



InfraCore

Essential Contracting Solutions
He Toki Taukari Whakaea

Financial Statements
InfraCore Limited
2024/25

Financial Statements Index

KEY DISCLOSURES.....3
STATEMENT OF RESPONSIBILITY4
ENTITY INFORMATION5
STATEMENT OF SERVICE PERFORMANCE – 2025.....7
STATEMENT OF SERVICE PERFORMANCE – 2024.....7
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE.....10
STATEMENT OF FINANCIAL POSITION.....11
STATEMENT OF CHANGES IN EQUITY11
STATEMENT OF CASH FLOWS13
NOTES TO THE FINANCIAL STATEMENTS14

INFRACORE LIMITED

KEY DISCLOSURES

FOR THE YEAR ENDED 30 JUNE 2025

INTEREST REGISTER

The Company is required to maintain an interest register in which the particulars of certain transactions and matters involving the Directors must be recorded. The interest register is available for inspection at the operational office.

Information used by directors

During the financial year, there were no notices received from directors of InfraCore Limited as, or any subsidiary, requesting to use information received in their capacity as a director which would not otherwise have been available to them.

Indemnification and insurance of directors and officers

The Company has arranged policies of the Directors’ and Officers’ Liability Insurance and separate Director’s and Officers’ defence costs insurance.

SEVERANCE PAYMENTS

For the year ended 30 June 2025 the Company did not make any severance payments (2024: two severance payments to two employees of \$20,000).

DONATIONS

No donations were made by the company during the year (2024: nil).

EMPLOYEE REMUNERATION

The following numbers of employees, who were not directors, received remuneration and benefits which exceeded \$100,000 value for the 2025 financial year: fourteen (2024: fourteen).

	Actual 2025	Actual 2024
Remuneration		
\$100,000 - \$109,999	-	5
\$110,000 - \$119,999	2	2
\$120,000 - \$129,999	1	2
\$130,000 - \$139,999	2	2
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	1
\$170,000 - \$179,999	1	1

1.

INFRACORE LIMITED
STATEMENT OF RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2025

The Directors of InfraCore Limited accept responsibility for:

- the preparation of the Company's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non-financial reporting;
- the accuracy of any end-of-year performance information prepared by the Company, whether or not that information is included in the annual report.

In the Directors opinion:

- The financial statements and statement of service performance fairly reflect the financial position of the Company AS AT 30 JUNE 2025 and its operations for the year ended on that date.



Andrew Moraes
Director
30th October 2025

INFRACORE LIMITED

ENTITY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2025

Date of Incorporation

27 July 2015

Company Number

5758268

IRD Number

117-357-767

Nature of Business

The business of the company was the constructing, maintaining and managing infrastructure and facility assets. Providing high quality cost effective services in the following areas: three waters, city cleaning, parks operations, civil works, and supply of nursery products. This activity ceased in this entity as at 31 October 2024.

Business Location

70 Vaughan Road and Queens Drive, Government Gardens, Rotorua

Registered Office

1061 Haupapa Street, Rotorua

Directors

Andrew Moraes	Appointed 01/08/2024
John McRae – Chair	Ceased 01/08/2024
Vivienne Scott	Ceased 01/12/2024
Brent Whibley	Ceased 23/01/2025
Geoffrey Rolleston	Ceased 23/01/2025
Christiaan Van Florenstein Mulder	Ceased 31/07/2023
Tupara Morrison	Ceased 31/07/2023

Auditor

BDO Rotorua Limited, on behalf of the Auditor-General

Banker

BNZ Bank, Rotorua

Solicitor

Holland Beckett, Rotorua

Shareholder

Rotorua District Council	100% shareholder	2,366,081 Ordinary Shares
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STATEMENT OF SERVICE PERFORMANCE – 2025

FOR THE YEAR ENDED 30 JUNE 2025

How we did in 2025

With the decision for the company’s assets and operations to be purchased by Rotorua Lakes Council being resolved by Council Minute on 3 July 2024, many of the performance measures became redundant. Performance measures 5, 6 and 7 relate to the four months of trading to 31 October 2024.

	Performance measure	Target for FY25	Status
1	To work with RLC to create a sustainable green space management and maintenance component including revised service levels and cost recovery.	Complete the business case and present it to the shareholder.	Not Achieved RLC paused the completion of documents during FY2024. The subsequent sale of the business on 31 October 2024 meant this measure was not completed.
2	To achieve financial budget, focusing on providing the lowest cost service to RLC for services rendered whilst ensuring the financial health of InfraCore.	To achieve financial budget.	Not Achieved Statement of Intent which outlines the budget was prepared for the full financial year however as the business was sold on 31 October 2024, this measure became redundant.
3	Work with RLC on the Water Reform changes and how these changes will impact on InfraCore		Unable to be measured New elected government has repealed the affordable water reforms. This was a new measure for FY2024 and has not been measured given the government’s action.
4	Provide cost saving recommendations to RLC from operations.	As developed and implemented	Unable to be measured As the decision for InfraCore to be purchased by RLC was made in July 2024, this measure became redundant for FY2025 and was not measured in FY2024 due to staff constraints.
5	Consolidated KPI scoring Parks and Open Spaces	83%	Achieved 94.74%

	Performance measure	Target for FY25	Status
6	Consolidated KPI Utilities	83%	Achieved 88%
7	Targeting full employee engagement with health and safety.	80%	Not Achieved 70%
8	Develop business case for depot redevelopment to ensure a fit for purpose depot is provided.	Develop business case	Not Achieved Due to the sale of the business to RLC, this did not proceed.
9	Review and identify recapitalisation options for InfraCore to ensure company funding is in line with business operations requirements	Develop business case	Not Applicable All work related to this item is being undertaken by RLC.

STATEMENT OF SERVICE PERFORMANCE – 2024

FOR THE YEAR ENDED 30 JUNE 2024

How we did in 2024

2024 was another challenging year for the Company, with the appointment of a new CEO after the departure of the CEO and CFO, with only 4 of the 10 performance measures achieved. Inflationary pressures and skill shortages are the primary contributing factor to not achieving the measures.

A lot of success has been achieved throughout the year with several critical initiatives.

- Staff Turnover Reduction: Annualised turnover dropped from 60% to 18%.
- Financial Management: Aged debtors are now under control.
- Enhanced Reporting: Clear, factual reporting to the Board and Council.
- Operational Improvements: Significant productivity enhancements and lean Daily Management System implementation.
- Strategic Planning: Development of a 3-year high-level business plan and engagement with Morrison Low to deliver on Council resolutions.
- Staff Engagement: Improved staff morale with 97% of staff considering InfraCore a good place to work in May 2024, up from 83% in February 2023.

Our financial projections assumed the emergence of an optimised contracting environment that aligns our work streams with our staffing capacity and the operational budgets at our disposal. The contracting renewal process was paused due to the pending decision of the future of Infracore.

We maintained and improved the service standard consistent with what was achieved during the June 2023 financial year as part of our commitment to excellence in service delivery.

In 2024 there were five new service performance measures that were agreed with the shareholder. These were measures number 1, 3, 4, 8 and 9. It was agreed with the shareholder

that these provided more valued information on the performance of the company. Through this process some of the measures from 2023 were removed, these were 2, 6, 7, 8 and 9.

	Performance measure	Target for FY24	Status
1	To work with RLC to create a sustainable green space management and maintenance component including revised service levels and cost recovery.	Complete the business case and present it to the shareholder.	Not Achieved RLC paused the completion of documents pending decision making of the future of Infracore This is a new measure for 2024 and not comparable to any measure in 2023.
2	To achieve financial budget, focusing on providing the lowest cost service to Rotorua Lakes Council for services rendered whilst ensuring the financial health of InfraCore.	To achieve financial budget.	Not Achieved Budget was set to \$39k deficit and a deficit of \$607k was achieved as per profit and loss on page 12 of this report.
3	Work with RLC on the Water Reform changes and how these changes will impact on InfraCore		Unable to be measured New elected government has repealed the affordable water reforms This is a new measure for 2024 and not comparable to any measure in 2023.
4	Provide cost saving recommendations to Rotorua Lakes Council from operations.	As developed and implemented	Unable to be measured Due to internal resourcing this was not measured. This is a new measure for 2024 and not comparable to any measure in 2023.
5	Consolidated KPI scoring Parks and Open Spaces	83%	Achieved 92%
6	Consolidated KPI Utilities	83%	Achieved 96%
7	Targeting full employee engagement with health and safety.	80%	Achieved 83%

	Performance measure	Target for FY24	Status
8	Develop business case for depot redevelopment to ensure a fit for purpose depot is provided.	Develop business case	<p>Not Achieved</p> <p>Due to resourcing this was not completed.</p> <p>This is a new measure for 2024 and not comparable to any measure in 2023.</p>
9	Review and identify recapitalisation options for InfraCore to ensure company funding is in line with business operations requirements	Develop business case	<p>Achieved</p> <p>Work undertaken to inform the completion of the draft Statement of Intent identified the financial requirements to enable InfraCore to operate sustainably (need report from Morrison Low)</p> <p>This is a new measure for 2024 and not comparable to any measure in 2023.</p>

INFRACORE LIMITED

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Actual 2025 \$000	Actual 2024 \$000
Revenue			
Operating revenue	1	5,054	13,829
Other revenue	2	32	851
Total Revenue		5,086	14,680
Expenses			
Personnel costs	3	3,282	9,543
Depreciation and amortisation expense	12	115	379
Director remuneration	4	25	77
Finance costs	5	18	53
Other expenses	6	1,877	5,235
Total Expenses		5,318	15,287
Surplus/(deficit) before tax		(232)	(607)
Income tax expense	10	-	-
Surplus/(deficit) after tax		(232)	(607)
Other comprehensive revenue and expense		-	-
Total comprehensive revenue and expense		(232)	(607)

NOTE: The accompanying notes form an integrated part of these financial statements

INFRACORE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	Actual 2025 \$000	Actual 2024 \$000
Assets			
Current Assets			
Cash and cash equivalents	7	451	1,188
Receivables	8	1,370	921
Prepayments		-	88
Inventories	9	-	631
Taxation refund due	10	-	6
Intangible Assets		-	5
Plant and equipment	11	-	1,730
Total current assets		1,820	4,568
Non-current assets			
Taxation refund due	10	9	-
Intangible Assets		(1)	-
Plant and equipment	11	-	-
Total non-current assets		9	
Total assets		1,829	4,568
Liabilities			
Current liabilities			
Payables under exchange transactions	12	39	542
Goods and services tax		(6)	256
Accruals	13	-	38
Borrowings	15	-	910
Employee entitlements	16	-	794
Total current liabilities		33	2,540
Non-current liabilities			
Borrowings	15	-	-
Total non-current liabilities		-	-
Total Liabilities		33	2,540
Net Assets		1,796	2,028
Equity			
Retained earnings	16	(570)	(338)
Share capital	16	2,366	2,366
Total equity		1,796	2,028

The Director of InfraCore Limited authorises these financial statements for issue on 30th October 2025

NOTE: The accompanying notes form an integrated part of these financial statements

INFRACORE LIMITED
STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Actual 2025 \$000	Actual 2024 \$000
Balance at 1 July		2,028	2,635
Surplus/(deficit)		(232)	(607)
Balance at 30 June	16	1,796	2,028

NOTE: The accompanying notes form an integrated part of these financial statements

INFRACORE LIMITED
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Actual 2025 \$000	Actual 2024 \$000
Cash flows from operating activities			
Receipts from revenue		5,235	15,924
Interest Received		31	22
Payment to suppliers and employees		(6,549)	(14,729)
Directors fees		-	-
Goods and services tax		(262)	(115)
<i>Net cash flow from operating activities</i>		(1,544)	1,102
Cash flows from investing activities			
Receipts from sale of property, plant and equipment		1,730	38
Payments to acquire property, plant and equipment		-	(295)
Payments to acquire Intangible Assets		5	-
<i>Net cash flow from investing activities</i>		1,735	(257)
Cash flows from financing activities			
Interest on loans/CARL facility		(18)	(53)
Loan Repayments		(910)	
<i>Net cash flow from financing activities</i>		(928)	(53)
Net (decrease)/increase in bank accounts and cash		(737)	792
Cash and cash equivalents at the beginning of the year		1,188	396
Cash and cash equivalents at the end of the year	7	451	1,188

30 June 2024 Directors fees of \$77,000 have been re-stated into "Payment to suppliers and employees".

NOTE: The accompanying notes form an integrated part of these financial statements

INFRACORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2025

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2025

Reporting Entity

InfraCore Limited ('the Company') is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company is fully owned by the Rotorua Lakes Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes. This was determined because the majority of the services performed are on behalf of the Rotorua Lake Council to maintain the water infrastructure, parks and open spaces for the Rotorua district.

The financial statements of the Company are FOR THE YEAR ENDED 30 JUNE 2025. The financial statements were authorised for issue by its director on 30th October 2025.

BASIS OF PREPARATION

The financial statements contain four months of usual trading after which time the assets and operations were sold. For the purposes of PBE IPSAS 1.38 these financial statements are not prepared on a going concern basis. The reason they have not been prepared on a going concern basis is because the business operations and assets of the company were sold on 31 October 2024 and it is intended the company be wound up as soon after balance date as practicable.

Statement of compliance

The Company is a reporting entity for the purposes of the Financial Reporting Act 2013. These financial statements comply with the Financial Reporting Act 2013, the Companies Act 1993, and Section 69 of the Local Government Act 2002.

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards reduced disclosure regime (PBE Standards RDR).

The entity is eligible and has elected to report in accordance with Tier 2 PBE Standards RDR on the basis that the entity has no public accountability and has expenses >\$2m and <\$30m.

Measurement base

The financial statements have been prepared on a historical cost basis, except for assets and liabilities as at 30 June 2025 which have been valued at their expected realisation value.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded in thousands. The functional currency of the Company is New Zealand dollars.

Changes in accounting policies

There have been no changes in the current year and all policies are applied on a basis consistent with the prior year.

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial results and financial position have been adopted in the preparation of the financial statements.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from exchange transactions

Revenue from sale of goods is recognised when the goods are sold to the customer when risks and rewards of ownership transfer.

Revenue from sales of services is recognised by reference to the stage of completion of the service delivered at date of sale as a percentage of the total services to be provided.

Interest income is recognised using the effective interest method.

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Employee entitlements

Liabilities for accumulating short-term entitlements are measured at nominal value based on unused entitlement accumulated at current rate of pay at balance date.

Goods & Services Tax

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.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is presented in the statement of financial position. The net GST paid to, or received from the Inland Revenue Department, including GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit 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 by 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 profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised

or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

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

Inventory

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Plant & equipment

Property plant and equipment consists of:

Additions

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

Disposal

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

INFRACORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2025

Subsequent costs

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

Depreciation

Depreciation is provided on diminishing value on all plant and equipment at rates that will write-off the cost of the assets to their set residual values over their useful lives.

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

Diminishing Value Depreciation Range

Motor vehicles	10% - 30%
Plant and equipment	7% - 67%

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in surplus or deficit. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial Instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. At initial recognition, an entity may measure short term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair Value Through Surplus or Deficit (FVTSD):

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method less expected credit losses. For trade receivables the Trust uses the simplified ECL model.

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

Derecognition Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in surplus or deficit.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-derivative financial assets

Loss allowances for trade receivables are always

measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due. The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be BBB or higher per Standard & Poors.

Critical accounting estimates and assumptions

In preparing these financial statements the company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from 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 material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

At balance date, the Company reviews the useful life of its buildings and infrastructural assets. Assessing the appropriateness of useful life and residual value estimates requires the Company

INFRACORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2025

to consider a number of factors, such as the physical condition of the assets, expected period of use of the assets by the Company, and expected disposal proceeds from the future sale of the assets.

An incorrect estimate of the useful life will impact on the depreciation expense recognised in the profit and loss, and the carrying amount of the assets in the statement of financial position. The Company will minimise the risk of this estimation uncertainty by physical inspections of assets, and asset replacement of programmes in line with useful life expectations.

Statement of Service Performance

In preparing the Statement of Service Performance, management has exercised professional judgement to ensure that the reported outcomes and outputs accurately reflect InfraCore's effectiveness in achieving its purpose. As a critical service provider, primarily funded by Rotorua Lakes Council, InfraCore is dedicated to delivering outcomes that align with the objectives outlined in its Statement of Intent with its shareholder, Rotorua Lakes Council. The Statement of Service Performance should be read in the context of the sale of the assets and business operations as at 31 October 2024.

The measures presented in this Statement of Service Performance have been determined based on the following principles:

Purpose of InfraCore: InfraCore is established to deliver essential infrastructure maintenance and management services that contribute to the sustainability and well-being of the Rotorua community.

Principal Funder: InfraCore's activities are predominantly funded by Rotorua Lakes Council. The performance measures reported are in line with the goals and expectations set out in the Statement of Intent agreed upon with the Council.

Alignment with Agreed Statement of Intent: The selected performance measures are aligned with the key performance indicators and

strategic objectives defined in the Statement of Intent, ensuring InfraCore's operations are directed towards achieving these outcomes.

Significant Resource Allocation: The measures reported focus on activities that involve significant resource utilisation and are instrumental in fulfilling InfraCore's purpose, ensuring the efficient and effective use of resources in delivering vital services.

The reported outputs and outcomes have been consolidated from InfraCore's internal systems and supplemented with data provided by Rotorua Lakes Council, ensuring a comprehensive and transparent account of InfraCore's performance. Achievements have been categorised by project type, reflecting the company's current strategic priorities and its ongoing commitment to supporting the Rotorua community.

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1. RLC REVENUE

	Actual 2025 \$000	Actual 2024 \$000
Exchange revenue		
Rotorua Lakes Council – Services Revenue	4,860	13,661
Rotorua Lakes Council – Nursery Revenue	193	152
Total operating revenue	5,054	13,813

2. OTHER REVENUE

	Actual 2025 \$000	Actual 2024 \$000
Exchange revenue		
Trading and Sundry Income	1	845
Interest Received	31	22
Non-exchange revenue	-	-
Total other revenue	32	1,182

3. PERSONNEL COSTS

	Actual 2025 \$000	Actual 2024 \$000
Salaries and wages	3,129	9,094
Employer superannuation contributions	90	245
Other employee related costs	63	204
Total personnel costs	3,282	9,543

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

4. DIRECTORS REMUNERATION

Directors' remuneration was paid as follows:

	Actual 2025 \$000	Actual 2024 \$000
John McRae	6	30
Brent Whibley	9	15
Vivienne Scott	5	15
Christiaan Van Florenstein Mulder		1
Geoffrey Rolleston	5	15
Tupara Morrison		1
Total remuneration	25	77

No other benefits have been provided by the Company to a Director or in any other capacity. No loans have been made by the Company to a Director nor has the Company guaranteed any debts incurred by a Director.

All six directors above resigned during the 30 June 2025 financial year. New director, Andrew Moraes, was appointed on 1 August 2024 and was the sole director at balance date.

5. FINANCE COSTS

	Actual 2025 \$000	Actual 2024 \$000
Interest on loans	18	53
Total finance costs	18	53

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

6. OTHER EXPENSES

	Actual 2025 \$000	Actual 2024 \$000
BDO (Financial Statement Audit)	24	35
Administration and overhead	894	2,193
Inventories consumed	512	1,256
Maintenance	112	343
Telecommunication	56	107
Insurance	25	78
Consultancy	14	464
Bank charges	1	2
Travel and accommodation	7	7
Legal	0	23
Loss / (gain) on disposal	32	35
Contractors	148	548
Other expenses	52	144
Total other expenses	1,877	5,235

7. CASH AND CASH EQUIVALENTS

	Actual 2025 \$000	Actual 2024 \$000
Cash and cash equivalents	451	1,188
Total cash and cash equivalents	451	1,188
Net cash and cash equivalents for the purposes of the statement of cash flows	451	1,188

8. RECEIVABLES AND PREPAYMENTS

	Actual 2025 \$000	Actual 2024 \$000
Receivables from exchange transactions	1,370	921
Total receivables	1,370	921

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

9. INVENTORIES

	Actual 2025 \$000	Actual 2024 \$000
Held for distribution inventories		
Inventories held for use in the provision of goods and services	-	320
Commercial inventories		
Inventories held for sale	-	310
Total inventories	-	631

No inventory is pledged as security for liabilities (2024: \$nil). All inventories were sold on 31 October 2024 as part of the Sale and Purchase Agreement with Rotorua Lakes Council.

10. INCOME TAX

	Actual 2025 \$000	Actual 2024 \$000
Components of tax expense		
Current tax	-	-
Deferred tax expense	-	-
Tax expense	-	-
Relationship between income tax expense and accounting surplus		
Surplus/(Deficit) for the year	(232)	(607)
Tax at 28%	(65)	(170)
Plus/(less) tax effects of:		
Group loss offset	396	-
Losses brought forward	(238)	(83)
Loss to carry forward	-	252
Permanent differences	-	-
Deferred tax asset/(liability) not recognised	(94)	1
Tax expense	-	-

A deferred tax liability movement has not been recognised in relation to temporary differences of \$334,133 (2024 deferred tax liability: \$3,954).

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

11. PLANT AND EQUIPMENT

Movements for each class of plant and equipment are as follows:

	Equipment	Motor vehicle	Total
	\$000	\$000	\$000
<i>As at June 2025</i>			
Opening Cost	1,856	2,596	4,452
Additions	63	5	68
Disposals	(1,920)	(2,601)	(4,521)
Closing Cost	-	-	-
Opening accumulated depreciation	(961)	(1,761)	(2,722)
Depreciation expense	(64)	(47)	(111)
Write-back of depreciation upon sale	1,025	1,809	2,834
Closing accumulated depreciation	-	-	-
Opening book value 1 July 2024	895	835	1,730
Book value 30 June 2025	-	-	-
<i>As at June 2024</i>			
Opening Cost	1,862	2,369	4,501
Additions	131	164	295
Disposals	(37)	(207)	(344)
Closing Cost	1,856	2,596	4,452
Opening accumulated depreciation	(867)	(1,752)	(2,619)
Depreciation expense	(206)	(168)	(374)
Depreciation recovered	112	159	271
Closing accumulated depreciation	(961)	(1,761)	(2,722)
Opening book value 1 July 2023	995	887	1,882
Book value 30 June 2024	895	835	1,730

All assets were sold on 31 October 2024 as part of the Sale and Purchase Agreement with Rotorua Lakes Council.

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

12. PAYABLES

	Actual 2025 \$000	Actual 2024 \$000
Payables under exchange transactions		
Creditors	39	543
Total payables under exchange transactions	39	543
Payables under non exchange transactions		
GST	(6)	256
Total payables under non exchange transactions	(6)	256
Total payables	33	798

13. ACCRUALS

	Actual 2025 \$000	Actual 2024 \$000
Current portion		
ACC Accredited Employers Programme	-	38
<i>Total current portion</i>	-	38
Total accruals	-	38

14. EMPLOYEE ENTITLEMENTS

	Actual 2025 \$000	Actual 2024 \$000
Current portion		
Annual leave and payroll accrual	-	794
Long service leave and retirement gratuities	-	-
Total employee entitlements	-	794

15. BORROWINGS

	Actual 2025 \$000	Actual 2024 \$000
Non-current portion	-	-
Loan from Rotorua Lakes Council	-	910
<i>Total non-current portion</i>	-	910
Total borrowings	-	910

As at 30 June 2024, the effective rate of interest was 5.74%.

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

16. EQUITY

(a) Share Capital

	Actual 2025 \$000	Actual 2024 \$000
Opening Balance – Number of shares (2,366,081)	2,366	2,366
Total Share Capital	2,366	2,366

All shares are fully paid and there are no unpaid shares. There have been no shares issued or recalled during the period (2024: nil). All shares rank equally and are held by the parent entity Rotorua Lakes Council.

(b) Retained Earnings

	Actual 2025 \$000	Actual 2024 \$000
Balance at 1 July	(338)	269
Surplus/(deficit)	(232)	(607)
Total Retained Earnings	(570)	(338)
Total Equity	1,796	2,028

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

17. RELATED PARTY TRANSACTIONS

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Company would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions of such transactions.

The Company entered into transactions with Rotorua Lakes Council:

	Actual 2025 \$000	Actual 2024 \$000
The company paid administration and overhead costs to Rotorua Lakes Council (excl. GST)	-	(25)
Forgiveness of Loan from Rotorua Lakes Council	-	910
Received sales from Rotorua Lakes Council (excl. GST)	5,290	13,813
Accounts payable to Rotorua Lakes Council	(255)	(44)
Accounts receivable from Rotorua Lakes Council	710	737
Paid Interest to Rotorua Lakes Council	(18)	(53)
Holiday's Act recalculation costs transferred to Rotorua Lakes Council	-	-

Transactions with key management personnel:

	Actual 2025 \$000	Actual 2024 \$000
Senior management team including chief executive		
Full time equivalent members	5	5
Remuneration	215	825
Directors		
Full time equivalent members	4	4
Remuneration	25	77
Total full time equivalent personnel		9
Total key management personnel remuneration	238	902

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

18. CONTINGENT LIABILITIES

At balance date contingent liabilities have been estimated at nil (2024: nil).

19. COMMITMENTS

	Actual 2025 \$000	Actual 2024 \$000
Commitment Type		
Commitment to lease 20-40 Queens Drive per annum	-	24
Commitment to lease 64-70 Vaughan Road	-	52
	-	76
Not later than one year	-	76
Later than one year and not later than five years	-	76

The Company's lease commitments ceased on 31 October 2024 as the property that is leased is owned by Rotorua Lakes Council.

20. EVENTS AFTER BALANCE DATE

After the balance date of 30 June 2025, it is intended Infracore Limited will be wound up.

21. FINANCIAL INSTRUMENTS

The carrying amount of financial instruments in each of the financial instrument categories are:

	Note	Actual 2025 \$000	Actual 2024 \$000
Financial assets at amortised cost			
Cash and cash equivalents	8	451	1,188
Accounts Receivable	9	1,370	921
<i>Total financial assets at amortised cost</i>		1,820	2,109
Financial liabilities at amortised cost			
Accounts Payables	14	33	543
Borrowings	17	-	910
<i>Total financial liabilities at amortised cost</i>		33	1,453

22. CAPITAL MANAGEMENT

The Company's capital is its equity, which comprise shareholders' funds. Equity is represented by net assets.

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

As the 30 June 2025 financial year was the last year the company intends to trade, having sold its assets and business operations to Rotorua Lakes Council, capital management considerations are now redundant.

23. REPORTING AGAINST FINANCIAL FORECASTS AS SET OUT IN STATEMENT OF INTENT

	Target	Actual	Variance
	2025	2025	2025
	\$000	\$000	\$000
Revenue from Rotorua Lakes Council	14,470	4,682	(9,788)
Revenue from other sources	753	209	(544)
Project Revenue	-	-	-
Nursery Revenue	625	194	(431)
Total Revenue	15,848	5,086	(10,762)
Direct costs	2,154	7	(1,437)
Staff costs	13,129	3,204	(9,925)
Training and development	218	86	(132)
Overhead costs	3,828	1,176	(2,652)
Total Expenses	19,329	5,185	(14,145)
EBITDA	(3,481)	(99)	3,383
Depreciation and amortisation	318	115	(203)
Interest expense	55	18	(37)
Net Profit Before Tax	(3,854)	(232)	(3,622)

Explanation of major variances against financial forecast

The major variances are driven by the fact that the business operations and assets were sold to Rotorua Lakes Council on 31 October 2024 and were not measured against the proposed 30 June 2025 forecast.

INFRACORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

24. AUDITORS REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF INFRACORE LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of InfraCore Limited (the company). The Auditor-General has appointed me, Stephen Graham, using the staff and resources of BDO Rotorua Limited, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 10 to 28, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 6 to 9.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with PBE Standards Reduced Disclosure Regime; and
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2025.

Our audit was completed on 30 October 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

Basis for our opinion

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

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

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

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

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 and the performance information, 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 for the audit of the financial statements and the performance information

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.



Stephen Graham
BDO Rotorua Limited
On behalf of the Auditor-General
Rotorua, New Zealand