

## Independent Auditor's Report

### To the readers of Whanganui Port Operating Company Limited's financial statements for the year ended 30 June 2023

The Auditor-General is the auditor of Whanganui Port Operating Company Limited (the Company). The Auditor-General has appointed me, Chris Webby, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Company on his behalf.

We have audited the financial statements of the Company, but performance information has not been included in the accompanying Annual Report for audit purposes.

The financial statements on pages 6 to 14, comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

#### ***Unmodified opinion on the financial statements***

In our opinion, the financial statements of the Company:

- present fairly, in all material respects:
  - its financial position as at 30 June 2023; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

#### ***Adverse opinion on the performance information***

In our opinion, because of the significance of omitting the statement of service performance from the annual report, the Company's service performance achievements for the year ended 30 June 2023 are not presented fairly, in all material respects, in accordance with generally accepted accounting practice in New Zealand. The matter is further described in the *Basis for our opinion* section of our report.

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to other matter. In addition, we outline the responsibilities of the Board of Directors and our audit responsibilities, and we explain our independence.

## **Basis for our opinion**

As outlined in note 13 on page 14, the Company has not included a statement of service performance in the annual report that complies with generally accepted accounting practice in New Zealand. The omission is a material departure from section 68 of the Local Government Act 2002 (the Act) and forms a substantial part of a council-controlled organisation's annual report. The departure resulted from the Company not preparing a statement of intent for the period commencing 1 July 2022, as required by section 64 of the Act. The statement of intent forms the basis against which the performance of the Company is measured.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the financial statements and adverse opinion on the performance information.

## **Other matter - Comparison of forecast financial statements with historical financial statements**

The Company is required by the Local Government Act to include forecast financial statements in its statement of intent. Without further modifying our opinion, we draw attention to the fact that, as the Company did not have a statement of intent for the period commencing 1 July 2022, no comparison of the forecast financial statements with the historical financial statements was presented in the Annual Report.

## **Responsibilities of the Board of Directors**

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

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

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



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

## **Responsibilities of the auditor**

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

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

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

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

statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

## **Independence**

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

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



Chris Webby  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand

# **Whanganui Port Operating Company Limited**

## **Annual Report**

**For the year ended 30 June 2023**

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## Directory

|                                    |  |
|------------------------------------|--|
| Registered office                  | Whanganui District Council<br>101 Guyton Street<br>Whanganui<br>Telephone (06) 349 0001<br>Fax (06) 349 0000<br>email <a href="mailto:wdc@whanganui.govt.nz">wdc@whanganui.govt.nz</a> |
| Postal address                     | PO Box 637<br>Whanganui  |
| Directors                          | Mark Petersen (Chair)<br>Nick Wareham<br>Ken Mair  |
| Auditor                            | Audit New Zealand<br>On behalf of the Auditor-General  |
| Bankers                            | ANZ Whanganui  |
| Solicitors                         | Buddle Findlay   |
| Shareholding as at<br>30 June 2023 | Whanganui Port General Partner Limited 100%  |



## Statutory information

The Directors present their report and the financial statements for the year ended 30 June 2023. The Company was incorporated on 28 August 2020.

### Activities

Whanganui Port Limited Partnership (WPLP) has appointed Whanganui Port Operating Company Limited (WPOC), a council-controlled organisation and wholly-owned subsidiary of Whanganui Port General Partner Limited (WPGPL), to carry on and be responsible for the day-to-day operation of the Whanganui Port, and for the management and completion of the Project, on the terms and subject to the conditions set out in the operating agreement between WPLP and WPOC. WPOC will assume certain statutory functions, powers, duties and responsibilities in connection with the operation of the Whanganui Port including functions, powers, duties and responsibilities delegated to it by WPLP. WPOC is a Council Controlled Organisation (CCO) of the Whanganui District Council (WDC) as defined by section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

### Results

The Directors report a parent tax paid loss of \$nil for the year ended 30 June 2023. Equity at the end of the year was \$nil.

### Dividends

The company did not pay dividends for the year ended 30 June 2023 (2022: \$nil).

### Directors and their remuneration

Directors fees paid by the parent company during the year were as follows:

|                 |                          |
|-----------------|--------------------------|
| Mark Petersen   | \$ 44,167 (partial year) |
| Ken Mair        | \$ 23,333 (partial year) |
| Hamish McDouall | \$ 23,333 (partial year) |

### Directors' and officers' insurance

Pursuant to Sections 162(3) and 162(4) of the Companies Act 1993 and the Company's constitution, Whanganui Port Operating Company Limited has affected liability insurance cover for Directors and Officers up to \$12 million. Whanganui Port Limited Partnership has paid 100% of the premium for this cover

### Shareholding by directors

No Directors held Company shares, or acquired or disposed of shares during the year.

### Use of company information

No Directors have used or acted on information that would not otherwise be available to Directors.

### Auditor's remuneration

The audit fees for the current year is estimated at \$12,000.

### Donations

There were no donations for the year (2022 \$nil).

### Employee Remuneration

Company does not have any employees. (2022 nil)



## Directors Interests

The Directors have made the following declarations of interest:

### Mark Petersen

- Centuria NZ Industrial Fund limited - Chair
- Centuria Penrose Limited - Director
- Centuria Funds Management Limited - Director
- Tainui Group Holdings Limited - Director
- Tainui Fisheries Limited - Director
- Te Tumu Kainga – Advisory Board member
- Helsingor Properties Limited – Director

### Nick Wareham

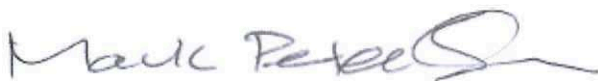
- Wareham Property Consulting Ltd
- One Featherston Development Ltd
- Cuba Street Properties No 8 Ltd
- Wareham Family Trust

### Ken Mair

- Whanganui Negotiation Land Trust
- Tupoho Trust
- Tupoho Investment Company
- Murimotu Land Trust
- Raketapauma Land Trust
- Te Urumingi Land Trust
- Motuhou Land Trust
- Heeni Investments
- Pungarehu Marae - Ngati Tuera / Hinearo
- Consultancy Services Aotearoax

## Company's Affairs

The Directors consider the state of the Company's affairs to be satisfactory.  
On behalf of the Board



Mark Petersen

Chair



Nick Wareham

Director

## Statement of comprehensive revenue and expense

For the year ended 30 June 2023

|  | Note | 2023<br>\$000 | 2022<br>\$000 |
|--|------|---------------|---------------|
| <b>Revenue</b>                                 |      |               |               |
| Management Fees                                | 1    | 537           | -             |
|  |      | <b>537</b>    | -             |
| <b>Expenses</b>                                |      |               |               |
| Service Level Agreement - WDC                  | 2    | 429           | -             |
| Directors Fees                                 | 3    | 91            | -             |
| Audit Fee                                      | 4    | 12            | -             |
| Travel & Accom                                 | 5    | 5             | -             |
| Other expenses                                 |      | -             | -             |
|  |      | <b>537</b>    | -             |
| <b>Profit / (Loss)</b>                         |      | -             | -             |
| <b>Other comprehensive revenue and expense</b> |      | -             | -             |
| <b>Total comprehensive income</b>              |      | -             | -             |

*The accompanying notes form part of these financial statements.*

## Statement of changes in equity

For the year ended 30 June 2023

|  | Note | 2023<br>\$000 | 2022<br>\$000 |
|--|------|---------------|---------------|
| Balance at 1 July                        |      | -             | -             |
| <b>Comprehensive revenue and expense</b> |      |               |               |
| Total comprehensive income for the year  |      | -             | -             |
| <b>Balance at 30 June</b>                |      | -             | -             |

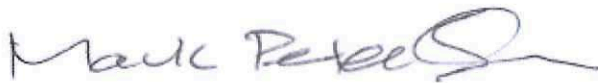
*The accompanying notes form part of these financial statements.*

## Statement of financial position

As at 30 June 2023

|                            | Note | 2023<br>\$000 | 2022<br>\$000 |
|----------------------------|------|---------------|---------------|
| <b>Assets</b>              |      |               |               |
| <b>Current assets</b>      |      |               |               |
| Cash and cash equivalents  | 6    | 16            | -             |
|                            |      | 16            | -             |
| <b>Total assets</b>        |      | <b>16</b>     | <b>-</b>      |
| <b>Liabilities</b>         |      |               |               |
| <b>Current liabilities</b> |      |               |               |
| Trade & other payables     | 7    | 16            | -             |
|                            |      | 16            | -             |
| <b>Total liabilities</b>   |      | <b>16</b>     | <b>-</b>      |
| <b>Net assets</b>          |      | <b>-</b>      | <b>-</b>      |
| <b>Equity</b>              |      |               |               |
| Accumulated funds          | 8    | -             | -             |
|                            |      | -             | -             |

For and on behalf of the Board



Chair



Director

*The accompanying notes form part of these financial statements.*



## Statement of cash flows

For the year ended 30 June 2023

|   | Note     | 2023<br>\$000 | 2022<br>\$000 |
|---|----------|---------------|---------------|
| <b>Cash flows from operating activities</b>                 |          |               |               |
| <i>Cash was provided from:</i>                              |          |               |               |
| Management Fees   |          | 541           | -             |
| <i>Cash was applied to:</i>                                 |          |               |               |
| Payments to suppliers                                       |          | (525)         | -             |
| <b>Net cash flows from operating activities</b>             | <b>9</b> | <b>16</b>     | <b>-</b>      |
| <b>Cash flows from investing activities</b>                 |          |               |               |
| Purchase of fixed assets and investments                    |          |               | -             |
| <b>Net cash from investing activities</b>                   |          | -             | -             |
| <b>Cash flows from financing activities</b>                 |          |               |               |
| Borrowings & other financial liabilities                    |          |               | -             |
| <b>Net cash from financing activities</b>                   |          | -             | -             |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |          | <b>16</b>     | <b>-</b>      |
| Cash & cash equivalents at the beginning of the year        |          | -             | -             |
| <b>Cash &amp; cash equivalents at the end of the year</b>   |          | <b>16</b>     | <b>-</b>      |

The accompanying notes form part of these financial statements.

## Statement of accounting policies

For the year ended 30 June 2023

### REPORTING ENTITY

Whanganui Port Limited Partnership (WPLP) has appointed Whanganui Port Operating Company Limited (WPOC), a council-controlled organisation and wholly-owned subsidiary of Whanganui Port General Partner Limited (WPGPL), to carry on and be responsible for the day-to-day operation of the Whanganui Port, and for the management and completion of the Project, on the terms and subject to the conditions set out in the operating agreement between WPLP and WPOC. WPOC will assume certain statutory functions, powers, duties and responsibilities in connection with the operation of the Whanganui Port including functions, powers, duties and responsibilities delegated to it by WPLP. WPOC is a Council Controlled Organisation (CCO) of the Whanganui District Council (WDC) as defined by section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

WPOC has designated itself as a public benefit entity (PBE) for Financial Reporting Purposes. WPOC was registered on 28 August 2020.

The financial statements of WPOC are for the year ended 30 June 2023. The financial statements were authorised for issue on 2 October 2023 by the Board.

### BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the WPOC to continue as a going concern.

The comparative financial statements are nil value as the WPOC was dormant until 1 July 2022.

### Statement of compliance

The financial statements of WPOC have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards on the basis that the WPOC does not have public accountability (as defined) and has total annual expenses of less than \$30 million. These financial statements comply with these PBE Standards.

The financial statements are prepared using the historical cost method.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars. The WPOC's functional currency is New Zealand dollars.

### SPECIFIC ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of surplus or deficit and financial position, have been applied:

#### Income

Income is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

Income derived through a Management Fee to WPLP to cover all WPOC expenses and is recognised in proportion to timing as at balance date.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. At balance date this is represented as a current asset in the statement of financial position.

### **Payables**

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

### **Equity**

The components of equity are only accumulated funds

### **Directors Remuneration:**

Te Kenehi Robert Mair, Declan Wiremu Millin and Robert Mark Petersen, were appointed as directors of the Company by WPGPL, the Company's sole shareholder, with effect on and from 28 September 2022.

Subject to the approval of WPGPL, the Company purposed to pay the following fees to the directors:

- Director: \$35,000
- Chairperson: \$55,000

### **Goods and Service Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

### **Income Tax**

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Current and deferred tax is recognised against the statement of comprehensive income for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

### **Critical accounting estimates and assumptions**

In preparing these financial statements WPOC has made estimates and assumptions concerning the future which may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### **Changes in accounting policies:**

Not applicable as first year of business



## Notes to the Financial Statements

For the year ended 30 June 2023

| <b>1. Management Fees</b>        | <b>2023<br/>\$000</b> | <b>2022<br/>\$000</b> |
|----------------------------------|-----------------------|-----------------------|
| Management Fees income from WPLP | 537                   | -                     |
| <b>Total Management Fees</b>     | <b>537</b>            | <b>-</b>              |

| <b>2. Service Level Agreement - WDC</b>      | <b>2023<br/>\$000</b> | <b>2022<br/>\$000</b> |
|--|-----------------------|-----------------------|
| Service Level Agreement - WDC Personal costs | 429                   | -                     |
| <b>Total Service Level Agreement</b>         | <b>429</b>            | <b>-</b>              |

| <b>3. Director Fees</b>    | <b>2023<br/>\$000</b> | <b>2022<br/>\$000</b> |
|----------------------------|-----------------------|-----------------------|
| Director Fees              | 91                    | -                     |
| <b>Total Director Fees</b> | <b>91</b>             | <b>-</b>              |

| <b>4. Audit Fees</b>  | <b>2023<br/>\$000</b> | <b>2022<br/>\$000</b> |
|---|-----------------------|-----------------------|
| Audit Fee accrual - WPGP 2022/23 Audit fee                                | 12                    | -                     |
| <b>Total Audit Fees</b>   | <b>12</b>             | <b>-</b>              |
| <i>Audit fee is an estimate and the final fee will be based on actual</i> |                       |                       |

| <b>5. Travel &amp; Accomodation</b>       | <b>2023<br/>\$000</b> | <b>2022<br/>\$000</b> |
|---|-----------------------|-----------------------|
| Travel & Accomodation costs for directors | 5                     | -                     |
| <b>Total Travel &amp; Accomodation</b>    | <b>5</b>              | <b>-</b>              |



## Notes to the Financial Statements

For the year ended 30 June 2023

### 6. Cash and cash equivalents

|  | 2023<br>\$000 | 2022<br>\$000 |
|--|---------------|---------------|
| Cash at bank and on hand               | 16            | -             |
| <b>Total cash and cash equivalents</b> | <b>16</b>     | <b>-</b>      |

### 7. Trade and other payables

|   | 2023<br>\$000 | 2022<br>\$000 |
|---|---------------|---------------|
| Audit Fees Accrual  | 12            | -             |
| Whanganui Port Limited Partnership Management Fee accrual | 4             | -             |
|   | -             | -             |
| <b>Total Trade and other payables</b>                     | <b>16</b>     | <b>-</b>      |

### 8. Equity

|                                | 2023<br>\$000 | 2022<br>\$000 |
|--------------------------------|---------------|---------------|
| <b>Accumulated funds</b>       |               |               |
| Balance at 1 July              |               |               |
| Surplus/(deficit) for the year |               |               |
| Balance at 30 June             | -             | -             |

### 9. Reconciliation of net surplus/(deficit) to net cash flow from operating activities

|  | 2023<br>\$000 | 2022<br>\$000 |
|--|---------------|---------------|
| <b>Surplus/(deficit) after tax</b>                         | -             | -             |
| <b>Add/(less) non-cash items:</b>                          | -             | -             |
| <b>Add/(less) movements in working capital items:</b>      |               |               |
| Accounts receivable  | -             | -             |
| Accounts payable   | 16            | -             |
|  | 16            | -             |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>16</b>     | <b>-</b>      |

## Notes to the Financial Statements

For the year ended 30 June 2023

### 10. Contingencies

There are no contingent assets or liabilities at balance date (2022 \$0).

### 11. Related party transactions

WPOC is part of the Whanganui District Council group and has transactions with members of group. All related transactions are on arms length basis and there's nothing to disclose as per PBE IPSAS 20. However, related party transactions have been disclosed in note 1 and 2 and these are effectively pass through costs.

### 12. Events after the balance date

There were no significant post balance date events (2022: \$)

### 13. Failure to comply with certain legislative requirements of the Local Government Act 2002

We did not prepare performance reporting as required by section 68 of the Act. This is because we did not have a statement of intent for the period commencing 1 July 2022. Section 64 and clause 3 of schedule 8 of the Act requires the WPOC to prepare a statement of intent for period beginning 1 July 2022 by 30 June 2022. This has not been done.