NGĀ TAUĀKĪ PŪTEA
Financial Statements

2025/26

NGĀTI WHĀTUA ŌRĀKEI

Mahi Toi by Caine Taihia

Inspired by Te Whawhitinga, a theme of transformation, carrying forward what matters most and creating new possibilities for generations to come.

Ngā Tauākī Pūtea 2025/26

NGĀTI WHĀTUA ŌRĀKEI

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Trust Directory

Trustee	Ngāti Whātua Ōrākei Trustee Limited
Directors	Marama Jacquiline Royal Ngarimu Alan Huiroa Blair Te Aranga O Otene Kane Hopa (Appointed 23 November 2025) Te Arepa Ote Haahi Ratana Morehu (Appointed 13 May 2026) Anahera Rawiri (Appointed 23 November 2025) Renata Tuhirangi Geoffrey Blair Sharon Aroha Hawke (Ceased 10 April 2026) Dwayne Ashley Maihi William Tamakehu Davis (Ceased 23 November 2025) Graham Sonny Anthony Tipene (Ceased 23 November 2025) Joann Precious Kowhai Clark Selwyn-Roimata Teua
Chair	Marama Jacquiline Royal
Registered office	Level 1, 8 Mahuhu Crescent Auckland, New Zealand
Auditor	Ernst & Young Auckland, New Zealand
Solicitors	Level 34, 15 Customs Street West Auckland, New Zealand

Annual Report

The Trustee hereby presents its Report including Financial Statements of the Group for the year ended 30 June 2026.

For and on behalf of the Trustee.



Director
9 October 2026



Director
9 October 2026

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

This section summarises what the Group earned (revenue) and what the Group spent (expenditure), any movements in the fair value of the properties and other instruments.

Revenue	Note	2026 $	2025 $
Property rental revenue	4	47,222,272	42,889,636
Property sales	4	2,300,000	77,017,008
Retirement village revenue	4	4,760,063	5,108,052
Interest and dividend revenue	4	1,851,484	1,307,403
Government revenue	4	5,759,658	8,653,728
Revenue from the rendering of services	4	3,559,403	4,451,371
Other income	4	2,584,841	4,655,445
Total revenue		68,037,721	144,082,643
Expenses			
Employee benefits expense	5	23,613,439	22,578,585
Governance	5	1,451,191	1,334,224
Depreciation	8	783,477	1,144,746
Professional fees	5	5,257,971	6,753,865
Rental property expense		5,202,089	4,646,678
Other expenses	5	10,192,722	12,500,068
Retirement village service expense		1,392,746	2,165,406
Cost of sales - property	4	2,117,913	45,018,768
Finance expenses	7	9,414,915	11,042,847
Total expenses		59,426,463	107,185,187
Net profit before taxation, fair value adjustments and whānau activities		8,611,258	36,897,456
Net changes in fair value of equity instruments and managed funds	10	(3,892,516)	(3,740,660)
Fair value adjustment to investment property	11,16	2,943,909	(73,968,916)
Unrealised gain/(loss) on financial instruments		255,457	(4,138,667)
Net profit/(loss) before whānau activities, taxation and discontinued operations		7,918,108	(44,950,787)
Expenses relating to whānau activity	6	10,346,951	9,881,611
Loss before tax and discontinued operations		(2,428,843)	(54,832,398)
Income tax expense	12	2,377,783	5,556,087
Loss from continuing operations		(4,806,626)	(60,388,485)
Deficit from discontinued operations	13	363,210	393,748
Total comprehensive loss for the year attributable to the members of Ngāti Whātua Ōrākei Trust		(5,169,836)	(60,782,233)

The notes and accounting policies on pages 13-36 form part of, and are to be read in conjunction with, these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026

This section details what the Group owns (assets), what the Group owes (liabilities) and members' funds at the end of the financial year.

Assets	Note	2026 $	2025 $
Current assets			
Cash and cash equivalents	14	7,271,783	7,403,378
Receivables	15	19,794,972	23,112,538
Loans receivable	2(d)	4,173,100	3,963,100
Housing loans	2(c)	793,557	272,674
Inventories	9	16,750,365	964,087
Tax receivable		1,400,523	-
Investment in equities and managed funds	10	28,335,340	31,259,340
Fair value of derivative financial instruments	21	-	64,333
Assets classified as held for sale	16	28,420,781	31,625,059
Total current assets		106,940,421	98,664,509
Non-current assets			
Property, plant and equipment	8	55,082,442	54,866,673
Fair value of derivative financial instruments	21	192,723	-
Investment in joint venture and associates		62,903	57,705
Investment properties	11	1,328,431,231	1,278,242,151
Inventories	9	23,731,806	24,560,157
Loans receivable	2(d)	440,947	774,814
Housing loans	2(c)	9,197,729	10,127,502
Right-of-use asset	2(h)	-	646,199
Receivables	15	8,626,047	18,593,876
Total non-current assets		1,425,765,828	1,387,869,077
Total assets		1,532,706,249	1,486,533,586
Liabilities			
Current liabilities			
Trade and other payables	17	10,529,544	9,412,337
Tax payable		-	4,348,584
Toi Tupu deposits	2(f)	6,816,236	5,607,531
Loans and borrowings	20	-	20,021,000
Income in advance		6,415,559	4,300,332
Lease liabilities	2(h)	-	208,078
Employee benefits	18	2,333,599	2,139,643
Fair value of derivative financial instruments	21	298,319	-
Liabilities directly associated with assets classified as held for sale	16	26,678,207	28,175,035
Total current liabilities		53,071,464	74,212,540

The notes and accounting policies on pages 13-36 form part of, and are to be read in conjunction with, these financial statements.

	Note	2026 $	2025 $
Non-current liabilities			
Loans and borrowings	20	247,972,770	196,354,643
Toi Tupu deposits	2(f)	9,393,056	8,371,082
Income in advance		26,008,765	1,459,508
Fair value of derivative financial instruments	21	-	425,387
Deferred tax liabilities	12	4,575,977	5,075,226
Lease liabilities	2(h)	-	591,147
Total non-current liabilities		287,950,568	212,276,993
Total liabilities		341,022,032	286,489,533
Net assets		1,191,684,217	1,200,044,053
Equity		1,191,684,217	1,200,044,053

The notes and accounting policies on pages 13-36 form part of, and are to be read in conjunction with, these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

This section details the movement in the Group's members' funds over the financial year, such as any profit or loss or dividends attributed or paid to members.

	Note	Total Equity $
Balance as at 1 July 2024		1,263,867,286
Loss for the year		(60,782,233)
Distributions	25	(3,041,000)
Balance as at 30 June 2025		1,200,044,053
Balance as at 1 July 2025		1,200,044,053
Loss for the year		(5,169,836)
Distributions	25	(3,190,000)
Balance as at 30 June 2026		1,191,684,217

The notes and accounting policies on pages 13-36 form part of, and are to be read in conjunction with, these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

This section details the Group's cash receipts and payments, it is separated into cash from day to day business operations, cash relating to capital expenditure and investing activities and cash relating to borrowings and fundings.

Cash flows from operating activities	Note	2026 $	2025 $
Cash was provided from			
Property rental revenue		49,175,921	41,104,768
Prepaid lease	11	24,850,000	-
Property sales (including papa kāinga developments)		12,762,283	23,890,622
Receipts for services		11,857,524	13,436,646
Retirement village revenue and occupation right agreement proceeds		4,047,182	4,066,965
Government funding		3,988,851	16,964,663
Other		2,252,837	4,528,939
Interest and dividend revenue		1,274,606	1,304,125
Housing loans repaid		408,890	213,923
Cash was disbursed to			
Payments to suppliers		(32,166,083)	(43,840,131)
Payments to employees		(25,147,508)	(23,533,893)
Payments for inventory		(20,838,713)	(24,964,775)
Payments to exiting Eastcliffe residents		(468,133)	-
Interest paid		(9,612,873)	(11,055,184)
Income taxes paid		(8,259,127)	(2,843,561)
Net cash inflow/(outflow) from operating activities		14,125,657	(726,893)
Cash flows from investing activities			
Cash was provided from			
Distribution from associates		-	171,500
Sale of equity investment		11,615,000	-
Sale of investment property		2,300,000	-
Cash was disbursed to			
Purchase of equity investments and managed funds		(12,583,516)	-
Purchases of property, plant and equipment		(615,056)	(709,470)
Capital expenditure on investment property		(12,538,110)	(7,429,755)
Development of investment property		(32,423,046)	(3,758,281)
Net cash outflow used in investing activities		(44,244,728)	(11,726,006)
Cash flows from financing activities			
Cash was provided from			
Proceeds from borrowings		54,850,000	37,955,215
Government loan		1,789,075	3,379,575
Cash was disbursed to			
Repayment of borrowings		(24,850,000)	(30,250,000)
Toi Tupu withdrawals		(1,801,599)	(1,507,151)
Net cash inflow from financing activities		29,987,476	9,577,639
Net decrease in cash and cash equivalents		(131,595)	(2,875,260)
Cash and cash equivalents at the beginning of the financial year		7,403,378	10,278,638
Cash and cash equivalents at end of year	14	7,271,783	7,403,378

The notes and accounting policies on pages 13-36 form part of, and are to be read in conjunction with, these financial statements.

1. General information

a. Reporting Entity

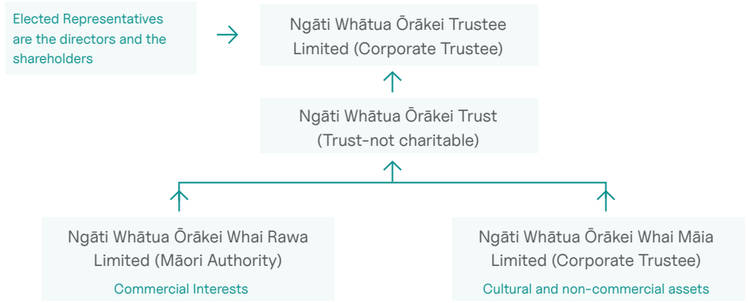
As part of the Treaty Settlement process Ngāti Whātua Ōrākei was required to establish a new post settlement governance entity per legislation, and as such established the Ngāti Whātua Ōrākei Trust ("Trust"). The Trustee for the Trust is Ngāti Whātua Ōrākei Trustee Limited.

For accounting purposes, the Trust is treated as the continuing entity of the previous Ngāti Whātua o Ōrākei Māori Trust Board.

The requirement for a new post settlement governance entity provided an opportunity for the Trust Board to restructure its current asset base into a more efficient Group structure.

Accordingly, Ngāti Whātua Ōrākei Trust transferred, on 25 January 2013, commercial and community interests to Ngāti Whātua Ōrākei Whai Rawa Limited ("Whai Rawa") and Ngāti Whātua Ōrākei Whai Māia Limited ("Whai Māia"). Whai Rawa is the commercial investment entity of the Ngāti Whātua Ōrākei Group responsible for protecting and growing the commercial assets while Whai Māia is the Corporate Trustee of the charitable entities responsible for the social and cultural development of the members.

To fulfil its purpose, limited partnerships have been established under Whai Rawa and charitable trusts have been established under Whai Māia.



b. Strategic Priorities

The Trust's strategic plan has 8 strategic priorities:

1. Toi Whātua (Cultural Identity)

Every Ngāti Whātua Ōrākei member has access to and embraces their whakapapa, culture and history. Ko au ko Ngāti Whātua Ōrākei, ko Ngāti Whātua Ōrākei ko au. All hapū members speak te reo Māori at a conversational level. Our marae is alive with whānau and celebrates our Ngāti Whātua Ōrākeitanga. As leaders in mātauranga Māori, our thriving arts and culture are highly respected across the motu.

2. Rangatiratanga

Ngāti Whātua Ōrākei will be strong leaders and influencers. Hapū members confidently demonstrate strength based leadership qualities in their everyday lives. The relationship between hapū members and Ngāti Whātua Ōrākei leaders is built on aroha, respect and transparency. Ngāti Whātua Ōrākei is recognised as ahi kā in central Tāmaki Makaurau. Our tikanga and kawa reflects the unique history and people of Ōrākei, and is recognised and respected throughout our rohe. Ngāti Whātua Ōrākei has a seat in central and local government.

3. Toi Ora (Health)

Our whānau exceed national standards of health and wellbeing. We are leading Aotearoa in all health and wellbeing indicators underpinned by Te Whare Tapa Whā. We have health services that are grounded in rongoā and tikanga Māori that focus on prevention of sickness and disease. Access to health care, including physical health, mental health and aged care support, is available to all whānau through innovative platforms that support the wellbeing of our people.

1. General information (continued)

4. Taiao (Environment)

Ngāti Whātua Ōrākei is a role model of sustainable living and regenerative practices. We are world leaders in healing the mauri of te taiao through all our activities. Taiao initiatives for the hapū are underpinned by mātauranga Māori and customary practices which include the maramataka and relevant atua Māori. We are leaders in sustainable development and investment. Our tamariki swim carefree and our whānau collect kaimoana. Our whenua is alive with native trees, birdlife and insects. Whānau role model our practices, being grounded and connected to te taiao.

5. Hauora (Whānau wellbeing)

All Ngāti Whātua Ōrākei members are healthy, wealthy and happy. They are connected to each other through whanaungatanga and feel a strong sense of belonging. Whānau are leading diverse and fulfilling lives. They are fully engaged with hapū activities around the promotion of whānau wellbeing. They are interconnected which gives our whānau a greater sense of belonging to the hapū, irrespective of where they live.

6. Mana Motuhake

All Ngāti Whātua Ōrākei members can achieve anything. Hapū members are fulfilling their needs and aspirations. Hapū members have healthy, safe, and stable environments that nurture and support their aspirations. Hapū members feel confident and empowered to pursue their life and career ambitions.

7. Toi Mātauranga Whanaketanga (Knowledge and skills)

All Ngāti Whātua Ōrākei members are lifelong learners with access to quality education, knowledge and skills. Hapū members are supported and have options to pursue any learning or training opportunity. Learning development starts with a strong foundation in the early years and continues throughout the lives of our whānau.

8. Tahua (Economic prosperity)

A diverse commercial portfolio that delivers robust performance outcomes and reflects the strengths and capabilities of Ngāti Whātua Ōrākei. We have an investment model that delivers long term intergenerational wealth for our people. Our economic prosperity is reflected in our peoples' households and living standards. Our whānau are achieving financial independence.

c. Going Concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and that it remains appropriate that the financial statements be prepared under the going concern convention.

2. Material accounting policy information

a. Basis of preparation

The financial statements presented are for the Trust and its wholly owned subsidiaries, associates and joint arrangements (the Group).

The Trust is a profit-oriented entity for general reporting purposes.

The accrual basis of accounting has been used unless otherwise stated.

(i) Compliance with NZ IFRS

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime ("NZIFRS RDR"), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The Group is eligible for and has elected to report in accordance with NZ IFRS RDR. The Group is eligible, as it is not publicly accountable and is a profit orientated entity.

(ii) Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost except for the revaluation of certain assets and liabilities as identified in this statement of accounting policies.

(iii) Presentation currency

These financial statements are presented in New Zealand dollars. All figures are rounded to the nearest whole dollar.

(iv) New accounting standards and interpretations

Accounting standards not yet effective, new or revised standards and interpretations that have been approved but are not yet effective have not been adopted by the Group for the year ended 30 June 2026. NZ IFRS 18 Presentation and Disclosure in Financial Statements, issued in May 2024, is effective for annual reporting periods beginning on or after 1 January 2027, and entities can early adopt this accounting standard. NZ IFRS 18 sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The Group is working through the implications of the new standards and intends to apply the standard when it becomes mandatory from 1 January 2027.

There are no other new or amended standards that are issued but not yet effective that are expected to have a material impact on the Group.

b. Principles of consolidation and equity accounting

(i) Changes in accounting policy

There have been no changes in accounting policies during the financial year.

(ii) Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the subsidiaries over which the Group has control.

The Group controls an entity where the Group has power to govern the financial and operating policies of another entity so as to benefit from that entity's activities.

On consolidation, all inter-company balances and transactions, income and expenses, and profit and losses resulting from transactions within the Group have been eliminated in full.

The Group consist of the following controlled entities:

Whai Rawa and its subsidiaries

Ngāti Whātua Ōrākei Whai Rawa Limited	To manage Whai Rawa entities strategy and operations.
Eastcliffe Ōrākei Retirement Care LP	To manage the Eastcliffe Ōrākei retirement village and aged care facility at Ōrākei.
Eastcliffe Ōrākei Management Services LP	To manage operations of the Eastcliffe Ōrākei retirement village and aged care facility at Ōrākei.
Whai Rawa Railway Lands LP	To manage the commercial assets known as the Railway Lands and Te Tōangaroa in the Auckland CBD.
Whai Rawa Commercial Office LP	To manage commercial office assets.
Whai Rawa Railway Leasing LP	To manage commercial assets incidental to ownership of assets known as Railways Lands and Te Tōangaroa in the Auckland CBD.
Whai Rawa Property Holdings LP	To manage the other various commercial assets including those received in settlement.
Whai Rawa Residential Properties LP	To manage the residential property assets.
Whai Rawa Housing LP	To manage the development of the Kāinga Tuatahi project and manage housing loans.
Whai Rawa Kāinga Development Limited	To construct Kāinga housing.
Ngāti Whātua Ōrākei Housing Trust	A discretionary trust settled by Ngāti Whātua Ōrākei Whai Rawa Limited.
Ngāti Whātua Ōrākei Housing Trust No. 2	A discretionary trust settled by Ngāti Whātua Ōrākei Whai Rawa Limited.
Ngāti Whātua Ōrākei Housing Trustee Limited	Trustee of Ngāti Whātua Ōrākei Housing Trust.
Whai Rawa Collective Holdings LP	To manage any assets acquired or development undertaken in connection with Whenua Haumi Roroa o Tāmaki Makaurau.
Whai Rawa Development LP	To undertake property development projects and hold the Group's investment in Moire Road Limited Partnership.
Ngāti Whātua Ōrākei Tourism LP	To undertake tourism projects.

2. Material accounting policy information (continued)

Whai Rawa Te Tōangaroa LP	To manage commercial assets.
Whai Rawa Te Tōangaroa Holding LP	To manage commercial assets.
Whai Rawa (Te Punga) Holdings LP	To manage property development projects.
Whai Rawa (Te Punga) LP	To undertake property development projects.
Whai Rawa Capital Investments LP	To manage the Group's investment portfolio and financial assets.
Whai Rawa Diversified Property LP	To manage other property assets (incorporated in 2026).

Whai Māia and its subsidiaries:

Ngāti Whātua Ōrākei Whai Māia Limited	To act as the corporate trustee for Whai Māia Charitable Trust 1, Whai Māia Charitable Trust 2 and other charitable trusts as required.
Ngāti Whātua Ōrākei Health Limited	Provide general health services and facilities for the people of Tāmaki Makaurau.
Ngāti Whātua Ōrākei Education Limited	To manage the Puna Reo and Te Kura o Ngāti Whātua Ōrākei Ki Tamaki.
Whai Māia Charitable Trust 1	To manage the cultural and social development of Ngāti Whātua Ōrākei iwi.
Whai Māia Charitable Trust 2	To manage the cultural and social development of Ngāti Whātua Ōrākei overseas iwi.

Other:

Ngāti Whātua Ōrākei Management GP Limited	Employs the Group employees (other than those employed by Ngāti Whātua Ōrākei Whai Rawa Limited) and provides shared services to Group entities, including the delivery of cultural, social, community and operational functions such as technology, people and performance, administration and communications (incorporated in 2026).

(iii) Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but not control or joint control. Investments in associates are accounted for using equity method of accounting.

Under the equity method of accounting, the investments are carried at cost plus post acquisition changes in the Group's share of net assets of the associate less impairment losses.

(iv) Joint arrangements

The Group has interests in three unincorporated joint arrangements established to own and manage commercial assets. The Group's ownership interests are 49.18%, 42.45%, and 50% respectively. Under the terms of the joint arrangement agreements, decisions regarding relevant activities require the unanimous consent of all parties. The parties have direct rights to the assets of the arrangements and are severally liable for the liabilities incurred. The Group has concluded that joint control exists over each arrangement. Accordingly, the arrangements are classified as joint operations in accordance with applicable accounting standards. As a joint operator, the Group recognises its share of the assets, liabilities, revenues, and expenses arising from the joint operations. These amounts have been incorporated into the financial statements under the relevant line items.

Where a joint operation has a reporting date that differs from the Group's reporting date, transactions or events occurring between the reporting dates have been considered in preparing the financial statements. When necessary, adjustments have been made to bring the accounting policies in line with those of the Group.

c. Housing loans

Secured housing loans have been provided to Ngāti Whātua Ōrākei members to assist with the purchase of homes in Kāinga Tuatahi. The mortgages are carried at amortised cost less impairment for any uncollectible amounts.

d. Loans receivable

Loans receivables are loans provided to current and former Eastcliffe residents, impacted by demolition of their units, to assist them in purchasing other units within Eastcliffe or other villages. The loans are non-interest bearing loans secured against the exit payments of the residents and will be recovered at the termination of the residents' occupational right agreements.

e. Goods and Services Tax (GST)

The Consolidated Statement of Comprehensive Income has been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated net of GST, with the exception of receivables and payables, which include GST as invoiced.

f. Toi Tupu deposits

The Toi Tupu deposits are carried at cost. Toi Tupu deposits are a savings and investment scheme implemented by the Group to allow registered Ngāti Whātua Ōrākei members to save amounts distributed to them by Ngāti Whātua Ōrākei Trust.

Toi Tupu deposits are classified as both current and non-current liabilities. Members have the right to withdraw their deposits after 12 months in the scheme if they are over the age of 18 and have completed a financial capability training course.

g. Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

h. Leases

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the present value of future lease payments for existing lease terms and all lease renewal options that are reasonably certain to be exercised. Certain low value and short term leases are excluded. Lease payments are recorded as a repayment of the lease obligation and interest expense instead of as an operating expense in the income statement. Right-of-use assets are depreciated on a straight-line basis over the current lease term. Lease payments are discounted at the rate implicit in the lease, or if not readily determinable, the Group's incremental borrowing rate.

The costs of low value and short term leases continue to be recognised as an expense in the Consolidated Statement of Comprehensive Income.

i. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

j. Comparative balances

Certain prior year amounts have been reclassified for consistency with current year presentation.

k. Other accounting policies

Other accounting policies that are relevant to an understanding of the financial statements are provided within the notes to the financial statements.

3. Critical accounting estimates and judgements

In producing the financial statements, the Group makes judgements, estimates and assumptions based on known facts at a point in time. These accounting judgements, estimates and assumptions will rarely exactly match the actual outcome. The judgements that have the most significant effect on the amounts recognised and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are found in the following notes:

(i) Investment property - Note 11

(ii) Inventories - Note 9

(iii) Social assets - Note 8

4. Revenue

Accounting Policy

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Specific recognition criteria that must also be met before revenue is recognised is noted under each revenue activity.

The Group earns revenue from the following activities:

a. Property rental revenue

Rental income relates to income from our properties that are leased to external parties. The largest component of this income is derived from ground rental on our land holdings at Te Tōangaroa. Other significant sources of rental income come from our land holdings on the North Shore, from our commercial office building AECOM house and from our share of commercial buildings owned through the unincorporated joint arrangements.

Accounting Policy

Rental revenue from prepaid leases are amortised on a straight line basis over the lease term.

Rental income, from property leases, including fixed rental increases, is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives offered to tenants as an inducement to enter into leases, are capitalised to investment properties and then amortised over the term of the lease as a reduction of rental income. Certain rental concessions provided to tenants are also capitalised to investment properties and amortised over the lease term as a reduction of rental income.

b. Retirement village income

Retirement village income includes village outgoings, services fees and village contribution fees.

Accounting Policy

The residents pay a weekly fee which covers a proportion of the village outgoings and the cost of service incurred by the operator in the operation of the village. The village outgoings and services charges recovered is recognised as revenue on a monthly basis.

Village contribution fee is a fee payable by all of the residents living in independent units/apartments, serviced apartments and studios for the right to use the common facilities. The village contribution fee is recognised in the Consolidated Statement of Comprehensive Income over the average expected length of stay of residents, which is 9.2 years (2025: 9.2 years) for the independent units/apartments and 5.7 years (2025: 5.7 years) for the serviced apartments and care studios.

c. Property sales and cost of sales

The Group completed the sale of a development site in Hauraki during the year. Prior year sales included sales of the development sites in Belmont. Revenue from these transactions are recognised within Property Sales in the Consolidated Statement of Comprehensive Income, while costs directly attributable to the development and sale of these properties are recognised within Cost of Sales in the Consolidated Statement of Comprehensive Income.

Accounting Policy

The Group develops and sells residential properties. Revenue is recognised when control passes to the customer. This is commonly at the time of settlement when title passes to the customer and payment is received or becomes receivable.

The revenue is measured at the transaction price agreed under the contract.

d. Revenue from the rendering of services

Revenue from the rendering of services largely relates to income associated with activity and services provided for whenua maintenance and protection, te reo corporate consulting fees, environmental consulting fees, income from Pourewa nursery and cultural services income.

Accounting Policy

Revenue from the rendering of services is recognised in the accounting period in which the services are rendered on the stage of completion basis.

e. Government revenue

Government revenue is received from contracts with Government agencies to deliver services for whānau and the community. Revenue includes funding received for:

- Health services - funding was received towards initiatives to improve whānau health outcomes including funding for Tamariki Ora, outreach health services, Rongoā Māori (traditional Māori healing), whānau navigation and support services and Takatū Gym.
- Community connection and employment support - funding was received to improve Māori outcomes through social, education and employment support including upskilling and supporting whānau career advancement.
- Education - funding was received to support the operation of Te Puna Reo and to encourage rangatahi to remain in school and advance their education.
- Initiatives administered on behalf of the government - these are contracts for education and community support Equivalent costs are in Other Expenses as the Group simply administers these initiatives (Note 5).

The below is a breakdown of Government revenue:

Government revenue	2026 $	2025 $
Health services	4,065,286	4,186,234
Community connection and employment support	787,113	679,652
Education	547,935	515,074
Other	345,839	1,664,119
	5,746,173	7,045,079
Initiatives administered on behalf of the Government		
Community support	13,485	977,910
Education support	-	630,739
	13,485	1,608,649
	5,759,658	8,653,728

f. Interest and dividend revenue

Interest revenue is mainly received from housing loans provided to Ngāti Whātua Ōrākei members to assist with the purchase of homes in Kāinga Tuatahi. Interest income is also received from funds held in the Group's bank accounts.

Dividends are received from our investment in the listed equity securities.

Accounting Policy

Interest revenue is recognised as interest accrues using the effective interest rate method.

g. Other income	2026 $	2025 $
Other income comprises:		
Sundry income	539,668	2,222,341
Ngā Manū Korero	-	693,336
Puna Reo income	271,154	185,128
Koha	13,900	25,898
Other grants and funding	1,760,119	1,528,742
	2,584,841	4,655,445

5. Expenses

	2026 $	2025 $
Employee benefits expense		
Wages and salaries	22,807,309	21,749,698
KiwiSaver contribution	505,988	499,176
Staff training	115,349	172,741
Other staff costs	184,793	156,970
	23,613,439	22,578,585
Governance		
Directors fees	1,185,752	1,165,150
Directors expenses	214,518	118,325
Audit and risk committee	50,921	50,749
	1,451,191	1,334,224
Professional fees		
Legal fees	1,895,808	2,576,333
Valuations	449,684	328,693
Consulting and other professional fees	2,577,797	3,507,301
	4,923,289	6,412,327
Auditors remuneration		
Audit of financial statements	290,558	306,097
Total fees for services other than the audit of financial statements	44,124	35,441
	334,682	341,538
	5,257,971	6,753,865

Fees paid to the auditors for services other than the audit of the financial statements were incurred in relation to the audits of the Hawaiki and Kāinga OPEX funds and the Toi Tupu programme.

Other expenses		
Initiatives administered on behalf of the government		
Community support expenses	13,485	977,910
Education contracts	-	630,739
	13,485	1,608,649
Other		
Environmental programmes	1,557,668	1,062,739
Administrative and occupancy expenses	2,563,069	2,078,856
Communication expenses	996,733	1,291,954
Event expenses	309,582	1,581,099
Health and other government programmes	441,777	1,127,286
Motor vehicle/travel expense	599,917	592,060
Ngā Manu Kōrero expenses	-	693,336
Services costs	93,278	114,778
Bad debts and doubtful debts	88,975	(18,091)
Other	3,528,238	2,367,402
	10,192,722	12,500,068

Ngāti Whātua Ōrākei Trust
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Expenses relating to initiatives administered on behalf of the government are for contracts for education and community support and are fully funded by the government.

Health and other government programmes are costs for government funded activities and programmes. Costs are fully funded by the government. Health programmes support health services provided to the community.

Environmental programmes relate to the maintenance and development of the Whenua and Pourewa. Costs are fully funded by Auckland Council.

Ngā Manu Kōrero expenses relate to the running of the National Secondary Schools' speech competition for young Māori. Costs have been fully funded through contributions from various organisations. In 2025, Ngāti Whātua Ōrākei supported and hosted the National Ngā Manu Kōrero competition when it was held in Tāmaki Makaurau. This was a one-off sponsorship associated with hosting the event.

6. Whānau related activities

Whānau activities are undertaken to fulfill cultural and social objectives of the Group. The maximisation of profits is not the objective of these activities.

	2026 $	2025 $
Residential rental to whānau members		
Property rental income	2,339,638	2,277,421
Property rental expenses	(1,570,223)	(1,815,951)
Depreciation and amortisation expense (note 8)	(282,886)	(278,681)
Employee benefits expense	(363,427)	(410,629)
Professional fees	(33,756)	(33,588)
	89,346	(261,428)
Grants and programmes		
Health and wellbeing	(6,454,566)	(4,962,397)
Education	(1,608,359)	(1,678,609)
Te Reo/cultural	(55,846)	(400,679)
Kaumātua	(117,927)	(111,735)
Other grants and programmes cost	(92,000)	(431,044)
	(8,328,698)	(7,584,464)
Toi Tupu savings scheme		
Interest expense on Toi Tupu deposits	(840,340)	(895,408)
Toi Tupu administration expenses	(312,455)	(301,404)
	(1,152,795)	(1,196,812)
Marae		
Marae income	151,287	145,864
Marae expenses	(805,298)	(1,148,096)
	(654,011)	(1,002,232)
Papa kāinga developments		
Property sales	825,565	14,280,000
Property cost of sales	(1,126,358)	(14,207,675)
Grants received	-	91,000
	(300,793)	163,325
	(10,346,951)	(9,881,611)

6. Whānau related activities (continued)

Residential rental to whānau members

Residential rental income comprises rental revenue earned from properties occupied by whānau members. The income includes amounts paid directly by tenants as well as housing assistance subsidies funded by the Ministry of Social Development and received in relation to eligible tenants.

Property rental expenses comprise costs incurred in relation to homes rented to whānau members. These expenses include rates, repairs and maintenance, water, electricity, grounds maintenance, insurance, and provisions for long-term maintenance.

Grants and programmes

Health & Wellbeing costs reflect the utilisation of the Toi Ora health insurance programme. This programme has been available to all registered Ngāti Whātua Ōrākei members. During the year membership of the programme decreased from 5,081 to 4,929.

Education grants and programmes include the National Certificate of Education Achievement (NCEA) rewards, tutoring grants, tertiary grants and early childhood (ECE) subsidiaries.

Te Reo/cultural programmes develop and further the cultural identity of the hapū through revival of language and traditions.

Toi Tupu savings scheme

Toi Tupu savings scheme allows registered Ngāti Whātua Ōrākei members to save amounts distributed to them by Ngāti Whātua Ōrākei Trust. Distributions received by members are invested back into the Group as deposits. The deposits earn interest rates of 2% to 4% above the Bank Bill Reference Rates (BKBM).

Marae

Marae expenses relate to costs incurred to operate and maintain the marae. Costs include staff costs repairs and maintenance, utilities, catering and supplies.

Papa kāinga developments

The final house from the Group's Hawaiki Street development in Ōrākei was sold to a whānau member during the year (2025: 23 homes).

7. Finance Costs

Finance costs	2026 $	2025 $
Interest expense on bank facilities	8,049,574	11,233,724
Bank and line fees	1,573,547	1,455,450
Interest cost/(income) on interest rate swaps	814,547	(1,597,262)
Capitalised interest	(1,022,753)	(85,019)
Other finance costs	-	35,954
	9,414,915	11,042,847

Interest costs incurred on borrowings used to fund the Te Punga residential development and investment property under development are capitalised to the respective projects.

8. Property, plant and equipment

	Vehicles, Plant & Equipment $	Heritage Assets $	Land $	Buildings $	Leasehold Improvements & Infrastructure $	Total $
Balance as at 1 July 2025	3,479,360	301,776	35,997,821	14,738,084	349,632	54,866,673
Additions	996,600	80,016	-	260,352	-	1,336,968
Disposals	(26,797)	-	-	-	(28,039)	(54,836)
Depreciation charge	(691,064)	-	-	(358,480)	(16,819)	(1,066,363)
Balance as at 30 June 2026	3,758,099	381,792	35,997,821	14,639,956	304,774	55,082,442
Cost	7,547,374	381,792	35,997,821	17,445,376	428,378	61,800,741
Accumulated depreciation	(3,789,275)	-	-	(2,805,420)	(123,604)	(6,718,299)
Net Book Value 30 June 2026	3,758,099	381,792	35,997,821	14,639,956	304,774	55,082,442
Cost	6,684,629	301,776	35,997,821	17,185,023	484,154	60,653,403
Accumulated depreciation	(3,205,269)	-	-	(2,446,939)	(134,522)	(5,786,730)
Net Book Value 30 June 2025	3,479,360	301,776	35,997,821	14,738,084	349,632	54,866,673

Property, plant and equipment are mainly Social Assets, that is, assets which are of cultural significance or used for the benefit of the hapū.

Accounting Policy

Property, plant and equipment includes non-commercial assets; land, buildings, leasehold improvements, office furniture and fittings, motor vehicles and heritage assets.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where an item of property, plant or equipment is disposed of, the gain or loss recognised in the Consolidated Statement of Comprehensive Income is calculated as the difference between the sale price and the carrying amount of the asset.

Heritage assets

Heritage assets arise from previous gifts to the Board and were initially valued in accordance with NZ IAS 16, at estimated replacement cost at the time of gifting less accumulated depreciation, which is an approximation of deemed historical cost. Heritage assets are not depreciated where they have an indefinite useful life.

Depreciation

Depreciation is recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful life. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

	Expected useful life
Heritage assets	0 - 200 years
Infrastructure	0 - 200 years
Buildings	0 - 50 years
Vehicles, plant & equipment	2 - 15 years
Leasehold improvements	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Critical accounting estimates and judgments

Social Assets

These assets are utilised to fulfil cultural and social objectives of the Group. The maximisation of profit is not an objective. Significant social assets comprise papa kāinga housing at Ōrākei on both Kitemoana and Kupe Street. These land and building assets are used largely by the Group's beneficiaries, and rent received is largely to meet or defray administration costs. The Group's intention is that they remain only for the continued purpose of beneficiary papa kāinga housing. As it is not the Group's intention to maximise financial profits on these assets it considers that market value would not be appropriate as the carrying value, therefore these assets are recorded at cost less accumulated depreciation.

9. Inventories

Classification of inventories	2026 $	2025 $
Current assets		
Work in progress - residential developments	16,650,838	818,445
Finished goods - nursery and medical supplies	99,527	145,642
	16,750,365	964,087
Non-current assets		
Work in progress - residential developments	23,731,806	24,560,157
	23,731,806	24,560,157
Total inventories at the lower of cost and net realisable value	40,482,171	25,524,244

Accounting Policy

Inventories are properties that are being developed or held for development with a view to sell or materials and supplies that are to be utilised in the rendering of services.

Inventories are stated at the lower of cost and net realisable value ("NRV"). NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimate costs necessary to make the sale. Estimates of NRV are based on the most recent evidence available at the time the estimates are made. Cost includes the costs of acquisition, planning, design and development. Feasibility costs incurred before the purchase of an asset are expensed as incurred, as are holding costs, holding income, marketing and advertising costs.

Critical accounting estimates and judgements

Inventories are held at the lower of cost and net realisable value ("NRV"). The NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs. Where there is an agreement as to the future selling price this is used to estimate the NRV. Where this is not the case, NRV is based on valuations performed by independent external valuers.

Where the Group determines that there has been an impairment in the value of the inventory, the inventory is adjusted to the recoverable amount.

Work in progress recorded as current assets represents costs incurred on development projects that are expected to be completed, sold, or recovered within twelve months.

Work in progress - residential development of $16,650,838 relates to the Te Punga residential development in Mt Albert comprising 51 residential homes being developed for sale.

Inventory of $20,943,363 (2025: $25,378,602) is pledged as security for Group borrowing facilities.

10. Investment in equities and managed funds

Current assets	2026 $	2025 $
New Zealand listed equity investments	15,473,890	31,259,340
Investments in managed funds	11,861,514	-
New Zealand non-listed equity investments	999,936	-
	28,335,340	31,259,340
Amounts recognised in comprehensive income		
Fair value loss on equity investments and managed funds	(3,892,516)	(3,740,660)
	(3,892,516)	(3,740,660)

Accounting Policy

Investments at fair value through profit or loss comprise of New Zealand equity investment assets and managed funds. The fair value of the listed equity investments are based on the last sale price at balance date.

Investments are initially recognised at fair value and are subsequently reviewed to reflect changes in fair value. Net changes in the fair value of investments are recognised in the statement of comprehensive income.

The fair value loss on equity investments represent the decrease in the market value of the equity investment from initial purchase date.

Equity investments with a carrying value of $12,086,944 are subject to a lock-up provision that restricts the Group from transferring more than 50% of these shares during any rolling six-month period without prior written consent.

Investments in managed funds comprise investments in diversified investment portfolios managed by professional fund managers.

The fair value of listed securities is determined using quoted market prices in active markets and is therefore classified as Level 1 in the fair value hierarchy. The fair value measurement of non-listed equity investments is categorised within Level 3 of the fair value hierarchy due to the use of significant inputs. Management considers the carrying amount of the non-listed equity instruments at the reporting date to represent the best estimate of fair value. The fair value of investments in managed funds is based on quoted unit prices provided by the fund managers at balance date and is categorised within Level 1 of the fair value hierarchy. There were no transfers between Levels 1, 2, and 3 of the fair value hierarchy during the year.

11. Investment properties

Investment properties	2026 $	2025 $
At beginning of year	1,253,187,597	1,363,990,000
Fair value adjustment to investment property	14,113,588	(76,984,726)
Investment property transferred to build-to-rent project	-	(13,720,370)
Capital expenditure	1,498,756	7,380,081
Acquisition of investment property	11,400,000	-
Disposal of investment property	(1,633,029)	-
Movement in rent accrued on fixed uplift leases and lease incentives	2,864,319	252,317
Classified as held for sale	-	(27,729,705)
Closing balance as at 30 June	1,281,431,231	1,253,187,597
Investment properties under development		
At beginning of year	25,054,554	-
Fair value adjustment	(9,964,894)	3,015,810
Investment property transferred to the project	-	13,720,370
Land transferred from inventory	-	4,560,093
Capital expenditure	31,910,340	3,758,281
Closing balance as at 30 June	47,000,000	25,054,554
	1,328,431,231	1,278,242,151

Accounting Policy

Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which is determined by an independent registered valuer. Gains or losses arising from changes in the fair values of investment properties are recognised in the Consolidated Statement of Comprehensive Income in the year in which they arise.

Investment properties under development

Investment properties that are being constructed or developed for future use are classified as investment properties under development. All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure is capitalised. Subsequent to initial recognition, investment properties under development are stated at fair value. Gains or losses arising from changes in the fair value of investment properties under development are included in profit or loss in the year in which they arise.

11. Investment properties (continued)

Critical accounting estimates and judgements

Investment properties are carried at fair value, which has been determined based on valuations performed by external valuers.

Investment properties are carried at fair value, which has been determined based on valuations performed by Jones Lang LaSalle Limited, CBRE Limited and Seagars of Auckland as at 30 June 2026.

Gains or losses from fair value adjustments are non-cash and do not result in increases or decreases in our cash reserves. The values will fluctuate over time. When an investment property is sold the loss will be “realised” and will result in a positive or negative cash position.

The value of our investment properties is important to the calculation of our loan to value ratio. We maintain a ratio of our external bank borrowings as a percentage of our investment properties within the required 30% limit set by the Trust Deed. As at 30 June 2026 the loan to value ratio was 19.09% (2025: 17.02%).

The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm’s length transaction at the date of valuation, in accordance with New Zealand Valuation Standards. In determining fair value, the expected net cash flows applicable to each property have been discounted to their present value using a market determined, risk adjusted discount rate applicable to the respective asset. For financial reporting purposes, the independent valuation is adjusted to include the impact of prepaid rental streams.

The valuation of the investment property is grossed up for prepaid leases and cash flows relating to resident refundable occupation right agreements. Reconciliation between the independent valuation and the amount recognised on the balance sheet as investment property is as follows:

	2026 $	2025 $
Independent valuation of investment properties	1,303,581,231	1,278,242,151
Prepaid lease value	24,850,000	-
Total investment property	1,328,431,231	1,278,242,151

On 30 June 2026, an existing 150 year lease, terminating on 1 August 2146, was fully prepaid upfront for the full duration of the lease.

There was $729,905 finance costs capitalised to the investment property during the year (2025: $54,533).

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Consolidated Statement of Comprehensive Income in the year of retirement or disposal.

The Group fair values its investment properties by way of the following fair value measurement hierarchy levels:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
Level 3	Inputs for the asset or liability that are not based on observable market data.

Investment property measurements are categorised as Level 3 in the fair value hierarchy. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the year there were no transfers of investment properties between levels of the fair value hierarchy.

The accepted methods for assessing the current market value of an investment property are the Capitalisation and the Discounted Cash Flow (DCF) approaches. Each approach derives a value based on market inputs, including:

- Recent comparable transactions;
- Forecast future rentals, based on the actual location, type and quality of the investment properties, and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
- Vacancy assumptions based on current and expected future market conditions after expiry of any current lease;
- Maintenance and capital requirements including necessary investments to maintain functionality of the property for its expected useful life;
- Appropriate discount rates derived from recent comparable market transactions reflecting the uncertainty in the amount and timing of cashflows.

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The key inputs used to measure fair value of investment properties, along with their sensitivity to significant increase or decrease, are as follows:

Significant Input	Description	Fair value measurement sensitivity to significant:		Valuation Method
		Increase in input	Decrease in input	
Market capitalisation rate	The capitalisation rates applied to the market income to assess an investment property’s value. The capitalisation rate is derived from detailed analysis of factors such as comparable sales evidence and leasing transactions in the open market taking into account location, tenant covenant – lease term and conditions, size and quality of the investment property.	Decrease in property values	Increase in property values	Capitalisation rate
Discount rate	The discount rates is applied to future cash flows of an investment property to provide a net present value equivalent. The discount rate adopted takes into account recent comparable market transactions, prospective rates of return for alternative investments and apparent risk.	Decrease in property values	Increase in property values	DCF
Price per square metre	The price applied to site area for comparable sales. This enables comparison with comparable sales in the open market.	Increase in property values	Decrease in property values	Market comparison
Remedial works	The estimated cost of remediating identified defects of the retirement village buildings. As detailed investigative works are still being carried out, the valuation reflects the best estimate of costs as determined by independent experts based on their industry knowledge and known condition of the building at the time of reporting.	Decrease in property values	Increase in property values	DCF

As at 30 June 2026	Market capitalisation rate	Discount Rate	Price per square metre
Investment Property	5.13% to 6.75%	6.75% - 8.75%	$90 to $11,141

As at 30 June 2025	Market capitalisation rate	Discount Rate	Price per square metre
Investment Property	5.00% to 8.00%	6.75% - 8.38%	$110 to $13,216

12. Taxation

a. Income tax expense	2026 $	2025 $
Reconciliation of tax expense and accounting profit/(loss)		
Accounting loss before taxation	(2,792,053)	(55,226,146)
Non-taxable fair value adjustment of investment properties	(2,943,909)	73,968,916
Non-deductible expenses	22,238,117	22,631,987
Taxable income	16,502,155	41,374,757
Current income tax:		
Current income tax charge	2,888,013	7,310,731
Māori authority credits received	-	(1,750,000)
Other	(10,981)	(217,002)
Deferred tax:		
Other movements in deferred tax	(371,312)	(97,108)
Prior period deferred tax adjustment	(127,937)	309,466
Income tax expense	2,377,783	5,556,087

b. Māori authority credits		
At beginning of year	23,649,370	24,080,053
Net tax payments	8,250,000	3,100,000
Resident withholding tax and imputation credit	(2,605,018)	(2,913,459)
Other credits	(227,626)	(617,224)
Closing balance as at 30 June	29,066,726	23,649,370

c. Deferred tax liability		
Deferred tax liability at beginning of year	5,075,226	6,333,939
Current period movement on deferred tax	(371,312)	(1,568,179)
Prior period deferred tax adjustment	(127,937)	309,466
Total taxable temporary differences as at 30 June	4,575,977	5,075,226
The balance comprises temporary differences attributable to:		
Long term leases	7,459,386	7,521,907
Accrued revenue	543,023	308,300
Provisions and accruals	(587,965)	(594,893)
Deferred management fees	(356,105)	(364,799)
Derivatives	(18,479)	(63,184)
Other	(2,046,955)	(1,391,501)
Expenditure to be spread over prepaid lease term	(416,928)	(340,604)
Balance at end of the year	4,575,977	5,075,226

The Group has tax losses of $Nil (2025: $Nil) to carry forward.

Accounting Policy

Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Consolidated 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

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group and parent became a tax paying entity on the 1 February 2013. Any income or expenses prior to this period are non taxable. Group tax is paid by the Trust and Ngāti Whātua Ōrākei Whai Rawa Limited.

Ngāti Whātua Ōrākei Trust
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13. Discontinued operations

On 2 March 2026, the Group sold the Ōrākei Health Clinic. The operations disposed of is reported in the Consolidated Statement of Comprehensive Income as Discontinued Operations.

Financial information relating to the discontinued operations is set out below.

Discontinued operations	2026 $	2025 $
Revenue	664,795	1,221,140
Expenses	(1,028,005)	(1,614,888)
Deficit from discontinued operations	(363,210)	(393,748)

14. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and in hand	7,269,825	7,387,828
Other cash and cash equivalents	1,958	15,550
	7,271,783	7,403,378

Accounting Policy

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank, in hand and short-term deposits with an original maturity of three months or less.

Cash at bank balances earn interest at daily bank deposit rates. Surplus funds were deposited on the overnight money market at a deposit rate of 2.25% to 3.25% (2025: at a rate of 3.25% to 5.5%).

15. Receivables

Current	2026 $	2025 $
Trade receivables	5,358,238	5,511,337
Provision for doubtful debt	(856,119)	(789,409)
Prepayments	3,975,323	4,589,447
Accrued revenue and other receivables	1,023,537	2,293,321
GST receivable	326,164	84,710
Deferred consideration receivable	9,967,829	11,423,132
	19,794,972	23,112,538
Non-current		
Deferred consideration receivable	8,626,047	18,593,876
	8,626,047	18,593,876

15. Receivables (continued)

Accounting Policy

Receivables are amounts due from customers for goods or services performed in the ordinary course of business. Receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Receivables generally due for settlement within one year are classified as current. Receivables due for settlement after one year are classified as non-current.

The Group applies the NZ IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowances for all trade receivables. In addition, the collectability of individual debtors is reviewed on an ongoing basis and a specific provision for expected credit losses is made when there is evidence that the Group will not be able to collect the receivable. Debtors are written off when recovery is no longer anticipated.

The deferred consideration receivable reflects the consideration from the sale of property that is to be received at a later date.

a. Foreign exchange and interest rate risk

The Group is not exposed to foreign exchange risk. Interest rate risk exposure is disclosed in Note 22(a).

b. Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. Where the receivable is non-current, the receivable, at initial recognition, is adjusted to reflect the time value of money.

16. Assets and liabilities classified as held for sale

	2026 $	2025 $
Assets		
Investment properties	26,528,735	27,729,705
Loan to Eastcliffe residents	1,230,000	1,230,000
Property, plant and equipment	242,566	2,253,267
Trade and other receivables	419,480	412,087
Assets classified as held for sale	28,420,781	31,625,059
Liabilities		
Termination fee in advance	1,651,695	1,701,375
Refundable occupation right agreements	24,877,040	26,028,330
Employee benefits	149,472	445,330
Liabilities associated with assets held for sale	26,678,207	28,175,035
Net assets directly associated with disposal Group	1,742,574	3,450,024

Accounting Policy

Non-current assets (or disposal groups) are classified as ‘Held for Sale’ when they are actively marketed for sale and their carrying amount is to be recovered principally through a sale transaction rather than continuing use. On classification as ‘Held for Sale’, non-current assets and disposal Groups are recognised at the lower of carrying amount and fair value less costs to sell except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value as these assets are specifically exempt from this requirement.

Impairment losses on initial classification as ‘Held for Sale’ are included in the consolidated statement of comprehensive income.

As at 30 June 2026, a fair value adjustment loss of $1,204,786 was recognised in respect of the investment property held for sale.

In December 2024, the Group entered into a conditional agreement to divest its retirement village and aged care operations. At 30 June 2026, the disposal process was at an advanced stage with completion on 31 August 2026 (Note 27). Accordingly, the retirement village and aged care operations meet the classification requirements of a disposal group held for sale. The operations including its assets and associated liabilities, have been classified as held for sale as at 30 June 2026.

Ngāti Whātua Ōrākei Trust
Notes to the financial statements
For the year ended 30 June 2026
(continued)

17. Trade and other payables

	2026 $	2025 $
Trade payables	5,190,587	5,031,949
Accrued expenses	5,332,449	4,157,306
Other payables	6,508	223,082
	10,529,544	9,412,337

Accounting Policy

Trade and other payables are carried at cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of these goods and services. These amounts are unsecured and are usually paid within 30 days of recognition.

18. Employee benefits

	2026 $	2025 $
Holiday pay accrued	1,164,117	1,232,198
Wages and salaries accrued	776,358	505,283
KiwiSaver, PAYE and withholding tax	13,696	18,454
Other	379,428	383,708
	2,333,599	2,139,643

Accounting Policy

The employee entitlements to salaries and wages and annual leave are recognised in the Consolidated Statement of Comprehensive Income when they accrue to employees. Liabilities for wages and salaries, including non monetary benefits and annual leave are recognised in respect of employees’ services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

19. Refundable occupation right agreements

Residents purchase an Occupation Right Agreement (“ORA”) issued under the Retirement Village Act 2003. A portion of the ORA is refundable when residents leave. An amount of $24,877,040 (2025: $26,028,330) is included as liabilities associated with assets held for sale on the balance sheet. Settlement of the refundable deposit generally occurs when a new ORA is issued to a new resident.

Accounting Policy

Occupation right agreements utilised by the Group in connection with the Eastcliffe Ōrākei Retirement Village confer the right of occupancy of the independent units until such time as the occupancy rights are repurchased. Settlement of the refundable occupational right agreement generally occurs when a new occupational right agreement is issued to an incoming resident of the village.

20. Loans and borrowings

	Maturity	2026 Total Facility	2025 Total Facility	2026 Undrawn Facility	2025 Undrawn Facility	2026 Drawn Amount	2025 Drawn Amount
BNZ							
Bank Facility	30/06/2031	120,000,000	-	20,000,000	-	100,000,000	-
Bank Facility	31/03/2026	-	20,000,000	-	-	-	20,000,000
Bank Facility	02/07/2026	-	37,500,000	-	-	-	37,500,000
Bank Facility	02/07/2026	-	62,500,000	-	-	-	62,500,000
		120,000,000	120,000,000	20,000,000	-	100,000,000	120,000,000
ANZ							
Bank Facility	01/07/2027	22,500,000	22,500,000	-	22,500,000	22,500,000	-
Bank Facility	01/07/2028	30,000,000	30,000,000	-	30,000,000	30,000,000	-
Bank Facility	01/07/2030	45,000,000	45,000,000	-	45,000,000	45,000,000	-
		97,500,000	97,500,000	-	97,500,000	97,500,000	-
Westpac							
Bank Facility	02/07/2027	37,500,000	37,500,000	-	-	37,500,000	37,500,000
Bank Facility	02/07/2027	60,000,000	60,000,000	52,000,000	4,500,000	8,000,000	55,500,000
Bank Facility	01/07/2030	20,000,000	20,000,000	20,000,000	20,000,000	-	-
		117,500,000	117,500,000	72,000,000	24,500,000	45,500,000	93,000,000
Total Bank Facilities		335,000,000	335,000,000	92,000,000	122,000,000	243,000,000	213,000,000
Government Loan							
Loan Facility	30/06/2039	5,168,650	5,168,650	-	1,789,075	5,168,650	3,379,575
		5,168,650	5,168,650	-	1,789,075	5,168,650	3,379,575
		340,168,650	340,168,650	92,000,000	123,789,075	248,168,650	216,379,575

	2026 $	2025 $
Bank facility	243,000,000	213,000,000
Government loan	5,168,650	3,379,575
Accrued interest	103,956	21,000
Establishment fee	(299,836)	(24,932)
Total net book value	247,972,770	216,375,643
Current portion	-	20,021,000
Non-Current portion	247,972,770	196,354,643
Total net book value	247,972,770	216,375,643

Bank facility expiry profile

Less than 1 year	-	20,000,000
Between one and two years	120,000,000	100,000,000
Between two and three years	30,000,000	120,000,000
Between three and four years	-	30,000,000
Between four and five years	185,000,000	-
Between five and six years	-	65,000,000
	335,000,000	335,000,000

Accounting Policy

All loans and borrowing are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. As these loans and borrowings are from registered banks, the interest rates are deemed to be at fair value. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

Secured borrowings are via cash advance facility agreements with Bank of New Zealand, Westpac New Zealand Limited and ANZ Bank New Zealand Limited. On 30 June 2026, a letter of amendment was executed with Bank of New Zealand Limited. The letter:

- extinguished the BNZ facility of $20,000,000 and $62,500,000.
- increased the BNZ facility of $37,500,000 to $120,000,000 while extending the maturity date to 30 June 2031.

The key terms of the amended facilities are not substantially different.

The secured borrowings are subject to the following covenants:

Interest cover ratio greater than 1.5. The interest cover ratio in the facility agreements is calculated as the consolidated earnings of the borrowing entities before tax, interest and fair value adjustments divided by aggregate interest and fees paid or payable on the facilities (Note 7). The interest cover ratio was 4.34 as at 30 June 2026 (2025: 5.7).

Loan to value ratio below 40%. The loan to value ratio is the total outstanding amounts payable under the facilities agreement divided by the property value of the borrowing entities. The loan to value ratio was 19% as at 30 June 2026 (2025: 17%).

Both covenants are tested quarterly, at 30 June, 30 September, 31 March and 31 December. The Group has no indication that it will have difficulty complying with these covenants.

The Group is, in all material respects, in compliance with its lending covenants.

The bank security on the facility is managed through a security trustee who holds a first ranking mortgage on substantially all the investment properties owned by the Group, with the exception of Ōrākei residential properties and Eastcliffe on Ōrākei Retirement Village. There is also a registered first ranking security interest under a General Security Deed over substantially all the assets of the Group, with the exception of Ōrākei residential properties and Eastcliffe on Ōrākei Retirement Village.

Government Loan

The Group has been provided by the Ministry of Housing and Urban Development an interest free facility of $5,168,650 under the progressive home ownership scheme (PHO Fund). The facility limit has a final expiry date of 30 June 2039.

21. Derivative financial instruments

At 30 June 2026, the Group held interest rate swaps where it pays a fixed rate of interest and receives a variable rate on the notional amount. The notional amount of the interest rate swaps at 30 June 2026 is $140 million (2025: $135 million) with the weighted average term to maturity being 1.75 years (2025: 2.12 years). Fair value of these interest rate swaps as at 30 June 2026 was a liability of $105,596 (2025: $361,054). The interest payment frequency on these borrowings is quarterly.

Accounting Policy

The Group uses derivative financial instruments (interest rate swaps) to hedge its risk associated with interest rates. Derivative financial instruments are recognised at fair value.

They are carried as assets when the fair value is positive and liabilities when the fair value is negative.
The gain or loss on remeasurement to fair value is recognised directly in profit or loss. The interest rate swaps do not qualify for hedge accounting.

The fair value is the estimated amount that the Group would receive or pay to terminate the swap at reporting date, taking into account current rate and creditworthiness of the swap counter parties.

22. Financial risk management

Objectives and policies

The Group's principal financial instruments comprise receivables, payables, bank loans and overdrafts, cash, equity investments and managed funds, interest rate swaps, short-term deposits, Toi Tupu deposits and refundable occupation rights.

The Group manages its exposure to key financial risks, including interest rate and credit risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security. The Group has no currency risk.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed.

Risk exposures and responses

a. Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's long-term debt obligations, the Toi Tupu deposits and the housing loans. The level of debt and terms are disclosed in Note 20.

The Group's policy is to manage its finance costs and interest rate risk in accordance with the Group Treasury Policy.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to New Zealand variable interest rate risk:

	2026 $	2025 $
Financial assets		
Cash and cash equivalents	7,271,783	7,403,378
Housing loans	9,991,286	10,400,176
Derivative financial instruments	192,723	64,333
	17,455,792	17,867,887
Financial liabilities		
Toi Tupu deposits	16,209,292	13,978,613
Loans and borrowings	243,000,000	213,000,000
Derivative financial instruments	298,319	425,387
	259,507,611	227,404,000
Net liability	242,051,819	209,536,113

b. Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposure from trade and other receivables and housing loans. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

For Housing Loans the Group obtains in the form of guarantee, a first ranking mortgage against the leasehold title, which can be called upon if the counterparty is in default under the terms of the agreement.

c. Liquidity risk

The Group's objective is to maintain a continuity of funding through the use of bank loans and regular rental income from commercial assets.

d. Capital risk

Capital risk is the risk that the Group may not be able to access sufficient capital when it is required. Management considers capital as total equity plus net debt. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain capital structure that ensures the lowest cost of capital available to the entity.

e. Market risk

The Group is exposed to market and price risk through its investments into managed funds. This arises from managed funds held by the Group that are classified as fair value through profit or loss.

23. Leases

Group as a lessor

Accounting Policy

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

The calculation assumes rents stay at current levels throughout the term, with the exception of fixed increases specified in the lease. The leases in Te Tōangaroa form the majority of this rent and they expire on 2 August 2146.

The actual rental received in the future is likely to differ from these amounts due to rent review provisions and other changes to the leases.

	2026 $	2025 $
Leases		
Within one year	43,457,387	39,969,478
Between one and five years	140,204,484	136,191,878
After more than five years	3,454,054,232	3,459,760,285
	3,637,716,103	3,635,921,641

24. Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2026 $	2025 $
Inventories - residential development	65,676,239	45,399,958
Build-to-rent development	1,820,247	25,388,643
Investment property purchase	12,725,000	12,725,000
Investment property refurbishment programme	760,452	601,896
	80,981,938	84,115,497

As at 30 June 2026, the Group had commitments of $12,725,000 to purchase Housing New Zealand land near the Ōrākei marae (2025: $12,725,000), $1,820,247 to develop build-to-rent properties for the New Zealand Defence Force (2025: $25,388,643), $760,452 for investment property developments (2025: $601,896) and $65,676,239 for Te Punga residential development in Mt Albert (2025: $45,399,958).

25. Distributions

Distributions reflect payments made during the financial year to members of Ngāti Whātua Ōrākei under the Toi Tupu savings and investment scheme.

	2026 $	2025 $
Toi Tupu	3,190,000	3,041,000
	3,190,000	3,041,000

26. Contingencies

New Zealand Defence Force

Under the lease to the New Zealand Defence Force ("NZDF") in relation to the Narrowneck Block, NZDF have the ability to bring the lease to an end at any time from the 15th anniversary of the commencement date of February 2013. If NZDF exercises this right Whai Rawa Property Holdings Limited Partnership is obliged to pay to NZDF an amount calculated in accordance with a pre-arranged formulae that reflects the rent that NZDF has prepaid for the unexpired portion of the lease term.

If the lease is terminated between the 15th and 21st anniversary of the commencement date, the amount payable to NZDF will be between $1.0 million and $7.4 million; if the lease is terminated after the 21st anniversary of commencement no payment will be required.

27. Events occurring after the reporting period

On 31 August 2026, the Group completed the sale of its retirement village and aged care operations (Refer to Note 16 for further details).

There were no other events subsequent to reporting date that would affect the financial statements.

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Independent auditor's report to the Trustees of Ngāti Whātua Ōrākei Trust

Opinion

We have audited the financial statements of Ngāti Whātua Ōrākei Trust and its subsidiaries (the "Trust"), which comprise the consolidated statement of financial position of the Trust as at 30 June 2026, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Trust, and the notes to the financial statements including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trust as at 30 June 2026 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

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

Ernst & Young provides other assurance related services to the Trust. Partners and employees of our firm may deal with the Trust on normal terms within the ordinary course of trading activities of the business of the Trust. We have no other relationship with, or interest in, the Trust.

Information other than the financial statements and auditor's report

Those charged with governance are responsible for the other information. The other information comprises the trust directory and annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Those charged with governance responsibilities for the financial statements

Those charged with governance are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, those charged with governance are responsible for assessing on behalf of the entity the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Trust or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board website: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7-1/. This description forms part of our auditor's report.

Ernst + Young

Chartered Accountants
Auckland
9 October 2026



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