



## **ANNUAL REPORT**

**For the Year Ended  
30 June 2025**

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**Directory and Statutory Disclosures**

<b>Registered Office</b>	53 Hereford Street Christchurch
<b>Directors</b>	James Gough Sam MacDonald Jake McLellan
<b>Bankers</b>	Bank of New Zealand ANZ Bank New Zealand ASB Bank
<b>Auditors</b>	Audit New Zealand on behalf of the Auditor General Christchurch

**NATURE OF BUSINESS**

Civic Building Ltd (the Company) was established on 12 October 2007 in order to carry out the development of the civic building for the Christchurch City Council (Council). On 26 October 2007 the Company entered into an agreement to develop the civic building on the NZ Post site with Ngai Tahu. The 2009 Annual Plan approved the creation of an unincorporated joint venture structure to carry out the development. The Company has a 50% interest in the resulting joint venture.

The Company appoints three representatives to the unincorporated joint venture Board. The Company's representatives on the joint venture board are its directors.

The Company does not have any staff, rather it is managed by the Christchurch City Council.

## **DIRECTORS**

The persons holding office as Directors of the Company throughout the year and on 30 June 2025 were:

James Gough  
Sam MacDonald  
Jake McLellan

## **DIRECTOR'S INTERESTS**

The following Directors as at 30 June 2025 have made general disclosures of interest with respect to any transaction that may be entered into with certain organisations on the basis of their being a Director, Partner, Trustee or Officer of those organisations during the year:

<b>James Gough</b>	Councillor	Christchurch City Council
	Director	Civic Building Limited
	Director & Shareholder	Gough Corporation Holdings Limited
	Director	Gough Corporation Limited
	Director & Shareholder	Gough Family Investments Limited
	Director & Shareholder	Gough Family Limited
	Director & Shareholder	Gough Investment Corporation Limited
	Director & Shareholder	Gough Property Corporation Limited
	Director	The Terrace Carpark Limited
	Director	The Terrace Christchurch Limited
	Director	The Terrace On Avon Limited
	Director	Transwaste Canterbury Limited
<b>Sam MacDonald</b>	Independent Director	Te Rūnanga o Waihao Holdings Ltd
	Councillor	Christchurch City Council
	Director	Christchurch City Holdings Limited
	Director	Civic Building Limited
	Trustee	Development West Coast
	Director / Shareholder	Eminence Property Holdings Limited
	Director / Shareholder	MacDonald Consultancy Limited
	Director	West Coast Alliance Holdings Limited
	Director	West Coast Development Holdings Limited
	Director	Te Rūnanga o Waihao Holdings Ltd
<b>Jake McLellan-Dowling</b>	Councillor	Christchurch City Council
	Director	Christchurch NZ Limited
	Director	Civic Building Limited
	Director	Christchurch NZ Holdings Limited
	Trustee	Otautahi Community Housing Trust

## **REMUNERATION OF DIRECTORS**

No remuneration and other benefits were paid or due and payable to directors for services as a director during the year (2024: Nil)

## **USE OF COMPANY INFORMATION**

During the year, the Board received no notices from members or directors of Company requesting to use Company information received in their capacity as Members or Directors which would not otherwise have been available to them.



**DONATIONS**

There were no donations made by the Company during the year (2024: Nil).

**DIVIDENDS**

There have been no dividends declared for the year (2024: Nil).

**EMPLOYEES' REMUNERATION**

The Company has no employees.

**AUDITORS**

The Auditor-General is the auditor under Section 15 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Audit New Zealand has been appointed to provide these services on behalf of the Auditor-General.

**For and on behalf of the Board**

**Director**



**Date** 10 December 2025

**Director**



**Date** 10 December 2025

**Civic Building Limited**  
**Annual Report Year Ended 30 June 2025**

**Statement of Comprehensive Income**  
**For the year ended 30 June 2025**

	Note	2025 \$000	2024 \$000
<b>Revenue</b>	1(a)	5,081	4,351
Finance costs	1(b)	2,997	3,273
Other expenses	1(b)	<u>958</u>	<u>878</u>
		3,955	4,151
(Loss) / profit before income tax		<u>1,126</u>	<u>200</u>
<b>Income tax expense/(income)</b>	2	<u>133</u>	<u>4,576</u>
(Loss) / profit for the period		<u>993</u>	<u>(4,376)</u>
Other comprehensive income		96	(30)
Total comprehensive income		<u><u>1,089</u></u>	<u><u>(4,406)</u></u>

The accompanying accounting policies and notes form part of these financial statements.

**Statement of Financial Position**  
**For the year ended 30 June 2025**

		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>\$000</b>	<b>*Restated \$000</b>
<b>Current assets</b>			
Cash and cash equivalents	12	4,395	1,550
Trade and other receivables*	4(a)	2,754	2,162
Other financial assets	4(b)	-	3,500
<b>Total current assets</b>		<u>7,149</u>	<u>7,212</u>
<b>Non-current assets</b>			
Investment property	6	7,050	6,400
Trade and other receivables*	4(a)	35,323	38,082
<b>Total non-current assets</b>		<u>42,373</u>	<u>44,482</u>
<b>Total assets</b>		<b>49,522</b>	<b>51,695</b>
<b>Current liabilities</b>			
Trade and other payables	7	233	253
Current tax liabilities	2(b)	597	375
Borrowings	8	-	2,716
<b>Total current liabilities</b>		<u>830</u>	<u>3,344</u>
<b>Non-current liabilities</b>			
Borrowings	8	50,324	47,608
Deferred tax liabilities	2(c)	9,406	9,870
<b>Total non-current liabilities</b>		<u>59,730</u>	<u>57,478</u>
<b>Total liabilities</b>		<u>60,560</u>	<u>60,822</u>
<b>Net assets</b>		<u>(11,038)</u>	<u>(9,127)</u>
<b>Equity</b>			
Capital and other equity instruments	9	2,252	5,252
Retained earnings		(13,972)	(14,965)
Reserves		682	586
<b>Total equity</b>		<u>(11,038)</u>	<u>(9,127)</u>

The accompanying accounting policies and notes form part of these financial statements.

**For and on behalf of the Board**

**Director**



**Date** 10 December 2025

**Director**



**Date** 10 December 2025

**Civic Building Limited**  
**Annual Report Year Ended 30 June 2025**

**Statement of changes in equity**  
**For the year ended 30 June 2025**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Other Reserves</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Balance at 1 July 2023	<b>5,252</b>	<b>(10,589)</b>	<b>616</b>	<b>(4,721)</b>
<b>Total comprehensive income for the period</b>				
Profit/(Loss) for the for year	-	(4,376)	-	(4,376)
Capex Reserve	-		(30)	(30)
Preference shares repayment	-			-
<b>Balance at 30 June 2024</b>	<b>5,252</b>	<b>(14,965)</b>	<b>586</b>	<b>(9,127)</b>
Profit/(loss) for the year	-	993	-	993
Other comprehensive income	-		96	96
Preference shares repayment	(3,000)			(3,000)
<b>Balance at 30 June 2025</b>	<b>2,252</b>	<b>(13,972)</b>	<b>682</b>	<b>(11,038)</b>

The accompanying accounting policies and notes form part of these financial statements.

**Civic Building Limited**  
**Annual Report Year Ended 30 June 2025**

**Statement of Cash Flows**  
**For ended 30 June 2025**

	Note	2025 \$000	2024 \$000
<b>Cash flows from operating activities</b>			
Operating revenue		6,285	6,263
Subvention (payment)/received		(375)	(255)
Payments to suppliers		(884)	(905)
Gain/Losses		-	-
Net cash provided by operating activities	12	<u>5,026</u>	<u>5,103</u>
<b>Cash flows from investing activities</b>			
Interest received		315	114
Maturities of term deposits		3,500	500
New term deposits		-	(3,500)
Net cash provided by investing activities		<u>3,815</u>	<u>(2,886)</u>
<b>Cash flows from financing activities</b>			
Repayment of redeemable preference shares		(3,000)	-
Interest paid		(2,997)	(3,273)
Net cash provided by financing activities		<u>(5,997)</u>	<u>(3,273)</u>
Net increase (decrease) in cash and cash equivalents		2,844	(1,056)
Cash and cash equivalents at beginning of year		1,550	2,606
<b>Cash and cash equivalents at end of year</b>	12	<u><u>4,395</u></u>	<u><u>1,550</u></u>

The accompanying accounting policies and notes form part of these financial statements.

**Statement of Service Performance**  
**Reporting against the Statement of Intent**

	<b>Target</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<i>Income</i>			
Interest - Finance Lease	2,831	2,788	(43)
Interest - Other	219	315	96
Other income	1,320	1,328	8
Gain on revaluation of investment property	-	650	650
Total Income	4,370	5,081	711
<i>Expenses</i>			
Finance costs	3,158	2,997	161
Other expenses	802	958	(156)
Total Expenses	3,960	3,955	5
Net Surplus (deficit) before tax	410	1,127	717
Taxation (income)	(39)	133	172
Net Surplus (deficit) after tax	449	994	545
<u>Capital Structure</u>			
Uncalled capital	10,000	10,000	-
RPS Shares	4,968	2,252	2,716
Borrowings from Council	47,608	50,324	(2,716)
Finance Lease assets	38,079	38,078	1
Total Assets	48,496	49,522	1,026
Ratio of shareholder funds to total assets	-6.9%	-22.3%	

**Key performance targets**

To ensure that the Company meets the financial targets contained within the Statement of Intent.

**Financial performance targets**

Total actual income is higher than plan due to the higher interest income and gain on revaluation of investment property (land).

Expenses are in line with plan. Increases in other expense offsets by lower finance cost.

The borrowing amount remains the same as no repayment was made during this financial year. Regarding upper managements' agreement that CBL buys back its shares first rather than repaying loans to CCC due to capital restructuring.

\$3 million redeemable preference shares were agreed to be redeemed on December 2024 CBL board meeting, which decreases RPS shares thus decrease equity. This also effect \$2.7 million short term loan becomes long term loan in FY25.

Total assets are higher than plan due to larger than planned cash and cash equivalents resulting from the delay of debt payments.

Ratio of Shareholder funds to total assets decreased due to retained earnings drop in paying redeemable preference shares and subvention payment to CCC.

## Performance Measures

### Operational Performance Targets

Objective and Strategy	Performance Measure	Result	Achieved or Not Achieved
Meet the financial targets contained within this SOI.	Review of corporate financials in comparison to budget.	Performance against budget is going well against the key elements that the department is involved in.	Achieved
Manage the investment in a commercially astute and prudent manner.	Review of asset performance following the investing of capex and opex.	Performance of assets is going well with the performance against operational budget.	Achieved

### Environmental Performance Targets

Performance Target	Performance Measure	Result	Achieved or Not Achieved
Consistently maintaining and enhancing a high standard in terms of environmental and energy sustainability..	Any plant or system that helps reduce energy consumption is maintained and kept to a high standard of operation - All plant related to this target remains operational 90 % of the time unless there is a specific issue requiring further attention (lighting controls / rain water tanks / solar panels)	Achieved to date	Achieved

### Social Performance Target

Performance Target	Performance Measure	Result	Achieved or Not Achieved
Maintain Te Hononga to meet or exceed New Zealand Standard NZS 4121:2001 Design for access and mobility – buildings and associated facilities and Christchurch City Council's Equity and Access for People with Disabilities Policy.	Provide twice the building code ventilation as per building design  To maintain the implementation of all pertinent recommendations from the accessibility audit conducted in the fiscal year 2022.	Achieved to date.	Achieved

**Notes to the Financial Statements**

**1 Profit from operations**

**(a) Revenue**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Rental revenue:		
Operating lease rental revenue - investment property	493	485
Recovery of property expenses	835	817
	<u>1,328</u>	<u>1,302</u>
Interest revenue:		
Finance lease interest revenue	2,788	2,936
Bank deposits	315	114
	<u>3,103</u>	<u>3,050</u>
Other revenue:		
Gain on revaluation of investment property	650	-
Total revenue	<u>5,081</u>	<u>4,351</u>

**(b) Expenses**

	Note	<b>2025</b>	<b>2024</b>
		<b>\$000</b>	<b>\$000</b>
Finance costs:			
Interest on loans		2,989	3,273
Other interest		8	-
		<u>2,997</u>	<u>3,273</u>
Direct operating expenses of investment properties:			
Audit fees	3	36	34
Management fees		23	23
Professional Fees		35	6
Property management costs		836	790
Repairs and maintenance		3	4
Other		25	22
		<u>958</u>	<u>878</u>
Total expenses		<u>3,955</u>	<u>4,150</u>



**Notes to the Financial Statements**

**2 Income Taxes**

**(a) Income tax recognised in profit or loss**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Tax expense/(income) comprises:		
Current tax expense/(income)	597	375
Deferred tax expense/(income)	(464)	4,190
Adjustments to current tax in prior years	-	11
Total tax expense/(income)	<u>133</u>	<u>4,576</u>
Reconciliation of prima facie income tax:		
	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Profit/(loss) from operations	<u>1,126</u>	<u>200</u>
Income tax expense calculated at 28% (2024: 28%)	315	56
Correction to prior year	-	11
Non assessable income	(131)	-
Deferred tax adjustment	<u>51</u>	<u>4,509</u>
	<u>235</u>	<u>4,576</u>

**(b) Current tax assets and liabilities**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Current tax liabilities:		
Subvention receivable/(payable)	<u>(597)</u>	<u>(375)</u>
	<u>(597)</u>	<u>(375)</u>

**(c) Deferred tax balances**

Taxable and deductible temporary differences arise from the following:

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Deferred tax liabilities:		
Temporary differences	<u>9,406</u>	<u>9,870</u>
	<u>9,406</u>	<u>9,870</u>

## Notes to the Financial Statements

Taxable and deductible temporary differences arise from the following:

Year ended June 2025	Opening balance \$000	Charged to income \$000	Closing balance \$000
Deferred tax liabilities:			
Investment Property	9,870	(464)	9,406
	<u>9,870</u>	<u>(464)</u>	<u>9,406</u>

Year ended 30 June 2024	Opening balance \$000	Charged to income \$000	Closing balance \$000
Deferred tax liabilities:			
Investment Property	5,680	4,190	9,870
	<u>5,680</u>	<u>4,190</u>	<u>9,870</u>

### 3 Remuneration of auditors

	2025 \$000	2024 \$000
Auditor of the entity:		
Audit of the financial statements - current year	22	22
Audit of the financial statements - previous year	8	-
Audit of the financial statements - JV Auditor*	6	10
	<u>36</u>	<u>32</u>

\*Auditor for CBL is Audit New Zealand, auditor for JV is EY.

Notes to the Financial Statements

4 Current trade and other receivables & other financial assets

(a) Trade and other receivables

	Note	2025 \$000	2024 *Restated \$000
Finance lease receivable-Current	5	2,754	2,162
Finance lease receivable-Non Current	5	35,323	38,077
Sundry Receivable		-	6
		<u>38,077</u>	<u>40,245</u>

(b) Other financial assets

	Note	2025 \$000	2024 \$000
CCBJV Term deposits - BNZ			
CBL Term deposits - ANZ		-	1,000
CBL Term deposits - ASB		-	2,500
		<u>-</u>	<u>3,500</u>

The carrying value of debtors and other receivables approximately reflect their fair value. Receivables are at low risks as the majority of the balance is a finance lease backed by a blue-chip tenant in the form of CBL's parent. Credit risk for these assets has not increased significantly since their initial recognition.

The carrying value of receivables that would otherwise be past due or impaired whose terms have renegotiated amount been to \$nil (2024: \$nil).

**Correction of finance lease receivable**

During the year we have identified a prior period year error in relation to the current/non-current classification of the finance lease receivable. The current/non-current classification issues on the balance sheet arose because the finance lease balances calculated at the inception of the lease were not used in the preparation of the disclosure and that a secondary recalculation of the PV of minimum lease payments was prepared that incorrectly allocated the lease principal and interest over the term of the lease.

The error has been corrected by restating the prior year finance lease receivable current and non-current split as follows:

30 June 2024	As reported 2024 \$000	Adjustment increase/(decrease) \$000	*Restated \$000
<b>Trade and other receivables</b>			
<b>Current assets</b>			
Finance lease receivable	4,765	(2,603)	2,162
<b>Non-current assets</b>			
Finance lease receivable	35,474	2,603	38,077

**Notes to the Financial Statements**

**5 Non-current trade and other receivables**

**Finance Lease Receivable**

	Minimum future lease payments		Present value of minimum future lease payments	
	2025 \$000	*2024 Restated \$000	2025 \$000	*2024 Restated \$000
No later than one year	5,371	4,950	2,754	2,162
Later than one year and not later than five years	22,156	21,847	13,927	12,677
Later than five years	24,773	30,452	21,396	25,400
Minimum lease payments	52,300	57,249	38,077	40,239
Unguaranteed residual	-	-	-	-
Gross finance lease receivables	52,300	57,250	38,077	40,239
Less unearned finance income	(14,222)	(17,010)	-	-
Present value of minimum lease payments	38,078	40,239	38,077	40,239
Future rent lost			-	-
Revised carrying value			38,077	40,239
Included in the financial statements as:				
Current trade and other receivables			2,754	2,162
Non-current trade and other receivables			35,323	38,077
			38,077	40,239

The Company and Ngai Tahu Property (CCC-JV) lease the Civic Building at 53 Hereford Street to the Christchurch City Council. The lease commenced on 24 August 2010 and is for a period of 24 years, with three rights of renewal, giving a total lease life of 96 years.

Rental on the building (including land) was initially set at \$8,233,776 per annum, with the following rental increases specified in the contract:

1. 3 per cent increase per annum which is payable on the third anniversary of commencement, compounded on an annual basis.
2. market rental increase on every sixth anniversary of commencement, set at the greater of five per cent or market rental.
3. further 3 per cent per annum payable on the sixth anniversary of the increase in point 1.

\*During the year we have identified a prior period year error in relation to the current/non-current classification of the finance lease receivable as explained in Note 4, and the aging of finance lease receivables. In addition to the restatement explained in Note 4, in 2024 the minimum lease payments receivable in 2029/30 were incorrectly classified in the 'Later than one year and not later than five years' band but should have been included in the 'Later than five years' band. The total minimum lease payments disclosed in 2024 is unaffected by this change. The comparative disclosures have been restated by the following amounts to correct these errors:

30 June 2024	As reported 2024 \$000	Adjustment Increase/(decrease) \$000	*Restated \$000
<b>Minimum future lease payments</b>			
Later than one year and not later than five years	27,527	(5,680)	21,847
Later than five years	24,773	5,680	30,452

**Notes to the Financial Statements**

Present value of future lease payments			
No later than one year	4,765	(2,603)	2,162
Later than one year and not later than five years	21,484	(8,807)	12,677
Later than five years	13,990	11,410	25,400

**6 Investment property**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Balance at beginning of financial year	6,400	6,400
Revaluation	650	-
Balance at end of financial year	<u>7,050</u>	<u>6,400</u>

On entering the lease with the Council for the Civic Building, the building has been reclassified as a finance lease receivable. The land portion remains classified as investment property.

**Recognition and Measurement**

Investment Property includes properties held to earn rental income and/or for capital appreciation that are not occupied by the combined group. These properties are measured at fair value on an annual basis. Gains or losses arising from a change in fair value are included in profit or loss in the period in which they arise.

**Measurement of Fair Value**

Due to historically low interest rates, alternative investment markets demonstrating more risk and volatility and low vacancy rates in some sectors (particularly industrial). Prime quality strongly leased property transactions continue to show some yields at historical lows.

Investment properties were fair valued at 30 June 2025 by independent registered external valuers, CBRE Limited.

The valuation of this property does not use fully observable data, it is classified as a level 3 fair value. There have been no transfers in or out of this level during the year.

The fair value of this property has been determined by capitalising the potential income that the property can generate. This is tested against a discounting of future cash flows arising from the property.

The valuer notes the Christchurch CBD office market is experiencing downward pressure on rents with incentives now increasingly prevalent as adjustments to the over-supply of office buildings halts the volume of office construction. While providing for the downward pressure on rents in the Christchurch CBD office market, the valuer references the superior nature of the Christchurch Civic Building to most other buildings in Christchurch, the strong lease terms and quality tenant are providing an offset to what is otherwise a weakened current rental market. The capitalisation rate remains 5.50% in June 2025, which is the same as June 2024.

Notes to the Financial Statements

**7 Current trade and other payables**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Trade payables	156	178
GST payable	77	75
	<u>233</u>	<u>253</u>

**8 Non-current borrowings**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
<b>Unsecured:</b>		
<b>Current:</b>		
Loans from parent entity - Current	-	2,716
<b>Non-current:</b>		
Loans from parent entity - Non-Current	50,324	47,608
	<u>50,324</u>	<u>50,324</u>

The Company has entered into a cash advance facility agreement with Council. Repayment started in December 2018 and based on 2025-27 SOI cashflow assumptions the loan is expected to be fully repaid by 2041. Interest is payable at a weighted average of 5.94% quarterly (2024: 6.52% quarterly).

The terms of the cash advance facility allow the Company to make prepayments of principal repayments. During the year the Company made no payment (2024: nil).

The fair value of the borrowings is \$51,738,861 (2024: \$47,433,824) based on cash flows discounted using the market rate of 5.50% (2024: 6.75%)

The fair value of the loan is considered to be categorised as Level 2 on the fair value hierarchy as it has been determined used a number of observable valuation inputs such as the market interest rate (2024: Level 2).

**Notes to the Financial Statements**

**9 Authorised Capital and other equity instruments**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
2,252,000 fully paid redeemable preference shares (A) @ \$1	2,252	5,252
	<u>2,252</u>	<u>5,252</u>
Fully paid redeemable preference shares (A)		
Opening balance of paid up redeemable preference shares	5,252	5,252
Less: redeemable preference shares	(3,000)	-
Closing balance of paid up redeemable preference shares	<u>2,252</u>	<u>5,252</u>

Redeemable preference shares do not carry entitlement to vote at general meetings of the Company and are not transferable. The shares are redeemable at the option of the Company in its sole discretion or upon the winding up of the Company or based on 2025-27 SOI cashflow assumptions the shares are expected to be fully redeemed by 2041. In all other respects redeemable preference shares rank pari passu with ordinary shares.

As at balance date, the Company had issued 10,000,000 ordinary shares with an issue price of \$1 per share. Ordinary shares carry equal rights to dividends, voting, and distribution on winding-up.

	<b>Number of Shares</b>	<b>Amount (\$)</b>
Issued share capital	10,000,000	10,000,000
Less: uncalled share capital	-	(9,999,900)
Called up and paid share capital	10,000,000	100

At balance date, \$9,999,900 of the issued share capital remained uncalled.

During the year, the company repaid \$3 million of redeemable preference shares (2024: \$nil)

**10 Commitments for expenditure**

There were no commitments for development expenditure that were not otherwise accrued at 30 June 2025 (2024: \$nil).

**11 Contingent liabilities and contingent assets**

There were no contingent assets or contingent liabilities as of 30 June 2025 (2024 \$nil).

**Notes to the Financial Statements**

**12 Notes to the cash flow statement**

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	4,395	1,550
	<u>4,395</u>	<u>1,550</u>
<b>Reconciliation of profit for the period to net cash flows from operating activities</b>		
Net profit (Loss) for the period	<u>993</u>	<u>(4,376)</u>
<b>Changes in net assets and liabilities</b>		
Increase / (decrease) in income tax payable	222	131
(Increase) / decrease in receivables	6	11
Increase / (decrease) in payables	(20)	4
Decrease in lease receivable	2,161	2,015
Interest received classed as investing	(315)	(114)
Interest paid classed as financing	2,997	3,273
<b>Non cash items:</b>		
Loss / gain on revaluation of investment property	(650)	-
Increase / decrease in deferred tax	(464)	4,190
Increase / decrease in sinking funds	96	(30)
Net changes in net assets and liabilities	<u>4,033</u>	<u>9,480</u>
Net cash from operating activities	<u>5,026</u>	<u>5,104</u>



**Notes to the Financial Statements**

**13 Related-party transactions**

Council is the ultimate controlling party of the Company. The following transactions were carried out with related parties during the year:

	<b>2025</b>	<b>2024</b>
	<b>\$000</b>	<b>\$000</b>
Receipts from related parties (From CCC)		
Finance Lease interest, principal and rent received from the Council	5,420	5,420
Subvention payments received/(paid) from Council group entities		(254)
Recovery of property expenses from the Council	842	799
Sinking fund from Council	66	60
Payments to related parties (To CCC)		
Interest paid to the Council	2,989	3,273
Fees paid to the Council	-	-
Management fees charged by Ngai Tahu Properties Ltd	108	108
Management fees charged by the Council	23	23
Rates paid to Council	286	281
Loans repaid to Council	-	-
Subvention payments paid to CCC group entities	-	-
Loss offset received from CCC group entities	-	-
Sinking fund from Council	-	131
Te Runanga O Ngai Tahu	-	-
Management fees charged to the Joint Venture by group entities	-	-
Other charges to the Joint Venture by group entities	-	-
Year end balances (GST exclusive)		
Loan advances from Council	50,324	50,324
Accrued interest payable to Council	98	98
Subvention payments payable to group companies	-	375
Accounts Payable to CCC	-	2
Redeemable preference shares	3,000	

The Company expects to receive tax loss from other members of the Council group of \$1,473,274 (50%) (2024: \$669,670) by way of a subvention payable of \$412,517 (50%) (2024: \$187,508) which has been accrued and a loss offset of \$1,060,757 (50%) (2024: \$482,163).

**Key Management Personnel**

All transactions occurred on normal trading terms and conditions.

Key management personnel include the Directors.

The Company paid no Directors fees in the 2025 financial year (2024: \$nil).

The Company paid no joint venture board fees in 2025 (2024: \$nil).

Notes to the Financial Statements

14 Operating Lease Receivable

	Minimum Lease	
	2025	2024
	\$000	\$000
Operating lease as lessor		
Within one year	509	469
Between 1 and 5 years	2,101	2,071
Over 5 years	2,349	2,887
	<u>4,959</u>	<u>5,428</u>

The terms of the lease are detailed in note 5.

Classification of financial instruments

15 Financial instruments

	2025	2024
	\$000	\$000
Financial assets measured at amortised cost		
<b>Current assets</b>		
Cash and cash equivalents	4,395	1,550
Trade and other receivables	2,754	2,162
Other financial assets	-	3,500
	<u>7,149</u>	<u>7,212</u>
<b>Non current assets</b>		
Finance Lease non-current	<u>35,323</u>	<u>38,077</u>
	35,323	38,077
<b>Total Financial Assets</b>	<u>42,472</u>	<u>45,290</u>

Financial liabilities measured at amortised cost

<b>Current liabilities</b>		
Trade and other payables	830	628
Borrowings	-	2,716
	<u>830</u>	<u>3,344</u>
<b>Non current liabilities</b>		
Borrowings	<u>50,324</u>	<u>47,608</u>
	50,324	47,608
<b>Total Financial Liabilities</b>	<u>51,154</u>	<u>50,952</u>

**Notes to the Financial Statements**

<b>as at June 2025</b>	<b>Carrying amount</b>	<b>Contractual cashflows</b>	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>3 - 5 years</b>	<b>More than 5 years</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Financial assets:</b>						
Cash and cash equivalents	4,395	4,395	4,395	-	-	-
Trade and other receivables	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Finance lease receivables	38,077	52,299	5,371	5,409	16,746	24,773
	<u>42,472</u>	<u>56,694</u>	<u>9,766</u>	<u>5,409</u>	<u>16,746</u>	<u>24,773</u>
<b>Financial liabilities:</b>						
Trade and other payables	233	233	233	-	-	-
Related party borrowings	50,324	78,466	2,965	5,682	10,978	58,842
	<u>50,557</u>	<u>78,699</u>	<u>3,198</u>	<u>5,682</u>	<u>10,978</u>	<u>58,842</u>

Finance lease receivables due in less than one year are included in the Trade and other receivables balance.

**Financial instrument risk**

The Company has a series of policies to manage the risks associated with financial instruments. The Company is risk averse and seeks to minimise exposure from its financing activities.

**Credit risk management**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historic information about counterparty default rates.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The Company places its cash with banking institutions that have a Standard and Poor's rating of AA-.

**Liquidity risk management**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and maintaining adequate reserves with the maturity profile of financial assets being matched to the financial liabilities.

**Market risk management**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates and market prices, will affect the Company's profit or the value of its holdings in financial instruments.

*Interest rates*

Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose the Company to interest rate risk.

The Company's borrowing liability with its parent is at a weighted fixed interest rate of 5.94% (2024: 6.52%). The Company is not sensitive to movements in interest rates in respect of its borrowing obligations. Interest rate movements would, however, affect the amount of interest income received by the Company on surplus cash. A 1% movement either way would have the effect of increasing/decreasing the Company's profit before tax by \$45,498 (2024: \$43,494) or \$32,759 after tax (2024: \$31,316).

## **Notes to the Financial Statements**

### *Foreign exchange*

The Company has no exposure to foreign exchange risk.

No significant impact on investment valuation.

## **16 Capital Management**

The Company's capital comprises share capital and retained earnings. The Company manages its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interest of the community.

## **17 Joint Arrangements**

The Company has a 50% interest in Christchurch Civic Building Joint Venture (CCB-JV) with Ngai Tahu Property (CCC-JV) Limited. The CCB-JV is an unincorporated partnership in which both partners share equally in the assets and liabilities of the operations. The CCB-JV board is comprised of three members appointed by each of the partners.

The CCB-JV owns and leases the Civic Building in Hereford Street to the Christchurch City Council.

The nature of the arrangement is such that it is considered a joint operation for accounting purposes. As a result the financial results of the Company incorporate its 50% share of the CCB-JV on line by line basis.

## **18 Events after balance date**

There have been no material events known to the Directors occurring subsequent to balance date that would have a significant impact on the financial statements for the year ended 30 June 2025.

## **19 Statutory Reporting**

The company was required under section 67(1) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30 September 2025, however, this statutory timeframe was not met.

## **20 Accounting policies**

### **Reporting Entity**

These are the financial statements of Civic Building Limited (the "Company").

The Company is registered under the Companies Act 1993 and is domiciled in New Zealand. The Company is a Council Controlled Trading Organisation as defined by section 6 of the Local Government Act 2002.

The Company was established on 12 October 2007 in order to carry out the development of the civic building for the Council. On 26 October 2007 the Company entered into an agreement to develop the civic building on the NZ Post site with Ngai Tahu. The Council's 2009 Annual Plan approved the creation of an unincorporated joint venture structure to carry out the development. The Company has a 50% interest in the resulting joint operations.

Accordingly, the Company has designated itself as a Tier 2 for-profit entity for the purposes of New Zealand Equivalent to International Financial Reporting Standards (NZ IFRS). These financial statements comply with New Zealand equivalents to the International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) which provides the same recognition and measurement requirements as full NZ IFRS, but with reduced disclosure obligations. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ

## **Notes to the Financial Statements**

GAAP), ensuring that the Company applies an appropriate and consistent framework for the recognition, measurement, and presentation of financial information

The financial statements of the Company have been prepared in accordance with the Companies Act 1993 and the Local Government Act 2002.

The financial statements of the Company are for the year ended 30 June 2025. The Company is required under Section 67(1) of the Local Government Act 2002 to complete its audited financial statements and service performance information by 30<sup>th</sup> September 2025. This statutory timeframe was not met due to unforeseen delays. Thus, the company has breached the legislative requirement. However, the accounts were adopted on 12<sup>th</sup> October 2025.

### **New accounting standards and interpretations issued but not yet effective.**

#### **Amendments to NZ IFRS 10, NZ IAS 28 – Sale or contribution of Assets between and investor and its Associate of Joint Venture.**

A full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in NZ IFRS3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investor's interest in the associate or joint venture. This amendment has no material impact on CBL annual report.

#### **Amendments to NZ IFRS 16 Lease Liability in a Sale and leaseback**

The amendment ensures that a seller-lessee does not recognise any gain or loss in profit or loss that relates to the portion of the right-of-use asset it retains. In effect, the lease liability must be measured (and payments allocated) so that no gain/loss is recognised related to that retained right. This amendment has no material impact on CBL annual report.

#### **Amendments to IAS 7 and IFRS 7 Supplier finance arrangements**

This amendment introduces new disclosure requirements to improve transparency of supplier finance arrangements (reverse factoring) — i.e. where a finance provider pays the supplier on behalf of the entity, and then the entity later settles with the finance provider. It also clarifies what constitutes a supplier finance arrangement (extended payment terms, early payments by finance providers, etc.) This amendment has no material impact on CBL annual report.

#### **Amendments to the Classification and Measurement of Financial Instruments IFRS 9 and IFRS 7**

The amendments clarify how to evaluate contractual cash flows (especially for instruments with ESG-linked features) to decide if they qualify as a “basic lending arrangement,” and refine guidance on non-recourse and contractually linked instruments. They also permit an accounting policy choice for derecognition of financial liabilities settled via electronic payment systems before the formal settlement date (when strict conditions are met), and introduce enhanced disclosure requirements under IFRS 7. This amendment has no material impact on CBL annual report.

### **IFRS 18**

IFRS 18 is a new standard that replaces IAS 1 (Presentation of Financial Statements). It aims to improve how entities present and disclose performance information, making it more comparable and transparent. This amendment has no material impact on CBL annual report.

#### **Lack of Exchangeability amendments to IAS 21**

The “Lack of Exchangeability” amendment to IAS 21 clarifies how to assess whether a currency is “exchangeable” into another and, when it is not, requires estimating a spot exchange rate that reflects what an orderly transaction would achieve. It also introduces new disclosures about the nature, effect, and estimation process of that lack of exchangeability. This amendment has no material impact on CBL annual report.

## **Notes to the Financial Statements**

### **Basis of financial statement preparation**

The financial statements have been prepared on an historical cost basis except for the revaluation of investment properties.

The functional and presentation currency is New Zealand dollars. All values are rounded to the nearest thousand dollars (\$000).

#### Judgements, estimates and assumptions

In preparing these financial statements the Company has been required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the year if the change affects only that year, or into future years if it also affects future years. In the process of applying the Company's accounting policies, management has made the following judgements estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements. The determination of the fair value of investment property is regarded as a critical estimate and is valued at least on an annual basis. This requires the estimation of current market values by an independent registered valuer, refer to note 6.

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

#### **A. Joint Operations**

A joint operation is a joint arrangement whereby the parties have joint control of the arrangements and have rights to the assets, and obligations for the liabilities relating to the arrangement.

Where such an arrangement exists, the Company will recognise its share of the assets, liabilities, revenue and expenses including its share of any held or incurred jointly.

#### **B. Financial Assets**

Term deposits with maturities greater than three months are measured at amortised cost and have been designated as loans and receivables.

#### **C. Trade and other receivables**

Trade and other receivables are initially measured at fair value less any recognition of any expected credit loss over the life of the assets less any provision for impairment.

#### **D. Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and in current liabilities on the statement of financial position.

#### **E. Investment property**

The land leased to third parties under operating leases is classed as investment property.

Investment property is measured initially at cost, including transaction costs. After initial recognition, the investment property is measured at fair value as determined annually by an independent valuer.

**Notes to the Financial Statements**

Gains or losses arising from a change in fair value of the investment property are recognised in the statement of comprehensive income.

**F. Share capital**

**(i) Ordinary share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**(ii) Preference share capital**

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary or is redeemable but only at the company's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Preference share capital is classified as a liability if it provides for mandatory redemption by the issuer for a specific amount at a specific date (or gives the holder the right to requires such redemption from the issuer), or if it gives the holder the right to put it back to the issuer for cash or another financial asset. Dividends thereon are recognised in the statement of comprehensive income as interest expense.

**G. Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

**H. Provisions**

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of expenditures, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**I. Leases**

**(i) Finance leases**

Leases in which substantially all of the risks and rewards of ownership of an asset transfer to the lessee are classified as finance leases whether or not title is eventually transferred. At inception, finance leases are recognised in the statement of financial position at the present value of the minimum lease payments plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

Amounts due from lessees under finance leases are recorded as receivables. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant rate of return on the net investment outstanding in respect of the lease.

**(ii) Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

**J. Revenue**

Revenue is measured at the fair value of consideration received.

**(i) Interest income**

**Notes to the Financial Statements**

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

**(ii) Finance lease income**

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the Company's net investment in the finance lease.

**(iii) Operating lease income**

Operating lease income is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

**(iv) Insurance proceeds**

Insurance proceeds are recognised in the statement of comprehensive income when the compensation becomes receivable.

**K. Financing costs**

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. All interest payable on borrowings is recognised as an expense in the statement of comprehensive incomes as it occurs.

**L. Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**M. Trade and Other Payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services received by the Company during and up to the end of the financial year and which remain unpaid as at balance date. The amounts are exclusive of GST.

**N. Goods and Services Tax**

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense. The net amount of GST recoverable from, payable to, the Inland Revenue Department is included as part of receivables or payable in the statement of financial position.



## **Independent Auditor's Report**

### **To the readers of Civic Building Limited's financial statements and statement of service performance for the year ended 30 June 2025**

The Auditor-General is the auditor of Civic Building Limited (the Company). The Auditor-General has appointed me, Chantelle Gernetzky, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 5 to 8 and 11 to 27, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Company for the year ended 30 June 2025 on pages 9 to 10.

## **Opinion**

In our opinion:

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

Our audit was completed on 10 December 2025. This is the date at which our opinion is expressed.

## **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand), issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audit of the financial statements and the statement of service performance* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of the Board of Directors for the financial statements and the statement of service performance**

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of service performance in accordance with the Act.

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

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

The Board of Directors' responsibilities arise from the Local Government Act 2002.

## **Responsibilities of the auditor for the audit of the financial statements and the statement of service performance**

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the statement of service performance.

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

We did not evaluate the security and controls over the electronic publication of the financial statements and the statement of service performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the statement of service performance, including the disclosures, and assess whether the statement of performance achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and the statement of service performance, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*, issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.



Chantelle Gernetzky  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand