for employee costs payable is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and expense for long service leave and retirement gratuities is recognised when the entitlement becomes available to the employee.

INTEREST BEARING LOANS AND BORROWINGS

Loans & Borrowings are recognised at the amount borrowed from the lender.

Interest costs and interest accrued are recognised as an expense when incurred.

INCOME TAX

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

BUDGET FIGURES

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

COMMITMENT AND CONTINGENT LIABILITIES

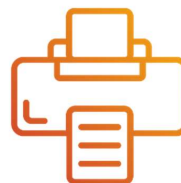
Commitments and contingencies are disclosed exclusive of GST.

EQUITY

Equity is measured by the value of total assets less total liabilities.

Print Services

A collective contract with Canon for photocopiers and printers has delivered significant savings to the group. It has also provided a common technology platform supporting the development and delivery of further shared services.



Notes to Financial Statements

NOTE 2: COUNCIL CONTRIBUTION / PROJECT REVENUE

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Core Revenue				
Council Contribution		359,710	360,615	348,219
		359,710	360,615	348,219
Project Revenue				
Rebates	*	0	0	243
Aerial Photography Revenue	**	532,496	400,000	263,312
Video Conferencing Revenue	***	13,104	15,000	18,380
Revenue - ICN	****	140,588	135,000	147,324
Recoveries	*****	615,518	720,000	611,176
Crime Prevention		0	0	980,776
Collaboration Portal Revenue	*****	36,655	40,000	32,655
TOTAL CORE AND PROJECT REVENUE		1,698,071	1,670,615	2,402,085

- * Rebates for Services contracted by BOP LASS Ltd are received from NZ Post Ltd and a final from CSG.
- ** Aerial Photography revenue is offset by Aerial Photography expenditure paid by BOP LASS Ltd on behalf of the councils. Refer to Note 8.
- *** Video Conferencing Revenue is offset by Video Conferencing expenditure.
- **** ICN Revenue is offset by ICN expenditure.
- ***** Recovery Revenue is offset by recovery expenditure refer to Note 8. This is the recovery of BOP LASS project or procurement costs incurred on behalf of the participating councils.
- ***** Collaboration Portal Revenue is offset by Collaboration Portal expenditure.

NOTE 2.5: OTHER INCOME

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Other Income				
LINZ		40,000	0	0
Income Tax Refund		(2,670)	0	2,670
TOTAL OTHER INCOME		37,330	0	2,670

NOTE 3: INTEREST REVENUE

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Core Revenue				
Interest Revenue - Current account		15,612	7,000	41,922
Project Revenue				
Interest Revenue - Aerial Trust account		2,559	1,500	14,227
TOTAL INTEREST REVENUE		18,171	8,500	56,149

NOTE 4: DEPRECIATION AND AMORTISATION EXPENSE

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Core Expenditure				
Intangibles	*	1,262	4,300	1,689
Plant and Equipment	**	3,778	5,000	4,295
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		5,040	9,300	5,984

* Intangibles refer to Note 13.

** Plant and Equipment refer to Note 14.

NOTE 5: EMPLOYEE RELATED COSTS

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Core Expenditure				
Salary and Wages		303,444	282,723	288,454
Superannuation	*	25,725	0	21,368
Direct Personnel Overheads	**	24,593	27,450	24,872
TOTAL EMPLOYEE RELATED COSTS		353,762	310,173	334,694

* Superannuation includes employer contributions to Kiwisaver.

** Direct Personnel Overheads include ACC, Fringe Benefit Tax, staff training costs and other staff support costs.

NOTE 6: DIRECTORS COSTS

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Core Expenditure				
Directors Costs (Fees & Travel)	*	21,865	23,000	19,314
TOTAL DIRECTORS COSTS		21,865	23,000	19,314

* Craig O'Connell is the only independent paid Director, commenced February 2015. The other nine Directors are the Chief Executives of participating Councils and do not receive any remuneration from BOPLASS.

**Insurance**

Collaboration with insurance has provided improved service levels and substantial premium savings for all councils.

NOTE 7: FINANCE COST

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Core Expenditure				
Interest on Borrowings	*	0	0	0
TOTAL FINANCE COST		0	0	0

* Interest on Tauranga City Council loan refer to Note 18.

NOTE 8: OTHER EXPENSES

	Notes	BOP LASS Ltd		
		2024/25 Actual	2024/25 Budget	2023/24 Actual
Core Expenditure				
Audit Fees	*	25,185	24,000	21,006
Administration Expenses	**	18,730	20,000	17,576
Consultancy	***	9,800	5,500	6,200
General Costs	****	8,379	17,463	30,161
Insurance		13,066	14,000	11,517
Crime Prevention		0	0	982,456
		75,159	80,963	1,068,916
Project Expenditure				
Aerial Photography	*	532,496	400,000	263,312
Video Conferencing	**	16,830	14,100	19,175
Inter Council Network (ICN)	**	129,840	129,600	134,557
Recoveries	***	606,519	684,000	597,601
Collaboration Portal Opex	****	21,302	27,979	18,673
		1,306,987	1,255,679	1,033,318
TOTAL OTHER EXPENSES		1,382,146	1,336,642	2,102,234

Core

* Audit Fees for 2025 are \$25,000

** Administration Expenses

*** Consultancy includes tax advice for both 2024 and 2025

**** Accommodation & Travel, Bank Fees, Conferences, General Expenses, Health & Safety, Legal, Subscriptions

Project

* BOPLASS Ltd has a contract for aerial photography on behalf of the councils. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.

** ICN Expenses. This expenditure is offset from the revenue received from the councils. BOPLASS Ltd is acting on behalf of the councils.

*** Recoveries - This expenditure is offset from the revenue received from the councils for project work.

**** Collaboration Portal Opex - to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate.

NOTE 9: INCOME TAX EXPENSE

	Notes	BOP LASS Ltd	
		2024/2025 Actual	2023/24 Actual
Components of tax expense			
Current Tax Expense		0	0
Adjustments to current tax in prior years		0	0
Tax Expense		0	0
INCOME TAX EXPENSE		0	0
Relationship between tax expense and accounting profit			
Net surplus (deficit) before Taxation*		(9,243)	(1,323)
Tax calculation @ 28%		2,588	370
Plus/(Less) Taxation effect of:		0	0
Non-deductible Expenditure		359,710	348,219
Imputation credit adjustment		0	0
Non-taxable (income)/expenditure		(359,710)	(348,219)
Prior Period Adjustment		0	0
Income not included in accounting profit		0	0
Tax Losses not recognised		0	0
Deferred tax adjustment		(2,588)	(370)
TOTAL INCOME TAX EXPENSE		0	0

Joint Procurement

The procurement of services or products by two or more councils, from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.



NOTE 10: BANK ACCOUNTS, CASH AND OTHER FINANCIAL ASSETS

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Cash at Bank – Current account		692,357	646,128
Cash at Bank – Aerial Trust account		29,165	206,435
Cash at Bank – Crime Prevention		1,145	1,128
TOTAL BANK ACCOUNTS AND CASH		722,667	853,691

NOTE 11: DEBTORS AND OTHER RECEIVABLES

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Debtors – Other		682,229	504,573
Goods and Services		0	77,457
Accrued Revenue		57,478	17,316
Tax (Payable) / Receivable		3,358	24,919
TOTAL DEBTORS AND OTHER RECEIVABLES		743,065	624,265

Debtors are non-interest bearing and receipt is normally 30-day terms. Therefore, the carrying figure of debtors approximates their fair value.

NOTE 12: PREPAYMENTS

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Under 1 Year		88,042	112,812
TOTAL PREPAYMENTS		88,042	112,812

**Aerial Imagery**

BOPLASS manages collective procurement to deliver high-quality aerial imagery across the region. Councils benefit from improved pricing and updated imagery for supporting planning, land use analysis, and topographical monitoring.

NOTE 13: INTANGIBLE ASSETS

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Computer Software			
Cost			
Cost at beginning of Year		79,174	79,174
Current Year Additions		0	0
Current Year Disposals		0	0
Cost Balance at Year End		79,174	79,174
Accumulated Amortisation and Impairment			
Cost at beginning of Year		(73,808)	(72,119)
Amortisation Expense		(1,263)	(1,689)
Impairment Losses			
Accumulated Amortisation and Impairment Balance at Year End		(75,071)	(73,808)
Carrying Amounts			
Cost at beginning of Year		5,366	7,055
Carrying Amount at Year End		4,103	5,366

Amortisation Expense was at varying rates between 15% to 60%.
No impairment losses have been recognised for intangible assets.

NOTE 14: PLANT AND EQUIPMENT

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Office and Computer Equipment			
Cost			
Cost at beginning of Year		29,613	29,613
Current Year Additions	*	0	0
Current Year Disposals		0	0
Cost Balance at Year End		29,613	29,613
Accumulated Depreciation and Impairment			
Cost at beginning of Year		(17,052)	(12,757)
Depreciation Expense		(3,779)	(4,295)
Impairment Losses		0	0
Loss on Disposal of Asset		0	0
Accumulated Depreciation and Impairment Balance at Year End		(20,831)	(17,052)
Carrying Amounts			
Cost at beginning of Year		12,560	16,855
Carrying Amount at Year End		8,782	12,560

Office equipment has been depreciated over its life (5 years).
Computer equipment has been depreciated over its life (4 years). Mobile Phone (3 years).

NOTE 15: CREDITORS AND ACCRUED EXPENSES

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
ANZ Business Credit Card		137	284
Creditors		89,007	193,996
Accrued Expenses	*	17,537	19,537
Goods and Services Tax Payable		61,380	0
Retentions		18,356	10,026
TOTAL CREDITORS AND ACCRUED EXPENSES		186,417	223,843

ANZ Business Credit Card facilities were arranged primarily to pay international accounts for software to reduce the fees charged and to improve expense processes and reporting.

Creditors are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value.

* Accrued Expenses relates to Audit Fees for the 2025 financial year.

NOTE 16: EMPLOYEE COSTS PAYABLE

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Salaries and Wages Payable		8,061	8,169
Annual Leave		7,733	27,862
PAYE		12,334	9,652
TOTAL EMPLOYEE COSTS PAYABLE		28,128	45,683

NOTE 17: INCOME IN ADVANCE

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Income in Advance		1,334,162	1,311,972
TOTAL INCOME IN ADVANCE		1,334,162	1,311,972

Staff Wellbeing

Councils benefit from discounted access to a wellbeing platform, with expanded participation driving further savings and supporting staff wellbeing across multiple LASS groups.



NOTE 18: BORROWINGS

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Maturing in Under 1 Year		0	0
TOTAL BORROWINGS		0	0

BOPLASS Ltd has a reciprocal borrowing arrangement with Tauranga City Council which allows for the borrowing of funds and placement of excess funds. The current loan balance as at 30 June 2025 is \$NIL. Interest is accrued during each interest period.

This loan facility is still available to BOPLASS Ltd.

Interest is calculated at current market rates. The loan from Tauranga City Council is unsecured.

NOTE 19: EQUITY

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Share Capital			
Balance at beginning of Year		99,002	99,002
Fully Paid up Shares		0	0
Balance at Year End		99,002	99,002
Accumulated Surpluses/(Deficit)			
Balance at beginning of Year		(71,805)	(70,482)
Surplus/(Deficit) after Taxation		(9,243)	(1,322)
Balance at Year End		17,954	27,197

Share Capital - As at 30 June 2025, share capital comprised of thirty-one Ordinary Shares and twenty-two Non-Voting Shares.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, are entitled to one vote per share at meetings of the Company, and rank equally regarding the Company's residual assets.

Dividends - No dividends have been paid or are proposed by the Company.

NOTE 20: CONTINGENCIES

BOPLASS Ltd have no contingencies at year end and that there were no contingencies for prior year.

NOTE 21: EVENTS OCCURRING AFTER BALANCE DAY

No events have occurred since balance date for BOPLASS Ltd.

Coalition of the Willing

BOPLASS councils work within an opt-in principle, meaning projects initially advance with willing and active participants.



NOTE 22: STATEMENT OF COMMITMENTS

	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Capital Commitments		0	0
TOTAL CAPITAL COMMITMENTS		0	0

This statement represents extraordinary or exceptionally large commitments for that type of expenditure within the normal course of business, which have been contractually entered. As at balance date, BOPLASS Ltd has no large commitments of this nature.

BOPLASS Ltd has a contractual agreement with Woolpert Limited and Aerial Surveys Ltd to provide aerial photos for the councils. This is treated as an operational expense in the BOPLASS Ltd accounts.

OPERATING LEASES AS LESSEE	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSEE		0	0

The expense of \$129,840 for the Inter Council Network is recognised in the Statement of Financial Performance refer to Note 8. Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the costs of the Inter Council Network. The pricing is reviewable not less than annually and adjustments are to be made for market trends and for the number of councils participating.

RECOVERY OF OPERATING LEASES PAYMENTS FROM PARTICIPATING COUNCILS	Notes	BOP LASS Ltd	
		2024/25 Actual	2023/24 Actual
Not later than one year		0	0
Later than one year and not later than five years		0	0
Later than five years		0	0
TOTAL OPERATING LEASES AS LESSOR		0	0

NOTE 23: 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 conditions no more or less favourable than those that it is reasonable to expect the company would have adopted in dealing with the party at arm's length in the same circumstances.

Related party required to be disclosed

Tauranga City Council provided accounting services to BOPLASS Ltd during the financial year to 30 June 2025 free of charge. An estimated value of the accounting services provided for the year is \$15,000.

NOTE 24: EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

BOP LASS Ltd	
Statement of Financial Performance	Variance against Budget
Recoveries and Projects – Recoveries (Note 2 & 8)	Project timing is often impacted by reprioritisation of workstreams and effects the Project Recoveries and Expenditure. Both the project expense and revenue remained proportional.
Aerial Photography (Note 2 & 8)	Aerial photography income and expenditure were both above budget due to the completion of flying and capture that was not completed in the previous year.
Interest Revenue (Note 3)	Higher interest rates resulted in an increase in bank interest earned against budget.
Employee Related Expenses (Note 5)	Salaries has increased when compared to budget which was a result of fewer hours being spent on the Collaboration Portal and specific projects that off-set salaries along with unbudgeted annual leave.
Collaboration Portal Opex (Note 8)	Collaboration Portal operating expenses have decreased through introducing efficiencies into the administration processes and services.

NOTE 25: BOPLASS CONTRACTUAL OFFSETTING REVENUE & EXPENDITURE TRANSACTIONS

	BOP LASS Ltd 2024/25			
	Revenue	Expenditure	Net Operating Surplus/(Deficit)	Explanation
Core				
Council Contribution	359,710	0	359,710	BOPLASS Ltd receives funds from nine councils to fund administrative costs not related to projects. Includes CPI adjustment.
Interest Revenue	18,171	0	18,171	Refer Note 3.
Other Income –	37,330	0	0	Refer Note 2.5.
Depreciation & Amortisation	0	5,041	(5,041)	Refer to Note 4.
Salary and Wages	0	303,445	(317,216)	Refer to Note 5.
Superannuation	0	25,725	(25,725)	Refer to Note 5.
Direct Personnel Overheads	0	24,593	(24,593)	Refer to Note 5.
Directors Fees & Costs	0	21,865	(21,865)	Refer to Note 6.
Administration Expenses	0	18,730	(18,730)	Refer to Note 8.
Audit Fees	0	25,185	(25,185)	Refer to Note 8.
Consultancy	0	9,800	(9,800)	Refer to Note 8.
Insurance	0	13,066	(13,066)	Refer to Note 8.
General	0	8,379	(8,379)	Refer to Note 8.
Tax Expense	0	0	(0)	Refer to Note 9.
Total	415,211	455,829	(40,618)	

Projects				
Aerial Photography	532,496	532,496	0	Participating councils are invoiced by BOPLASS Ltd and the vendor is paid as percentages of the work on the project are completed.
Canon Video Conferencing	13,104	16,830	(3,726)	Councils pay BOPLASS Ltd an amount charged by Canon plus an administrative fee for BOPLASS Ltd maintaining a service and maintenance contract on behalf of the councils.
Inter Council Network	140,588	129,840	10,748	Participating councils are invoiced by BOPLASS Ltd on a quarterly basis to recover the cost for the Inter Council Regional Network Platform. ICN revenue includes recovery of other operating expenditure - ICN, interest on borrowings - ICN loan and BOPLASS Ltd administration fees.
Recoveries	615,518	606,519	8,999	BOPLASS charges an administration fee for management of project recoveries
Collaboration Portal	36,655	21,302	15,353	The Portal is to assist in accelerating growth of shared service strategies and projects throughout local government in New Zealand by increasing visibility of councils' opportunities to collaborate. Membership Revenue lower than expected.
Total	1,338,361	1,306,987	31,374	
Overall Total	1,756,242	1,776,587	(9,243)	

LASS Collaboration

BOPLASS collaboration with other LASS groups ensures councils benefit from improved pricing, shared expertise, and greater value through collective procurement and shared services.



	BOP LASS Ltd 2023/24		
	Revenue	Expenditure	Net Operating Surplus/(Deficit)
Core			
Council Contribution	348,219	0	348,219
Interest Revenue	56,149	0	56,149
Other Income – Reimbursement	2,670	0	2,670
Depreciation & Amortisation	0	5,984	(5,984)
Salary and Wages	0	288,454	(288,454)
Superannuation	0	21,368	(21,368)
Direct Personnel Overheads	0	24,872	(24,872)
Directors Fees & Costs	0	19,314	(19,314)
Administration Expenses	0	17,576	(17,576)
Audit Fees	0	21,006	(21,006)
Consultancy	0	6,200	(6,200)
Insurance	0	11,517	(11,517)
General	0	30,161	(30,161)
Tax Expense	0	0	(0)
Total	407,038	446,452	(39,414)
Projects			
Aerial Photography	263,312	263,312	0
Canon Video Conferencing	18,380	19,175	(795)
Inter Council Network	147,324	134,557	12,767
Recoveries	611,176	597,601	13,575
Crime Prevention	980,776	982,456	(1,680)
Rebates	243	0	243
Collaboration Portal	32,655	18,673	13,982
Total	2,053,866	2,015,774	38,092
Overall Total	2,460,903	2,462,226	(1,323)



Cyber Insurance

Councils gain full cyber insurance coverage through BOPLASS, receiving reduced premiums and ensuring best practice is achieved.

Statutory Disclosures

as per section 211 (1) of the Companies Act (1993)

NATURE OF BUSINESS

There has been no change in the nature of the business of the company during the year.

DIRECTORS APPOINTED

Under the Shareholder Agreement directors are appointed by the constituent councils.

Directors and their dates of appointment are as follows:

Independent director	Craig O'Connell	26 February 2015 Chair from 16 March 2016
Kawerau District Council	Morgan Godfery	28 February 2024
Bay of Plenty Regional Council	Fiona McTavish	30 June 2018
Western Bay of Plenty District Council	Miriam Taris	31 March 2025
Rotorua Lakes Council	Andrew Moraes	24 April 2024
Whakatane District Council	Steven Perdia	17 October 2024
Tauranga City Council	Martin Grenfell	3 September 2018
Taupo District Council	Julie Gardyne	2 June 2023
Gisborne District Council	Nedine Thatcher-Swann	13 March 2017
Opotiki District Council	Stace Lewer	23 September 2022

INTEREST REGISTER

There have been no disclosures of self-interest during the period.

DIRECTORS REMUNERATION

In February 2015 the Board appointed an independent director. The independent director receives remuneration and is reimbursed for related expenses. No remuneration had been paid to other directors.

DONATIONS

There were no donations made by the company during the period.