

Port Nicholson Block Settlement Trust

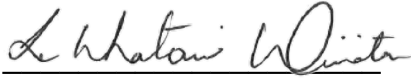
Consolidated general purpose financial report 2026

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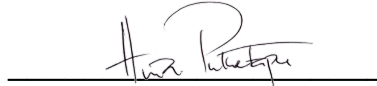
Approval of consolidated general purpose financial report

The Board of Trustees are pleased to present the consolidated general purpose financial report including the financial statements of Port Nicholson Block Settlement Trust for the year ended 31 March 2026.



Trustee Te Whatanui Winiata

Date: 11 September 2026



Trustee Huia Puketapu

Date: 11 September 2026

Consolidated statement of service performance

For the year ended 31 March 2026

1. About Us

Taranaki Whānui represents those people who descend from one or more of the recognised tūpuna of Te Āti Awa, Ngāti Tama, Ngāti Mutunga, Taranaki iwi, and Ngāti Ruanui. The collective name given to these people is Taranaki Whānui ki Te Upoko o Te Ika (Taranaki Whānui). Taranaki Whānui ki Te Upoko o Te Ika are ahi kā of Te Whanganui a Tara (Port Nicholson Block area).

Originating from the Taranaki region, Taranaki Whānui migrated to the Wellington area between 1820 and 1830, establishing themselves around the Te Whanganui a Tara and Te Awa Kairangi regions.

The occupation and continued residence of Taranaki Whānui in this region attributes them the rights and duties of mana whenua – traditional guardians of the Wellington Harbour and associated lands.

As ahi kā with primacy and presence in the Capital City of Aotearoa, our vision is to ensure that our members maintain their place within the takiwā their tūpuna have occupied since the early 1820s to the present day.

2040 represents 200 years since the signing of Te Tiriti o Waitangi. We have a challenge to restore the rightful place of our people within the Port Nicholson Block takiwā.

This Consolidated Statement of Service Performance reports on the Trust and its controlled entities (The Trust) across the SSP's non-financial goals during the reporting period.

2. Our Vision, Purpose and Principles

OUR VISION

We are guided by our tūpuna towards a mokopuna-focused future.

OUR PURPOSE

Guided by Tūpuna wisdom, Taranaki Whānui is focused on nurturing all aspects of well-being for our people and taiao, ensuring a prosperous future for all generations.

This purpose statement embodies our commitment to strength, growth, and well-being, reflecting what matters most to the uri of Taranaki Whānui ki te Upoko o te Ika. We stand dedicated to safeguarding and nurturing our ancestral lands and waterways, ensuring they remain a source of life and pride for our future generations.

Our path is illuminated by the legacy of our tūpuna, whose achievements and deeds form the bedrock of our identity. We honour their past by forging ahead with new and revitalised vigour and wisdom, ensuring that our children and grandchildren inherit a world where they can not only live but flourish.

Our focus is steadfast on building a future where every aspect of Taranaki Whānui can thrive — culture, health, environment, economic — making the vision of a prosperous life on our ancestral whenua a living reality for our uri, whānau, and mokopuna.

OUR PRINCIPLES

- **Te mouri o te taiao:** We protect and enhance our whenua, moana, and awa for generations to come.
- **E kore e piri te uku ki te rino, ka whitingia e te rā ka ngahoro:** We are steadfast and unwavering in upholding and expressing our tikanga, kawa, and mana motuhake.
- **Poua ki runga, poua ki raro:** Our whakapapa, culture, language, and identity connect us all and are celebrated and demonstrated in all that we do.
- **Te Kahu o te Raukura:** We are guided by the philosophies of the raukura, aroha, and rongomou.



Consolidated statement of service performance (continued)

For the year ended 31 March 2026

In affecting these principles, the Trust, and its controlled entities across the SSP, want to foster an environment where uri are:

- Actively preserving & sustaining our lands & waters
- Strong & confident in their identity & knowledge
- Connected & thriving in their culture & language
- Leaders for whānau health & wellbeing

3. Strategic Priorities

Toitū te Taiao

As kaitiaki, whenua, moana, and awa are reclaimed, obtained, and protected.

Te Oranga o te Whānau

The health and wellbeing of our people are prioritised, nurtured, and resourced.

Te Matauraura me te Reo

Reclamation and intergenerational transmission of our knowledge, our reo, and our tikanga.

Ngā Rawa o te Āpōpō

Investment decisions are tupuna-guided, mokopuna-focused, and sustainable.

Te Kaha me te Āheinga

Taranaki Whānui is capable and collaborative, supporting whānau, and mokopuna success.

Our Approach

Taranaki Whānui is committed to an inclusive and proactive approach, integrating traditional knowledge with contemporary contexts and tools. Our strategy focuses on balancing respect for our history with innovative, collaborative approaches to address the evolving needs of our uri, whānau, hapū, and iwi. By fostering leadership, capacity, and engagement within our community, we aim to create a prosperous and sustainable future for all our uri, whānau, and mokopuna.

Judgements applied in reporting service performance during the year:

The Trust, and its controlled entities across the SSP, has applied judgement in deciding to report against the Taranaki Whānui ki Te Upoko o Te Ika Strategic Plan to 2040. This judgement has been made because the Strategic Plan guides the operating and service delivery goals of the Trust.



Consolidated statement of service performance (continued)

For the year ended 31 March 2026

Activities during 2025-26

Below are the activities during the 2025-26 financial year that have contributed to the identified long-term outcomes:

Toitū te Taiao

As kaitiaki, whenua, moana, and awa are reclaimed, obtained, and protected.

- **Remaining Sale and Leaseback properties:** Discussions commenced regarding the acquisition of Police properties from the Sale and Leaseback schedule. The Trust, and its controlled entities across the SSP, is considering nominating whanaunga entities in order to enable them to acquire these properties in 2026-27.
- **Right of First Refusal properties:** The Trust, and its controlled entities across the SSP, continues to engage with Kāinga Ora and their divestment of properties which are both RFR and non-RFR. This relationship has enabled the Trust lead in time to undertake some of the due diligence required, prior to Kāinga Ora formally offering properties. During the reporting year, the Trust nominated its right to purchase Dixon Street Apartments and subsequently on sold to its development partner The Wellington Company. The transaction was completed in August 2025. The Trust also commenced discussions with the Rūnunga around the acquisition of two residential properties located in Waiwhetū.
- **Motu Kairangi / Mātaimoana:** We have commenced with establishing the Mātaimoana Charitable Trust and co-management arrangement with Wellington City Council and Department of Conservation, which would be responsible for the governance and oversight of the whenua.
- **Cultural and Environmental Advisory Roles:**
 - **Te Ara Tupua Project:** The project is set to be complete by May 2026. Taranaki Whānui continues to engage with Waka Kōtahi to identify what opportunities may be available to the Trust.
 - **Council:** Taranaki Whānui maintains active involvement with Councils regarding resource consenting, resource management, district planning, and spatial planning activities.
 - **Wellington Water:** Taranaki Whānui provides cultural and environmental oversight of all key projects within our takiwā
- **Governance and Whenua Management:**
 - **Harbour Islands Kaitiaki Board:** The Harbour Islands Board is currently in production for release in FY 2026/27.
 - **Te Rōpū Tiaki:** Provides continued oversight of Kōhanga Te Rā and Kōhanga Piripiri (Lakes), leading planting days, undertaking research on the lakes, and leading various education kaupapa.
 - **Honiana Te Puni Reserve** – This site continues to evolve for the members benefit to enable protection and enhancement of culturally significant whenua. The Trust and its controlled entities across the SSP, is working with Hutt City Council in developing a Reserves Management Plan which seeks to enable our cultural and commercial aspirations.

Te Oranga o te Whānau

The health and wellbeing of our people are prioritised, nurtured, and resourced.

- **Kaumātua Housing:** The 11 kaumātua units located on the whenua at Te Puna Wai were 100% tenanted for the period ending 31 March 2026, compared to 10 of the 11 at the time of reporting in 2024/25.
- **Iwi Housing Development:** As previously reported in the 2024-25 financial year, during the 2025-26 financial year, Trustees made no further progress regarding the iwi housing development on the whenua at Te Puna Wai as no resolution was found with the local hapū.

Te Matauraura me te Reo

Reclamation and intergenerational transmission of our knowledge, our reo, and our tikanga.

- **Tono Kaupapa:** the delivery our cultural service to the general public, Crown and Council partners embeds the understanding and education of tikanga and kawa of Taranaki Whānui across Te Whanganui a Tara.



Consolidated statement of service performance (continued)

For the year ended 31 March 2026

Ngā Rawa o te Āpōpō

All investment decisions are tupuna-guided, mokopuna-focused, and sustainable.

- **Whenua Acquisition through Tai Hekenga Consortium:** Tai Hekenga continues to work through the process of rent reviews which will increase the annuity income for future generations. Discussions around acquiring Police properties (Wainuiomata and Petone) commenced as noted above.

Te Kaha me te Āheinga

Taranaki Whānui is capable and collaborative, supporting whānau, mokopuna success.

- **Whakapapa Kōmiti:** Our Whakapapa Kōmiti continues its kaupapa of verifying all membership applications, responding to whakapapa enquiries.
- **Membership database:** The Trust, through its Whakapapa Kōmiti and database TikiOS, verified membership applications, strengthening the Trusts connection with those who whakapapa to Taranaki Whānui:

Measure	2025/26	2024/25
Membership applications verified	Approx. 140	Approx. 100

These activities demonstrate our commitment to achieving our strategic priorities and laying a strong foundation for the future well-being and prosperity of Taranaki Whānui. By focusing on land reclamation, cultural advisory roles, housing for kaumātua, and strategic investments, we ensure that our actions today support the long-term goals of our community.



Consolidated statement of comprehensive revenue and expenses

For the year ended 31 March 2026
in New Zealand dollars

	Note	2026 \$	2025 \$
Revenue	3	4,290,340	2,601,110
Cost of sales		(1,136,368)	-
Total gross profit		3,153,972	2,601,110
Costs of running the office	4	(1,738,885)	(1,689,437)
Maintenance cost for the properties owned	5	(571,550)	(527,055)
Depreciation	10	(11,745)	(7,813)
Total expenses		(2,322,180)	(2,224,305)
Operating surplus before financing costs		831,792	376,805
Finance income		137,527	194,114
Finance expenses		(135,374)	(140,283)
Net financing income	6	2,153	53,831
Share of surplus in investment in associate	13	1,501,005	1,568,728
Share of surplus in investment in joint venture - historical adjustment	13	618,074	-
Surplus before income tax		2,953,024	1,999,364
Income tax expense	7	(503,132)	(98,842)
Surplus for the year		2,449,892	1,900,522
Other comprehensive revenue and expenses for the year		-	-
Total comprehensive revenue and expenses for the year		2,449,892	1,900,522

Consolidated statement of financial position

As at 31 March 2026
in New Zealand dollars

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	8	7,683,252	6,224,794
Trade and other receivables	9	2,238,224	907,349
Income tax receivable	7	-	46,452
Total current assets		9,921,476	7,178,595
Non-current assets			
Property, plant and equipment	10	178,643	40,971
Investments	13	31,614,678	30,830,697
Investment properties	11	22,915,000	23,865,000
Development property	12	4,060,174	4,134,363
Total non-current assets		58,768,495	58,871,031
Total assets		68,689,971	66,049,626
Liabilities			
Current liabilities			
Trade and other payables	14	369,129	188,849
Interest bearing loans and borrowings	15	1,500,000	-
Income tax payable	7	247,875	-
Deferred income	16	1,388,466	1,460,532
Total current liabilities		3,505,470	1,649,381
Non-current liabilities			
Interest bearing loans and borrowings	15	-	1,500,000
Deferred tax liability	7	33,973	199,609
Total non-current liabilities		33,973	1,699,609
Total liabilities		3,539,443	3,348,990
Equity			
Retained earnings		65,150,528	62,700,636
Equity attributable to the owners of the Group		65,150,528	62,700,636
Total equity		65,150,528	62,700,636
Total liabilities and equity		68,689,971	66,049,626

Consolidated statement of changes in equity

For the year ended 31 March 2026
in New Zealand dollars

	Note	Accumulated comprehensive revenue and expense \$	Total equity \$
Balance at 1 April 2025		62,700,636	62,700,636
Total comprehensive revenue for the year			
Surplus for the year		2,449,892	2,449,892
Other comprehensive revenue		-	-
Total comprehensive revenue for the year		2,449,892	2,449,892
Balance at 31 March 2026		65,150,528	65,150,528
Balance at 1 April 2024		60,800,114	60,800,114
Total comprehensive revenue for the year			
Surplus for the year		1,900,522	1,900,522
Other comprehensive revenue		-	-
Total comprehensive revenue for the year		1,900,522	1,900,522
Balance at 31 March 2025		62,700,636	62,700,636

Consolidated statement of cash flows

For the year ended 31 March 2026
in New Zealand dollars

	Note	2026 \$	2025 \$
Cash flows from operating activities			
Cash received from non-exchange transactions		145,000	150,000
Cash received from exchange transactions		3,603,948	2,442,552
Cash paid to suppliers		(3,263,553)	(2,962,753)
Income tax paid		(374,441)	(312,079)
Interest received		197,207	134,432
Interest paid		(135,374)	(140,283)
PIE income		-	2
Proceeds from sale of development property		99,990	-
Net cash (to)/from operating activities		272,777	(688,129)
Cash flows from investing activities			
Acquisition of property, plant and equipment including work in progress		(149,417)	(2,949)
Distributions from associates		1,335,098	1,192,200
Net cash from investing activities		1,185,681	1,189,251
Net increase		1,458,458	501,122
Opening cash and cash equivalents 1 April		6,224,794	5,723,672
Closing cash and cash equivalents 31 March	8	7,683,252	6,224,794

Notes to the consolidated financial statements

1 Reporting entity

Port Nicholson Block Settlement Trust (the "Trust") is a Trust domiciled in New Zealand and was established as the Post Settlement Governance Entity (PSGE) to receive the settlement redress from the Crown as part of the historical claim made under the Treaty of Waitangi. The financial statements comprising of the Trust and its controlled entities (together the "Group") are outlined in note 21.

These Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. The Group represents the descendants of Taranaki, Te Ātiawa, Ngāti Ruanui and Ngāti Tama whose Tupuna were residents in Wellington in 1840, collectively known as Taranaki Whānui ki te Upoko o te Ika. The Trust, established by the Port Nicholson Block Settlement Trust Deed dated 11 August 2008, receives the settlement package relating to historical Treaty of Waitangi Claims. The Crown and Port Nicholson Block Settlement Trust signed a Deed of Settlement in Wellington on 19th August 2008. The Trust and several entities within the Group have elected to be Māori authorities under the Income Tax Act 2007 on the basis they received and manage the settlement package received from the Crown.

2 Basis of preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") with Reduced Disclosure Regime ("RDR") and other applicable financial reporting standards that have been authorised for use by the External Reporting Board for Not-For-Profit entities.

The Group is eligible to report under Tier 2 Not-For-Profit PBE IPSAS Accounting Standards on the basis that it does not have public accountability and it is not defined as large.

These consolidated financial statements have been approved and were authorised for issue by the Board of Trustees on the date included on page 1.

Change in accounting policies

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

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following which are measured at fair value:

- Investment properties

Determination of fair values

Fair values have been determined for measurement purposes based on the methods outlined in the notes specific to that asset or liability.

Where applicable, further information about the assumptions made in determining fair value is also disclosed in the notes specific to that asset or liability.

These financial statements are presented in New Zealand dollars (\$) which is the Group's functional currency, rounded to the nearest dollar. They have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST.

Notes to the consolidated financial statements (continued)

2 Basis of preparation (continued)

Use of estimates and judgements

The preparation of the financial statements in conformity with Tier 2 Not-For-Profit PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The principal areas of judgement in preparing these financial statements are set out below. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 11 Investment properties, classification based on current use and intention in relation to future use of property which could be subject to change depending on market conditions or other changes that may or may not be within the Group's control. The Group records a number of property assets at their fair values. The assessment of fair value requires significant judgement.
- Note 12 Development properties, net realisable value for future developments at Te Puna Wai is greater than the carrying value and not adversely impacted by delays in development timelines.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit and loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements (continued)

3 Revenue

	Note	2026 \$	2025 \$
Revenue from exchange transactions			
Rent received from properties owned		434,444	427,039
Lease revenue Rymans agreement		404,500	338,150
Fair value adjustment - investment properties	11	(950,000)	50,000
Sale of development property		99,990	-
Advertising income		6,082	8,044
Cost recovery		444	6,762
Memorandum of Understanding		400,918	787,525
Council - project income		764,287	34,000
Right of first refusal income		3,040,000	-
Shelly Bay wharves over-provision	17	-	410,275
Other revenue		30,320	-
Realised gains upon sale of investments		-	21,347
Revenue from profit share agreement		-	410,000
Revenue from non-exchange transactions			
Capital grant		59,355	107,968
		<u>4,290,340</u>	<u>2,601,110</u>

Revenue policy

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from exchange transactions

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the reporting date. The Group considers revenue from project management, grants for services, memorandum of understanding, council - project income and other similar revenue streams as rendering of services as they are considered exchange transactions by the Group and represent services provided by the Group to external parties.

Rental income

Income from the rental of property is recognised within surplus and deficit in the statement of comprehensive revenue and expenses on a straight line basis over the term of the lease.

Sale of Property

The Group assesses when the sale is recorded based on satisfying certain conditions. These include when the significant risks and rewards of ownership is transferred to the purchaser, when the Group no longer retains any control related to ownership of the property and it is probable that the sale proceeds will be receivable by the Group. This is typically when sale and purchase agreements are unconditional.

Other revenue

Other revenue is recognised on an accruals basis.

Partnership and representative and TONO cultural services income

The Trust has reviewed the recording of partnership and representative and Tono cultural services income and expenditure in the 2025 year. Given the Group is not entitled to the revenue for these activities, both the income and associated expenditure has been recorded in sundry debtors.

Right of first refusal income

Right of first refusal income relates to the Group accepting a right of first refusal offer from the Crown for the purchase of a property in the Port Nicholson Block area, after first reaching an agreement to onsell the property to a third party. Income is recognised within the surplus and deficit upon settlement of the sale and purchase agreement with the third party.

In August 2025, Taranaki Whanui Limited purchased a property at 134 Dixon Street for \$1,040,000 and subsequently sold it for \$3,040,000, less sale-related costs of \$17,044, resulting in a gain of \$1,982,956 upon settlement. The sales proceeds have been recognised as right of first refusal income, with the associated property purchase and sale-related costs recognised as cost of sales.

Notes to the consolidated financial statements (continued)

3 Revenue (continued)

Revenue from non-exchange transactions

Non-exchange revenue is recognised on receipt, or when the entitlement to receipt has been established. Where the contract or agreement includes a condition to return the funds for non-performance, a liability is recognised and released to revenue as those conditions are satisfied.

Grant income

The Group received payment from Te Arawhiti during the 2025 year in support for Manaaki of Hikoi mō Te Tiriti. Grant funding is recognised within surplus and deficit in the statement of comprehensive revenue and expenses when outputs in the funding agreement are satisfied.

4 Costs of running the office

	2026 \$	2025 \$
Compliance		
Accounting	254,875	156,486
Annual general meeting	10,545	20,101
Annual report	11,328	2,239
Audit	61,625	59,283
	338,373	238,109
Consultancy		
Commercial advisor	156,000	156,000
Consultancy	146,577	94,387
Legal fees	109,733	115,490
	412,310	365,877
Cultural services		
Cultural services	8,250	107,968
Koha given	4,500	231
	12,750	108,199
Governance		
Chair fees	24,000	16,000
Director fees	79,667	66,500
FAAR committee fees	8,500	8,250
Trustee elections	56,320	57,183
Trustee expenses	6,444	-
Trustee fees	42,000	29,000
Trustee travel expenses	27,848	40,455
	244,779	217,388
Member engagement		
Database	5,175	4,860
Events	480	-
Publications	320	-
	5,975	4,860

Notes to the consolidated financial statements (continued)

4 Costs of running the office (continued)

	2026 \$	2025 \$
Office expenses		
ACC levies	950	1,034
Bad debts	34,695	(1,500)
Bank fees	128	594
Catering	14,574	3,650
Computer expenses	26,937	21,415
Copying & printing	-	2,984
Entertainment	-	2,317
File storage and destruction	5,535	6,731
General expenses	1,905	-
GST write-off	-	6,636
Low value assets	1,036	-
Movement in provision for doubtful debts	(4,957)	4,957
Office supplies	2,929	4,736
Penalties	5,148	2,051
Postage	577	29
Subscriptions	16,846	13,803
Telephone	2,272	3,268
Travel expenses	22,103	21,444
Website	495	470
	131,173	94,619
Personnel		
KiwiSaver	15,899	14,843
Staff training	-	7,702
Sub-contractor	50,000	108,633
Wages & salaries	527,626	529,207
	593,525	660,385
	1,738,885	1,689,437

Notes to the consolidated financial statements (continued)

5 Maintenance cost for the properties owned

	2026	2025
	\$	\$
Building WOF	3,894	3,974
Cleaning	22,542	19,447
Electricity	22,272	23,003
Fire monitoring	5,915	5,976
Insurance	122,050	127,624
Property management	-	2,338
Rates	180,374	168,363
Rent relief	60,000	60,000
Repairs and maintenance	74,011	74,122
Security	3,779	5,420
Telephone	600	867
Water rates	4,690	3,475
Valuation fees	71,423	32,446
	<u>571,550</u>	<u>527,055</u>

6 Net financing costs

	2026	2025
	\$	\$
Interest income	137,527	194,112
PIE income	-	2
Finance income	<u>137,527</u>	<u>194,114</u>
Interest expense	(135,374)	(140,283)
Finance expense	<u>(135,374)</u>	<u>(140,283)</u>
Net financing income	<u>2,153</u>	<u>53,831</u>

Finance income and expenses policy

Finance income comprises interest income on funds invested in bank accounts and equity interests in joint ventures, and PIE income received using the effective interest method.

Finance costs comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the consolidated financial statements (continued)

7 Income tax

	2026 \$	2025 \$
<i>Tax recognised in profit or loss</i>		
Current tax expense		
Current period	558,776	103,842
Historical adjustment for share of joint venture surplus	109,992	-
Total current tax expense	668,768	103,842
Deferred tax expense		
Origination and reversal of temporary differences	(165,636)	(5,000)
Total deferred tax expense	(165,636)	(5,000)
Total income tax expense	503,132	98,842
<i>Reconciliation of effective tax rate</i>		
Profit before tax	2,953,024	1,999,364
Income tax using the Group's domestic tax rate of 17.50%	516,779	349,889
Permanent differences	(13,647)	(251,047)
Income tax expense	503,132	98,842
<i>Deferred tax</i>		
Provisions and accruals	12,853	15,532
Investment property	(78,096)	(246,411)
Tax losses	31,270	31,270
Net deferred tax asset/liability	(33,973)	(199,609)

The current tax liability of \$247,875 (2025: \$46,452 asset) represents the amount of income taxes payable in respect of current and prior periods for the Group.

Income tax policy

Tax expense comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is recognised as an adjustment against the item to which it relates.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of goodwill. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes to the consolidated financial statements (continued)

8 Cash and cash equivalents

	2026 \$	2025 \$
Current assets		
Bank accounts	1,579,440	6,224,794
JB Were cash management account	6,103,812	-
Total cash and cash equivalents in the statement of cash flows	7,683,252	6,224,794

Cash and cash equivalents policy

Cash and cash equivalents comprise cash balances and call deposits used by the Group in the management of its short-term commitments.

9 Trade and other receivables

	2026 \$	2025 \$
Exchange receivables	2,102,437	815,783
Provision for expected credit losses	-	(54,957)
Sundry debtors	33,117	36,273
Prepayments	74,213	77,183
GST receivable	28,457	33,067
	2,238,224	907,349

Bad debt expenses of \$34,695 (2025: \$nil) have been recorded within costs of running the office in the statement of comprehensive revenue and expenses for the Group.

Exchange receivables policy

Exchange receivables are recognised as financial assets classified as trade receivables. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised costs using the effective interest method.

Individually impaired accounts receivables relate to customers for whom there is objective evidence of inability to pay. The carrying amount of exchange receivables is assumed to be a reasonable approximation for their fair value. A provision for impairment of exchange receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Impairment is calculated based on an expected credit loss (ECL) model under PBE IPSAS 41 Financial Instruments. Refer to note 19 for information about calculation and recognition of expected credit losses.

Notes to the consolidated financial statements (continued)

10 Property, plant and equipment

	Office equipment \$	Furniture and fittings \$	Leasehold improvements \$	Plant and equipment \$	Work in progress \$	Total \$
Cost						
Balance at 1 April 2025	42,061	45,177	59,769	-	-	147,007
Additions	11,780	-	73,938	1,050	62,650	149,418
Balance at 31 March 2026	53,841	45,177	133,707	1,050	62,650	296,425
Depreciation and impairment losses						
Balance at 1 April 2025	(38,637)	(28,866)	(38,533)	-	-	(106,036)
Depreciation for the year	(4,276)	(2,660)	(4,775)	(35)	-	(11,746)
Balance at 31 March 2026	(42,913)	(31,526)	(43,308)	(35)	-	(117,782)
Carrying amount						
As at 31 March 2026	10,928	13,651	90,399	1,015	62,650	178,643
As at 31 March 2025	3,424	16,311	21,236	-	-	40,971

Property, plant and equipment policy

Recognition and measurement

All property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss within Revenue or Costs of running the office expenses.

Heritage assets with no future economic benefit or service potential other than heritage value are not recognised in the Statement of Financial Position.

Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The depreciation rates for significant items of property, plant and equipment are as follows:

Office equipment	8%	to	50% straight line
Furniture and fittings	6%	to	10.5% straight line
Leasehold improvements	6%	to	21% straight line
Plant and equipment	50%		straight line

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit and loss.

Notes to the consolidated financial statements (continued)

11 Investment properties

	Kāumatua Units	1-3 Thorndon Quay	Whites Line East Waiwhetu	Wainui. College	Wainui. Intermediate (Kōhanga Reo Building)	Petone College	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance at 1 April 2025	3,700,000	3,470,000	1,700,000	4,400,000	615,000	9,980,000	23,865,000
Fair value adjustment	(150,000)	(570,000)	-	(975,000)	5,000	740,000	(950,000)
Balance at 31 March 2026	3,550,000	2,900,000	1,700,000	3,425,000	620,000	10,720,000	22,915,000
Depreciation and impairment losses							
Balance at 1 April 2025	-	-	-	-	-	-	-
Balance at 31 March 2026	-	-	-	-	-	-	-
Carrying amount							
As at 31 March 2026	3,550,000	2,900,000	1,700,000	3,425,000	620,000	10,720,000	22,915,000
As at 31 March 2025	3,700,000	3,470,000	1,700,000	4,400,000	615,000	9,980,000	23,865,000

Notes to the consolidated financial statements (continued)

Investment properties policy

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value with any change recognised in the reported surplus or deficit in accordance with PBE IPSAS 16.

Investment Property comprises a number of commercial properties some of which that are leased to third parties. Each of the leases contain individual non-cancellable periods of which subsequent renewals are negotiated with the lessee.

The methods applied in determining fair values include reviewing relevant lease documentation, rates information, recent market evidence and valuations prepared by registered valuers.

1 - 3 Thorndon Quay

A valuation review has been undertaken on 1 - 3 Thorndon Quay as at 31 March 2026 by Reuben Blackwell of Colliers International. The value adopted has been based on an overall base land value rate of \$5,750 psm prior to a demolition allowance (2025: A highest and best use valuation has been undertaken on 1 - 3 Thorndon Quay as at 31 March 2025 by Reuben Blackwell of Colliers International. The value adopted has been based on an overall base land value rate of \$5,625 psm plus 20.00% for corner influence with allowance for demolition).

Wainuiomata Intermediate (Kōhanga Reo building) and College

Wainuiomata College has been valued using a highest and best use approach as at 31 March 2026 by Reuben Blackwell of Colliers International.

The Kohanga Reo component of Wainuiomata Intermediate has been valued using capitalisation of rental income at a rate of 10.00% (2025: 10.00%) as at 31 March 2026 by Reuben Blackwell of Colliers International. The significant assumptions in the valuation is that the seismic strength in relation to the NBS is not less than 67.00% (2025: 67.00%).

Kāumatua units

A valuation review has been undertaken on The Kāumatua units as at 31 March 2026 by Reuben Blackwell of Colliers International. The value adopted has been based on the Investment Approach Methods; Capitalisation Method and Discounted Cashflow Method, using a capitalisation rate of net rental income of 5.00% and a discount rate of 8.00%. (2025: 5.25% capitalisation rate and 8.00% discount rate). The Capitalisation Method is based on the units being rented at market rates less operating costs and capitalised at a market return. Under the Discounted Cash flow Method, the forecasted cashflow (positive and negative) is discounted back to the valuation dates, resulting in the present value of the asset.

Whites Line East

A valuation review has been undertaken on Whites Line East as at 31 March 2026 by Reuben Blackwell of Colliers International. The value adopted has been based on a land value direct comparison rate of \$1,297 psm derived from comparable land sales (2025: The value adopted was based on a land value direct comparison rate of \$1,297 psm, derived from comparable land sales).

Petone College

The valuation of the former Petone College land was performed by Melville Jessup Weaver utilising an actuarial model to measure the fair value of pre-tax cash flows generated from the lease agreement with Ryman Healthcare. The following significant judgements were made for the key inputs of the valuation:

- Average growth rate in the resale value of units of 5.00% (2025: 5.00%) per annum.
- Average turnover of units being 13 years (2025: 13 years) for Independent Living Apartments and 3 years (2025: 3 years) for Serviced Apartments.
- Pre-tax discount rate of 10.00% (2025: 10.00%).

Notes to the consolidated financial statements (continued)

12 Development properties

	Mt Crawford	Wainuiomata Intermediate	Total
	\$	\$	\$
Cost			
Balance at 1 April 2025	385,216	3,749,147	4,134,363
Shared equity property sold	-	(74,189)	(74,189)
Balance at 31 March 2026	385,216	3,674,958	4,060,174
Carrying amount			
Closing balance at 31 March 2026	385,216	3,674,958	4,060,174
Closing balance at 31 March 2025	385,216	3,749,147	4,134,363

Development properties are classified as follows:

Non current portion

	2026		
Mt Crawford	385,216	-	385,216
Wainuiomata Intermediate - Shared Equity held for sale	-	342,235	342,235
Wainuiomata Intermediate - Stage B	-	2,336,718	2,336,718
Wainuiomata Intermediate - Undeveloped land	-	996,005	996,005
Total	385,216	3,674,958	4,060,174

Non current portion

	2025		
Mt Crawford	385,216	-	385,216
Wainuiomata Intermediate - Shared Equity held for sale	-	416,424	416,424
Wainuiomata Intermediate - Stage B	-	2,336,718	2,336,718
Wainuiomata Intermediate - Undeveloped land	-	996,005	996,005
Total	385,216	3,749,147	4,134,363

The shared equity properties with equity held by the Group are still considered held for sale. This is due to the shared ownership agreement between the Group and the owners allowing the owners to purchase the remaining share held by the Group on request at the current market value.

The development of a further 18 units as part of 'Stage B' of the development has been halted as the Group works through the concerns of the Uri Working Group. There is uncertainty on when the development will be able to be resumed. The Trustees have determined that the halting of the development does not impact the recoverability of costs incurred to date. The Trustees continue to carry the remaining development at cost as the fair value of the remaining development is greater than the carrying value.

The property at 6 Pukeatua Place, classified as shared equity held for sale, was sold during the 2026 year. Lowry Bay Number Two Limited Partnership received 18.18% of the sale proceeds, reflecting its equity interest in the property. The Partnership's share of the sale proceeds has been recognised as sale of development property, with the associated costs recognised as cost of sales.

Notes to the consolidated financial statements (continued)

13 Investments

	2026 \$	2025 \$
Investment in joint venture	718,074	100,000
Investment in associates	30,046,604	29,880,697
	<u>30,764,678</u>	<u>29,980,697</u>
Non-current financial assets held at amortised cost		
Joint venture loan receivable	850,000	850,000
	<u>31,614,678</u>	<u>30,830,697</u>

Investments policy

An investment in a joint venture is recorded where two or more parties have entered into a binding arrangement to undertake an activity that is subject to joint control. The investment in a joint venture is initially recorded at cost and adjusted thereafter for the share of the venturer's share of the net assets of the jointly controlled entity. The surplus or deficit of the venturer includes the venturer's share of the surplus or deficit of the jointly controlled entity.

Associates are those entities within which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interest in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the surplus or deficit and other comprehensive revenue and expense of equity-accounted investees, until the date on which significant influence ceases.

Joint venture (Aro development)

In March 2019, Taranaki Whānui Limited entered into a partnership with the Wellington Company Limited for ongoing property development. Taranaki Whānui Limited has joint control of the partnership and accordingly the partnership is classified as a joint venture for accounting purposes and accounted for using the equity method.

Taranaki Whānui Limited entered into a development agreement in the 2022 year in respect of the Victoria Quarter. The \$950,000 was split with \$850,000 being recognised as contributed capital for the Group's 8% share of the Victoria Quarter Development Limited Partnership. The remaining \$100,000 continues to be invested in the partnership.

Following a Deed of Variation dated 29 October 2024, the terms of the investment in the Victoria Quarter Development Limited Partnership were modified which created both a loan component and equity component being:

- A loan receivable of \$850,000 bearing interest at 7% p.a. with principal repayable by 31 October 2027 representing the fixed interest and principal repayment obligations; and
- A residual equity interest of \$100,000 representing the Group's rights to a share of profits and net assets reflecting continuing joint control and participation in residual returns.

The loan receivable is measured at amortised cost, with interest income recognised using the effective interest method. The equity interest is accounted for using the equity method. This accounting treatment reflects the substance of the modified arrangement.

On 29 May 2025, a Deed of Variation to the Limited Partnership Agreement was executed in relation to the Victoria Quarter Development Limited Partnership (Aro development). This amendment reflected a change in the ownership interest held by Taranaki Whānui Limited, which under the amended agreement holds an 8% stake in the Limited Partnership, reduced from 50% under the previous agreement.

Notes to the consolidated financial statements (continued)

13 Investments (continued)

Share of profit of equity-accounted investments

Current year share of profit from investment in Associate
Shares of profit from investment in equity-accounted joint venture (Aro Development)

Total recognised in surplus or deficit

2026
\$
1,501,005
618,074
2,119,079

Historical adjustments

During the year, the entity recognised a catch-up adjustment of \$618,074 relating to prior periods following receipt of updated financial information from the joint venture. Management has assessed that the adjustment does not represent a prior period error under PBE IPSAS 3 and has therefore recognised it in the current year's share of surplus.

Due to uncertainty and lack of communication, the structure of the investment as a Limited Partnership was only properly considered for the conditions regarding development profit and losses being recognised until completion subsequent to the sign off of the 2025 financial statements. A Limited Partnership is considered "transparent" for income tax purposes. Accordingly, Taranaki Whanui Limited ought to have returned the Partnership income and/or loss in proportion to its partnership interest of 8% in the financial years ended 31 March 2023, 2024 and 2025.

The cumulative impact for the years ended 31 March 2023, 2024 and 2025 have been recognised through the surplus and deficit and related balance sheet accounts in the year ended 31 March 2026. The cumulative impact has been recognised in the 2026 consolidated general purpose financial report on the basis that it is a change in accounting estimate, not a prior period error.

PBE IPSAS 3.7 defines prior period errors as omissions or misstatements in the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, faithfully representative information that arising from a failure to use reliable information that:

- Was available when the financial statements were authorised for issue; and
- Could reasonably have been expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

As the relevant information was not available at the time of audit sign off, the 2025 consolidated general purpose financial report was completed and based on the information available to Taranaki Whanui Limited, the cumulative impact could not have been known or taken into account at the time.

PBE IPSAS 3.7 defines a change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not correction of errors.

Given the above definitions provided in PBE IPSAS 3, the cumulative impacts are considered a change in accounting estimate, not a prior period error. Changes to accounting estimates are applied prospectively and therefore the change resulting from the new information provided should be adjusted for in the period of change, being the 2026 financial year.

The adjustments completed in the 2026 financial year correct the cumulative impacts by:

- Recognising the net cumulative adjustment to the share of surplus/(deficit) of equity-accounted investees in the current-year surplus and deficit;
- Adjusting the carrying value of the equity-accounted investment to reflect the revised Partnership results and revaluation movements; and
- Recognising the net current and deferred tax impacts arising from the revised timing of loss utilisation.

Notes to the consolidated financial statements (continued)

13 Investments (continued)

Investments in associates (Tai Hekenga)

In June 2019, Taranaki Whānui Limited entered into partnership agreement with several other organisations to form the Tai Hekenga Limited Partnership. Taranaki Whānui Limited has significant influence over the financial and operating policies of the partnership and accordingly the investment in the partnership is classified as an investment in an associate for accounting purposes and accounted for under the equity method.

In 2020 TWL committed \$8.5m for 10.87% of the partnership, and as a result of making the Sale and Leaseback properties available for the other organisations to invest into, it received a 9% free carry portion bringing its total share of the investment to 19.87%. During the year ended 31 March 2026 TWL's share of the investment reduced slightly to 19.60% at 31 March 2026.

As at 31 March 2026 the value of the interest was \$30,046,604 (2025: \$29,880,697) which is reflected in the Group balance sheet. The revenue in the Consolidated Statement of Comprehensive Revenue and Expenses reflects the Group's share of the partnership rental income and the uplift on the revaluation of the properties and derivatives held in the partnership as shown below.

	2026	2025
	\$	\$
Share of partnership rental	1,373,296	1,210,923
Uplift on revaluation	127,709	357,805
Total	1,501,005	1,568,728

14 Trade and other payables

	2026	2025
	\$	\$
Trade payables	369,129	188,849
	369,129	188,849

Trade and other payables policy

Trade and other payables are measured at cost, being their fair value. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

15 Interest bearing loans and borrowings

	2026	2025
	\$	\$
Current		
Advance from Te Manawaroa o Ngati Tama Charitable Trust	1,500,000	-
	1,500,000	-
Non-current		
Advance from Te Manawaroa o Ngati Tama Charitable Trust	-	1,500,000
	-	1,500,000

Interest bearing loans and liabilities policy

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Notes to the consolidated financial statements (continued)

15 Interest bearing loans and borrowings (continued)

Te Manawaroa o Ngati Tama Charitable Trust

The total amount available from this facility is \$1,500,000. This loan was refinanced during the 2024 year. The loan is due for payment prior to 26 July 2026. The Group has provided security for the loan being:

- A registered first mortgage over the land and buildings at 1-3 Thorndon Quay, Wellington;
- A registered first mortgage over the land at 86 Whites Line East, Lower Hutt;
- A first ranking general security agreement over all present and after acquired property of Tramways Limited (which is the controlled entity within the Group that owns 1-3 Thorndon Quay, Wellington). A guarantee and indemnity is also provided by Tramways Limited and Port Nicholson Block Settlement Trust.

At balance date, the Group was in negotiations with Te Manawaroa o Ngati Tama Charitable Trust to extend the maturity date of the loan beyond 26 July 2026. On 26 July 2026, the Group and Te Manawaroa o Ngati Tama Charitable Trust agreed to amend the terms of the loan. Details regarding the revised loan agreement are disclosed in note 24. The classification of the loan as current reflects the contractual maturity at reporting date.

16 Deferred income

Deferred income policy

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

	2026	2025
	\$	\$
Conditional grant funding	996,000	996,000
Income in advance - MoU income	200,000	322,500
Income in advance - Other income	64,789	100,000
Income in advance - Grant income	127,677	42,032
	<u>1,388,466</u>	<u>1,460,532</u>

Conditional grant funding

Lowry Bay Limited Partnership has received \$4.14m in grant funding from TPK. This funding is to assist the entity in developing infrastructure for 23 house sites, as well as construction of 8 rental units and 15 shared equity properties on the Wainuiomata Intermediate site. Funding of \$996,000 has been held as a liability until satisfaction of the repayment terms being completion of the work, where the funding will be recognised as revenue. As referred to in Note 12, the Group has retained this liability as the development has had to be ceased with 9 house sites and 9 shared equity properties yet to be constructed due to the threat of occupation of the land by the Uri Working Group. As at 31 March 2026 Lowry bay site is being occupied by protesters.

MoU income

Port Nicholson Block Settlement Trust received payment from the Greater Wellington Regional Council during the period in relation to a Tūāpapa Funding agreement. \$200,000 has been recorded as income in advance.

Notes to the consolidated financial statements (continued)

16 Deferred income (continued)

Other income

Taranaki Whānui Limited received payments from Te Puni Kōkiri during the 2025 year in relation to a Māori Development Fund Investment Agreement. \$40,913 (2025: \$100,000) has been recorded as income in advance.

Taranaki Whānui Limited received payments from Hutt City Council in relation to both Kāhui Mana Whenua and Te Hono a Tahu during the period. \$23,058 has been recorded as income in advance.

Tramways Limited received a rental payment relating to April 2026 during the period, \$818 has been recorded as income in advance.

Grant income

Taranaki Whānui Limited received payment from Te Arawhiti during the 2025 year in support for Manaaki of Hikoi mō Te Tiriti. During the 2026 year Taranaki Whānui Limited received confirmation that Te Arawhiti would not seek to claw back the unused funds. Taranaki Whānui Limited now views all conditions on this grant as being met and released the income in the surplus and deficit during the 2026 year (2025: \$42,032 recorded as income in advance).

Port Nicholson Block Settlement Trust received payment from the Wellington Community Trust during the 2026 year in relation to Matiu/Somes Island. \$81,450 has been recorded as income in advance.

Port Nicholson Block Settlement Trust received payment from the Ministry for the Environment during the 2026 year as a financial contribution for submissions to proposed changes to the Resource Management Act 1991. \$46,227 has been recorded as income in advance.

Refer to note 3 for details regarding the recognition of MoU income.

17 Provisions

Shelly Bay wharves demolition

Investigations by the Shelly Bay developer in conjunction with discussions with the Harbour Master had determined that the Shelly Bay Wharves, acquired by the Port Nicholson Block Settlement Trust, as part of the acquisition of the Shelly Bay site, were likely to constitute a hazardous structure. In December 2022, the Wellington City Council issued a formal notice for the removal of the deteriorating wharves.

During the 2024 year \$250,000 was incurred in relation to wharf structure removal and associated ancillary. For the 2025 year, the removal was budgeted to cost \$750,000.

The wharf structure removal works were completed during the 2025 year. The expenditure incurred relating to these works totalled to \$339,930. The provision was reversed at 31 March 2025 and the over-provision of expenditure, totalling to \$410,070 was recognised as other income in the consolidated statement of comprehensive revenue and expenses.

18 Heritage assets

The Group holds the following heritage assets:

Honiana Te Puni Reserve	Korokoro Gateway, local purpose reserve
Te Oruaiti	Recreational Reserve, formerly known as Point Dorset Recreation Reserve
Wi Tako Ngatata Scenic Reserve	Scenic Reserve located in Upper Hutt
Dendroglyph Site	Site of tree carvings located near freshwater lake Pencarrow
Bed of Lake Kohangapiripiri	Freshwater lake bed near Pencarrow
Esplanade Land of Kohangapiripiri	Area of land around freshwater lake near Pencarrow
Bed of Lake Kohangatera	Freshwater lake bed near Pencarrow
Esplanade Land of Kohangatera	Area of land around freshwater lake Pencarrow
Makaro Scientific Reserve	Scientific Island Reserve (formerly Ward Island)
Matiu Island	Scientific Island Reserve (formerly Somes Island)
Mokopuna Scientific Reserve	Scientific Island Reserve (formerly Leper Island)
Opau Urupā	Cemetery

Heritage assets have not been included with the consolidated statement of financial position as they are difficult to value. Management have determined that due to their cultural significance the value is unlikely to be fully reflected in a valuation.

Notes to the consolidated financial statements (continued)

19 Financial instruments classification

Recognition and initial measurement

Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to a financial contract.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through surplus or deficit transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in surplus or deficit.

Classification and subsequent measurement

Financial asset held at amortised cost

The classifications of the financial assets are determined at initial recognition as measured at amortised cost, fair value through other comprehensive revenue and expense (FVOCRE) - debt investment, fair value through other comprehensive revenue and expense (FVOCRE) or fair value through surplus and deficit (FVTSD). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its management model for managing financial assets. Financial assets measured at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Financial assets held at amortised cost comprise: cash and cash equivalents, trade and other receivables and Joint venture loan receivables from Victoria Quarter Development Limited Partnership (refer note 13).

Financial liabilities

Financial liabilities are classified as measured at amortised cost or fair value through to surplus or deficit. Financial liabilities measured at amortised cost are subsequently measured at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

Financial liabilities held at amortised cost comprise: trade and other payables.

Impairment of non-derivative financial assets

The Group shall recognise loss allowances for expected credit losses on financial assets measured at amortised cost. The group measure loss allowances for trade and other receivables at an amount equal to lifetime ECLs. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The simplified model for trade creditors is adopted where ECL is based on lifetime expected losses. For other financial assets, ECL is based on default events expected to occur in the next 12 months unless there is evidence of a significant increase in credit risk. Where this is the case, ECL is based on lifetime expected credit losses.



Notes to the consolidated financial statements (continued)

20 Related parties

Key management personnel

Transactions involving related entities

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Board of Trustees of the Parent and Directors of the Commercial Board of Taranaki Whānui Limited. Remuneration of key management personnel is as follows:

Related entity	2026	2025
Remuneration of key management personnel (excluding trustees)	557,500	697,204
Trustee remuneration	42,000	29,000
FAAR committee remuneration	8,500	8,250
Directors remuneration (for Taranaki Whānui Limited)	69,667	54,500
Other remuneration and compensation provided to key management personnel and/or close family	10,000	12,000

The Parent and Ultimate controlling party of the Group is Port Nicholson Block Settlement Trust.

All members of the Port Nicholson Block Settlement Trust group are related parties of the Trust. During each reporting period, the Trust has advanced loans to support its subsidiaries as required, and received loan repayments from its subsidiaries. The terms of these advances are current, unsecured, and interest free.

Jamie Tuuta is a Director of Taranaki Whānui Limited, he also serves as a Trustee of Ngati Tama Charitable Trust. Taranaki Whānui Limited has interest bearing borrowing and loans from Ngati Tama Charitable Trust as indicated at note 15. Due to this relationship, Ngati Tama Charitable Trust is therefore considered a related party under PBE IPSAS 20.

Mahina Puketapu is a Director of Taranaki Whānui Limited and a Trustee of Port Nicholson Settlement Trust, she also serves as a Director of Wellington Water Limited. Taranaki Whānui Limited receives MOU income from Wellington Water Limited. Due to this relationship, Wellington Water Limited is therefore considered a related party under PBE IPSAS 20.

21 List of subsidiaries

Set out below is a list of material subsidiaries of the Group:

	Country of incorporation
Shelly Bay Limited	New Zealand
The Lodge at Shelly Bay Limited	New Zealand
Taranaki Whānui Limited	New Zealand
TWL Holdings Limited	New Zealand
TWL Management Limited	New Zealand
TWL Trust Limited	New Zealand
Muritai Project Limited Partnership	New Zealand
RFR Projects Limited Partnership	New Zealand
RFR General Partner Limited	New Zealand
LBS General Partner Limited	New Zealand
Lowry Bay Limited Partnership	New Zealand
Lowry Bay Number Two Limited Partnership	New Zealand
Lowry Bay Section One Limited	New Zealand
Tramways Limited	New Zealand
PNBST Investments Limited Partnership	New Zealand
SBL Management Limited	New Zealand
Tai-Kuru Limited Partnership	New Zealand
Tai-Kuru Trust Limited	New Zealand
The PNBST Charitable Trust	New Zealand

The reporting date of the Trust and all subsidiaries is 31 March. There are no significant restrictions on the ability of the subsidiaries to transfer funds to the parent Trust in the form of cash distributions or to repay loans or advances.

Notes to the consolidated financial statements (continued)

22 Capital commitments

There are no capital commitments at balance date (2025: nil).

23 Contingencies

There are no contingent liabilities at balance date (2025: nil).

24 Subsequent events

On 1 April 2026, Taranaki Whanui Limited purchased a property at 33 Salamanca Road for \$2,000,000 and subsequently sold this property for \$2,200,000, less sale related costs of \$9,463 on 2 April 2026 resulting in a gain of \$190,537 on settlement.

On 26 July 2026, the Group and Te Manawaroa o Ngati Tama Charitable Trust agreed to amend the terms of the loan disclosed in Note 15. Under the revised loan agreement, interest is payable at a rate of 6.50% per annum and the loan matures on 26 July 2029.

There have been no other events subsequent to balance date which would materially affect the financial statements.

Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Beneficial Owners of Port Nicholson Block Settlement Trust

Opinion

We have audited the consolidated general purpose financial report of Port Nicholson Block Settlement Trust (the Trust) and its controlled entities (the Group) which comprise the consolidated service performance information on pages 2 to 5, and consolidated financial statements on pages 6 to 29. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the consolidated service performance of the Group for the year ended 31 March 2026 in that the consolidated service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods

in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report* section of our report. We are independent of the Group in accordance with 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Information Other Than the Consolidated General Purpose Financial Report and Auditor's Report

The Trustees are responsible for the other information. Our opinion on the consolidated general purpose financial report does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information. At the time of our audit, there was no other information available to us.

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In connection with our audit of the consolidated general purpose financial report, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated general purpose financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditors' report, we concluded 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.

Trustees' Responsibilities for the Consolidated General Purpose Financial Report

The Trustees are responsible on behalf of the Group for:

- (a) the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) the selection of elements/aspects of service performance measures and/or descriptions and measurement bases or evaluation methods that present consolidated service performance information that is appropriate and meaningful in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime;
- (c) the preparation and fair presentation of consolidated service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime;
- (d) the overall presentation, structure and content of the consolidated service performance information in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime; and
- (e) such internal control as the Trustees determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated general purpose financial report, the Trustees are responsible for assessing the Group'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated general purpose financial report as a whole is 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 conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) 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 decisions of users taken on the basis of this consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service 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 of the consolidated financial statements and the consolidated service performance information 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- Evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's consolidated service performance in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime.
- 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 consolidated general purpose financial report 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.
- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and elements/aspects of service performance in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business units within the Group as a basis for forming an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Trust's Beneficial Owners, as a body. Our audit has been undertaken so that we might state to the Trust's Beneficial Owners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Beneficial Owners as a body, for our audit work, for this report, or for the opinions we have formed.

**Crowe New Zealand Audit Partnership**

CHARTERED ACCOUNTANTS

11 September 2026