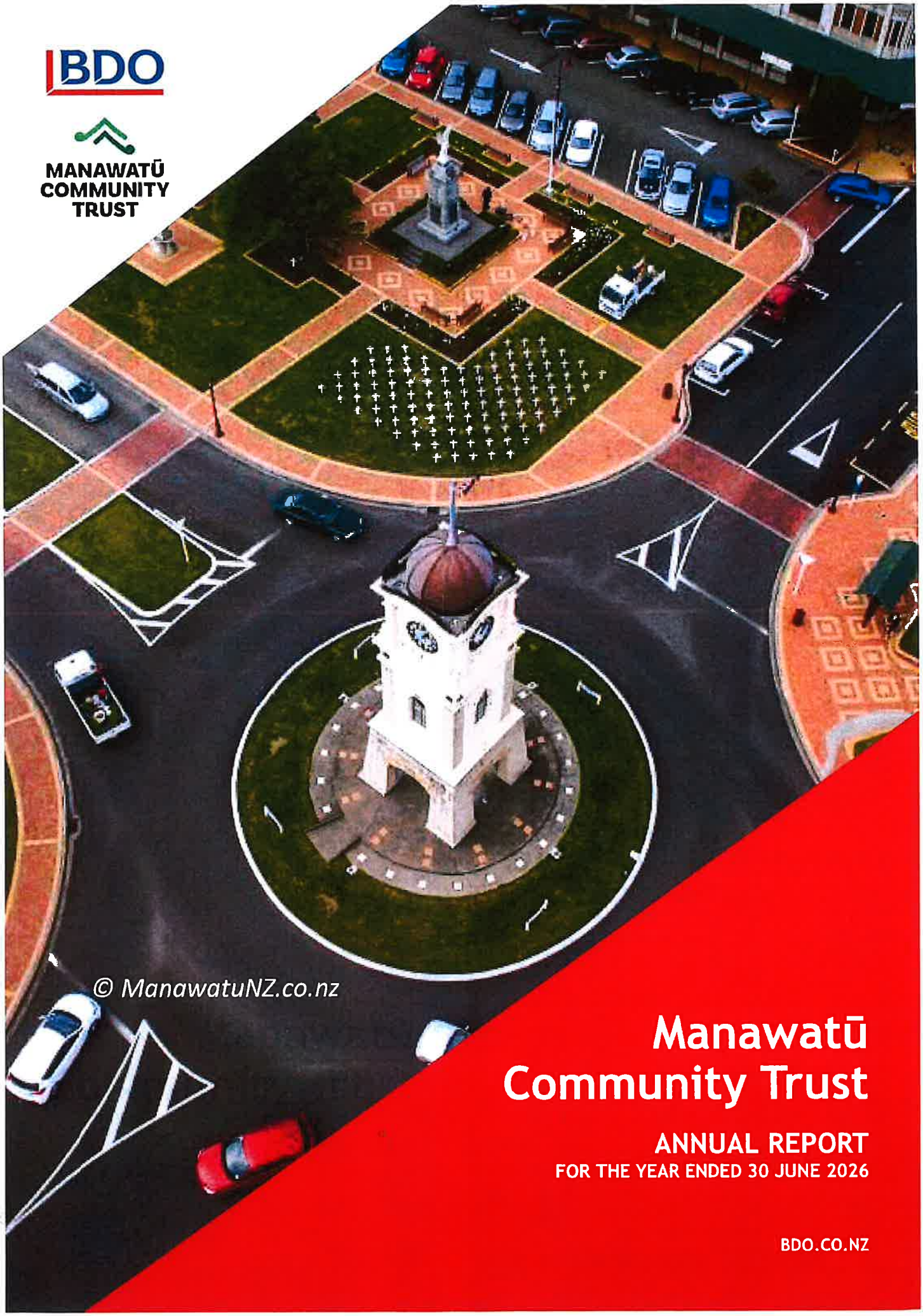
BDO

MANAWATŪ COMMUNITY TRUST



Manawatū Community Trust

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

BDO.CO.NZ

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Chairperson's Report

Manawatū Community Trust
For the year ended 30 June 2026

Annual Report of the Manawatū Community Trust | 2025 - 2026

It is a privilege and pleasure to present the Annual Report for the Manawatū Community Trust on behalf of the Trustees.

The calibre of the Trustees, General Manager and staff ensures that the Manawatū Community Trust continues to deliver on its Statement of Intent: to promote and provide housing and wellbeing services that are relevant and meet long-term community needs. During the year, MCT welcomed Janine Hawthorn to the new role of Operations and Engagement Lead and farewelled Victor Cheng from his finance role. Christine Vincent joined the team as Management Accountant in early July.

This year's report highlights continued progress in maintaining safe and sustainable housing, growing the Trust's community housing portfolio, supporting resident wellbeing, and maintaining sound governance and financial performance.

Maintain and develop existing housing to be user-friendly, safe and sustainable

During the year, all homes met MCT's housing portfolio standards, and 58% exceeded them. MCT standards continue to be set above statutory residential tenancy requirements to ensure homes are safe, functional and suitable for older people and people living with disabilities. Alongside this achievement, 100% of the portfolio met Healthy Homes standards.

More units are being renovated to improve functionality and safety to support 'aging in place'. Of note was the high occupancy rate which in June 2026 was 98%.

Increase the number of community housing units to 250 by 2030

While this goal remains challenging, as the Trust faces the same market difficulties associated with property development, great progress has been made over the last 12 months.

The Manawanui Complex, comprising four two-bedroom units, was completed and occupied. The development of Corrick Court, a 12-unit complex, commenced and is due for completion in mid-2027. These 16 new units add modern, healthy and accessible accommodation to the portfolio, suited to our target tenants.

The Trust would like to thank the Manawatū District Council and Central Energy Trust for their financial assistance through loans and/or grants which to help facilitate these developments.

Diversify housing typologies and increase the range of affordable housing offerings to meet identified local need

An important focus for the Trust, alongside providing housing, is the promotion of wellbeing services that improve lifestyle, health and welfare and create a sense of community for the benefit of Manawatū residents.

To this end our new housing has been designed in accordance with LifeMark Universal Design Standards and Crime Prevention Through Environmental Design (CPTED) principles.

The Trust continues to offer subsidised rental accommodation, with rents set using income-based or discounted market-rent approaches to support tenant affordability.

Practise good governance and sound financial performance

Through strong governance and management, the Trust's balance sheet remains strong, cash flow is managed effectively, and the Trust continues to meet all financial lending obligations.

The Trust supports effective governance through annual Board performance reviews, ongoing professional development, and regular consideration of relevant and emerging governance matters.

The Manawatū Community Trust remains committed to achieving its goals, delivering for the Manawatū community, and leading by example.

Date: 28/09/26

Liam Greer - Chairperson

Entity Information

Manawatū Community Trust
For the year ended 30 June 2026

Legal Name of Entity

Manawatū Community Trust

Entity Type and Legal Basis

The Trust is a Registered Charity in New Zealand under the Charitable Trusts Act 1957. The Trust is controlled by The Manawatū District Council as a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

Entity's Purpose or Mission

The primary objective of the Trust is to promote and provide housing, health and wellbeing services that are relevant and meet the long term needs of the community.

Entity's Operational Structure

The trust operates as a single unit.

Entity's governance arrangements

The Trust comprises a Board of five Trustees who oversee the governance of the Trust, a General Manager, Teresa Hague, who is responsible for the day to day management of the Trust's business and all reporting requirements of the Trust which includes reporting to the Trust Board. The Trust also employs five other people with particular responsibilities for property and tenancy management, accounts and office administration. The Trustees are appointed by Manawatū District Council for a three year term. The Trust produces an Annual Statement of Intent which is approved by Manawatū District Council, the Trust reports to Council against this statement on a 6 monthly basis.

Trustees

Allan Davey
Joanne Shortall
Liam Greer
Tracey Hunt
Ian McKelvie (Appointed July 2025)

Accountant

BDO Manawatu Limited, 32 Amesbury Street, Palmerston North

Auditors

The Audit Office (on behalf of the Auditor-General)
31 Amesbury Street, Palmerston North

Bankers

ANZ Bank New Zealand Limited - Commercial Banking, PO Box 92210, Auckland 1142

Lawyers

John W Key Barristers - Solicitors Law House, 71 Kimbolton Road, Feilding

Approval of Performance Report

Manawatū Community Trust
For the year ended 30 June 2026

The Trustees are pleased to present the approved Performance report including the historical financial statements of Manawatū Community Trust for year ended 30 June 2026.

APPROVED

Chairperson

Date 28/09/26

Trustee

Date 28/9/26

Statement of Financial Performance

Manawatū Community Trust
For the year ended 30 June 2026

	NOTES	ACTUAL 2026 $	BUDGET 2026 $	ACTUAL 2025 $
Revenue				
Donations, koha, bequests and other fundraising revenue	1	-	-	7
Grants from non-government organisations	1	117,950	400,000	-
Revenue from service delivery/grants/contracts (non-government)	1	3,301,010	3,255,735	3,123,324
Interest, dividends, and other investment revenue	1	31,616	24,488	30,841
Other revenue	1	-	-	5,000
Total Revenue		**3,450,576**	**3,680,223**	**3,159,172**
Expenses				
Employee remuneration and other related expenses	2	545,337	551,568	551,581
Other expenses related to service delivery	2	1,093,405	1,273,141	1,185,411
Other expenses	2	1,228,410	1,320,835	1,258,547
Total Expenses		**2,867,153**	**3,145,544**	**2,995,539**
Surplus/(Deficit) for the Year		**583,423**	**534,679**	**163,634**

Statement of Financial Position

Manawatū Community Trust

As at 30 June 2026

	NOTES	ACTUAL 30 JUNE 2026 $	BUDGET 30 JUNE 2026 $	ACTUAL 30 JUNE 2025 $
Assets				
Current Assets				
Cash and short-term deposits	3	273,331	143,501	561,603
Debtors and prepayments	3	32,722	58,988	57,886
Inventory	3	8,058	6,188	7,235
Investments	4	-	50,000	620,818
Total Current Assets		314,112	258,677	1,247,542
Non-Current Assets				
Property, Plant and Equipment	6	42,035,333	38,680,282	35,781,216
Intangibles	5	-	-	-
Total Non-Current Assets		42,035,333	38,680,282	35,781,216
Total Assets		42,349,445	38,938,959	37,028,758
Liabilities				
Current Liabilities				
Bank overdraft	7	101,112	-	939
Creditors and accrued expenses	7	761,102	316,004	229,641
Employee costs payable	7	59,741	45,234	51,060
Deferred revenue	7	65,559	31,000	21,178
Loans	8	933,499	613,326	581,011
Other current liabilities	7	4,298	15,950	19,205
Total Current Liabilities		1,925,311	1,021,514	903,033
Non-Current Liabilities				
Loans	8	5,153,060	6,351,224	5,087,020
Other non-current liabilities	7	97,703	84,810	106,300
Total Non-Current Liabilities		5,250,763	6,436,034	5,193,320
Total Liabilities		7,176,075	7,457,548	6,096,353
Total Assets less Total Liabilities (Net Assets)		35,173,370	31,481,411	30,932,405
Accumulated Funds				
Capital contributed by owners or members	9	10	10	10
Accumulated surpluses or (deficits)	9	15,773,872	15,739,456	15,190,450
Asset revaluation reserves	9	19,399,488	15,741,945	15,741,945
Total Accumulated Funds		35,173,370	31,481,411	30,932,405

Statement of Cash Flows

Manawatū Community Trust
For the year ended 30 June 2026

	NOTES	ACTUAL 2026 $	BUDGET 2026 $	ACTUAL 2025 $
Capital grants and donations				
Cash Flows from Operating Activities				
Cash was received from				
Donations, koha, bequests, and other fundraising receipts		-	-	7
Funding from non-government service delivery/grants/contracts		3,496,050	3,660,471	3,118,436
Interest, dividends and other investment receipts		23,824	26,309	29,762
Goods and services tax		3,336	-	1,106
Total Cash was received from		**3,523,210**	**3,686,780**	**3,149,311**
Cash was applied to				
Employee remuneration and other related payments		(537,341)	(538,193)	(560,690)
Payments related to service delivery		(1,038,162)	(1,191,728)	(1,323,253)
Other payments		(246,525)	(335,894)	(289,340)
Total Cash was applied to		**(1,822,028)**	**(2,065,815)**	**(2,173,283)**
Total Cash Flows from Operating Activities		**1,701,182**	**1,620,965**	**976,028**
Cash Flows from other activities				
Cash was received from				
Sale of property, plant and equipment		-	-	5,000
Sale of investments		629,689	900,000	-
Cash received from loans from other parties		1,000,000	1,000,000	800,000
Total Cash was received from		**1,629,689**	**1,900,000**	**805,000**
Cash was applied to				
Payments to acquire property, plant and equipment		(3,137,844)	(2,903,472)	(515,336)
Payments to purchase investments		-	-	(620,818)
Repayments of loans from other parties		(581,472)	(702,880)	(569,338)
Total Cash was applied to		**(3,719,316)**	**(3,606,352)**	**(1,705,492)**
Total Cash Flows from other activities		**(2,089,627)**	**(1,706,352)**	**(900,492)**
Net Increase/(Decrease) in Cash		(388,445)	(85,387)	75,536
Opening Cash Balance				
Bank accounts and cash		560,664	228,888	485,128
Total Opening Cash Balance		**560,664**	**228,888**	**485,128**
Closing Cash Balance		172,219	143,501	560,664
Made up of:				
Cash and Short-Term Deposits		273,331	143,501	561,603
Bank overdraft		(101,112)	-	(939)
Total		172,219	143,501	560,664

Statement of Accounting Policies

Manawatū Community Trust
For the year ended 30 June 2026

Basis of Preparation

The Trust has elected to apply XRB's Tier 3 PBE (PS) standard. This is on the basis that it does not have public accountability and has total annual expenses equal to or less than $5,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Trust will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The Trust is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST. The Trust also carries out transactions which fall under exempt supplies legislation for GST purposes and therefore are not applicable for GST and are recorded gross in the financial statements.

Income Tax

Manawatū Community Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Cash and Short-Term Deposits

Cash and short-term deposits in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Presentation Currency

The Performance Report is presented in New Zealand dollars (NZ$) and all values are rounded to the nearest NZ$.

Revenue Recognition

Donations and grants with a documented expectation regarding use have been recognised as revenue over time as the expectation is satisfied.

Donated assets over $1,000 that have useful lives of 12 months or more are recorded on receipt at readily obtainable values. Other donated assets are not recorded.

Sale of goods are recorded when the goods are sold (usually when the goods are received by the purchaser).

Provision of services are recognised on a stage of completion basis.

Lease or rental revenue is recorded on a straight line basis unless another systematic basis is representative of the user's benefit.

Interest income is recorded as it is earned.

Debtors

Debtors are initially measured at the amount owed. When it is likely that the amount owed, or some portion, will not be collected, an impairment adjustment is recorded. Interest charged on overdue amounts are added to the individual debtor balance.

Inventories

Inventories are recorded at cost and if become impaired, written down to lower of cost and selling price.

Property, Plant and Equipment

Property, plant and equipment consist of rental accommodation available for the elderly and disabled, and property leased out and operated as an integrated health centre, the Manchester House Senior Hub Facility and The Feilding Menzshed. This has been classified as property, plant and equipment rather than investment property as it is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Land is measured at fair value, and buildings are measured at fair value less accumulated deprecation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from the assets' fair value and at least every five years.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then an off-cycle asset valuation is undertaken.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results of revaluing are credited or debited to the asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the Statement of Comprehensive Revenue and Expenses. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expenses will be first recognised in the Statement of Comprehensive Revenue and Expenses up to the amount previously expensed, and then recognised in equity.

Additions

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

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent costs

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

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Financial Performance.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year end.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Land	Indefinite	None
Buildings and Improvements	2 - 80 years	1.25% - 50%
Furniture and Fittings	4 - 10 years	10% - 25%
Motor Vehicles	5 years	20%
Plant and Equipment	3 - 10 years	10% - 33%

Impairment of Assets

Property, plant, and equipment assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the Statement of Financial Performance. The reversal of an impairment loss is recognised in the Statement of Financial Performance.

Intangible Assets

Recognition and measurement

Intangible assets are initially measured at cost. All of the Trust's intangible assets are subsequently measured in accordance with the *cost model*, being cost (or fair value for items acquired through non-exchange transactions) less accumulated amortisation and impairment. The Trust has no intangible assets with indefinite useful lives. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in surplus or deficit as incurred.

Amortisation

Amortisation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each amortisable intangible asset.

The estimated useful lives amortisation rates are:

- Software 3 years (2025: 3 years).

Investments

Investments are recorded when purchased and are recorded at cost. If it appears that the carrying amount of the investment will not be recovered, it shall be written down to the current market price. Any impairment expense is recorded in the Statement of Financial Performance.

Creditors and Accrued Expenses

Creditors and accrued expenses are recognised when the Trust has an obligation which can be reliably measured at balance date as a result of a past event and it is probable that the company will be required to settle the obligation.

Creditors are measured at the present value of management's best estimate of the expenditure required to settle the obligation at balance date. Movements in the best estimate are recorded in the Statement of Financial Performance.

Loans

Loans are recorded when the amount borrowed has been received and measured at cost. Interest expense is recognised on an accruals basis.

Tier 2 PBE Accounting Standards Applied

The Trust has elected to apply Tier 2 Accounting Standard PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets when preparing its financial statements.

Budget Figures

The budget figures are derived from the Statement of Intent, as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with the Tier 3 standard, using accounting policies that are consistent with those adopted by the Board in preparing this performance report.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Manawatū Community Trust
For the year ended 30 June 2026

	2026	2025
1. Analysis of Revenue		
Donations, koha, bequests, and other general fundraising activities		
Donation Income	-	7
Total Donations, koha, bequests, and other general fundraising activities	-	7
Grants from non-government organisations		
Grant - Central Energy Trust	96,950	-
Grant - Eastern & Central Community Trust	21,000	-
Total Grants from non-government organisations	117,950	-
Revenue from service delivery/grants/contracts (non-government)		
Commercial Lease Received	1,043,720	1,038,218
Residential Rent Received	2,213,937	2,056,704
Other Revenue	43,353	28,402
Total Revenue from service delivery/grants/contracts (non-government)	3,301,010	3,123,324
Interest, dividends and other investment revenue		
Interest Received	31,616	30,841
Total Interest, dividends and other investment revenue	31,616	30,841
Other revenue		
Depreciation Recovered on Sale of Fixed Assets	-	5,000
Total Other revenue	-	5,000

	2026	2025
2. Analysis of Expenses		
Employee remuneration and other related expenses		
Wages & Salaries	539,657	520,496
Other related costs	5,681	31,084
Total Employee remuneration and other related expenses	545,337	551,581
Other expenses related to service delivery		
Administration Expenses		
Accounting Fees	25,241	15,807
Admin - Trustee Expenses	1,151	-
Audit Fees	58,761	56,881
Bank Charges	452	419
Legal Fees	3,670	-
Menzshed Expense*	908	1,467
Motor Vehicle expenses	6,229	14,401
Non Property Insurances	2,736	2,460
Office Expenses	37,965	40,775
Trust Development Fund	4,656	4,097

	2026	2025
Workforce Expenses	7,050	-
Total Administration Expenses	**148,819**	**136,306**
Bowen Street Expenses		
Property Expenses	6,745	7,884
Total Bowen Street Expenses	**6,745**	**7,884**
Feilding Health Centre		
General Expenses	5,806	11,492
Grounds Maintenance	15,882	14,391
Lease Expense	6,496	34,699
Property Insurance	85,509	85,663
Rates	3,474	2,690
Repairs & Maintenance	32,983	75,154
Valuation Expenses	-	2,140
Total Feilding Health Centre	**150,149**	**226,227**
Housing		
Electricity	2,153	-
General Expenses	14,845	4,515
Healthy Homes Compliance	2,557	22,290
Maintenance	281,389	309,189
Motor Vehicle Expenses	10,090	-
Property Insurance	231,293	264,710
Rates	151,917	142,670
Rubbish Removal	6,054	14,891
Valuation Expenses	36,116	1,800
Volumetric Water Charges	51,278	54,928
Total Housing	**787,692**	**814,994**
Total Other expenses related to service delivery	**1,093,405**	**1,185,411**
Other expenses		
Depreciation	981,885	972,230
Interest Expense	246,525	286,317
Total Other expenses	**1,228,410**	**1,258,547**

*Menzshed expense was included as a part of Feilding Health Centre's rates expense in the prior year.

	2026	2025
3. Analysis of Assets		
Cash and short term deposits		
ANZ Current Account	143,380	545,349
ANZ Savings Account	124,702	11,192
ANZ Debit Card	5,000	4,967
Petty Cash Account	249	95
Total Cash and short term deposits	**273,331**	**561,603**

	2026	2025
Debtors and prepayments		
Trade Receivables	15,607	48,817
Prepayments	10,989	9,069
GST Receivable	6,125	-
Total Debtors and prepayments	32,722	57,886
Inventory		
Stock on Hand	8,058	7,235
Total Inventory	8,058	7,235

The carrying value of debtors and prepayments approximates their fair value. The trade receivables have been individually assessed as impaired where the tenant has vacated the premises and management have concluded that it is remote that the overdue amounts will be recovered. The amount of trade receivables written off during the period was $27 (30 June 2025: $Nil). The Trust holds no collateral as security against these financial assets.

	2026	2025
4. Investments		
Current		
Term Deposits (held at cost)		
Opening carrying value	620,818	-
Investments	(620,818)	620,818
Closing carrying value	-	**620,818**
Total Investments	-	**620,818**

5. Intangible Assets 2026

Cost	**Software**
Opening 1 July 2025	16,553
Additions	0
Closing Cost Amount	**16,553**
Accumulated Amortisation	
Opening Accumulated Amortisation	16,553
Amortisation	0
Closing Accumulated Amortisation	**16,553**
Net Book Value	5,949
As at 30 June 2024	0
As at 30 June 2025	0
As at 30 June 2026	**0**

Intangible Assets 2025

Cost	**Software**
Opening 1 July 2024	16,553
Additions	0
Closing Cost Amount	**16,553**
Accumulated Amortisation	
Opening Accumulated Amortisation	16,553
Amortisation	
Closing Accumulated Amortisation	**16,553**
Net Book Value	5,949
As at 1 July 2023	432
As at 30 June 2024	0
As at 30 June 2025	**0**

6. Property, Plant and Equipment 2026

Cost	Commercial Land & Buildings	Residential Land	Residential Buildings & Improvements	Residential Furniture & Fittings	Work in Progress	Plant & Equipment	Vehicles	Total
Opening 1 July 2025	12,982,000	8,692,000	15,047,099	406,792	455,382	81,405	78,087	37,742,765
Additions	15,773	-	5,657	11,049	3,545,980	-	-	3,578,459
Revaluations	-	363,000	3,294,543	-	-	-	-	3,657,543
Disposals	-	-	-	-	-	-	-	-
Work in progress transferred to capital	-	-	1,956,101	-	(1,956,101)	-	-	-
Revalued Accumulated Depreciation			(1,923,399)					1,923,399
Closing Cost Amount	12,997,773	9,055,000	18,380,001	417,841	2,045,261	81,405	78,087	43,055,368
Accumulated Depreciation								
Opening accumulated depreciation	(522,968)	-	(1,267,612)	(81,243)	-	(59,229)	(30,497)	(1,961,549)
Depreciation expense	(256,912)	-	(655,787)	(45,026)	-	(10,629)	(13,531)	(981,885)
Revalued Accumulated Depreciation			1,923,399					1,923,399
Closing Accumulated Depreciation	(779,880)	-	-	(126,269)	-	(69,858)	(44,028)	(1,020,035)
Net book value								

As at 1 July 2024	12,720,516	8,692,000	13,991,095	339,195	445,445	21,016	28,843	36,238,110
As at 30 June 2025	12,459,032	8,692,000	13,779,487	325,549	455,382	22,176	47,590	35,781,216
As at 30 June 2026	12,217,893	9,055,000	18,380,001	291,572	2,045,261	11,547	34,059	42,035,333

Property, Plant and Equipment 2025

Cost	Commercial Land & Buildings	Residential Land	Residential Buildings & Improvements	Residential Furniture & Fittings	Work in Progress	Plant & Equipment	Vehicles	Total
Opening 1 July 2024	12,982,000	8,692,000	14,611,556	379,481	445,445	71,915	54,402	37,236,799
Additions	-	-	-	27,311	445,480	9,490	33,055	515,336
Disposals	-	-	-	-	-	-	(9,370)	(9,370)
Work in progress transferred to capital	-	-	435,543	-	(435,543)	-	-	-
Closing Cost Amount	12,982,000	8,692,000	15,047,099	406,792	455,382	81,405	78,087	37,742,765
Accumulated Depreciation								
Opening accumulated depreciation	(261,484)	-	(620,461)	(40,286)	-	(50,899)	(25,559)	(998,689)
Depreciation expense	(261,484)	-	(647,151)	(40,957)	-	(8,330)	(14,308)	(972,230)
Disposals	-	-	-	-	-	-	9,370	9,370
Closing Accumulated Depreciation	(522,968)	-	(1,267,612)	(81,243)	-	(59,229)	(30,497)	(1,961,549)
Net book value								
As at 1 July 2023	12,982,000	8,692,000	14,180,000	-	314,377	15,328	37,849	36,221,554
As at 30 June 2024	12,720,516	8,692,000	13,991,095	339,195	445,445	21,016	28,843	36,238,110
As at 30 June 2025	12,459,032	8,692,000	13,779,487	325,549	455,382	22,176	47,590	35,781,216

Commercial Land and Buildings

Land and Buildings were revalued as at 30 June 2023 using an independent valuer - Morgans. For the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026, a fair value assessment was made by Morgans which confirmed that the market movement was not material and therefore, the five yearly cycle of revaluation assessments remain appropriate.

In determining fair value Morgans have utilised an assessment of the following approaches:

- Income approach

- Capitalisation of Income Method - provides an indication of value by converting future cash flow to a single current value. Under the income capitalisation method, the value of an asset is determined by reference to the value of the income, cash flow or cost savings generated by the asset. This valuation method adopts the capitalisation of the passing and/or potential net rental income utilising yields as have been derived from sales of comparable property.

- Market approach – provides an indication of value by comparing the assets with identical or comparable assets for which price information is available.

Residential Land, Buildings, and Improvements

Land and buildings were revalued as at 30 June 2026 using an independent valuer (Morgans). In estimating the fair value of land and buildings, the Fair Value method was used under a highest and best use scenario.

The Fair Value method does make significant use of observable prices in active markets and recent market transactions on arm's length basis. The Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

Restrictions over titles

The land and buildings situated at 100 Awahuri Road, Feilding, with a valuation of $4.1m as at 30 June 2026 (30 June 2025: $3.7m) are pledged as a security for the loan advanced by Manawatū District Council to the Trust. Land and buildings situated at 1-7 Duke Street, with a valuation of $12.5m as at 30 June 2026 (30 June 2025: $12.5m), are pledged as a security for the loan advanced by ANZ. ANZ also holds a General Security Agreement over the assets of the Trust (Please refer to note 9 for more information on loans). There are no other restrictions over the title of the Trust's property, plant and equipment.

7. Analysis of Liabilities

	2026	2025
Bank overdraft		
Commercial Flexi Facility	101,112	939
Total Bank overdraft	**101,112**	**939**
Creditors and accrued expenses		
Trade Creditors	660,837	155,633
Sundry Expenditure Accruals	97,272	65,595
Tenancy Bonds	2,992	1,440
GST Payable	-	6,972
Total Creditors and accrued expenses	**761,102**	**229,641**
Employee costs payable		
Wages Payable	12,453	10,809
Annual Leave Entitlement	26,156	23,481
PAYE Payable	20,863	16,769
KiwiSaver Voluntary Contribution	269	-
Total Employee costs payable	**59,741**	**51,060**

	2026	2025
Deferred revenue		
Income in Advance	65,559	21,178
Total Deferred revenue	**65,559**	**21,178**
Other current liabilities		
Lease Payable	4,298	19,205
Total Other current liabilities	**4,298**	**19,205**
Other non-current liabilities		
Lease Payable	97,703	106,300
Total Other non-current liabilities	**97,703**	**106,300**

ANZ Commercial Flexi Facility

The Trust has access to an ANZ Commercial Flexi Facility of $1,500,000 which is an on-demand facility and can be repaid at any time. Interest is incurred at 6.24% with a service line fee of 0.75%. As at 30 June 2026 $101,112 was drawn down (2025: $939).

	2026	2025
8. Loans		
ANZ Term Loan 1001 - Feilding Health Centre		
Current Portion	578,000	216,000
Non-current Portion	-	578,000
Total ANZ Term Loan 1001 - Feilding Health Centre	**578,000**	**794,000**
Manawatū District Council Loans A & B		
Current Portion	100,796	117,399
Non-current Portion	-	101,332
Total Manawatū District Council Loans A & B	**100,796**	**218,731**
Manawatū District Council - Feilding Health Centre		
Current Portion	179,801	176,407
Non-current Portion	542,877	722,680
Total Manawatū District Council - Feilding Health Centre	**722,678**	**899,087**
Manawatū District Council - 14 Bowen Street		
Current Portion	4,583	4,489
Non-current Portion	14,151	18,657
Total Manawatū District Council - 14 Bowen Street	**18,734**	**23,146**
Manawatū District Council - LTP Loan 1		
Non-current Portion	1,000,000	1,000,000
Total Manawatū District Council - LTP Loan 1	**1,000,000**	**1,000,000**
Manawatū District Council - LTP Loan 2		
Non-current Portion	1,400,000	1,400,000
Total Manawatū District Council - LTP Loan 2	**1,400,000**	**1,400,000**

	2026	2025
Manawatū District Council - LTP Loan 3		
Current Portion	70,318	66,716
Non-current Portion	1,196,033	1,266,351
Total Manawatū District Council - LTP Loan 3	**1,266,351**	**1,333,067**
Central Energy Trust Loan		
Non-current Portion	1,000,000	-
Total Central Energy Trust Loan	**1,000,000**	**-**
Total Loans - Current	933,499	581,011
Total Loans - Non-Current	5,153,060	5,087,020
Total Loans	6,086,559	5,668,031

ANZ Term Facilities - Feilding Health Centre

The term of the loan is 36 months. The interest rate at 30 June 2026 was floating at 6.42% (2025: 6.42%). Maturity date for this loan is set at 30 November 2026. ANZ holds a General Security Agreement over the assets of the Trust. This loan was fully repaid in July 2026.

Manawatū District Council Loans A & B

The term of the loan is 15 years. Interest is incurred at the Council's borrowing rate of 3.85% p.a. for the twelve months ended 30 June 2026 (interest rate of 4.74% p.a. for year ended 30 June 2025). The loan from Manawatū District Council is secured by way of registered first mortgage over the land owned by the Trust at 100 Awahuri Road, Feilding.

Manawatū District Council - Feilding Health Centre

The term of the loan is 15 years from the date of the first drawing (15 April 2015). The loan was granted by the Council to assist with the development of the Feilding Health Centre. The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 3.82% (30 June 2025: 4.74%). The Trust is charged the effective interest rate of 1.91%, because 50% of the loan is interest free (0%). No security is held for this loan.

Manawatū District Council - 14 Bowen Street

The term of the loan is 12 years. The loan was granted by the Council to assist with the purchase of 14 Bowen Street. The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 3.82% (30 June 2025: 4.74%). No security is held for this loan.

Manawatū District Council - LTP Loan 1

The term of the loan is 15 years from the date of the first drawing (18 November 2019). The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 2.42% (30 June 2025: 2.77%). No security is held for this loan.

Manawatū District Council - LTP Loan 2

The term of the loan is 15 years from the date of the first drawing (15 December 2021). The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 3.82% (30 June 2025: 4.74%). No security is held for this loan.

Manawatū District Council - LTP Loan 3

The loan was established in two stages with MDC. The first agreement was entered into in July 2023 for $600,000. In May 2024, a subsequent agreement was executed, increasing the total loan to $1,400,000. The term of the loan is 15 years from the date of the first drawing (17 July 2023). The interest rate applicable to the interest bearing portion of the loan at 30 June 2026 was 5.27% (2025: 5.27%). No security is held for this loan.

Central Energy Trust

The impact investment loan was granted by the Trust to assist with social housing. The loan of $1,000,000 was drawn down on 17 July 2025. The interest rate applicable is 2.25%, being 1% less than the OCR at draw down date. The interest rate is to be reassessed annually. The term of the loan is 5 years. No security is held for this loan.

	2026	2025
9. Accumulated Funds		
Capital contributed by owners or members		
Opening Balance	10	10
Total Capital contributed by owners or members	**10**	**10**
Accumulated surpluses or (deficits)		
Opening Balance	15,190,450	15,026,816
Current year earnings	583,423	163,634
Total Accumulated surpluses or (deficits)	**15,773,872**	**15,190,450**
Asset revaluation reserves		
Opening Balance	15,741,945	15,741,945
Asset Revaluation Reserve	3,657,543	-
Total Asset revaluation reserves	**19,399,488**	**15,741,945**
Total Accumulated Funds	**35,173,370**	**30,932,405**

10. Commitments

Commitments to lease assets

Land lease for Feilding Health Centre

The Trust has entered into a 34 years and 11 months lease of the land effective from 13 April 2015. Under the terms of the agreement the Trust received a five year rental holiday, which expired on 13 April 2020. Should the lease not be renewed at the end of the 36 year term the Trust will sell the buildings to the Lessor at a prescribed purchase price.

Commitment to purchase property, plant and equipment

Housing Development

The Trust signed a contract agreement dated 1 January 2026 with Humphries Construction Limited for the housing development of 12 units at Corrick Court. The construction started in January 2026 and is expected to be completed in April 2027. The total contract price for the project is $4,617.442.

2025: The Trust signed a contract agreement dated 11 October 2024 with Colspec Construction Limited for the housing development of 7 Prince Street. The construction started in December 2024 and was completed March 2026. The total contract price for the project was $1,601,306 and total costs incurred for the development was $1,648,099. The additional costs incurred were outside of the contracted agreement with Colspec Construction Limited.

	2026	2025
Commitments		
Commitments to lease or rent assets		
Current (less than twelve months)	30,000	30,000
Non Current (later than twelve months)	680,000	710,000
Total Commitments to lease or rent assets	**710,000**	**740,000**
Commitment to purchase property, plant and equipment		
Current (less than twelve months)	2,613,820	1,517,077
Non Current (later than twelve months	-	-
Total Commitment to purchase property, plant and equipment	**2,613,820**	**1,517,077**

11. Related Party Transactions

Key management personnel

The Trustees received payment of $108,154 in the 2026 financial year (2025: $108,741). Other than Trustees fees there were no other benefits paid to Trustees.

Manawatū District Council

The Manawatū Community Trust is a Council Controlled Organisation of Manawatū District Council. The related party transactions are within a normal supplier or client/recipient relationship on terms and conditions no more favourable or less favourable than those that is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances, except for the $2,500,000 loan from the Manawatū District Council on which interest is only charged on 50% of the outstanding loan balance.

No provision has been required, nor any expense recognised, for the impairment of receivables from related parties.

	2026	2025
The following transactions were carried out with Manawatū District Council:		
Payments		
Loans repaid	365,473	353,337
Rates	152,780	145,700
Volumetric water charges	59,968	28,360
Interest Expense	169,063	203,912
Total Payments	**747,285**	**731,309**

	2026	2025
Amounts owing at balance date to Manawatū District Council:		
Rates	18,011	17,489
Loans Outstanding	4,508,560	4,874,032
Interest Expense	23,731	26,281
Electricity	1,937	-
Total Amounts owing at balance date to Manawatū District Council:	**4,552,238**	**4,917,803**

Central Energy Trust

Central Energy Trust is a related party as Liam Greer, a trustee of Manawatu Community Trust, is also a trustee of Central Energy Trust. During the year, Central Energy Trust advanced a loan to the trust of $1,000,000 on 17 July 2025. Interest is charged at the current OCR less 1% and is reviewed annually. The trust also received a grant totalling $96,950 to go towards the Prince Street afforable housing project.

	2026	2025
The following transactions were carried out with Central Energy Trust:		
Receipts		
Grant Received	96,950	-
Total Receipts	**96,950**	-
Payments		
Interest Expense	20,625	-
Total Payments	**20,625**	-

	2026	2025
Amounts owing at balance date to Central Energy Trust:		
Loans Outstanding	1,000,000	-
Total Amounts owing at balance date to Central Energy Trust:	**1,000,000**	-

12. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2026 (2025: Nil).

13. Capital Management

The Trust's capital is its equity, which comprises Trust capital and retained surpluses. Equity is represented by net assets. The Trust deed requires the Trustees to manage all aspects of the business prudently. The Trust's equity is largely managed as a by product of managing all financial dealings. The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

14. Events After the Balance Date

On 8 July 2026, the Trust entered into a loan agreement with Manawatu District Council for $5,300,000 for the property development at Corrick Court.

15. Explanation of Major Variances Against Budget

Explanations for major variances from the Trust's budgeted figures in the 30 June 2026 statement of intent are as follows:

Statement of Financial Performance

- **Grants from non-government organisations:** The unfavourable variance of $282,050 is the result of grant applications not occuring within the budgeted timeframe.
- **Revenue from service delivery/grants/contracts (non-government):** The favourable variance of $45,275 primarily reflects occupancy being higher than anticipated at budget setting.
- **Other expenses related to service delivery**: The favourable variance of $179,736 reflects insurance costs and a combination of other minor expenses being lower than anticipated at budget setting.
- **Other expenses**: The favourable variance of $92,425 reflects lower interest rates and loan funding being required later than budgeted.

Statement of Financial Position

- **Cash and short-term deposits**: The net favourable variance (including bank overdraft) of $28,718 is the result of operating and capital expenditure being less than anticipated at budget setting.
- **Property, plant, and equipment**: Positive variance against budget of $3,355,051 due to the valuations undertaken by Morgan's.
- **Creditors and accrued expenses**: The unfavourable variance of $445,098 primarily relates to Corrick Court development payable due at year-end.
- **Loans (current and non-current):** Net favourable variance against budget of $877,991 primarily due to loan not being required until 2026/2027.

Statement of Cash Flows

- **Funding from non-government service delivery/grants/contracts:** The unfavourable variance of $164,421 primarily reflects delays in applying for and receiving budgeted grant funding, with the associated cash receipts occurring later than forecast.
- **Payments related to service delivery**: The favourable variance of $153,566 reflects insurance costs and a combination of other minor expenses being lower than anticipated at budget setting.
- **Other Payments**: The favourable variance of $89,369 reflects interest costs being lower than budgeted.
- **Sale of Investments:** The favourable variance of $270,331 reflects budgeted withdrawals from term deposits to fund capital projects that were not required due to changes in project timing.
- **Repayments of loans from other parties:** The unfavourable variance of $121,408 reflects loan repayments being lower than budgeted due to reduced borrowing activity.
- **Payments to acquire property, plant, and equipment**: The unfavourable variance of $234,372 primarily reflects the changes in the timing of expenditure on the Manawanui development.

There are no other major variances against the prospective statement of financial performance, statement of financial position and statement of cash flows.

MANAWATŪ COMMUNITY TRUST

STATEMENT OF INTENT 2025/26

THIS STATEMENT OF INTENT COVERS THE YEAR 1 JULY 2025 TO 30 JUNE 2026

PURPOSE

The purpose of this statement of intent is to

(a) state publicly the activities and intentions of this council-controlled organisation for the year and the objectives to which those activities will contribute; and

(b) provide an opportunity for shareholders[1] to influence the direction of the organisation; and

(c) provide a basis for the accountability of the directors[2] to their shareholders for the performance of the organisation.

OBJECTIVES OF THE COUNCIL CONTROLLED ORGANISATION

1. Section 59 of the Local Government Act 2002 provides:

Principal objective of a council-controlled organisation

(1) The principal objective of a council-controlled organisation is to

(a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and

(b) be a good employer; and

(c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and

(d) if the council-controlled organisation is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice.

(2) In subsection (1)(b), good employer has the same meaning as in clause 36 of Schedule 7 of the Local Government Act 2002.

NATURE AND SCOPE OF ACTIVITIES

Nature

The Nature of the Trust is to promote and provide housing and wellbeing services that are relevant and meet long term community needs.

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[1] 'Shareholders' include any partners, joint venture partners, members or other persons holding equity securities in relation to the organisation. In this case the shareholders will be the Mayor and the Councillors of the Manawatu District Council.

[2] 'Directors' and the 'Board' include trustees, managers or office holders (however described in the organisation).

Scope

The Trust is a robust, professional, and viable organisation that is providing a modern healthy living environment, up to date, good quality, sustainable housing and health facilities that address the needs of the community to enhance the long-term wellbeing of Manawatū residents.

OBJECTIVES OF THE MANAWATŪ COMMUNITY TRUST

The objectives of the Manawatū Community Trust as identified in its Deed of Trust are:

1. Any charitable purpose within the Manawatū District
2. To create a fund to be used for:
   - 2.1 The promotion of any purpose or purposes within the Manawatū District for the relief of poverty and for the benefit of the residents of the Manawatū District.
   - 2.2 The promotion and provision of housing for the elderly and disabled residents of the Manawatū District.
   - 2.3 The promotion of health services for the residents of the Manawatū District.
   - 2.4 The promotion of wellbeing services for residents of the Manawatū District – these services shall include services promoting the improvement of the lifestyle, health and welfare of residents in the Manawatū District and creating a sense of community for the benefit of the residents of the Manawatū District.
   - 2.5 To accept gifts and grants of whatever description, provided that any private benefit conferred on any individual is incidental to the above purposes.

GOVERNANCE

Five Trustees have been appointed by the Manawatū District Council to the Trust with terms as set out below.

- **Allan Davey,** reappointed for 3 years from 6 May 2022 – 5 May 2028
- **Tyson Schmidt,** reappointed for 3 years from 1 July 2022 – 30 June 2025
- **Liam Greer,** Chairperson, reappointed for 3 years from 1 April 2024 – 31 March 2027
- **Joanne Shortall,** reappointed for 3 years from 1 April 2024 – 31 March 2027
- **Tracey Hunt,** reappointed for 3 years from 1 July 2024 – 30 June 2027

The Trust meets for Board meetings on a bi-monthly basis, the three Subcommittees meet on a bi-monthly basis, and regular meetings are held with senior staff to review the operational business of the Trust.

STATEMENT OF ACCOUNTING POLICIES

The Trust has elected to apply PBESFR-A (PS) Public Benefit Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than $5 million in the two years prior to June 2023.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future.

PERFORMANCE TARGETS

Goal 1: Maintain and develop existing housing to be user friendly, safe and sustainable.

Description	Starting Point	Target	Results to 30 June 2026
Maintain all occupied housing stock at a 3 Star* rating or above by 2025. *An internal rating system from 1 to 5 Star; 5 Star being the highest.	Housing at a 3 Star rating or above as at 30 June 2021: 193 of 205.	2026: All housing stock 2027: All housing stock 2028: All housing stock	Achieved. 31 Dec 30 Jun 3 Star 32% 29% 4 Star 50% 50% 5 Star 18% 21%
Maintain Healthy Homes Compliance	2024: Heat Pumps 175 of 205 Extraction Units 125 of 205	2025: 100% Compliance 2026: 100% Compliance 2027: 100% Compliance	100% Achieved. Units are independently assessed when new tenancies occur with 100% compliance achieved. Reactive maintenance occurs during inspections or when tenants report concerns.
Plan major unit renovations that incorporate improved functionality and safety and that support aging in place.	2024: Defined level of service.	2026: 4 2027: 4 2028: 4	Achieved. Major renovations were carried out on four units.
Be responsive to urgent maintenance requirements and resident health and safety needs.	Urgent requests are recorded electronically and are responded to in accordance with their priority.	2026 - 2028 Urgent maintenance requests are actioned in alignment with MCT Tenant Health and Safety Policy.	Achieved. 17 urgent jobs raised in 2025/26 and all were actioned within the required response time of four hours.
Maintain average month end occupancy at above 95%.	Average month end occupancy 2022: 96%.	2026: >95% 2027: >95% 2028: >95%	Achieved. Average month end occupancy to 30 June 2026 was 98%.

Goal 2: Increase the number of community housing units - 250 by 2030.

Description	Starting Point	Target	Results to 30 June 2026
MCT will increase the number of affordable homes in Manawatū to a total of 250 homes by 2030.	As at 30 June 2022: 205 units.	2026: 209 2027: 221 2028: 223	Achieved. • Manawanui Complex: Four x 2-bedroom units were completed and tenanted, increasing MCT's housing portfolio to 209 units. • Corrick Court: Construction of 12 units commenced in January 2026 and remains on

			track for completion by 30 June 2027.
Collaborate with the MDC in defining, developing, and refining a strategy to address housing needs for elderly and disabled residents in the Manawatū.	2020: 250 by 2030 Strategy agreed. 2024: Scoping the establishment of a Feilding based Community Housing Provider. 2024: CHP application declined.	2025/26: • Impact Investment achieved. • Access Grant Funding toward housing developments. • Identification of suitable council owned land or planned decommission of MDC existing property.	In Progress • No suitable surplus or planned-for-decommissioning council-owned land was identified but we are continuing to work with council on this. • $96,950 grant was secured for the Manawanui development. • $1 million in impact investment finance was secured at 2.25% interest. • MDC approved $5.3 million in financing for the Corrick Court development.

Goal 3: Diversify housing typologies and increase the range of affordable housing offerings to meet identified local need.

Description	Starting Point	Target	Results to 30 June 2026
The promotion of wellbeing services promoting the improvement of lifestyle, health and welfare and creating a sense of community for the benefit of the residents of the Manawatū.	2022: Research based community needs assessment for senior citizens completed. 2024/25: Housing model forum to guide future housing.	2025-2028: • Update Housing Needs Assessment Data. • Design future housing and communities based on identified need. • Contribute to the promotion of best practice models of housing.	Achieved. • New housing has been designed in accordance with Lifemark Universal Design Standards and Crime Prevention Through Environmental Design (CPTED) principles. • Demand for one-bedroom units remains strong, with 27 suitable applicants on MCT's waiting list at 30 June 2026.
Continue to offer Manawatū residents the option of rentals at no more than 30% of the superannuation plus accommodation benefits available.	April 2023: Highest rental at 30% of superannuation benefit (as at April 2022) including 100% of available accommodation supplement.	2026: <30% 2027: <30% 2028: <30%	Achieved. As MCT diversifies its housing portfolio, larger and accessible homes remain affordable through either: • Income-based rent, set at 30% of gross NZ Superannuation plus

			Accommodation Supplement; or • Discounted market rent for at accessible units, set at 80% of market rent following an independent assessment.

Goal 4: Practice Good Governance and Sound Financial Performance

Description	Starting Point	Target	Results to 30 June 2026
Provide financial reporting to the MDC as required applying PBE SFR (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector).	Meet half yearly and annual statutory reporting deadlines.	2026 - 2028: Reports submitted on time and to the satisfaction of MDC.	Achieved: All 2025 deadlines were met, and 2026 reporting is on track.
Meet ANZ financial undertakings as per our loan agreements to maintain an effective equity / total tangible asset % greater or equal to 50%.	As at 30 June 2022: 83.6%	2026 - 2028: ≥ 50%	Achieved: 83%
Maintain an interest coverage ratio of EBITDA to interest at above 3.	As at 30 June 2022: 8.47	2026 - 2028: >3	Achieved: 7.24
Practice good governance principles.	As at 30 June 2024: • Annual Board performance reviews. • MCT Board has IOD Membership. • Discussion of Board selected of governance articles/case studies.	2026 – 2028 • Continuation of annual Board Performance Reviews. • Board training based on board performance review. • Maintenance of IOD membership. • Continued review of topical governance matters.	Achieved. • A Board performance review was completed in July 2025, with cultural development identified and undertaken. • MCT's IoD membership was maintained. • Readings and discussion of relevant and emerging governance matters is a standard agenda item.

Chairperson
Manawatū Community Trust