

Tāmaki Regeneration Company

Annual Report
2024-2025



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About Tāmaki

Steeped in rich cultural history and set on the Tāmaki river, Tāmaki is made up of Glen Innes, Panmure, and Point England. Each East Auckland suburb has its own special character and strong communities; all located within a twelve-minute train ride from Auckland's CBD.

The existing communities of Tāmaki are made up of approximately 20,000 diverse residents, with approximately 35 percent of residents aged under 25, and approximately 60 percent of the population identifying as Māori and Pasifika. Through the regeneration programme, the 900ha of Tāmaki will become home to a population of approximately 60,000 by 2043.

60 percent of housing in Tāmaki is social housing. Most of this housing stock is old, difficult to keep warm and dry, and expensive to maintain. This, combined with traditional public systems and services failing to deliver for whānau most in need, means that the local community experiences significant social and economic hardship. This is reflected in poor health, education, and employment outcomes, and most of the area being decile ten on the New Zealand Deprivation Index.¹

The Regeneration Programme

TRC has been mandated by its shareholders, Crown and Auckland Council, to lead urban regeneration activity in Tāmaki, focused on four strategic priorities outlined in our Constitution: housing resources, social transformation, economic development, and placemaking.

TRC is uniquely positioned to lead regeneration in Tāmaki. Over the past ten years we have earned the social licence to operate in the community. The regeneration programme has shifted from being resisted by community to community and Mana Whenua urging us to deliver the regeneration programme at pace. We have gained this trust by demonstrating that the Crown's interests in the regeneration programme support the aspirations of Mana Whenua and community to drive better outcomes for whānau.

The regeneration programme plans to redevelop approximately 2,550 social homes into a total of 10,500 new warm and dry social, shared home ownership (SHO), affordable rental, and market homes over the life of the programme.

We have delivered approximately 1,600 new homes to date, which does not reflect the pace we want the programme to achieve. We recognised issues with our operating model, and in 2022, we made significant changes to how we are structured and how we deliver our core functions. The impact of these changes is evident in the momentum we are now building across the development programme, as well as in our performance against community housing, social, and economic programme targets..

¹ <https://www.ehinz.ac.nz/indicators/population-vulnerability/socioeconomic-deprivation-profile/>

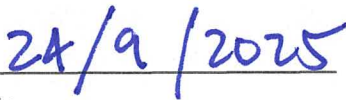
Statement of Responsibility

In accordance with the Crown Entities Act 2004 and the Public Finance Act 1989, this Annual Report takes the strategic intentions and objectives, associated performance measures, and progress indicators of TRC Legal Group², as set out in the Statement of Intent ("SOI") 2024-2028 ("FY24-FY28³") and Statement of Performance Expectations ("SPE") 2024-2025 ("FY25"), and publicly outlines our progress and performance against measures and indicators in those documents. This includes both financial reporting (actuals against budgets), noting that this is against the FY25 SPE only, and non-financial-reporting against performance measures and progress indicators contained in both the FY25 SPE and FY24-FY28 SOI.

In providing a consolidated account of our activities and expenditure in FY25, this Annual Report enables our shareholders, Members of Parliament, and the public to hold us accountable for our overall performance during the year. It also allows Parliament to assess and review our performance through the select committee process.



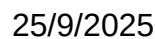
Evan Davies
Board Chair



Date



Madhavan Raman
Board Director



Date

² TRC Legal Group consists of Tāmaki Regeneration Limited (TRL) and Tāmaki Redevelopment Company Limited Group (TRC Group). TRC Group further comprises Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THA) and THA GP Limited (THAGP). TRC Parent owns 100% of the ordinary shares of TRL. However, Crown controls TRL due to the conditions imposed by the preference shares it has been issued with by TRL. TRC Parent's brand or trading name is Tāmaki Regeneration Company (TRC).

³ Within this document, we refer to the applicable New Zealand public sector financial years, which run from 1 July to 30 June. The number that is affixed to the FY acronym represents the calendar year that the financial year ends in (i.e., the financial year that commenced on 1 July 2024 and concluded on 30 June 2025 is referred to as FY25).

Progress on Strategic Intentions

This is the first year of delivery under the new SOI, and we are expecting to refresh the SOI in two years' time.

We are on track to meet all our key indicators for the SOI period, reflecting the stable and consistent delivery phase we have entered over the past financial year. By refocusing our accountability documents and business plans around our three core delivery areas, we have made it easier for both the organisation and individual teams to align their work with our strategic priorities. We have also placed a strong emphasis on driving value for money across all areas of delivery, particularly within our redevelopment and maintenance programmes. 701 of the 742 new homes that we committed to deliver across the SOI period have been delivered, contracted or in procurement and have submitted resource consents for an additional 175 houses. This positions us well to support continued delivery in line with the Government's long-term vision for Tāmaki.

Delivering Quality Homes and Neighbourhoods	FY24 Actual	FY25 Actual	FY26 Target	Commentary
Number of homes built since the start of the regeneration programme ⁴	1553	1589	1664	Due to phasing of the build programme and efficiencies found through our build panel model, we are forecast to exceed our FY26 SOI target.

Being an Excellent Community Housing Provider	FY24 Actual	FY25 Actual	Direction	Target	Commentary
Tenants' overall satisfaction rating with Tāmaki Housing services.	79%	83%	Increase	≥ 80%	Ongoing engagement and clear communication with tenants have led to increased overall tenant satisfaction.
Percentage of tenants, who are affected by redevelopment and want to stay in Tāmaki, that are rehoused within Tāmaki every year.	100%	100%	Maintain	100%	We run extensive analytics and prioritise rehousing to fulfill our commitments, while avoiding delays to redevelopment..

⁴ Total number of market, market affordable, shared equity and social homes built since the start of the programme (excludes transitional homes).

Leveraging the Redevelopment to Deliver Greater Social and Economic Outcomes	FY24 Actual	FY25 Actual	FY26 Target	Commentary
Number of whānau who have bought a shared home ownership home since 2017. ⁵	108	117	149	We are on track to meet this target and continue to grow the registration and application pipeline to ensure sustained demand for these products throughout the SOL period.

⁵ The shared home ownership programme began in 2017.

Assessment of Operations and Performance

Assessment of operations

FY25 was a successful year for TRC and we remained focused on our three priority areas: delivering quality homes and neighbourhoods, being an excellent community housing provider, and leveraging the regeneration for greater social and economic outcomes. By driving performance across the organisation, we:

- Met all performance targets outlined in our Statement of Performance Expectations
- Reduced housing delivery costs through our build partner procurement approach,
- Generated savings against budget through our Maintenance Review Programme, and
- Supported local residents into sustainable employment and home ownership.

Overview of activity for FY24	Achievements	Further information
We continued to deliver new warm, dry social and affordable homes, while growing the pipeline to support long-term housing growth in Tāmaki.	• Delivered 36 new homes. • Resource consents for 436 homes to be delivered in future years. • Construction started on three development projects, and building consents lodged for a further two.	Pages 8 -12
We managed our tenancies and assets efficiently and effectively, maintaining low rental debt, high tenant satisfaction, and generated savings through considered and targeted maintenance.	• 83 percent satisfaction with Tāmaki Housing services. • 75 percent satisfaction with repairs and maintenance. • \$4.3m saved against budgeted maintenance.	Pages 13 – 14
We supported local families into home ownership and employment, helping them increase their household incomes and achieve their aspirations.	• 185 local residents employed through TRC initiatives. • Nine whānau moved into shared home ownership houses. • 1,165 new registrations for our OWN IT programme, supporting people to prepare for home ownership.	Pages 15 – 16

Implementing the Government's priorities

Our work in FY25 contributed to the Government's broader priorities for housing and urban regeneration by increasing both housing density and tenure options in Tāmaki – an area well-served by public transport and close to employment hubs. In doing so, we also contributed to two Government Targets:

- **Target 8 – Fewer people in emergency housing**, through increased provision of social housing and continued consenting and planning for future homes across the housing continuum.
- **Target 5 – Fewer people on the Jobseeker Support benefit**, by supporting 185 local residents into sustainable employment, 24 percent of whom were receiving the Jobseeker Benefit prior to placement.

Statement of Performance

Delivering Quality Homes and Neighbourhoods

We are not satisfied with our housing delivery in FY25, despite exceeding our target for the year by delivering 36 new warm, dry homes against a KPI of 28. The low number of homes completed reflects delays in the development programme three to four years ago. Despite this, we are well positioned for delivery to increase over the remainder of the SOI period, with a more consistent year-on-year pipeline ahead. The nine additional homes delivered this year were largely the result of some builds being completed ahead of schedule. However, due to broader efficiencies across the programme, exceeding this year's target has not impacted our forecast delivery for FY26. If anything, it signals that momentum is returning to the programme and that we are well positioned to continue delivering housing throughout our funded period (to 2028). We have 407 houses delivered or under contract to deliver against our target of 742 for the FY24-28 period, with a further 308 in the procurement process and resource consents submitted to deliver 175 additional houses. (This is inclusive of RC's lodged for projects: 137 for Heatherbank, and 38 for PN-21)

Our development programme is focused on delivering the right homes in the right places to meet the needs of Tāmaki whānau, while working closely with the market to drive delivery efficiencies. Through our panel of seven build partners, we secure highly competitive build rates and accelerate the delivery of key projects. Robust pricing data and simultaneous project tendering enable thorough analysis and negotiation, ensuring we achieve value for money.

This year we have also had to mitigate significant risks within the redevelopment programme. The first, and arguably greatest, risk is the misalignment between in-ground infrastructure provision and the housing build programme. We have worked extensively with Kāinga Ora, the Ministry of Housing and Urban Development, and Auckland Council better align delivery and maximise programme efficiency. While mitigations are in place, this remains an ongoing risk that requires continuous monitoring and management.

We have also faced significant cost increases from Auckland Council, with Development Contributions increasing from \$31k to an average of \$71k per new house with a stormwater connection, and \$51k without.⁶ Initially, the proposed increase was \$119k. To mitigate this, we front-loaded resource consent submissions to secure the lower \$31k rate before the cost increases took effect.

⁶ The distinction between "with a stormwater connection" and "without a stormwater connection" directly relates to stormwater upgrades and onsite attenuation requirements. The lower charge applies where we are managing this onsite, reducing demand on the public network and the Council's need to fund new stormwater infrastructure.

Output Measure	FY24 Actual	FY25 Target	FY25 Actual	Status	Commentary
Number of newly constructed homes delivery managed by Kāinga Ora on behalf of TRC.		28	36	Met	Due to efficiencies in our development programme, we exceeded our housing delivery target for the year.
Number of newly constructed social homes delivery managed by delivery managed by Kāinga Ora on behalf of TRC.		19	27	Met	
Number of newly constructed shared equity homes delivery managed by Kāinga Ora on behalf of TRC.		9	9	Met	
Number of houses planned in submitted resource consents		425	487	Met	Resource consent applications were accelerated to offset proposed Development Contribution price increases.
Emissions from developments	New measure	Establish Baseline	Baseline Established	Met	

Project	Enabling Project Target	Status	Commentary
Site A Redevelopment Redevelopment of a TRC-owned site adjacent to the Glen Innes Town Centre and Taniwha Reserve. This project will deliver a range of smaller and larger typologies, responding to the needs of social housing whānau and whānau in TRC's shared home ownership housing demand pipeline. It also delivers on TRC's Apartment Strategy and the Glen Innes Town Centre Revitalisation Plan.	Construction Commenced	Met	
Epping-Evandale Stage 1A (N2.7 & N2.8) This project will deliver 34 terraced and freestanding homes. Located on the corner of Heatherbank Street and Taniwha Street (N2.7), and Line Road and the new Eastview Reserve (N2.8), both superlots are within walking distance to the Glen Innes Town Centre, local reserves, including Maybury Reserve and Taniwha Reserve, and public transport links.	Construction Commenced	Met	
Epping-Evandale Stage 1A (N2.3) This project will deliver mostly terraced homes (40 terraced homes and two freestanding homes). Located on the corner of Epping Street and Heatherbank Street, it is in walking distance to the Glen Innes Town Centre, local reserves, including Maybury Reserve and Taniwha Reserve, and public transport links.	Building Consent Lodged	Met	
Epping-Evandale Stage 1B (N2.4) The project will deliver approximately 97 homes, with 27 shared home ownership terraces and approximately 70 apartments over 3x blocks of three-level lifted apartments for kaumatua. This project faces onto Taniwha Street and Epping Street and is a short walk to the Glen Innes Town Centre, local reserves and public transport and incorporate a pedestrian link from Heatherbank Street to Taniwha Reserve.	Building Consent Lodged	Met	

Project	Enabling Project Target	Status	Commentary
Pīrangī This project will provide a range of homes, including apartment, terraced, and freestanding homes. The project will deliver approximately 88 public and shared home ownership homes (including two heritage homes currently scheduled) and enable the acceleration of equity outcomes for whānau.	Civil Works Commenced	Met	Civil works began with site pre-loading on 24 October 2024 and were completed on 27 November 2024.
Concord This project will provide a mix of apartment and terraced homes and will deliver approximately 96 social and shared home ownership homes. This will enable the acceleration of equity outcomes for whānau and connection with the natural environment, namely Ōmaru Creek and Point England Reserve.	Construction Commenced	Met	
Larsen and Torino This project will deliver 193 terraced, duplex and apartment typologies across ten lots in the Panmure North and Point England Neighbourhood's. The sites are spread across multiple streets and range in size from seven to 41 homes.	Resource Consent Lodged	Met	Resource consent applications for all sites—including two large superlots and the remaining smaller sites—were lodged by June 2025, covering a total of 193 new homes.

Revenue and Output Expenses for 2024-25

REVENUE AND OUTPUT EXPENSES (\$000S)	FY25 ACTUAL TRC GROUP	FY25 ACTUAL TRL	FY25 ACTUAL	FY25 BUDGET	DIFFERENCE
Revenue					
Crown	0	0	0	0	0
Other	0	9,262	9,262	2,400	6,862
Total	0	9,262	9,262	2,400	6,862
Revenue					
Expenses	(4,898)	(11,920)	(16,818)	(11,015)	(5,803)
Net (deficit)	(4,898)	(2,658)	(7,556)	(8,615)	1,059
Commentary Revenue for social transformation is higher than budget due to greater sales of shared home ownership houses (17 homes sold in FY25 vs budgeted three homes). Expenses are higher than budget due to the cost of goods sold for the additional 14 shared homeownership sales of \$6m. TRC group expense of \$4.9m aligns with budget of \$5m.					

Being an Excellent Community Housing Provider

This year has been another successful one for the Tāmaki Housing Association (THA), which manages approximately 2,450 tenancies within one of New Zealand’s oldest housing portfolios. Our tenancy managers focus on building trusted relationships with tenants, many of whom have complex needs, and on addressing issues early.

One example is in the area of rental debt, a consistent focus for the organisation. As a result of early intervention, rental arrears were kept to 2.48 percent for the year, well within our target of less than five percent. Our strong relationships with tenants, even when having difficult conversations, have also helped us maintain high levels of satisfaction, with 83 percent of tenants reporting they are satisfied or very satisfied with THA services.

To ensure we are delivering the right maintenance services, we established a Maintenance Review Programme that balances outcomes for whānau, asset quality, and value for money. The programme has embedded cost control measures that have reduced both the average cost per job and the overall volume of maintenance work. As a result, we achieved \$4.3 million in savings against the maintenance budget in FY25.

Output Measure	FY24 Actual	FY25 Target	FY25 Actual	Status	Commentary
Average number of days to let Tāmaki Housing Association property to applicants from the MSD register after it becomes available	2.5 calendar days	< 8 calendar days	2.6 calendar days	Met	The number of placements from the MSD register has declined and is expected to remain low for some time, as the pace of rehousing to support ongoing redevelopment has increased. As a result, properties available for the general waitlist are more likely to be “hard to let.” Despite this challenge, THA has continued to exceed its target..
Average inter-tenancy void turnaround time (vacant to ready to let)	19 working days	< 20 working days	18.9 working days	Met	This remains a key focus for both the THA and our maintenance provider, Spencers, and requires active management as the number and type of voids change month to month.
Rental debt older than 21 days as a percentage of monthly rental income	3.95%	< 5.0%	2.48%	Met	After an increase earlier in the year, driven by the financial pressures of Christmas and the start of the school year, we saw debt trend downward in the second half of the financial year. This remains a key focus for the team.
Tenancy management cost per unit	\$2,946	<\$3,065	\$2,982	Met	
Percentage of urgent health and safety	99.6%	95%	99.7%	Met	

Output Measure	FY24 Actual	FY25 Target	FY25 Actual	Status	Commentary
requests addressed within four hours					
Portfolio average property condition (CGI)	2.14	2.16	2.05	Met	
Percentage of tenants satisfied with repairs and maintenance	79%	75%	75%	Met	

Revenue and Output Expenses for 2024-25

REVENUE AND OUTPUT EXPENSES (\$'000S)	FY25 ACTUAL TRC GROUP	FY25 ACTUAL TRL	FY25 ACTUAL	FY25 BUDGET	DIFFERENCE
Revenue					
Crown	0	55,603	55,603	59,558	(3,955)
Other	9,090	29,568	38,658	26,571	12,087
Management Fee	14,322	(14,322)	0	0	0
Total Revenue	23,412	70,848	94,261	86,129	8,132
Expenses	(11,222)	(49,575)	(60,797)	(62,070)	1,273
Depreciation	(60)	(44,678)	(44,738)	(37,286)	(7,452)
Net (deficit)	12,130	(23,405)	(11,274)	(13,228)	1,953
Commentary	Actual Crown revenue is \$3.9m lower than budget due to an expected market rate rent increase being lower than budget, and homes being vacated for development earlier than budgeted. Other revenue includes a dividend of \$8.8m, which is eliminated in the budget, and interest income which is \$1.5m higher than budget. There were \$4.3 million in maintenance cost savings, driven by the continued application of cost controls, a lower volume of work, and reduced average cost per maintenance request. Depreciation is over budget due to accelerated licences to occupy, requiring the assets to be depreciated over a shorter period. Excluded from expenses is loss on revaluation of \$500k not accounted for in the SPE.				

Leveraging the Redevelopment to Deliver Greater Social and Economic Outcomes

Despite being only 2.5 percent⁷ of our total spend for the year, we have not only continued to deliver wider social and economic outcomes to Tāmaki but exceeded our SPE targets while doing so.

Our focus in FY24 was growing the pipeline of “mortgage-ready” whānau who are on track to enter home ownership within the next five years. A total of 1,165 people registered for our SHO programme, with 21 percent progressing to a formal application. These leading indicators help ensure there is sufficient demand for SHO homes forecast for delivery in the coming years.

In addition to growing the future SHO pipeline, we supported 17 whānau into SHO this year,⁸ bringing the total number of households supported through the programme in Tāmaki to 117. Of this total, 15 percent are former social housing tenants. Having social housing tenants progress along the housing continuum reduces long-term Crown subsidies and frees up a social housing for other families in need.

Through the Tāmaki Jobs and Skills Hub, we helped 185 local residents into sustainable employment, increasing household incomes and reducing reliance on government assistance. This achievement was despite a challenging job market, where entry-level roles were limited and competition was high – especially for rangatahi. Many jobseekers in Tāmaki face additional barriers such as transport issues, unstable housing, digital exclusion, and low confidence. To address these challenges, we have leveraged strong community partnerships, working closely with housing providers, the Ministry of Social Development, mental health services, and other local agencies to help develop the talent of locals in Tāmaki.

Output Measure	FY24 Actual	FY25 Target	FY25 Actual	Status	Commentary
Number of registrations for the Shared Home Ownership Programme	New measure	1000	1,165	Met	This continues to grow the pipeline of mortgage ready whānau, ensuring there are households prepared to enter home ownership in future years of housing delivery..
Percentage of registrations that convert to applications for shared home ownership	New measure	20%	21%	Met	Household Advisors maintained consistent communication with whānau in the registration pipeline throughout the year, supporting them to complete full programme applications. As a result, we slightly exceeded our target, achieving a conversion rate that was double the industry standard of 10 percent.

⁷ Including depreciation and SHO losses. It equates to 3.9% of total spend if excluding depreciation and SHO losses.

⁸ Note, this is the number of whānau who settled a SHO property with TRC in the financial year. It differs from the SHO delivery numbers on page nine, as some of the settled properties were built last financial year.

Output Measure	FY24 Actual	FY25 Target	FY25 Actual	Status	Commentary
Number of Tāmaki people who are employed through TRC initiatives	215	150	185	Met	Of the total people employed this year, 24 percent were on the Job Seeker benefit. By helping them enter sustainable employment, to the Jobs and Skills Hub directly contributes to Implementing the Government's priorities

Revenue and Output Expenses for 2024-25

REVENUE AND OUTPUT EXPENSES (\$000S)	FY25 ACTUAL TRC GROUP	FY25 ACTUAL TRL	FY25 ACTUAL	FY25 BUDGET	DIFFERENCE
Revenue					
Crown	0	0	0	0	0
Other	0	0	0	0	0
Total Revenue	0	0	0	0	0
Expenses	(5,414)	(187)	(5,601)	(5,992)	391
Net (deficit)	(5,414)	(187)	(5,601)	(5,992)	391
Commentary					
Expenses were lower than budget due to the affordable housing programme delivery and the system delivery savings from work carried out internally.					

Organisational Health and Capability

Our Team

As a relatively small organisation with a broad delivery mandate, we take a considered approach to ensuring we have the right skills and experience to deliver the regeneration programme. We have streamlined our structure so all staff are focused on either delivering or directly enabling our redevelopment and SHO programme, or managing our tenancies and assets.

Where possible, we hire people with a local connection or shared lived experience with Tāmaki communities. This brings valuable insight to tenancy management and regeneration delivery, and helps us maintain high standards of service and uphold our social licence to operate.

We continued to build capability within the development team, including the recruitment of additional Senior Development Managers to oversee the delivery of new neighbourhoods. We also scaled up our community engagement and affordable housing teams to ensure we have the right expertise in the right places to streamline delivery. This approach is reflected in our exceeding of the Shared Home Ownership programme registration target for FY25 - a metric shared across both teams.

We support our staff through a range of tailored learning and development opportunities, aligned to each person's role and career aspirations. This helps grow capability across the organisation and ensures we are investing in our most valuable asset – our people.

Health and Safety

The health, safety and wellbeing of our workers, tenants, contractors and the wider community is a priority for both management and the Board of Directors. We ensure that our workers, and those of our partners, understand the risks associated with their work. We provide appropriate training and have robust systems and processes in place to ensure everyone involved in our work knows how to keep themselves and others safe from harm.

We also have a worker Health and Safety Committee with representation from across the organisation, as well as a Director-led Health and Safety Sub-committee, which includes all Board members of the Board.

Company Disclosures

The below disclosures are required under the Crown Entities Act 2004 and the Companies Act 1993 and are for the Tāmaki Redevelopment Company Limited Legal Group (TRC Legal Group), unless (and where specified) disclosures are required by one of the individual entities that make up TRC Legal Group.

TRC Legal Group consists of Tāmaki Regeneration Limited (TRL) and Tāmaki Redevelopment Company Limited Group (TRC Group). TRC Group further comprises Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP).

TRC Parent owns 100% of the ordinary shares of TRL. However, Crown controls TRL due to the conditions imposed by the preference shares it has been issued with by TRL. TRC Parent's brand or trading name is Tāmaki Regeneration Company.

Changes to the composition of the Board during the year

The Board of Directors for all entities within the TRC Legal Group as at 30 June 2025 consisted of the following members:

- Evan Davies (Chair)
- Madhavan Raman
- Patrick Snedden
- Cadence Kaumoana
- Mark Weipers
- Louise Ward

During the 2025 financial year, the following changes occurred to the composition of the Board:

- Mark Weipers commenced as a member of the Board 01 December 2024.
- Louise Ward commenced as a member of the Board 01 December 2024.
- Kerry Hitchcock ceased as a member of the Board on 30 November 2024.
- Nancy McConnell ceased as a member of the Board on 30 September 2024.
- Leo Foliaki ceased as a member of the Board on 30 April 2025.

Schedule of Board meeting attendance

The governance for TRC Legal Group is conducted by the Board of TRC Parent. The total number of TRC Parent Board meetings held in the last financial year was 6.

DIRECTOR	NO. OF MEETINGS ATTENDED	POSSIBLE MEETINGS
Evan Davies (Chair)	5	6
Madhavan Raman	6	6
Patrick Snedden	6	6
Cadence Kaumoana	5	6
Mark Weipers	4	4
Louise Ward	4	4
Leo Foliaki	4	5
Kerry Hitchcock	2	2
Nancy McConnell	2	2

Board and committee remuneration

The Boards of TRL and THAGP received no remuneration during the year. The Board of TRC Parent received a total of \$280k remuneration during the year, the breakdown of which can be found in TRC Group's financial statements on page 41.

There have been payments of \$4k made to committee members appointed by the Boards of the entities that constitute TRC Legal Group who were not Board members during the financial year.

Company secretary

Simpson Grierson, 88 Shortland St, Auckland Central.

Principal activities

The principal activities of TRC Legal Group during the period were:

- Tenancy and property management (THALP)
- Development of new social and private housing (TRL)
- Social and economic regeneration activities (TRC Parent)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the TRC Legal Group during the 2025 financial year.

Directors' interest in transactions and interests register changes

No directors' interests in transactions declared in any entity of TRC Legal Group. The full interest registers of the Board of TRC Parent, TRL and THAGP can be found on pages 20 to 22. Note, the members of all three Boards are the same for the full year.

Indemnification and insurance of directors and officers

During the period TRC Parent purchased insurance to cover all directors, officers and employees of all entities in the TRC Legal Group. They are indemnified for wrongful acts committed, attempted or allegedly committed or attempted during the policy period. The limit of the indemnity for any one act is \$10 million. The indemnity period runs from 1 October to 30 September each year.

The total amount of insurance premium paid was \$26k for 1 October 2024 to 30 September 2025.

Employee salary band information

There are 60 employees of TRC Legal Group who earn a salary of more than \$100,000. The breakdown of these employees into bands of \$10,000 each is provided in the financial statements of TRC Group on page 43.

Good employer compliance

TRC Legal Parent has met its obligations to be a good employer and has adhered to the equal employment opportunities programme. A wellbeing programme operated during the year, enabling employees to be proactive and responsive to their individual health and wellbeing needs.

Donations

There were no donations paid by any entity in the TRC Legal Group during the year.

Audit fees

TRC Legal Group paid to EY the following amounts during the year:

- fees for the audit of financial statements of \$278k; and

The breakdown of these audit fees by entities that make up the TRC Legal Group can be found in the entities' respective financial statements contained within this Annual Report.

Company Directories for the Board

BOARD MEMBER	ENTITY	RELATIONSHIP
Evan Davies (Chair)	Melanesian Mission Trust Board	Trustee
	Anglican Trust for Women and Children	Trustee
	Todd Corporation Limited (and all subsidiaries)	Chief Executive
	Auckland Arts Festival	Trustee
	Auckland Arts Festival Finance Committee	Chair
	Auckland City Mission	Trustee
	Tāmaki Redevelopment Company Limited	Chair
	Tāmaki Regeneration Limited	Chair
	THA GP Limited	Chair

	New Dunedin Hospital Inpatient Development	Crown Manager
Madhavan Raman	WALSH TRUST (West Auckland Living Skills Home Trust)	Trustee
	Six Em Family Trust	Trustee
	Tāmaki Redevelopment Company Limited	Director
	Tāmaki Regeneration Limited	Director
	THA GP Limited	Director
Patrick Snedden	Manaiakalani Education Trust	Chair
	Te Urungi o Ngati Kuri Limited	Director
	Snedden Publishing and Management Ltd (and subsidiaries)	Chair and Director
	Tāmaki Redevelopment Company Limited	Director
	Tāmaki Regeneration Limited	Director
	THA GP Limited	Director
Cadence Kaumoana	Public Health Association	CEO
	NZ Geographic Board	Director
	Core Education Trust	Trustee
	THR Whanau Trust	Chair
	Te Ara Mātauranga	Director
	Puketiti 4B Ahu Whenua Trust	Advisory Trustee
	Te Nehenehenui Whare o Waiwaiā	Member
	Tamaki Redevelopment Company Ltd	Director
	Tamaki Regeneration Ltd	Director
	THA GP Limited	Director
	Ngāti Pāoa	Waikato-Maniapoto
Louise Ward	East Care Limited	Director
	Lucknow Initiatives Limited	Director
	Care Group Limited (and all subsidiaries)	Director
	Kaikora Hills Property Limited	Director
	Ngati Porou	Registered Member
	Balloon Trust	Trustee
	Kyrewood Equities Limited	Advisor
	Body Corporate 422996	Member
	Tamaki Redevelopment Company Limited	Director
	Tamaki Regeneration Limited	Director
	THA GP Limited	Director
	G3	Director

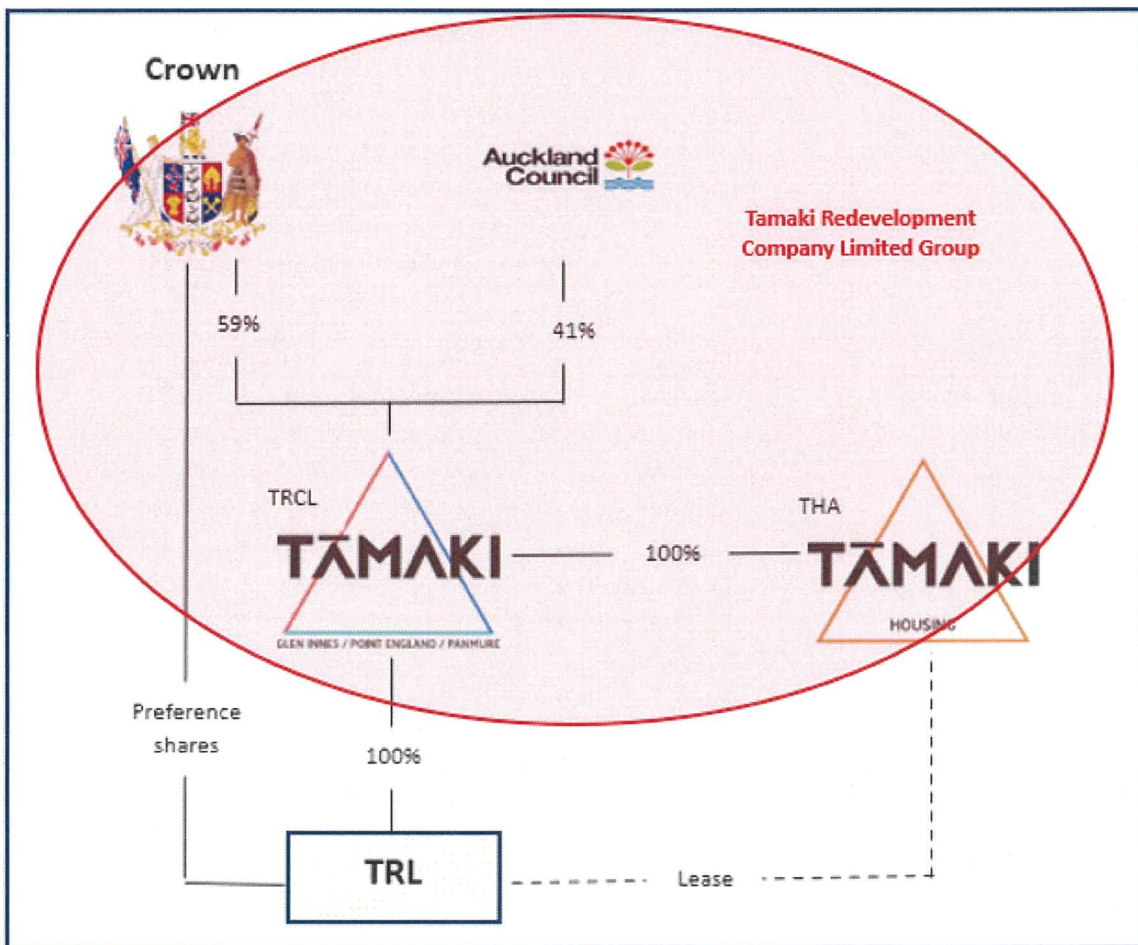
Mark Weipers	Location Management Limited	Shareholder/Director
	Location (Devore Street) Limited	Shareholder/Director
	Location (Kepa Road) Limited	Shareholder/Director
	Location (Kingsland) Limited	Shareholder/Director
	Location (246) Limited	Shareholder/Director
	Location (Grafton) Limited	Shareholder/Director
	Wilberforce (Sales Street) Limited	Shareholder/Director
	Location De Bretts Limited	Shareholder
	Weicam Trust	Trustee
	Campers Trust	Trustee
	Reside Residential Ltd	Shareholder/Director
	Location Campers Limited	Shareholder/Director
	Property Administration Limited	Shareholder/Director
	Share Clarity Limited	Shareholder
	Ellerslie Assoc. Football Club Inc.	Exec. Committee Member
	Ellerslie Sports Club Inc.	Secretary
	Tāmaki Redevelopment Company Limited	Director
	Tāmaki Regeneration Limited	Director
	THA GP Limited	Director

Financial Statements Introduction

The sections that follow contain the financial statements of the Tamaki Redevelopment Company Limited Group known as Tamaki Regeneration Company (TRC). TRC is happy to present the financial statements for:

- Tāmaki Redevelopment Company Limited Group
- Tāmaki Regeneration Limited
- Tāmaki Redevelopment Company Limited Legal Group (Unaudited)

Tamaki Redevelopment Company Limited Legal Group (TRC Group)



TRC consists of four entities: Tāmaki Redevelopment Company Limited, Tāmaki Housing Association Limited Partnership and THA GP Limited. The three sets of financial statements represent specific groupings of TRC's four entities based on ownership and control of each entity. The diagram shows the structure of the

Tāmaki Redevelopment Company Legal Group, known as Tāmaki Redevelopment Company. The table below shows the grouping of company financial statements and the entities covered.

Financial Statement Grouping	Entities	Basis of Grouping
Tāmaki Redevelopment Company Limited Group	- Tāmaki Redevelopment Company Limited (Parent) - Tāmaki Housing Association Limited Partnership - THA GP Limited	Tāmaki Redevelopment Company Limited is 59% owned by Crown and 41% owned by Council and is the sole partner in Tamaki Housing Association Limited Partnership THA GP Limited. These financial statements exclude Tamaki Regeneration Limited as the Crown has sole control of this entity.
Tāmaki Regeneration Limited	Tāmaki Regeneration Limited	This entity holds TRCs public homes valued with total assets of \$2.7b and is predominantly owned and controlled by the Crown through preference shares.
Tāmaki Redevelopment Company Limited Legal Group (Unaudited)	- Tāmaki Redevelopment Company Limited (Parent) - Tāmaki Regeneration Limited - Tāmaki Housing Association Limited Partnership - THA GP Limited	These unaudited financial statements represent the TRC Group (which is a legal grouping) and represents the public facing organisation of TRC (including Tāmaki Housing Association).

The achievements which underpin the financial statements, which follow this introduction, are reflected in the key achievements and reporting against strategic priorities which precede this section and reflect reporting against performance measures and targets agreed with TRC's shareholders through the Statement of Intent (SOI) and Statement of Performance Expectations (SPE) which are contained on the TRC website.

Financial Performance

Over the year ended 30 June 2025 Tāmaki Redevelopment Company Limited (TRCL) received revenue in the form of a management fee from TRL to provide housing management services to tenants of 2520 homes and to manage maintenance on behalf of Tāmaki Regeneration Limited (the owner of these homes). In addition, TRCL received a dividend from TRL to fund the social, economic, and placemaking priorities and activities undertaken by TRC (parent). From this revenue, TRCL generated a surplus of \$1.8m in undertaking

these activities. These activities are reflected in the strategic priority reporting that occurs earlier in this annual report.

TRL Limited received total revenue of \$93.5m with rental portfolio income (income related rent subsidy from HUD) and income related rent (from tenants) making up \$80.7m or 86% of total revenue from 2430 properties. TRL also generated \$12.4m from the sale of 17 shared home ownership properties. TRL generated earnings before interest taxation amortisation and fair value adjustments of \$14.9m. Total expenses included repairs and maintenance and direct property costs totalling \$42.6m.

Financial Position

TRCL holds very few assets as TRC Group's public homes are owned by TRL.

As at 30 June 2025 TRL's total assets totalled \$2.8b up from a prior year value of \$2.7b which reflected an increase in shared home ownership investment due to an additional 17 settlements in FY25. The value of TRL's housing portfolio decreased approximately \$0.1b or 2% in line with Auckland housing values (-1.4% QV Price Index).

The other significant asset balance is inventories which reflects land held predominantly for development as shared home ownership homes and some market homes. The balance of inventories increased \$57m due to 131 shared home ownership houses currently in development (17 at YE2024).

The TRC Group works in partnership with Kāinga Ora as our master developer. From 30 June 2024 to 30 June 2025 TRL's creditors and other payables balance has decreased by \$12m due to completion of developments and reimbursement to Kāinga Ora for costs incurred to enable development of sites.

Cash Flow

The statement of cash flows shows that TRL continues to produce net positive operating cashflows reflecting higher cash proceeds from the sale of shared home ownership properties, a net GST receivable position and increases in rental income from tenants and income related rent subsidies due to a market rent review of rental rates across the portfolio.

Investing cash flows at \$99.5m reflect purchase of freehold land, rental properties and shared ownership land from developments, within Tāmaki, completed during the year.

Financing cash flows show the drawdown of Crown convertible preference share funding from the 4 year \$870m equity funding facility reflected in the Crown's May 2023 budget.

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
Financial Statements
For the year ended 30 June 2025

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TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
STATEMENT OF RESPONSIBILITY
For the year ended 30 June 2025

We are responsible for the preparation of Tāmaki Redevelopment Company Limited Group's financial statements and service performance reporting and for the judgements made in them. Tāmaki Redevelopment Company Limited Group's non-financial performance has been reported in Tāmaki Redevelopment Company Limited Legal Group's statement of performance which is found on pages 79 to 86 of this Annual Report.

We are responsible for any end of year performance information provided by Tāmaki Redevelopment Company Limited Group under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In our opinion, these financial statements and non-financial performance reporting fairly reflect the financial position and operations of the Tāmaki Redevelopment Company Limited Group for the year ended 30 June 2025.

Signed on behalf of the Board:



Director
18 September 2025



Director
18 September 2025

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
For the year ended 30 June 2025

		2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
	Notes			
Revenue				
Management fee income	2	14,322	13,988	13,919
Dividend received		8,800	11,000	10,350
Other income		6	0	12
Total revenue		23,128	24,988	24,281
Expenditure				
Personnel costs		14,209	15,308	14,155
Consultants and professional fees		2,494	2,040	2,932
Contractors and temporary staff		123	5	127
Directors fees	11	284	341	297
Utilities and insurance		100	106	104
Other expenses	3	4,325	4,807	4,972
Total expenditure		21,535	22,607	22,587
EBITDAF*		1,593	2,381	1,694
Depreciation and amortisation expense	5	60	55	68
EBIT		1,533	2,326	1,626
Interest income		284	24	321
Net interest income		284	24	321
Surplus for the year		1,817	2,350	1,947
Total comprehensive revenue and expense		1,817	2,350	1,947

Explanations of major variances against budget are provided in note 15.

The accompanying notes form part of these financial statements.

* Earnings before interest, taxation, depreciation and fair value adjustments.

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Notes	2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
Assets				
Current assets				
Cash and cash equivalents		6,972	5,869	6,598
Trade and other receivables	4	3,699	662	3,822
Total current assets		10,671	6,531	10,420
Non-current assets				
Property, plant and equipment	5	123	84	127
Total non-current assets		123	84	127
Total assets		10,794	6,615	10,547
Liabilities				
Current liabilities				
Creditors and other payables	6	14,449	11,126	15,893
Annual leave liability		757	671	883
Total current liabilities		15,206	11,797	16,776
Total liabilities		15,206	11,797	16,776
Net assets		(4,412)	(5,182)	(6,229)
Equity				
Ordinary shares - Crown		5,000	5,000	5,000
Ordinary shares - Auckland Council		3,500	3,500	3,500
Accumulated (deficit)		(12,912)	(13,682)	(14,729)
Total equity	7	(4,412)	(5,182)	(6,229)

Explanations of major variances against budget are provided in note 15.

The accompanying notes form part of these financial statements.

For and on behalf of the Board who authorise the issue of the financial statements on 18 September 2025.



Director
18 September 2025



Director
18 September 2025

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

	Notes	2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
Balance at 1 July		(6,229)	(7,532)	(8,176)
Total comprehensive revenue and expense				
Surplus for the year		1,817	2,350	1,947
Total comprehensive revenue and expense		1,817	2,350	1,947
Balance at 30 June	7	(4,412)	(5,182)	(6,229)

Explanations of major variances against budget are provided in note 15.

The accompanying notes form part of these financial statements.

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

	Notes	2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
Cash flows from operating activities				
Management fee income		13,808	13,988	14,400
Receipts from other revenue		120	0	12
Interest received		284	24	321
Payments to suppliers		(7,617)	(9,704)	(10,810)
Payments to employees		(14,993)	(15,308)	(14,005)
Goods and services tax (net)		28	0	256
Dividend received from TRL		8,800	11,000	10,350
Net cash flow from operating activities		430	0	524
Cash flow from investing activities				
Purchase of property, plant and equipment		(56)	0	(21)
Net cash flow from investing activities		(56)	0	(21)
Net (decrease)/increase in cash and cash equivalents		374	0	503
Cash and cash equivalents at the beginning of the year		6,598	5,869	6,095
Cash and cash equivalents at the end of the year		6,972	5,869	6,598

Explanations of major variances against budget are provided in note 15.

The accompanying notes form part of these financial statements.

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

These financial statements are for the Tāmaki Redevelopment Company Limited Group (TRC Group) which comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRC Group has determined that it is a public benefit entity (PBE) for financial reporting purposes. TRC Group's primary objective is the social and economic regeneration of the Tāmaki area.

These financial statements do not include Tāmaki Regeneration Limited (TRL) due to Crown (rather than TRC Parent) controlling TRL. TRL's financial statements are presented separately on pages 48 to 75 of this Annual Report. This Annual Report also presents, on pages 79 to 86, an aggregated set of financial statements of the Tāmaki Redevelopment Company Limited Legal Group (TRC Legal Group, which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP) and are not audited. Such an aggregation has to be treated as a non-GAAP set of financial statements as it is not acceptable under PBE IPSAS 35 Consolidated Financial Statements to consolidate TRL into TRC Group.

The financial statements for TRC Group are for the year ended 30 June 2025. They were approved by the Board on 18 September 2025.

TRC Parent is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is a schedule 4A entity of the Public Finance Act 1989.

Basis of preparation

The financial statements have been prepared on a going concern basis. This is supported by:

1. The declaration of a dividend from TRL for \$7.5m on 18 September 2025. The Entitled Persons/Ministerial approval for the dividend waiver is still to be obtained but based on past practice this is expected to be received.
2. The TRL Board has resolved to provide cash flow support to TRC group if needed; and
3. TRL is expected to be solvent and be in a position to provide the dividend to TRC group once the entitled person/ministerial approval is received.

The accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of TRC Group have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRC Group is a non-publicly accountable and non-large PBE as defined by the External Reporting Board. For that reason, TRC Group is allowed and has elected to prepare its financial statements in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

Functional and presentational 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 TRC Group is New Zealand dollars (NZ\$).

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES

Control and consolidation

Subsidiaries

Subsidiaries are entities controlled by the TRC Parent. The TRC Parent controls an entity when it has the power to govern the financial and operating policies of the entity so as to benefit from its activities. The financial statements from the date on which control commences until the date on which control ceases are consolidated into the TRC Parent's financial statements. The TRC Parent controls two subsidiaries being THALP and THAGP.

Loss of control

When the TRC Parent loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related minority interests and other components of equity. Any resulting gain or loss is recognised in surplus or deficit. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Revenue from exchange transactions

Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRC Group and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

Management fee income

The TRC Parent received management fees from TRL each month in return for supplying day to day management services. THALP received management fees from TRL each month in return for provision of tenancy and property management services.

Interest income

Interest income is recognised using the effective interest method.

Dividend revenue

Dividend revenue is recognised when the right to receive payment has been established. Dividend revenue is received from TRL on the 100 ordinary shares that TRC Parent owns at \$1 each. The value of these shares is rounded down to zero in the Statement of Financial Position.

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRC Group applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: leasehold improvements, office equipment and computer equipment. All assets classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group 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 at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (cont'd)

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRC Group and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Leasehold improvements	The shorter of the period of the lease or estimated useful life
Office equipment	3 years
Computer equipment	5 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed and adjusted if applicable, at each financial year end.

Impairment of property, plant and equipment and cash-generating property

TRC Group does not hold any cash-generating property, plant and equipment. Property, plant and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRC Group's primary objective from its non-financial assets is to achieve the regeneration objectives set out in its Statement of Intent.

Non-cash-generating assets

Property, plant and equipment and intangible assets that have a finite useful life are 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 assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where TRC Group would, if deprived of the asset, replace its remaining future economic benefit or service potential. If an assets carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in surplus or deficit.

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Creditors and other payables

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

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to reporting date and annual leave earned to but not yet taken at balance date. A liability and an expense are recognised for bonuses where TRC Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Annual leave expected to be settled within 12 months of reporting date is classified as a current liability.

Financial instruments

TRC Group classifies all its financial assets and liabilities at amortised cost under the accounting standard PBE IFRS 41 Financial Instruments on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

TRC Group derecognises a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by TRC Group is recognised as a separate asset or liability.

TRC Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Income tax

These financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

Goods and services tax

All TRC 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. All THA items are presented inclusive of GST as THA is exempt from GST. 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.

Equity

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

- accumulated (deficit); and
- capital.

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Budget figures

The budget figures are sourced from the statement of performance expectations as approved by the Board on 30 June 2024. The budget figures were prepared in accordance with NZ GAAP.

Critical accounting estimates and assumptions

In preparing these financial statements, TRC Group 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 of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by TRC Group, and expected disposal proceeds from the future sale of the asset.

Critical accounting judgements

A critical accounting judgement made in the preparation of these accounts is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease (replacing the lease entered into in December 2017) which sets out that THALP will receive a per property per week management fee. Under both the old and new deeds of lease, THA receives a per property per week management fee.

TRL under both the old and the new deed of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Factors that indicate THALP is acting as a principal

THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development and the Ministry of Housing and Urban Development (MHUD) from October 2018, with regards to charging and collecting the IRRS subsidy and letting of tenants through the Ministry's application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed of lease.

Factors that indicate THALP is acting as an agent

TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement.

Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its aforementioned duties on behalf and for TRL.

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Critical accounting judgements (cont'd)

Accounting standard issued but not yet effective

For standards issued that have not yet commenced to apply, these standards are not expected to have a material impact on the financial statements.

2. MANAGEMENT FEE INCOME

	2025 Actual \$000's	2024 Actual \$000's
Management services provided by THALP to TRL	7,838	7,638
Management services provided by TRC Parent to TRL	6,484	6,281
Total management fee income	14,322	13,919

Management services provided by THALP to TRL

THALP act as an agent on behalf of TRL in providing its tenancy and property management services to state housing tenants. The management fee income that THALP recognises from TRL is based on a per property per week number.

THALP is a registered Community Housing Provider and as part of its activities, it collected a combined Income Related Rent Subsidy (IRRS) and Income Related Rent (IRR) amounting to \$79.6m for the year (2024: \$70.7m), the majority of which was subsequently remitted to TRL. THALP also collected income of \$34k (2024: \$63k) from tenants under a rent to own scheme and \$298k (2024: \$412k) from build to rent tenants. This was remitted to TRL.

3. OTHER EXPENSES

	2025 Actual \$000's	2024 Actual \$000's
Fees to EY for audit	155	174
IT support and licence fees	1,041	1,082
Printing and stationery	72	181
Telephones and mobiles	146	168
Marketing and collateral	233	195
Rent	505	448
Motor vehicle expenses	219	230
Staff training	262	327
Travel expenses	27	25
Community grants	168	300
GST leakage	311	271
Fringe benefit tax	168	202
Building and office expenses	414	545
Internal audit fees	88	63
Other	516	761
Total other expenses	4,325	4,972

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

4. TRADE AND OTHER RECEIVABLES

	2025 Actual \$000's	2024 Actual \$000's
Trade receivables	2,126	1,956
Prepayments	213	181
Receivable from TRL*	1,360	1,685
GST receivable	0	0
Total trade and other receivables	3,699	3,822

*TRL is related to TRC Group by virtue of being legally owned by TRC Parent. TRC Parent does not have control over TRL as explained in the reporting entity section of the Statement of Accounting Policies.

5. PROPERTY, PLANT AND EQUIPMENT

	Office equipment Actual \$000's	Computer equipment Actual \$000's	Leasehold improvements Actual \$000's	Total Actual \$000's
Cost				
Balance at 30 June 2023	439	151	992	1,582
Balance at 30 June 2024	442	166	992	1,599
Additions during the year	37	19	0	56
Disposals during the year	0	0	0	0
Balance at 30 June 2025	479	185	992	1,656
Accumulated depreciation				
Balance at 30 June 2023	428	132	847	1,407
Balance at 30 June 2024	436	144	893	1,473
Depreciation charge for the year	7	12	41	60
Disposals during the year	0	0	0	0
Balance at 30 June 2025	443	156	934	1,533
Carrying Amounts				
Balance at 30 June 2023	11	19	145	175
Balance at 30 June 2024	6	22	98	127
Balance at 30 June 2025	36	29	58	123

There are no restrictions over the title of TRC Group's property, plant and equipment, nor are there any property, plant and equipment pledged as security for liabilities. (2024: nil).

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

6. CREDITORS AND OTHER PAYABLES

	2025 Actual \$000's	2024 Actual \$000's
Creditors	57	254
Accrued expenses	416	1,123
GST payable	118	90
Payable to TRL*	4,331	3,706
Revenue received in advance from TRL*	9,527	10,720
Total creditors and other payables	14,449	15,893

Cashflows are managed at the TRC Legal Group level in order to minimise the amount of Crown equity funding required to be drawn. Management fee income is received in advance from TRL in order to fund the operating cashflows of TRC Group. Each year, TRL declares and pays a dividend to TRC Parent at the end of each financial year to fund the previous financial year's activity.

*TRL is related to TRC Group by virtue of being legally owned by TRC Parent. TRC Parent does not have control over TRL as explained in the reporting entity section of the Statement of Accounting Policies.

7. EQUITY

	Ordinary shares	
	2025 Actual \$000's	2024 Actual \$000's
Contributed capital		
Balance at 1 July	8,500	8,500
Balance at 30 June	8,500	8,500
Accumulated (deficit)		
Balance at 1 July	(14,729)	(16,676)
Total comprehensive revenue and expense	1,817	1,947
Balance at 30 June	(12,912)	(14,729)
Total equity	(4,412)	(6,229)

All ordinary shares of TRC Parent are held by the Crown (59%) and Auckland Council (41%). There are 1,000 ordinary shares issued, all of which are unpaid and have no par value. All the Crown shares and Council shares have the same rights and privileges

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

8. COMMITMENTS

There are no capital commitments as at 30 June 2025 (2024: nil).

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2025 Actual \$000's	2024 Actual \$000's
Not later than one year	655	468
Later than one year not later than five years	294	397
Later than five years	0	0
Total non-cancellable operating leases	949	864

9. CONTINGENCIES

There are no contingent assets or contingent liabilities as at 30 June 2025 (2024: nil).

10. RELATED PARTY TRANSACTIONS

TRC Parent's ordinary shares are 59% held by the Crown and 41% by Auckland Council.

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 TRC Group would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel compensation

	2025 Actual	2024 Actual
Board members		
Remuneration (\$000's)	284	297
Full-time equivalent members	0.62	0.81
Leadership team		
Remuneration (\$000's)	2,265	2,308
Full-time equivalent members	7.77	8.19
Total key management personnel remuneration (\$000's)	2,549	2,605
Total full time equivalent personnel	8.39	9.00

\$68k of employer Kiwisaver contributions is included within the Leadership Team Remuneration disclosure above (2024 \$67K).

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

11. BOARD REMUNERATION

The total value of remuneration paid or payable to each Board member during the year was:

	2025 Actual \$000's	2024 Actual \$000's
Directors		
Evan Davies (Chair)	73	73
Kerry Hitchcock	15	37
Madhavan Raman	37	37
Leopino Foliaki	30	33
Patrick Snedden	37	33
Cadence Kaumoana	37	27
Nancy McConnell	9	24
Mark Weipers	21	0
Louise Ward	21	0
Rangimarie Hunia	0	24
Total Board member remuneration	280	289
Board Advisors		
Georgie Thompson	2	4
Nerrisa Henry	2	3
Bill Takarei	0	2
Total Board advisors remuneration	4	8
Total Directors fees & Board Advisor Remuneration	284	297

Changes to the Board membership during the year were as follows: Mark Weipers and Louise Ward were appointed on 1st December 2024. Nancy McConnell resigned on 30th September 2024 and Leopino Foliaki resigned 30th April 2025. Kerry Hitchcock's term ended on 30th November 2024. Georgie Thompson and Nerrisa Henry are community advisors who are paid based on board attendance. Bill Takarei resigned as a community advisor on 31st December 2023.

TRC Group has provided a deed of indemnity to its Directors during the financial year. TRC Group has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees. No Board members received compensation or other benefits in relation to cessation (2024: nil).

Given the governance of TRL and THAGP are conducted by the Board of TRC Parent, the above Board remuneration also represents the Board remuneration of the full TRC Legal Group.

The full time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings. No close family members of TRC Group's key management personnel are employed by TRC Group. There are no loans made to key management personnel of TRC Group or their close family members.

Given TRL has no employees and the activities of TRL are conducted by employees of TRC Parent, the above key management personnel remuneration and full-time equivalent numbers also represent the disclosure for the TRC Legal Group.

12. EMPLOYEE REMUNERATION

Approach to Remuneration

Tāmaki Redevelopment Company Limited (TRC) takes a total cash approach to remuneration; total cash includes the value of base pay, plus KiwiSaver.

In addition to the legislated rate of KiwiSaver for eligible employees, TRC provides the following benefits:

- \$300 per annum wellbeing reimbursement (additional \$300 in financial year 2024)
- A top up on the government's paid parental leave contribution to 100% salary for up to 13 weeks
- 5 weeks annual leave
- 10 days annual sick leave
- 5 days long service leave for employees with TRC for more than 10 years

Senior Leadership Team Market Benchmarking

TRC uses an external independent consultant to provide market remuneration information for each of the Senior Leadership Team roles, based on roles of a similar size and nature. The remuneration policy is:

- Base salary is based on the market median point

Senior Leadership Team Remuneration Reviews

Senior Leadership Team remuneration reviews are signed off by the Chief Executive and Board. The Board will determine any changes to the Chief Executive's salary.

2025 Remuneration

Employee Kiwisaver Contributions

Included in the personnel costs line item within the statement of Comprehensive Revenue and Expenses is \$250k (2024: \$251k) of employer Kiwisaver contributions.

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

12. EMPLOYEE REMUNERATION (CONT'D)

Total remuneration paid or payable

The below table sets out the total remuneration paid or payable to staff above \$100,000 in bands of \$10,000.

	2025 Actual	2024 Actual
Total remuneration paid or payable:		
\$400,000 - \$409,999	1	1
\$350,000 - \$359,999	1	1
\$320,000 - \$329,999	1	1
\$280,000 - \$289,999	1	0
\$270,000 - \$279,999	1	1
\$260,000 - \$269,999	0	1
\$230,000 - \$239,999	2	0
\$210,000 - \$219,999	2	0
\$200,000 - \$209,999	3	5
\$190,000 - \$199,999	1	2
\$180,000 - \$189,999	4	2
\$170,000 - \$179,999	1	3
\$160,000 - \$169,999	3	4
\$150,000 - \$159,999	5	5
\$140,000 - \$149,999	4	2
\$130,000 - \$139,999	8	3
\$120,000 - \$129,999	5	5
\$110,000 - \$119,999	6	5
\$100,000 - \$109,999	11	7
Total employees with remuneration above \$100,000	60	48

Given TRL has no employees and the activities of TRL are conducted by employees of TRC Parent, the above employee remuneration and cessation disclosure also represent the disclosure for the TRC Legal Group.

In 2025, 11 employees received compensation in relation to cessation of employment during the year (2024: 7 employees).

Executive Team Remuneration

	2025 Actual \$000's	2024 Actual \$000's
Chief Executive Officer	403	402
Chief Financial Officer	355	353
General Manager Outcomes (ended 8 Aug 2025)	32	163
General Manager Housing 1	0	320
General Manager Housing 2 (commenced 21 May 2024)	274	30
General Manager Strategy & Masterplanning	281	280
General Manager Development and Commercial	323	321
General Manager Social Transformation	208	207
General Manager Engagement & Communications 1 (ended 4 Feb 2025)	120	231
General Manager Engagement & Communications 2 (commenced 2 Dec 2024)	129	0
General Manager Property (commenced 6 Jan 2025)	140	0
Total Executive Team Remuneration	2,265	2,308

TĀMAKI REDEVELOPMENT COMPANY LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

13. EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date (2024: nil).

14. FINANCIAL INSTRUMENTS

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2025 Actual \$000's	2024 Actual \$000's
Financial assets at amortised cost		
Cash and cash equivalents	6,972	6,598
Trade and other debtors	3,699	3,822
Total loans and receivables	10,671	10,420
Financial liabilities measured at amortised cost		
Creditors and other payables	14,449	15,893
Total financial liabilities measured at amortised cost	14,449	15,893

15. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Statement of comprehensive revenue and expense

Total Surplus for the year and comprehensive revenue and expense were both \$0.5m below budget. Management fee income was \$0.3m above budget due to more expenses incurred by TRC Parent. Dividend received from TRL was \$2.2m below budget due to higher deficits in TRL. Total expenditure was \$1.1m below budget. This was represented by Personnel costs being \$1.1m below budget; Consultants and professional fees were \$0.5m above budget; Contractors and temporary staff were \$0.1m above budget and Other expenses were \$0.5m below budget. Interest income during the year was \$0.3m above budget from conservative budgeting.

Statement of financial position

Total equity was \$0.8m less than budget at balance date. This was represented by Trade and other receivables and Cash and cash equivalents were \$3.0m and \$1.1m above budget respectively. Creditors and other payables were \$3.3m above budget.

Statement of cash flows

Net cashflow was \$0.4m above budget broadly due to \$0.4m more cashflows generated from Operating activities. Payments to suppliers were \$2.1m below budget; Payments to employees were \$0.3m below budget; Interest received were \$0.3m above budget; Receipts from other revenue were \$0.1m above budget; Dividends received from TRL were \$2.2m below budget and Management fee income was \$0.2m below budget.



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TAMAKI REDEVELOPMENT COMPANY LIMITED GROUP'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Tāmaki Redevelopment Company Limited and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Emma Winsloe, using the staff and resources of Ernst & Young, 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 28 to 44, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on pages 5 to 17.

In our opinion:

- the financial statements of the Group on pages 28 to 44:
 - 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 Standards Reduced Disclosure Regime ; and
- the performance information on pages 5 to 17:
 - presents fairly, in all material respects, the Group's performance for the year ended 30 June 2025, including for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 25 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 and our responsibilities relating to the financial statements and the performance information, 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.

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.



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

The Board is responsible on behalf of the Group for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

The Board's responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

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 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 performance expectations.

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 Board.
- 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 Board 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 for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



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We communicate with the Board 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 Annual Report of Tāmaki Redevelopment Company Limited contains the audited financial statements and performance information of Tāmaki Redevelopment Company Limited Group and the audited financial statements of Tāmaki Regeneration Limited.

The Annual Report also includes other information. The Board is responsible for the other information. The other information comprises the information included on pages 1 to 4, 18 to 27, 48 to 49 and 79 to 86 but does not include the financial statements and the performance information, and our auditor's reports thereon.

Our opinions on the financial statements and performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and 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 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 the 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 'Emma Winsloe'.

Emma Winsloe
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

TĀMAKI REGENERATION LIMITED
Financial Statements
For the year ended 30 June 2025

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TĀMAKI REGENERATION LIMITED
STATEMENT OF RESPONSIBILITY
For the year ended 30 June 2025

We are responsible for the preparation of Tāmaki Regeneration Limited's financial statements and service performance reporting and for the judgements made in them. Tāmaki Regeneration Limited's non-financial performance has been reported in Tāmaki Redevelopment Company Limited Legal Group's statement of performance which is found on pages 79 to 86 of this Annual Report.

We are responsible for any end of year performance information provided by Tāmaki Regeneration Limited under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In our opinion, these financial statements and non-financial performance reporting fairly reflect the financial position and operations of the Tāmaki Regeneration Limited for the year ended 30 June 2025.

Signed on behalf of the Board:



Director
18 September 2025



Director
18 September 2025

TĀMAKI REGENERATION LIMITED
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
For the year ended 30 June 2025

		2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
	Notes			
Revenue				
Sales of shared ownership properties		12,378	2,400	13,167
Income-related rent subsidies	2	55,603	59,558	47,446
Residential Rental income from tenants	2	25,138	22,304	24,380
Other income		399	1,458	597
Total revenue		93,518	85,720	85,590
Expenditure				
Consultants and professional fees		1,406	1,726	1,213
Management fee expense		14,322	13,988	13,919
Cost of land disposed		16,387	5,715	14,021
Kainga Ora Land Cost		3,117	0	4,056
Repairs and maintenance		26,815	31,153	35,309
Utilities and insurance		15,826	16,513	14,920
Other expenses	3	716	1,362	1,177
Total expenditure		78,589	70,457	84,615
EBITDAF*		14,929	15,263	975
Depreciation expense	6	44,678	37,232	39,453
(Gain)/Loss on fair value on shared ownership properties	10	(329)	0	910
Loss on revaluation on commercial properties		77	0	761
Loss on revaluation on land under development		0	0	12,019
Loss on revaluation on rental properties		784	0	175
Total fair value adjustments		532	0	13,865
Total depreciation, amortisation and fair value adjustments		45,210	37,232	53,318
EBIT		(30,281)	(21,969)	(52,343)
Interest income		4,031	2,785	2,716
Net interest income		4,031	2,785	2,716
(Deficit) before tax		(26,250)	(19,184)	(49,627)
(Deficit) for the year		(26,250)	(19,184)	(49,627)
Other comprehensive revenue and expense				
Gain/(Loss) on revaluation of freehold land		2,864	0	(273,502)
Gain/(Loss) on revaluation of commercial properties		2,087	0	1,118
Gain/(Loss) on revaluation of rental		23,619	0	66,598
Total other comprehensive revenue and	8	28,569	0	(205,786)
Total comprehensive revenue and expense		2,319	(19,184)	(255,413)

Explanations of major variances against budget are provided in note 17.

The accompanying notes form part of these financial statements.

* Earnings before interest, taxation, depreciation and fair value adjustments.

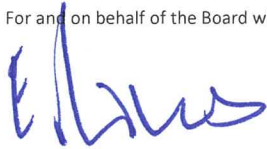
TĀMAKI REGENERATION LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Notes	2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
Assets				
Current assets				
Cash and cash equivalents		94,960	74,507	73,506
Trade and other receivables	4	21,081	13,553	28,825
Inventories	5	160,531	109,963	103,900
Total current assets		276,572	198,023	206,231
Non-current assets				
Investment in shared ownership properties	10	10,410	6,901	7,508
Property, plant and equipment	6	2,490,476	2,799,505	2,511,785
Total non-current assets		2,500,886	2,806,406	2,519,293
Total assets		2,777,458	3,004,429	2,725,524
Liabilities				
Current liabilities				
Creditors and other payables	7	35,954	17,139	47,961
Total current liabilities		35,954	17,139	47,961
Non-current liabilities				
Deferred GST on shared ownership properties		1,599	0	1,263
Total non-current liabilities		1,599	0	1,263
Total liabilities		37,553	17,139	49,224
Net assets		2,739,905	2,987,290	2,676,300
Equity				
Ordinary shares - TRC Parent		0	0	0
Preference shares - Crown		2,046,509	2,090,996	1,976,425
Revaluation reserve	8	1,006,363	1,198,712	985,707
Accumulated (deficit)		(312,967)	(302,418)	(285,832)
Total equity		2,739,905	2,987,290	2,676,300

Explanations of major variances against budget are provided in note 17.

The accompanying notes form part of these financial statements.

For and on behalf of the Board who authorise the issue of the financial statements on 18 September 2025.



Director
18 September 2025



Director
18 September 2025

TĀMAKI REGENERATION LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

		Contributed capital	Revaluation reserve	Accumulated (deficit)	Total
	Notes	Actual \$000's	Actual \$000's	Actual \$000's	Actual \$000's
Balance at 1 July 2024		1,976,425	985,707	(285,830)	2,676,300
Total comprehensive revenue and expense					
(Deficit) for the year		0	0	(26,250)	(26,250)
Other comprehensive revenue and expense		0	28,569	0	28,569
Transfer of revaluation reserve on PPE derecognition		0	(7,913)	7,913	0
Total comprehensive revenue and expense		0	20,656	(18,337)	2,319
Owners' transactions					
Capital contribution		98,000	0	0	98,000
Dividend paid		0	0	(8,800)	(8,800)
Adjustment on derecognition of inventory		(27,916)	0	0	(27,916)
Total contributions and distributions		70,084	0	(8,800)	61,284
Balance at 30 June 2025	8	2,046,509	1,006,363	(312,967)	2,739,905

		Contributed capital	Revaluation reserve	Accumulated (deficit)	Total
		Budget \$000's	Budget \$000's	Budget \$000's	Budget \$000's
Balance at 1 July 2024		1,992,996	1,198,712	(272,234)	2,919,474
Total comprehensive revenue and expense					
(Deficit) for the year		0	0	(19,184)	(19,184)
Other comprehensive revenue and expense		0	0	0	0
Transfer of revaluation reserve on PPE derecognition		0	0	0	0
Total comprehensive revenue and expense		0	0	(19,184)	(19,184)
Owners' transactions					
Capital contribution		98,000	0	0	98,000
Dividends paid		0	0	(11,000)	(11,000)
Adjustment on derecognition of inventory		0	0	0	0
Total contributions and distributions		98,000	0	(11,000)	87,000
Balance at 30 June 2025		2,090,996	1,198,712	(302,418)	2,987,290

Explanations of major variances against budget are provided in note 17.

The accompanying notes form part of these financial statements.

TĀMAKI REGENERATION LIMITED
STATEMENT OF CHANGES IN EQUITY (CONT'D)
For the year ended 30 June 2025

	Contributed capital	Revaluation reserve	Accumulated (deficit)	Total
	Actual \$000's	Actual \$000's	Actual \$000's	Actual \$000's
Balance at 1 July 2023	1,930,996	1,198,712	(233,076)	2,896,632
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(49,627)	(49,627)
Other comprehensive revenue and expense	0	(205,786)	0	(205,786)
Transfer of revaluation reserve on PPE derecognition	0	(7,219)	7,219	0
Total comprehensive revenue and expense	0	(213,005)	(42,408)	(255,413)
Owners' transactions				
Capital contribution	62,000	0	0	62,000
Dividend paid	0	0	(10,350)	(10,350)
Adjustment on derecognition of inventory	(16,571)	0	0	(16,571)
Total contributions and distributions	45,429	0	(10,350)	35,079
Balance at 30 June 2024	1,976,425	985,707	(285,832)	2,676,300

Explanations of major variances against budget are provided in note 17.

The accompanying notes form part of these financial statements.

TĀMAKI REGENERATION LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

	Notes	2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
Cash flows from operating activities				
Sales of shared ownership properties		9,798	2,400	9,564
Rental income from tenants		25,100	22,310	24,712
Income-related rent subsidies		55,126	59,558	47,394
Other revenue received		78	1,458	363
Payments to suppliers		(64,346)	(64,515)	(51,271)
Goods and services tax (net)		1,960	0	4,623
Dividend received		21	0	30
Net interest received/(paid)		4,031	2,785	2,716
Net cash flow from operating activities		31,768	23,997	38,131
Cash flow from investing activities				
Purchase of freehold land and rental properties		(97,558)	(87,779)	(58,975)
Sales on PPE		0	0	3,247
Sale of share investment & others		7	0	18
Purchase of shared ownership property land		(1,963)	(720)	0
Net cash flow from investing activities		(99,514)	(88,499)	(55,710)
Cash flow from financing activities				
Dividend paid to TRC Parent		(8,800)	(11,000)	(10,350)
Preference share drawdown		98,000	98,000	62,000
Preference share offset		0	(617)	0
Net cash flow from financing activities		89,200	86,383	51,650
Net increase/(decrease) in cash and cash equivalents		21,454	21,881	34,071
Cash and cash equivalents at the beginning of the year		73,506	52,626	39,435
Cash and cash equivalents at the end of the year		94,960	74,507	73,506

Explanations of major variances against budget are provided in note 17.

The accompanying notes form part of these financial statements.

TĀMAKI REGENERATION LIMITED
RECONCILIATION OF DEFICIT FOR THE YEAR WITH NET OPERATING CASH FLOWS
For the year ended 30 June 2025

	Notes	2025 Actual \$000's	2025 Budget \$000's	2024 Actual \$000's
(Deficit) for the year		(26,250)	(19,184)	(49,627)
Adjustments for:				
Depreciation		44,678	37,232	39,453
(Gain)/Loss on fair value of investment shared ownership properties		(322)	0	929
Inventory Costs		11,682	5,715	13,608
Revaluation Loss on properties		861	0	12,955
Doubtful debt & bad debt adjustment		(52)	0	129
(Gain)/Loss on disposal of PPE		0	0	(346)
Sale on shared ownership properties & interest		(7)	0	(18)
WIP Write-off		3,621	0	413
Changes in:				
Inventories		0	0	(6,632)
Trade and other receivables		9,546	6	8,555
Creditors and other payables		(11,988)	229	18,711
Net cash flow from operating activities		31,768	23,997	38,131

Explanations of major variances against budget are provided in note 17.

The accompanying notes form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Tāmaki Regeneration Limited (TRL) is a public benefit entity (PBE) for financial reporting purposes. TRL was incorporated on 11 November 2015 and these financial statements are for the year ended 30 June 2025. They were approved by the Board on 18 September 2025.

The operations of TRL began upon transfer of the state housing stock from Kāinga Ora to TRL on 31 March 2016.

TRL is a limited company incorporated in New Zealand under the Companies Act 1993 and is a schedule 4A entity of the Public Finance Act 1989.

The preparation of these financial statements by TRL is separate to Tāmaki Redevelopment Company Limited Group (TRC Group) as it is not part of the TRC Group.

The TRC Group comprises the parent entity Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP). TRC Group's financial statements are presented on pages 26 to 44 of this Annual Report.

TRL is not included in the TRC Group's financial statements due to Crown (rather than TRC Parent) controlling TRL. This Annual Report also presents, on pages 79 to 86, an unaudited set of financial statements of the Tāmaki Redevelopment Company Limited Legal Group (which comprises of TRC Group and TRL) that do not comply with generally accepted accounting practice in New Zealand (NZ GAAP). Such an aggregation has to be treated as a non-GAAP set of financial statements as it is not acceptable under PBE IPSAS 35 Consolidated Financial Statements to consolidate TRL into TRC Group.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The financial statements of TRL have been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004, which includes the requirement to comply with NZ GAAP. TRL is a large PBE as defined by the External Reporting Board. For that reason, TRL has prepared its financial statements in accordance with Tier 1 PBE accounting standards.

Functional and presentational 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 TRL is New Zealand dollars (NZ\$).

SIGNIFICANT ACCOUNTING POLICIES

Revenue from exchange transactions

Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to TRL and the revenue can be reliably measured, regardless of when the payment is being made. The specific accounting policies for significant revenue items are explained below:

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Revenue from exchange transactions (cont'd)

Receipts from land disposals

TRL disposes of land to one off purchasers as well as whanau approved under the TRL shared ownership programme. Receipts are recognised when the risks and rewards are transferred to the purchaser.

Rental income from tenants

Income from tenants on market rent is recognised on a straight-line basis over the rental term.

Revenue from non-exchange transactions

Revenue from non-exchange transactions is recognised only when TRL obtains control of the transferred asset (cash) and the transfer is free from conditions to refund or return the asset if the conditions are not fulfilled.

Rental income from tenants and income-related rent subsidies

Rental income from tenants who are not on market rent and income-related rent subsidies are recognised on a straight-line basis over the rental term.

Receivables

Short-term receivables are recorded at face value, less any expected credit losses. TRL applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. The allowance for credit losses for tenant debtors is based on tenant debt more than ninety days overdue. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Inventories

Inventories are measured at cost upon initial recognition or carrying amount at the time of transfer to inventories for items previously classified as plant, property and equipment. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are its fair value at the date of acquisition. Given that all property, plant and equipment is revalued annually, the fair value is usually approximated as the book value on transfer of the property, plant and equipment to inventory. After initial recognition, inventories are measured at the lower of cost and net realisable value.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: freehold land, rental and commercial properties, and capital work in progress. All asset classes are initially measured at cost, less accumulated depreciation and impairment losses. The exception is land and buildings transferred from Kāinga Ora back in 2016 which were initially recognised at cost and subsequently measured at fair value. Investment in joint operations has been classified as PPE as the property is held for a social service and/or strategic purpose.

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (cont'd)

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. Capital work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported as net of revenue less expenses in the statement of comprehensive revenue and expense. Land and buildings are disposed when a shared home ownership property is purchased by a third party and the control is transferred from TRL.

Land is disposed when it is transferred to the developer as part of settlement at the end of the project. Properties are disposed when they are demolished for land developed for new buildings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TRL and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on rental properties at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives of rental properties are determined by the date they are scheduled to be demolished for redevelopment by Kāinga Ora on behalf of TRL under a Power of Attorney (PoA) arrangement (see below critical accounting estimates policy). The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Subsequent measurement

Freehold land and rental properties are revalued, on a class basis, to fair value. Fair value is determined by reference to market-based evidence and is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Independent valuations are performed annually to ensure that the carrying amount does not differ materially from the asset's fair value at the balance date.

Any revaluation surplus is recognised in the asset revaluation reserve in other comprehensive revenue and expense, except to the extent that it offsets a previous revaluation deficit for the same asset class, that was recognised in surplus or deficit for the year. Therefore, the surplus is recognised in the deficit for the year. On revaluation, accumulated depreciation is eliminated against the gross carrying amount of the asset.

An item of property is derecognised upon disposal. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Any gain or loss arising on derecognition of an asset is included in surplus or deficit for the year. The gain or loss on derecognition is calculated as the difference between the net disposal proceeds and the carrying amount of the item.

Impairment of property, plant and equipment

TRL does not hold any cash-generating property, plant and equipment. Property, plant and equipment are considered cash-generating where their primary objective is to generate a commercial return through the provision of goods and/or services to external parties. TRL's primary objective from its non-financial assets is to provide state housing as set out in its Statement of Intent.

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Impairment of property, plant and equipment (cont'd)

Non-cash-generating assets

Property, plant and equipment that have a finite useful life are 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 assets carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an assets fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where TRL would, if deprived of the asset, replace its remaining future economic benefit or service potential. If an assets carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. For assets not carried at a revalued amount, the total impairment loss (or reversal of impairment loss, if any) is recognised in surplus or deficit.

Creditors and other payables

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

Financial instruments

TRL classifies its investment in shared ownership properties at fair value through surplus or deficit under PBE IPSAS 41 Financial Instruments on the basis that they do not constitute solely payments of principal and interest. Shared ownership properties are purchased from TRL with TRL retaining a portion of equity interest in the property until 100% has been paid by the third party. The timing of the repayments from the shared home owner or whānau is dependent on the whānau's household savings or their ability to refinance their mortgage.

TRL classifies all other financial assets and liabilities at amortised cost under PBE IPSAS 41 Financial Instruments on the basis that these financial instruments are non-derivative and constitute solely payments of principal and interest and the asset (or liability) are held to collect (or settle via) cash flows.

TRL derecognises a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by TRL is recognised as a separate asset or liability.

TRL derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Income tax

These financial statements have been prepared on the basis that all entities in the TRC Legal Group are tax exempt in accordance with the Taxation Amendment Act 2019.

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 inclusive of GST.

Equity

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

- accumulated surplus/(deficit); and
- revaluation reserve; and
- preference shares.

Budget

The budget figures are sourced from the statement of performance expectations as approved by the Board on 27 June 2024. The budget figures were prepared in accordance with NZ GAAP.

Critical accounting estimates and assumptions

In preparing these financial statements, TRL 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 of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating fair value, useful lives and residual values of property, plant, and equipment

At each balance date, the fair values, useful lives and residual values of property, plant, and equipment are reviewed. The most recent valuation of freehold land and rental properties was performed by an independent registered valuer, Quotable Value Limited. The valuation is effective as at 30 June 2025. Fair value, using market-based evidence, is based on the highest and best use of the freehold land and rental properties, with reference to comparative sales values. There are no restrictions on the ability of TRL to sell freehold land and rental properties. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by TRL, and expected disposal proceeds from the future sale of the asset.

Derecognition of freehold land

At each balance date, the value of land is estimated to be derecognised through preference shares with the final value determined at completion of the project. For further details, see note 8.

1. STATEMENT OF ACCOUNTING POLICIES (CONT'D)

Critical accounting judgements

A critical accounting judgement made in the preparation of these accounts is that THALP is acting as an agent (tenancy and property manager) for TRL. A 'deed of lease and appointment of property manager' agreement sets out the roles and responsibilities between THALP and TRL. THALP is essentially providing a tenancy and property management service to TRL in return for a management fee. In March 2019, TRL and THALP signed a new deed of lease. Under both the old and new deeds of lease, THALP receives a per property per week management fee. TRL under both the old and the new deed of lease is entitled to the full rental income collected by THALP and must pay for the full property maintenance costs.

Factors that indicate THALP is acting as a principal

THALP is a Community Housing Provider (CHP) and is registered as a social housing landlord per CHP regulations. THALP therefore has the relationship with the Ministry of Social Development (MSD) and the Ministry of Housing and Urban Development (HUD) from October 2018, with regards to charging and collecting the income related rent subsidy and letting of tenants through the Ministry's application and vacancy process. Any obligations arising under the CHP regulations are the responsibility of THALP. THALP is also party to the tenancy agreement with the social housing tenants and THALP makes the decisions regarding who to accept as a tenant. THALP also bears the credit risk under the new deed of lease.

Factors that indicate THALP is acting as an agent

TRL is the asset owner and is responsible for funding and making the decisions regarding the maintaining of the properties, a significant portion of which is outsourced to a separate facilities management company. TRL has influence over the tenancy term with its ability to give notice to remove a property from the deed of lease. TRL also bears tenant occupancy risk from the subleasing arrangement.

Management have determined that on balance, THALP is acting as an agent for TRL and is carrying out its aforementioned duties on behalf and for TRL.

Accounting standards issued but not yet effective

For standards issued that have not yet commenced to apply, these standards are not expected to have a material impact on the financial statements.

TĀMAKI REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

2. RENTAL INCOME

	2025	2024
	Actual	Actual
	\$000's	\$000's
Income-related rent subsidies	55,603	47,446
Residential Rental income from tenants	25,138	24,380
Total rental revenue	80,741	71,826

TRL owns a state housing portfolio from which it derives rental income. TRL has appointed THALP as its agent in providing tenancy and property management services to its state housing tenants. THALP is a registered Community Housing Provider and as part of its services, it collected rental income on behalf of TRL, all of which was subsequently remitted to TRL.

TRL pays THALP a management fee expense for the provision of tenancy and property management services, which is included in the Statement of Comprehensive Revenue and Expense. In the current year, this management fee expense was \$7.8m (2024: \$7.6m).

3. OTHER EXPENSES

	2025	2024
	Actual	Actual
	\$000's	\$000's
Fee paid to EY for audit of financial statements	123	121
IT support and licence fees	24	23
Bad and doubtful debts	81	92
Power for communal areas in public housing	84	57
(Loss)/Gain on Disposal of Assets	(885)	(344)
Moving Expenses	114	119
GST Leakage	973	942
Other	202	167
Total other expenses	716	1,177

4. TRADE AND OTHER RECEIVABLES

	2025	2024
	Actual	Actual
	\$000's	\$000's
Trade receivables	2,000	11,438
Receivable from THALP* (non-exchange)	4,331	3,706
Payment advanced to TRC Parent* (non-exchange)	9,527	10,720
Receivable from tenants (non-exchange)	493	692
Prepayments (exchange)	771	749
GST receivable (exchange)	4,174	1,787
Trade and other receivables at face value	21,296	29,092
Less: allowance for credit losses	(215)	(267)
Total trade and other receivables	21,081	28,825

*TRC Parent legally owns TRL and is therefore a related party of TRL. However, TRC Parent does not have control over TRL as explained in the reporting entity section of the Statement of Accounting Policies. THALP is also a related party of TRL as it is legally owned and controlled by TRC Parent.

TĀMAKI REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

5. INVENTORIES

	2025 Actual \$000's	2024 Actual \$000's
Balance at 1 July	103,900	100,561
Inventory Additions	7,531	6,632
Transfers from/(to) property, plant and equipment	87,614	26,894
Inventory Disposals	(15,057)	(48,059)
Recognition/(Derecognition) of freehold land through preference shares*	(23,458)	17,873
Balance at 30 June	160,531	103,900

* As explained in the critical accounting estimates and in note 8, this relates to the book value on the transfer of the freehold land and Work-In-Progress on Shared Home Ownership houses.

6. PROPERTY, PLANT AND EQUIPMENT

	Commercial Properties Actual \$000's	Capital work in progress Actual \$000's	Freehold land Actual \$000's	Rental properties Actual \$000's	Total Actual \$000's
Cost					
Balance at 30 June 2024	36,241	55,522	1,955,271	464,751	2,511,785
Additions/Cost Adj during the year	0	62,980	557	15,085	78,622
Revaluations during the year	116	0	6,283	(9,605)	(3,206)
Disposals during the year		(3,621)	(1,084)	(4,407)	(9,113)
Transfers within PPE		0	0	0	0
Transfers from/(to) inventories during the year		(25,671)	(61,943)	0	(87,614)
Balance at 30 June 2025	36,358	89,210	1,899,083	465,824	2,490,476
Accumulated depreciation					
Balance at 30 June 2024	0	0	0	0	0
Depreciation charge for the year	(2,534)			(42,144)	(44,678)
Disposals during the year				4,407	4,407
Revaluations during the year	2,534			37,737	40,271
Balance at 30 June 2025	0	0	0	0	0
Carrying amounts					
Balance at 30 June 2024	36,241	55,522	1,955,271	464,751	2,511,785
Balance at 30 June 2025	36,358	89,210	1,899,083	465,824	2,490,476

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Investments in joint operations

TRL and Ngāi Tai Ki Tāmaki have entered into a joint venture to purchase the land on the corner of Line Road and Taniwha Street, where the GI Police Station is currently located. The parties to the agreement will hold the GI Police Station as tenants in common. Initial capital is to be contributed by the parties in the following proportion: TRL = 90% and Ngāi Tai Ki Tāmaki = 10%.

We have classified the arrangement as a joint operation based on the fact that the parties have joint control in the agreement and that there is a binding agreement between the parties which requires unanimous consent over relevant activities to the arrangement. TRL's interest in the joint operation is accounted for in accordance with paragraphs 23 and 24 of PBE IPSAS 37 which require assets, liabilities, revenues and expenses relating to TRL's interest to be recognized. The parties have agreed to share the income and expenses equally for the first 5 years until the equity of Ngāi Tai Ki Tāmaki has reached 25%. Any capital gains will be split 75% to Ngāi Tai Ki Tāmaki and 25% to TRL until the participating interest of Ngāi Tai Ki Tāmaki has reached 25%. If the value of the property falls below initial capital then the loss is allocated in proportion to participating interests. The participating interests of Ngāi Tai Ki Tāmaki is 10% and TRC is 90%. The risks to TRL are changes in land values and any default in rental payments.

The amount recognized in the statement of financial position are as follows:

	2025 Actual \$000's	2024 Actual \$000's
Assets	2,924	3,054
Liabilities	0	0

The amounts recognized in the statement of comprehensive revenue and expense are as follows:

	2025 Actual \$000's	2024 Actual \$000's
Revenue	80	80
Expenses	5	2

7. CREDITORS AND OTHER PAYABLES

	2025 Actual \$000's	2024 Actual \$000's
Creditors	1,599	15,582
Accrued expenses	32,690	30,282
Payable to TRC Parent*	1,279	1,644
Payable to THALP*	81	42
Revenue in advance	305	411
Total creditors and other payables	35,954	47,961

*TRC Parent legally owns TRL and is therefore a related party of TRL. However, TRC Parent does not have control over TRL as explained in the reporting entity section of the Statement of Accounting Policies. THALP is also a related party of TRL as it is legally owned and controlled by TRC Parent.

8. EQUITY

Ordinary shares

All 100 of TRL's ordinary shares are held by TRC Parent all of which are unpaid and are valued at \$1 per share. The ordinary shares are rounded down to zero in the Statement of Financial Position. There have been no ordinary shares issued since incorporation date. The revaluation reserve and accumulated (deficit) classes of equity are classes of ordinary shares.

Preference shares

An original tranche of preference shares, valued at \$1 per share and held by the Crown, were issued in 2016 upon incorporation of TRL, in exchange for property, plant and equipment, inventories and trade and other receivables previously held by Kāinga Ora. The Crown approved \$300m equity funding as part of the 2018 Budget estimates which was drawn down as cash in tranches in exchange for further preference shares in TRL. In 2023 the Government approved an additional \$870m in equity funding to cover TRL's approved activities over the next 4 years. TRL has drawn down \$98m in FY25 and expects to issue a corresponding number of new \$1 preference shares as it completes the draw downs. (2024: 62m shares)

Return of preference shares

A large portion of the preference shares that were issued in 2016 were in exchange of freehold land. Following the execution of the Umbrella Agreement with Kāinga Ora in March 2019, which resulted in Kāinga Ora becoming TRL's development partner for the redevelopment of TRL's freehold land into new properties, TRL passes the risks and rewards of the freehold land to Kāinga Ora for each development project via issuance of a Licence to Occupy to Kāinga Ora for nil accounting consideration. TRL holds a provision for the value of land expected to be transferred to Kāinga Ora, an entity owned by the same shareholder, for market house sales. The value has been treated as a return to the shareholder with the value of the issued preference shares being reduced by the corresponding value. Any gains on revaluation since the freehold land was received in 2016 is transferred to equity. Preference shares are also reduced for Shared Home Ownership houses that have been 100% sold to third parties.

Subscription agreement between Crown and TRL

The Subscription Agreement between the Crown and TRL addresses the conversion of the preference shares into ordinary shares. The Crown can convert all of the preference shares into ordinary shares at any time. The rate will be one convertible preference share for one ordinary share. The conversion of convertible preference shares into ordinary shares will be a variation of the rights, privileges and restrictions attaching to the convertible preference shares so that these rights, privileges and restrictions become the same as the existing ordinary shares. The Crown can also exercise a call option and purchase the 100 ordinary shares held by TRC Parent for \$100.

Accounting treatment of preference shares

There is no obligation to deliver cash or other financial asset to the shareholder. Hence the definition of a financial liability in PBE IPSAS 28 is not met and the preference shares should be treated as a class of equity. Until the preference shares are repurchased, or returned, or the equity distributed, the value will remain at that assigned to it on the date of the transfer of the assets. The Crown has the option to redeem the preference shares which reflects the current financial reporting treatment whereby Crown controls TRL.

TĀMAKI REGENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the year ended 30 June 2025

8. EQUITY (CONT'D)

Revaluation Reserve

The below table shows the breakdown of the revaluation reserve into the two major classes of property, plant and equipment being freehold land and rental properties. Capital work in progress is not revalued.

	Commercial	Freehold land	Rental	Total
	Actual \$000's	Actual \$000's	Actual \$000's	Actual \$000's
Revaluation reserve as at 1 July 2023	7,004	1,026,526	165,182	1,198,712
Gain/(loss) on revaluation for the year	1,118	(273,502)	66,598	(205,786)
Transfers to Accumulated surplus/(deficit) on disposal of PPE		(2,169)	(5,051)	(7,219)
Revaluation reserve as at 1 July 2024	8,122	750,855	226,730	985,707
Gain/(loss) on revaluation for the year	2,087	2,864	23,619	28,569
Transfers to Accumulated surplus/(deficit) on disposal of PPE	0	(1,059)	(6,854)	(7,913)
Revaluation Reserve 30 June 2025	10,209	752,660	243,494	1,006,363

Capital management

TRL capital is in equity, which comprised ordinary shares contributed by TRC parent, preference share provided by Crown, revaluation reserves and accumulated deficit. Equity is represented in net assets. TRL is subject to the financial management and accountability provision of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives. TRL obtained the ability to co-borrow and be a co-guarantor on shared equity properties via Ministerial approval of the shared equity pilot programme in April 2019 and by Ministerial approval of the expansion of this pilot programme into a larger shared ownership programme in September 2020.

TRL manages its equity by prudently managing revenues, expenses, assets, liabilities. TRL is managed at a group level allowing allocation of funds from TRC Parent and THALP as required. It is acknowledged in the Statement of Intent of the TRC Legal Group that in order to maximise economic and social returns of regeneration this requires some trade-off in financial return. TRL will manage this trade off within the constraints of the business case agreed by shareholders.

9. COMMITMENTS

TRL has contractually committed to buy back state housing stock from developments that are currently in progress in the Tāmaki area that are on land that TRL (or Kāinga Ora) previously owned. TRL has committed to capital works on land for specific, development projects that have commenced at balance date.

Capital commitments

The future state housing buyback commitments are as follows:

	2025 Actual \$000's	2024 Actual \$000's
Not later than one year	171,616	85,343
Later than one year not later than five years	38,306	143,784
Later than five years	0	0
Total capital commitments	209,922	229,127

10. INVESTMENT IN SHARED OWNERSHIP PROPERTIES

	2025 Actual \$000's	2024 Actual \$000's
Balance at 1 July 2024	7,508	4,832
Additional shared ownership investments made	3,304	3,786
Year end adjustment to market value	2,068	(106)
Present value of TRL's foregone share of net rentals	(1,890)	(888)
Buy out of shared ownership investment	(580)	(114)
Balance at 30 June 2025	10,410	7,508

10. INVESTMENT IN SHARED OWNERSHIP PROPERTIES (CONT'D)

Background on the shared ownership programme (SHO)

TRL operates a shared ownership programme (SHO) which is aimed at increasing home ownership levels across Tāmaki. The SHO programme prioritises whānau with a connection to Tāmaki by living, working or having whakapapa to the area. The SHO programme targets whānau with household income from \$85,000 to \$150,000. There is also a pathway for multi-generational whānau with a gross household income up to \$205,000. Multi-generational households are defined as large whānau with 6 or more family members OR 2 or more generations OR 2 or more related family units, living together. Under the programme, whānau are able to buy a proportion of the purchase price, around 70%, which is usually the amount they can afford. This is made up of a deposit and mortgage from one of our SHO partner banks. TRL assists the purchase by holding the remaining proportion as patient capital until whānau buy out TRL's share in the property over a maximum period of 20 years. The whānau may elect to make early repayments of TRL's share without penalty and may purchase TRL's entire share at any stage during the 20 year term. TRL's share is revalued at the time of repayment. There is no interest payable on TRL's share. This allows the whānau to progress into full home ownership where they would otherwise have not been able to purchase 100% of the property.

TRL realises their investment in the SHO home at market value at the time of the purchase. At year end TRL's share of the houses is revalued and a provision is allocated for foregone rent due to the property being only partially owned and as a result cannot generate rental income.

TRL obtained approval from the Associate Minister of Housing (Public Housing) in August 2020 to expand the shared ownership programme to 1,500 homes over the next 20 years. This approval also includes 500 rent to buy homes. Rent to buy allows the whānau to tenant the property from TRL for up to 5 years until they are ready to progress into shared ownership. The income and eligibility criteria are the same as the SHO programme. The rent to buy programme allows whānau to obtain a 50% share of the capital gain in the property over the rental period. TRL charges subsidised rent capped at either 30% of the whānau's gross household income or 80% of the market rental value for that property. In addition, whānau are required to complete a financial capability programme prior to transitioning into shared ownership. This allows whānau to pay down their debt and save towards a deposit. As at balance date, 4 whānau have entered into an agreement to purchase a dwelling under the rent to buy programme, one of whom has progressed into the shared ownership programme.

TRL does not charge any interest on its equity share but retains a proportionate amount of any capital gain which is recognised annually. The parameters of the shared ownership and rent to buy programmes are reviewed on an annual basis and may be adjusted to ensure continued sustainability of the schemes.

Fair value of investment in shared ownership properties

Fair value of the investment in shared ownership properties at the end of each financial year is determined by a revaluation of the properties and calculating the foregone net rental over the life of the agreement. The foregone net rental is discounted to present value. Rental and costs are adjusted over time using the key assumptions detailed below. Gross rental rate is established from the valuation report completed for each property when it is acquired by the homeowner.

	2025 Actual \$000's	2024 Actual \$000's
Market value of shared ownership properties (\$000's)	60,560	39,627
TRL weighted percentage share in the properties (%)	25%	27%
Proportionate value of TRL's investment (\$000's)	15,185	10,551
Present value of TRL's foregone share of net rentals (\$000's)	(4,775)	(3,044)
Fair value of shared ownership properties (\$000's)	10,410	7,508

10. INVESTMENT IN SHARED OWNERSHIP PROPERTIES (CONT'D)

Key assumptions used in fair value calculation

The key assumptions used in the calculation of the present value of proportionate foregone net rentals are set out below:

	Rate p.a
Market value inflation	5% until 2026 / 4% thereafter
Market rent inflation	3%
Cost price inflation	3.5%
Interest rate assumptions	5%
Household income growth	3.0%
Weighted average cost of capital	6.0%

The weighted average cost of capital (the discount rate used in the net present value calculation) is 6% which was selected considering a variety of factors such as Government and Auckland Council's cost of debt and appropriate risk margins.

The interest rate and inflation assumptions are based on relevant Treasury forecasts.

Sensitivity analysis

Sensitivity analysis has been performed below. The impact of a one percent increase or decrease from the aforementioned assumptions on the present value calculation has been provided in the table below.

	Base Input	Effect of 1% increase (\$000's)	Effect of 1% decrease (\$000's)
Market value inflation	5%	25,000	25,000
Market rent inflation	3%	800	800
Cost price inflation	3.5%	800	800
Interest rate assumptions	5.0%	30	30
Household income inflation	3.0%	300	300

The risks of the programme and their mitigations are outlined in note 16 of these financial statements.

11. CONTINGENCIES

There were no contingent assets or contingent liabilities as at 30 June 2025 (2024: nil)

12. RELATED PARTY TRANSACTIONS

TRL's ordinary shares are 100% held by TRC Parent. Hence, TRC Parent is a related party. However, the Crown holds 100% of the preference shares issued by TRL. Due to the conditions imposed by the preference shares, the Crown controls TRL.

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 TRL would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

THALP acts as a agent on behalf of TRL in conducting its tenancy and property management business. TRL pays a management fee for this service which is based on a per property per week number. These fees are an arms length transaction. The balances outstanding between TRL and other entities within the TRC Legal Group are disclosed in notes 4 and 7 of these financial statements.

Kāinga Ora and TRL are both Crown entities and hence Kāinga Ora and TRL are related parties. The issuance of all Licences to Occupy (LTOs) by TRL to Kāinga Ora in accordance with the Umbrella Agreement between both parties are not arm's length transactions. TRL issued LTOs to Kāinga Ora to the value of \$112.571m for nil accounting consideration in 2025 (2024: \$38.816m). This constituted an equity transfer to the Crown for the value of the original preference shares issued in 2016 in exchange for Kāinga Ora property, plant and equipment.

	2025 Actual \$000's	2024 Actual \$000's
Management fee paid to THALP	7,838	7,638
Management fee paid to TRC	6,484	6,281

Key management personnel compensation

	2024 Actual	2024 Actual
Leadership Team		
Remuneration (\$000's)	939	929
Full-time equivalent members	3.06	3.05

TRL has no employees. The activities of TRL are conducted by employees of TRC Parent, the cost of which is on charged to TRL via a management fee. Included in the key management personnel remuneration and full-time equivalent members disclosures above are an allocation of TRC Parent key management personnel who are involved in the management of TRL. No close family members of TRC Parent key management personnel are employed by TRL or TRC Parent. There are no loans made to key management personnel of TRC Parent or close family members. (2024: nil).

13. BOARD MEMBER REMUNERATION

There was no remuneration paid to the Board of TRL during the year. The governance of TRL was conducted via the Board of TRC Parent (henceforth 'Board'), whose remuneration is outlined in its financial statements. There have been no payments made to committee members appointed by the Board who are not Board members during the financial year. TRC Parent has provided a deed of indemnity to its directors during the financial year. TRC Parent has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year which covers the directors of the Board in respect of the liability or costs of Board members and employees. No Board members received compensation or other benefits in relation to cessation (2024: nil).

14. EMPLOYEE REMUNERATION

TRL had no employees during the year as all TRL activities were conducted by employees of TRC Parent. Employees that were dedicated to TRL activities and employees that were partially assigned were on charged via management fee. In the current financial year, \$4,859k of the total management fee expense shown in surplus or deficit related to TRC personnel costs (2024: \$4,715k).

Remuneration from TRC employees amounting to \$1,468k, who are directly attributable to development activities in TRL, are capitalized against respective development activities (2014: \$988k). The capitalized remuneration is included in Note 6.

15. EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date.

16. FINANCIAL INSTRUMENTS

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2025 Actual \$000's	2024 Actual \$000's
Financial assets measured at amortised cost		
Cash and cash equivalents	94,960	73,506
Trade and other debtors	21,081	28,825
Total financial assets measured at amortised cost	116,041	102,331
Financial assets measured at fair value		
Investment in shared ownership properties	10,410	7,508
Total financial assets measured at fair value via surplus and deficit	10,410	7,508
Financial liabilities measured at amortised cost		
Creditors and other payables	35,954	47,961
Total financial liabilities measured at amortised cost	35,954	47,961

16. FINANCIAL INSTRUMENTS (CONT'D)

TRL's principal financial instruments comprise trade receivables and cash. These financial instruments are used to fund TRL's operations. Included in cash and cash equivalents is an account to hold retention money on trust under the Construction Contracts Act 2002 with funds of \$631k (2024: \$157k). The main risks arising from TRL's financial instruments are liquidity risk and credit risk. The Board reviews and agrees policies for managing these risks. They are summarised below:

(a) Interest rate risk

TRL's exposure to market risk for changes in interest rates relates primarily to any interest charged by creditors for overdue accounts which is managed through operating cashflows at a TRC Legal Group level. TRL has no exposure to interest rate risk on shared ownership properties as TRL has no borrowings associated with its investment in shared ownership properties.

(b) Foreign currency risk

TRL had no foreign currency borrowings during the year. Foreign currency trade invoices were settled on demand. TRL's exposure to foreign currency risks are limited to a small number of low value transactions and have not been hedged.

(c) Credit risk

Credit risk is the risk that a third party will default on its obligation to TRL, causing it to incur a loss. TRL is exposed to credit risk from cash with banks and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Shared ownership

TRL's investment in shared ownership properties bears credit risk insofar as whānau are unable to buyout TRL's share in the property over the required 20 year timeframe. TRL manages this risk by forecasting whānau's ability to buyout TRL's share within 20 years before approving the whānau into the programme. Further, as part of the approval process for the shared ownership programme, TRL requires that whānau participate in a pastoral care programme to become financially ready for home ownership. This pastoral care and financial monitoring continues throughout the term of the shared home ownership, which results in high compliance and reduces TRL's overall exposure to residual credit risk.

Risk management

For receivables, TRL reviews the credit quality of customers before granting credit. It continues to monitor and manage receivables based on their ageing and adjusts the expected credit loss allowance accordingly.

Concentration of risk

TRL's cash and cash equivalents only include current and call accounts with a registered bank under the requirements of the Crown Entities Act 2004. All of TRL's banking is with one bank which has a credit rating of AA- as above. The only concentration of credit risk for financial liabilities is with TRC Parent due to loans advanced during the financial year. The risk with TRC Parent is mitigated through management of day-to-day operating activities by the same Board and Management. There is no concentration across development activity as it is carried out in stages with a panel of developers.

Security

No collateral or other credit enhancements are held for financial assets that give rise to credit risk.

16. FINANCIAL INSTRUMENTS

(c) Credit risk (cont'd)

Impairment

Cash and cash equivalents and receivables are subject to the expected credit loss model. TRL assesses individual debtors for impairment monthly. TRL bears credit risk associated with rental income and with recovery of cost of damage repair. The allowance for credit losses for tenant debtors is based on tenant debt more than ninety days overdue.

Credit quality of financial assets

The 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.

	2025 Actual \$000's	2024 Actual \$000's
Counterparties with credit rating		
Cash at Bank		
AA-	94,960	73,506
Total cash at bank	94,960	73,506
Counterparties without credit rating		
Counterparty with no defaults in the past	10,783	15,567
Counterparty with defaults in the past	0	0
Total receivables	10,783	15,567

(d) Liquidity Risk

Liquidity risk is the risk that TRL may encounter difficulty in raising funds at short notice to meet its financial commitments as they fall due. The Government announced a \$870m crown preference share arrangement at Budget 2023 which provides funds within 60 days which is managed prudently by continuously monitoring forecast and actual cash flow requirements. TRL made a drawdown of \$98m in FY25 from the Budget 2023 allocation (FY24 62m) . Currently TRL has significant cash reserves so liquidity risk is minimised. However, in future as this preference share facility is used up, bank financing can be used for short term funding to ensure liquidity is maintained.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amount disclosed are the undiscounted contractual cash flows.

	Carrying \$000's	Contractual \$000's	Less than 6 \$000's	6 to 12 months \$000's	More than a \$000's
2025					
Creditors and other payables	35,954	35,954	35,954	0	0
Total	35,954	35,954	35,954	0	0
2024					
Creditors and other payables	47,961	47,961	47,960	0	0
Total	47,961	47,961	47,960	0	0

16. FINANCIAL INSTRUMENTS (CONT'D)

(e) Market Risk

Market risk applies to TRL's investment in shared ownership properties due to the changes in house prices impacting on the cash that TRL receives from whānau buying TRL's share out. As part of the approval process for the shared ownership programme, TRL requires that whānau participate in a pastoral care programme to become financially ready for home ownership. This pastoral care and financial monitoring continue throughout the term of the shared home ownership, which results in high compliance and reduces TRL and the whānau from being exposed to market risk. TRL manages this risk by forecasting whānau's ability to buyout TRL's share within 20 years before approving the whānau into the programme. Additional safeguards in place include TRL having the ability to purchase the whānau's share outright to use the property for public housing or other purposes. TRL can also work with the whānau and agree to sell the property on an open or closed market for an amount that is not less than the current market valuation.

Market risk on TRL's property, plant and equipment is limited due to the Crown using these properties for the provision of public housing for the foreseeable future. Rental income on public housing is generated from tenants and subsidised by Ministry of Housing and Urban Development, which reduces market risk.

17. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Statement of comprehensive revenue and expense

Total comprehensive revenue and expense is \$21.5m higher than budgeted for FY25. The biggest component of the variance is revaluation freehold land and rental properties. TRL has two key revenue streams being 1) rental revenue from the state housing portfolio and 2) sales of shared ownership properties. There were 17 shared ownership properties sold in FY25 against a budget of 3 which resulted in a favourable variance of \$10m. Rental revenue variance of \$1.1m was due to market rate rent increase being lower than budget and homes being vacated for development earlier than budgeted.

Depreciation is \$7.4m higher than budget mainly due to a number of houses depreciated to zero following an LTO, and expiry dates brought forward for those houses that are forecasted to be redeveloped within twelve months. Repairs and maintenance is \$4.3m favourable than budget due to cost control measures that took place within the year.

Kāinga Ora Land costs amounting to \$3m are missing tooth recharges from Kāinga Ora for the cost of the properties that TRL retains as per Umbrella Agreement.

Statement of financial position

Total current assets is higher than budget mainly due to the ramp up in Shared Ownership Houses builds (Inventory).

Property, plant and equipment (PPE) is lower than budget mainly due to the budget being set prior to Revaluation FY24 and FY25. FY25 actuals are largely in line with last year's due to minimal Revaluation movement.

Creditor and other payables were \$18.8m higher than budget mainly due to land improvement and vertical build costs payable to Kāinga Ora which were outstanding at balance date.

There is a decrease in equity of \$247k compared to budget, this is predominantly caused by the movements in revaluation reserve not being reflected in the budget as budget was set prior to the revaluation.

17. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET (CONT'D)

Statement of cash flows

Net cash flows from operating activities is \$7.8m favourable than budget due to higher receipts for shared homeownership properties, net GST receivable, higher than budget interest on cash holdings offset with the negative variance in rental income.

Net cash flow from investing activities is \$11m higher than budget mainly due to the expansion in development commencing in FY25.

Net cash flows from financing activities are \$2.8m lower than budget because dividend paid to TRC parent is lower than budget due to higher deficits in TRL.



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TAMAKI REGENERATION LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Tāmaki Regeneration Limited (the Company). The Auditor-General has appointed me, Emma Winsloe, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the Company on his behalf.

Opinion

We have audited the financial statements of the Company on pages 50 to 75, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Company on pages 50 to 75:

- 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 Standards.

Our audit was completed on 25 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 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.

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 for the financial statements

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

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

The Board's responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

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 readers taken on the basis of these financial statements.

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



Shape the future with confidence

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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 communicate with the Board 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 Annual Report of Tāmaki Redevelopment Company Limited contains the audited financial statements and performance information of Tāmaki Redevelopment Company Limited Group and the audited financial statements of Tāmaki Regeneration Limited.

The Annual Report also includes other information. The Board is responsible for the other information. The other information comprises the information included on pages 1 to 4, 18 to 27, 48 to 49 and 79 to 86 but does not include the financial statements and the performance information, and our auditor's reports thereon.

Our opinions on the financial statements and performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audits 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 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 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) (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 Company.

A handwritten signature in blue ink that reads 'Emma Winsloe'.

Emma Winsloe
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
Aggregated TRC Group and TRL Financial Statements (Unaudited)
For the year ended 30 June 2025

Handwritten signature

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TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
STATEMENT OF RESPONSIBILITY (UNAUDITED)
For the year ended 30 June 2025

We are responsible for the preparation of the aggregated TRC Group & TRL financial statements (non-GAAP) of the Tāmaki Redevelopment Company Limited Legal Group (TRC Legal Group) and for the judgements made in them.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

Signed on behalf of the Board:



Director
18 September 2025



Director
18 September 2025

TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE (UNAUDITED)
For the year ended 30 June 2025

	2025 Actual Unaudited \$000's	2025 Budget Unaudited \$000's	2024 Actual Unaudited \$000's
Revenue			
Sales of shared ownership properties	12,378	2,400	13,167
Income-related rent subsidies	55,603	59,558	47,446
Rental income from tenants	25,138	22,304	24,380
Other income	405	1,458	609
Total revenue	93,524	85,720	85,602
Expenditure			
Personnel costs	14,209	15,308	14,155
Consultants and professional fees	4,023	3,771	4,271
Directors fees	284	341	297
Cost of land disposed	16,387	5,715	14,021
Kainga Ora Land Cost	3,117	0	4,056
Repairs and maintenance	26,832	31,171	35,339
Utilities and insurance	15,925	16,620	15,024
Other expenses	5,026	6,151	6,120
Total expenditure	85,803	79,077	93,283
EBITDAF*	7,721	6,643	(7,681)
Depreciation and amortisation expense	44,737	37,286	39,522
Loss on fair value on shared ownership properties	(329)	0	910
Loss on fair value on commercial properties	77	0	761
Loss on revaluation on land under development	0	0	12,019
Loss on revaluation on rental properties	784	0	175
Total fair value adjustments	532	0	13,865
Total depreciation, amortisation and fair value adjustments	45,269	37,286	53,387
EBIT	(37,548)	(30,643)	(61,068)
Interest income	4,315	2,809	3,037
Net interest income	4,315	2,809	3,037
(Deficit) before tax	(33,233)	(27,834)	(58,031)
(Deficit) for the year	(33,233)	(27,834)	(58,031)
Other comprehensive revenue and expense			
Gain/(Loss) on revaluation of freehold land	2,864	0	(273,502)
Gain/(Loss) on revaluation of commercial properties	2,087	0	1,118
Gain/(Loss) on revaluation of rental properties	23,619	0	66,598
Total other comprehensive revenue and expense	28,569	0	(205,786)
Total comprehensive revenue and expense	(4,664)	(27,834)	(263,817)

The accompanying note forms part of these financial statements.

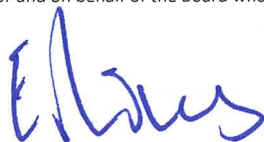
* Earnings before interest, taxation, depreciation and fair value adjustments.

TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the year ended 30 June 2025

	2025 Actual Unaudited \$000's	2025 Budget Unaudited \$000's	2024 Actual Unaudited \$000's
Assets			
Current assets			
Cash and cash equivalents	101,932	80,376	80,104
Trade and other receivables	16,161	14,214	18,131
Inventories	160,531	109,964	103,900
Total current assets	278,624	204,554	202,135
Non-current assets			
Investment in shared ownership properties	10,410	6,901	7,508
Property, plant and equipment	2,490,599	2,799,588	2,511,912
Total non-current assets	2,501,009	2,806,489	2,519,420
Total assets	2,779,633	3,011,043	2,721,555
Liabilities			
Current liabilities			
Creditors and other payables	41,784	28,263	49,336
Annual leave liability	757	671	883
Total current liabilities	42,541	28,934	50,219
Non-current liabilities			
Deferred GST	1,599	0	1,263
Total non-current liabilities	1,599	0	1,263
Total liabilities	44,140	28,934	51,482
Net assets	2,735,493	2,982,109	2,670,073
Equity			
Ordinary shares - Crown	5,000	5,000	5,000
Ordinary shares - Auckland Council	3,500	3,500	3,500
Preference shares - Crown	2,046,509	2,090,996	1,976,425
Revaluation reserve	1,006,363	1,198,712	985,707
Accumulated (deficit)	(325,879)	(316,099)	(300,559)
Total equity	2,735,493	2,982,109	2,670,073

The accompanying note forms part of these financial statements.

For and on behalf of the Board who authorise the issue of the financial statements on 18 September 2025.



Director
18 September 2025



Director
18 September 2025

TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the year ended 30 June 2025

	Contributed Capital	Revaluation Reserve	Accumulated (deficit)	Total
	Actual Unaudited \$000's	Actual Unaudited \$000's	Actual Unaudited \$000's	Actual Unaudited \$000's
Balance at 1 July 2024	1,984,925	985,707	(300,559)	2,670,073
Total comprehensive revenue and expense (Deficit) for the year	0	0	(33,233)	(33,233)
Other comprehensive revenue and expense	0	28,569	0	28,569
Reversal of revaluation reserve on PPE derecognition	0	(7,913)	7,913	0
Total comprehensive revenue and expense	0	20,656	(25,320)	(4,664)
Owners' transactions				
Capital contribution	98,000	0	0	98,000
Adjustment on derecognition of inventory	(27,916)	0	0	(27,916)
Total contributions and distributions	70,084	0	0	70,084
Balance at 30 June 2025	2,055,009	1,006,363	(325,879)	2,735,493
	Budget Unaudited \$000's	Budget Unaudited \$000's	Budget Unaudited \$000's	Budget Unaudited \$000's
Balance at 1 July 2024	2,001,496	1,198,712	(288,265)	2,911,943
Total comprehensive revenue and expense (Deficit) for the year	0	0	(27,834)	(27,834)
Total comprehensive revenue and expense	0	0	(27,834)	(27,834)
Owners' transactions				
Capital contribution	98,000	0	0	98,000
Total contributions and distributions	98,000	0	0	98,000
Balance at 30 June 2025	2,099,496	1,198,712	(316,099)	2,982,109

The accompanying note forms part of these financial statements.

TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (CONT'D)
For the year ended 30 June 2025

	Contributed Capital	Revaluation Reserve	Accumulated (deficit)	Total
	Actual Unaudited \$000's	Actual Unaudited \$000's	Actual Unaudited \$000's	Actual Unaudited \$000's
Balance at 1 July 2023	1,939,496	1,198,712	(249,749)	2,888,459
Total comprehensive revenue and expense				
(Deficit) for the year	0	0	(58,031)	(58,031)
Other comprehensive revenue and expense	0	(205,786)	0	(205,786)
Reversal of revaluation reserve on PPE derecognition	0	(7,219)	7,219	0
Total comprehensive revenue and expense	0	(213,005)	(50,812)	(263,817)
Owners' transactions				
Capital contribution	62,000	0	0	62,000
Return of value to the Crown	(16,571)	0	0	(16,571)
Total contributions and distributions	45,429	0	0	45,429
Balance at 30 June 2024	1,984,925	985,707	(300,559)	2,670,073

The accompanying note forms part of these financial statements.

TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
STATEMENT OF CASH FLOWS (UNAUDITED)
For the year ended 30 June 2025

	2025 Actual Unaudited \$000's	2025 Budget Unaudited \$000's	2024 Actual Unaudited \$000's
Cash flows from operating activities			
Sales of shared ownership properties	9,798	2,400	9,564
Rental income from tenants	25,100	22,310	24,712
Income-related rental subsidies	55,126	59,558	47,394
Other revenue received	198	1,458	375
Net interest received/(paid)	4,315	2,809	3,037
Dividend received	21	0	30
Payments to suppliers	(58,155)	(60,230)	(47,681)
Payments to employees	(14,993)	(15,308)	(14,005)
Goods and services tax (net)	1,988	0	4,879
Net cash flow from operating activities	23,398	12,997	28,305
Cash flow from investing activities			
Purchase of property, plant and equipment	(97,614)	(87,779)	(58,996)
Sales on PPE	0	0	3,247
Sale of share investment & others	7	0	0
Purchase of shared ownership property land	(1,963)	(720)	0
Net cash flow from investing activities	(99,570)	(88,499)	(55,731)
Cash flow from financing activities			
Preference share offset	0	(617)	0
Preference share drawdown	98,000	98,000	62,000
Net cash flow from financing activities	98,000	97,383	62,000
Net (decrease)/increase in cash and cash equivalents	21,828	21,881	34,574
Cash and cash equivalents at the beginning of the year	80,104	58,495	45,530
Cash and cash equivalents at the end of the year	101,932	80,376	80,104

The accompanying note forms part of these financial statements.

TĀMAKI REDEVELOPMENT COMPANY LIMITED LEGAL GROUP
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
For the year ended 30 June 2025

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

These financial statements are for the Tāmaki Redevelopment Company Legal Group (TRC Legal Group) which comprises of:

- Tāmaki Regeneration Limited (TRL); and
- Tāmaki Redevelopment Company Limited Group (TRC Group) which further comprises of the parent Tāmaki Redevelopment Company Limited (TRC Parent) and its two subsidiaries Tāmaki Housing Association Limited Partnership (THALP) and THA GP Limited (THAGP).

The financial statements for the TRC Legal Group are the aggregated financial statements of TRC Group & TRL, each of which have been included separately as part of this Annual Report.

Basis of preparation

The financial statements of the TRC Legal Group are a non-GAAP aggregated set of financial statements. TRC Group consists of TRC Parent, THALP and THAGP. As TRC Parent controls THALP and THAGP it is required by NZ GAAP to consolidate THALP and THAGP into the TRC Group. The Directors of TRC Parent note that while TRC Parent holds 100% of the ordinary shares of TRL, the Crown holds 100% of the preference shares in TRL. The rights and obligations attached to the preference shares result in the Crown having control of TRL, meaning that it is inconsistent with NZ GAAP to consolidate TRL into TRC Group. The Directors of TRC Parent wish to present a view of the financial position of TRC Legal Group and its results for the year ended 30 June 2025 in one set of financial statements. Such a presentation has to be treated as a non-GAAP set of financial statements as it is not acceptable under PBE IPSAS 35 Consolidated Financial Statements to consolidate TRL into TRC Group.

The appropriate way to present these financial statements is as a non-GAAP aggregation disclosure. These financial statements have been clearly marked as a non-GAAP aggregation. They have been prepared on a going concern basis. These financial statements have applied the same accounting policies that TRC Group and TRL have applied as set out in their own financial statements within this annual report. The accounting policies have been applied consistently throughout the year.

The notes to these financial statements are limited to the Statement of Accounting Policies.

Statement of compliance

The financial statements of TRC Legal Group have not been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). This is because NZ GAAP, specifically PBE IPSAS 35 Consolidated Financial Statements does not allow the consolidation of TRL into TRC Group, as the Crown rather than the TRC Parent controls TRL. All other PBE Accounting Standards have been complied with.

The TRC Legal Group's aggregate of TRC Group & TRL's financial statements (non-GAAP) have been prepared in accordance with Tier 2 PBE accounting standards, which allows reduced disclosures.

Functional and presentation currency

The aggregate TRC Group & TRL financial statements (non-GAAP) are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of TRC Legal Group is New Zealand dollars (NZ\$).

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of TRC Legal Group are materially the same as the accounting policies used in the preparation of the financial statements of TRC Group and TRL.