

ANNUAL REPORT 2025

Lakes Commercial
Developments Limited



LAKES
COMMERCIAL
DEVELOPMENTS

Lakes Commercial Developments Limited

Annual Report and Financial
Statements

For the year ended
30 June 2025

Lakes Commercial Developments Limited
Annual Financial Statements
For the year ended 30 June 2025

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Lakes Commercial Developments Limited
Directors' Declaration
For the year ended 30 June 2025

Lakes Commercial Developments Limited ('the Company') is a joint venture partnership between Quayside Properties Limited (50%), and Quayside Holdings Limited (50%). Quayside Properties Limited is a wholly owned subsidiary of Quayside Holdings Limited whose ultimate controlling entity is the Bay of Plenty Regional Council. As a consequence, Lakes Commercial Developments Limited is deemed to be a 'Council Controlled Trading Organisation' under the Local Government Act 2002. Lakes Commercial Developments Limited was incorporated on 13th March 2019.

The Company's Statement of Intent, prepared in accordance with the Local Government Act 2002, covers prudent financial management and risk management. The Company achieved the objectives set out in the Statement of Intent for the year ended 30 June 2025. Refer to note 17 for further information.

The directors are pleased to present the financial statements of Lakes Commercial Developments Limited for the year ended 30 June 2025.

For and on behalf of the Board of Directors:



Director



Lakes Commercial Developments Limited
Statement of Comprehensive Income
For the year ended 30 June 2025

	Note	30 June 2025 \$000	30 June 2024 \$000
Trading revenue	4	890	886
Expenses	5	(156)	(142)
Fair value gains/(losses)		(500)	150
Operating profit before financing costs		234	894
Financial income		-	-
Financial expenses	6	(459)	(544)
Net finance costs		(459)	(544)
Profit/(loss) before income tax		(225)	350
Income tax (expense)/benefit	7	(66)	(97)
Profit/(loss) for the period		(291)	253
Other comprehensive income		-	-
Total comprehensive income		(291)	253


Lakes Commercial Developments Limited
Statement of Changes in Equity
For the year ended 30 June 2025

	Share Capital	Additional shareholder capital contributions	Retained earnings	Total Equity
	\$000	\$000	\$000	\$000
Balance as at 1 July 2023	1,230	2590	1,602	5,422
Comprehensive income				
Profit/(loss) for the period			253	253
Total comprehensive income			253	253
Ordinary shares issued (note 13a)	-	-	-	-
Additional shareholder capital contributions (note 13b)	-	-	-	-
Dividends paid to shareholders		-	(250)	(250)
Total transactions with owners	-	-	(250)	(250)
Balance at 30 June 2024	1,230	2,590	1,605	5,427
Balance as at 1 July 2024	1,230	2,590	1,605	5,427
Comprehensive income				
Profit/(loss) for the period	-	-	(291)	(291)
Total comprehensive income	-	-	(291)	(291)
Ordinary shares issued (note 13a)	-	-	-	-
Additional shareholder capital contributions (note 13b)	-	-	-	-
Dividends paid to shareholders	-	-	(150)	(150)
Total transactions with owners	-	-	(150)	(150)
Balance at 30 June 2025	1,230	2,590	1,164	4,986

Lakes Commercial Developments Limited
Statement of Financial Position
For the year ended 30 June 2025

	Note	30 June 2025 \$000	30 June 2024 \$000
Assets			
Current assets			
Cash and cash equivalents		142	203
Trade and other receivables		34	-
Investment property held for sale		7,000	-
Total current assets		7,176	203
Non-current assets			
Investment properties	9	5,400	12,900
Deferred tax asset	8	2	2
Total non-current assets		5,402	12,902
Total assets		12,578	13,105
Liabilities			
Current liabilities			
Trade and other payables		(59)	(211)
Borrowings	10	(7,288)	(7,288)
Total current liabilities		(7,347)	(7,499)
Non-current liabilities			
Deferred tax liability	8	(244)	(179)
Total non-current liabilities		(244)	(179)
Total liabilities		(7,591)	(7,678)
Net assets		4,987	5,427
Equity			
Share capital	11	1,230	1,230
Additional shareholder capital contributions		2,592	2,592
Dividends paid to shareholders		(150)	(250)
Retained earnings		1,607	1,855
Current year earnings		(291)	253
Total equity		4,987	5,427

These financial statements have been authorised for issue by the Board of Directors on 30 September 2025.



 Director


 Director

Lakes Commercial Developments Limited
Statement of Cash Flows
For the year ended 30 June 2025

	30 June 2025 \$000	30 June 2024 \$000
Cash flows from operating activities		
Receipts from customers	856	894
Interest paid	(459)	(424)
GST received	4	32
Payments to suppliers	(312)	(128)
Net cash flow from operating activities	90	375
Cash flows from investing activities		
Improvements to investment property	-	-
Net cash flow from investing activities	-	-
Cash flows from financing activities		
Loan repayments	-	-
Proceeds from borrowings	-	-
Additional shareholder capital contributions	-	-
Dividends paid to shareholders	(150)	(250)
Net cash flow from financing activities	(150)	(250)
Net increase in cash and cash equivalents	(60)	125
Cash and cash equivalents at the beginning of the year	203	78
Cash and cash equivalents at the end of the year	142	203

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

1 Reporting entity

Lakes Commercial Developments Limited (the Company) is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. It is a joint venture between Quayside Properties Limited (50%), and Quayside Holdings Limited (50%).

The Company is a council-controlled trading organisation as defined under Section 6 of the Local Government Act 2002, as the parent company of Quayside Properties Limited is Quayside Holdings Limited, whose ultimate controlling entity is the Bay of Plenty Regional Council.

The primary purpose of the Company is to purchase and develop commercial and industrial real estate assets for long-term hold in the Rotorua region. The Company is a for-profit entity.

2 Basis of preparation

Statement of compliance

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

The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards – Reduced Disclosure Regime (“NZ IFRS RDR”) and other applicable Financial Reporting Standards as appropriate to for-profit entities. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

NZ IFRS – reduced disclosure regime

The Company applies External Reporting Board Standard A1 ‘Accounting Standards Framework (For-profit Entities Update)’ (‘XRB A1’). For the purposes of complying with NZ GAAP, the Company is eligible to apply Tier 2 For-profit Accounting Standards (NZ IFRS RDR) on the basis that it is not a large for-profit public sector entity.

The financial statements were approved by the Board of Directors on 30 September 2025

Basis of measurement

The financial statements have been prepared on a historical cost basis except that the following assets are stated at their fair value: investment properties.

Presentation currency

These financial statements are presented in New Zealand dollars (\$), and where presented, rounded to the nearest thousand.

Changes in accounting policies

There have been no changes in accounting policies. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Use of estimate and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

2 Basis of preparation (continued)

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amount recognised in the financial statements, are: Valuation of investment properties (note 10).

Classification of property

The Company owns properties, which have been purchased for long term capital appreciation or rental rather than for short-term sale in the ordinary course of business. The directors in applying their judgement have classified this property as investment property according to NZ IAS 40.

Going concern

Management have made an assessment on the ability of the Company to continue as a going concern and conclude that the going concern assumption is appropriate.

3 Significant accounting policies

Revenue

The principal source of revenue is rental income.

Rental income is recognised on a straight line basis over the leases term. Lease incentives provided to tenants are amortised on a straight line basis over the non-cancellable portion of the lease to which they relate, as a reduction of rental income.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Finance expenses

Finance expenses comprise interest expense on borrowings. Except for interest capitalised directly attributable to the purchase or construction of qualifying assets, all borrowing costs are recognised in the Statement of Comprehensive Income using the effective interest method. Capitalised interest is included in improvements to investment property in the Statement of Cash Flows.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are measured at cost.

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3 Significant accounting policies (continued)

Investment properties

Investment properties are property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Where part of the investment property is used for administrative purposes, the property is deemed to be investment property if an insignificant portion is held for this purpose. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost includes any expenditure that is directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Trade and other payables

Trade and other payables are stated at cost.

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs, if any. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Share capital

Incremental costs incurred in the issue of ordinary shares and share options are recognised as a deduction from equity.

Impairment

The carrying amounts of the Company's assets other than investment properties are reviewed for indicators of impairment as at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. The impairment loss is recognised in the Statement of Comprehensive Income.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables and borrowings.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

3 Significant accounting policies (continued)

Goods and services tax

Lakes Commercial Developments Limited is GST registered. All amounts are shown exclusive of Goods and Services Tax (GST), except for trade receivables and trade payables that are stated inclusive of GST.

Income tax

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

Current tax is the amount of income tax payable based on the taxable profit for the current year. Current tax also includes adjustments to income tax payable in respect of prior years.

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 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.

For deferred tax liabilities or assets arising on investment property measured at fair value, it is assumed that the carrying amounts of investment property will be recovered through sale.

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.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

4 Trading revenue

	30 June 2025 \$000	30 June 2024 \$000
Lease income	747	721
Lease outgoings received	143	165
Balance as at 30 June 2025	890	886

Lakes Commercial Developments Limited
Notes to the Financial Statements
For the year ended 30 June 2025

5 Expenses

	30 June 2025 \$000	30 June 2024 \$000
Insurance	(37)	(40)
Legal fees	(8)	-
Rates	(70)	(64)
Other	(41)	(38)
Balance as at 30 June 2025	(156)	(142)

6 Net finance costs

	30 June 2025 \$000	30 June 2024 \$000
Interest – Intercompany	(459)	(544)
Net finance costs	(459)	(544)

7 Income tax

	30 June 2025 \$000	30 June 2024 \$000
<i>Reconciliation of effective tax rate</i>		
Profit/(loss) before tax for the period	(225)	352
Income tax for the period at 28%	(63)	(99)
Unrealised gain/(loss) on investment properties	140	42
Non-taxable income	2	-
Prior period adjustment	-	(44)
Tax losses utilised	(14)	
Income tax benefit/(expense)	66	(97)

Lakes Commercial Developments Limited
Notes to the Financial Statements
For the year ended 30 June 2025

30 June 2025	30 June 2024
\$000	\$000

7 Income tax (continued)

Income tax expense is represented by:

Current tax benefit/(expense)

Tax payable in respect of the current period	19	-
Adjustment for prior period	-	40
	19	40

Deferred tax benefit/(expense)

Origination and reversal of temporary differences	47	(56)
Adjustment for derecognition of temporary difference on revaluation	-	(81)
	47	(137)
Income tax benefit / (expense)	66	(97)

8 Deferred taxation

	Assets	Liabilities	Net
	\$000	\$000	\$000
Deferred tax asset / (liability)			
Tax losses	-	-	-
Investment property	-	(243)	(243)
Total	-	(243)	(243)

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

9 Investment properties

	30 June 2025 \$000	30 June 2024 \$000
Opening balance	12,900	12,750
Reclassified as held for sale	(7,000)	-
Fair value gain/(losses) on valuation	(500)	150
Balance at 30 June	5,400	12,900
Investment property held for sale	7,000	-
Non-current asset – Investment property	5,400	12,900
Total investment property	12,400	12,900
Rental/Lease income from investment property	890	886
Expenses from investment property generating income	(132)	(120)

Lakes Commercial Developments holds two commercial properties.

The Fenton Street property is a three-story commercial building located in Rotorua and was completed in 2020. The building has a distinctive appearance and provides some of the most desirable office accommodation within the Central Business District. It is currently fully tenanted. This property was sold in July 2025 and so has been reclassified as a non-current asset held for sale per IFRS 5. The property has been fair valued to reflect the sale price.

The Old Taupo Road property comprises a purpose-designed car display and service centre with a high-quality showroom space. Lakes Commercial Development have entered into a 10-year lease agreement with the tenant in April 2021 with lease payments being received since September 2022.

10 Borrowings

	30 June 2025 \$000	30 June 2024 \$000
Loan from Quayside Holdings Limited		
Balance at 1 July	7,288	7,288
Advances	-	-
Transfer to non-current	-	-
Balance at 30 June 2025	7,288	7,288

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

11 Capital and reserves

Share capital

	30 June 2025 \$000	30 June 2024 \$000
Ordinary shares		
Opening balance	1,230	1,230
Issue of ordinary shares	-	-
Balance at 30 June 2025	1,230	1,230

The holders of the ordinary shares are entitled to dividends as declared from time to time and all shares have equal voting rights at meetings of the Company, and rank equally with regard to the Company's residual assets on wind up. All shares were issued for \$1,025 each and are fully paid.

Additional shareholder capital contributions

	30 June 2025 \$000	30 June 2024 \$000
Opening balance	2,590	2,590
Additional shareholder capital contributions	-	-
Balance at 30 June	2,590	2,590

The additional shareholder capital contributions are non-reciprocal. They are therefore classed as equity and there is no requirement to repay the amounts under any circumstances. Repayment is at the discretion of the company.

12 Financial instruments

Categories of financial instruments

	30 June 2025 \$000	30 June 2024 \$000
Financial assets at amortised cost		
Cash and cash equivalents	93	203
Trade and other receivables	34	-
	127	203
Financial liabilities at amortised cost		
Trade and other payables – current	42	211
Borrowings - current	7,288	7,288

GST receivable and prepayments which are included within trade and other receivables in the Statement of Financial Position, are not classified as financial instruments.

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

13 Related party transactions

Identity of related parties

Ultimate controlling parties

As at 30 June 2025, the Company is 50% owned by Quayside Properties Limited, 50% owned by Quayside Holdings Limited. Quayside Properties Limited and Quayside Holdings Ltd are part of the Quayside Group which is ultimately owned by the Bay of Plenty Regional Council.

Key management personnel

The Company has a related party relationship with its directors. The Company has no employees.

Other related entities

Other related parties include subsidiaries and equity accounted investees in the Quayside Group.

Related party transactions and balances

Transaction values and balances outstanding with related parties at 30 June 2025 include:

	30 June 2025 \$000	30 June 2024 \$000
Quayside Properties Limited		
Additional shareholder capital contributions	-	-
Quayside Holdings Limited		
Loan payable to Quayside Holdings Limited	7,288	7,288
Interest charged by Quayside Holdings Limited	459	544
Bay of Plenty Regional Council		
Office lease charged to Bay of Plenty Regional Council	263	236

No related party debts have been written off or forgiven during the period.

Transactions with key management personnel

There has been no director remuneration.

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

14 Operating leases as lessor

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although the Company is exposed to changes in the residual value at the end of the current leases, the Company typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Future minimum lease receivables in the current year relate to operating leases for the lease of commercial space at Fenton Street, Rotorua and the yard at Old Taupo Road.

Future minimum lease receivables from non-cancellable operating leases are as follows:

	30 June 2025 \$000	30 June 2024 \$000
Within one year	400	858
One year to two years	346	831
Two years to five years	1,039	2,492
Greater than five years	1,039	1,446
Total	2,772	5,627

15 Capital commitments and contingencies

The Company has no contractual commitments.

16 Subsequent events

There were no significant events after balance date.

Lakes Commercial Developments Limited

Notes to the Financial Statements


For the year ended 30 June 2025

17 Quayside Group Performance Information

The Company is a member of the *Quayside Group*. The *Quayside Group* is required to prepare a Statement of Service Performance reporting on performance measures and results. Recorded below are the ten targets and results of the *Quayside Group's* Statement of Intent categorised under five portfolio activities.

Port portfolio

The *Quayside Group* has a majority shareholding in Port of Tauranga.

Objective	Measure	2025 Result	
Hold Port of Tauranga shareholding on behalf of Council.	Maintain at or above a minimum level of shareholding as directed by Council.	Quayside held 54.14% of Port of Tauranga shares as at 30 June 2025.	

Target met: **Yes**

The Port of Tauranga continues to provide the *Quayside Group* and Council with dividend returns and long-term capital growth. The *Quayside Group* is a long-term investor in Port of Tauranga and must maintain a minimum level of shareholding in accordance with Council policy. The *Quayside Group* cannot sell any Port shareholding without the endorsement from Council.

Of significant interest to shareholders of Quayside is the financial performance of the Port of Tauranga and the participation rate of Quayside as shareholder in governance of the Port of Tauranga.

	30 June 2025	30 June 2024
Shareholding		
Issued shares*	680,581,230	680,581,230
Quayside shares	368,437,680	368,437,680
% held By Quayside	54.14%	54.14%
Operations		
Operating revenues	\$464.7m	\$417.4m
Results from operating activities	\$228.4m	\$198.8m
Net profit	\$173.4m	\$90.8m
Underlying profit**	\$126.0m	\$102.7m
Cash flows		
Ordinary dividends paid out	\$106.8m	\$100.7m
Ordinary dividends received by Quayside	\$57.8m	\$54.5m
Ordinary dividends as percent of underlying profit	85%	98%
Dividend declared post balance date	\$66.0m	\$59.2m
Asset Backing		
Share price (last bid price)	\$6.81	\$4.72
Market value of Port	\$4,634.7m	\$3,211.7m
Market value of Quayside Holding	\$2,509.1m	\$1,735.3m
Net asset backing per share (dollars per share)	\$3.40	\$3.27
Governance		
Number of directors	7	7
Number of Quayside affiliated directors	2	2

*Includes treasury shares

Lakes Commercial Developments Limited

Notes to the Financial Statements


For the year ended 30 June 2025

17 Quayside Group Performance Information (continued)

***Underlying profit after tax is a non-GAAP financial measure which excludes items considered to be one-off and not related to core business such as changes to tax legislation and impairment of assets. Underlying profit after tax does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities*

Further information on Port of Tauranga's non-financial performance can be found in its Annual Report or on its website www.port-tauranga.co.nz.

Investment Returns


Performance target	Performance measure	2025 result	
Generate long-term commercial returns across the Investment Portfolio.	Five year rolling gross return target of 7.0% per annum Note the targeted return metric will be reviewed as part of the external SIPO review.	7.1% 5-Year Compound annual growth rate (CAGR) 2024 did not include the same measure	

Target met: **Yes**

The Quayside Group achieved its SOI performance measure for the five years ended 30 June 2025. The portfolio delivered a **7.1% p.a.** gross return on a compound annual growth (CAGR) basis, meeting the SOI target of **at least 7.0% p.a.**

This result is calculated from audited accounting values, adjusted to fair value for equity-accounted investees where the carrying amount is not considered representative of fair value ("Investment Values"), using a five-year CAGR methodology applied to the Investment Portfolio NAV of \$427 million at 30 June 2025.

The 5-year CAGR reflects cross-funding adjustments, accounting for times when the Investment Portfolio funded or was funded by other Quayside Group segments (Port and Special Purpose Assets). Such adjustments include costs-to-serve, for which 45% of governance costs is assumed to be allocated to the Investment Portfolio.

Performance target	Performance measure	2025 result	
Provide a resilient dividend to Council.	Dividend paid in accordance with Quayside Distribution Policy.	\$47m distributed to BOPRC as dividend, in line with SOI (2024: \$45m)	

Target met: **Yes**

The Quayside Group met its dividend resilience target for the year, with a total distribution of \$47 million, consistent with the expectations set out in the Statement of Intent (SOI) and by the Bay of Plenty Regional Council (BOPRC).


This distribution slightly exceeds the indicative amounts derived from the current Distribution Policy, which remains under review as at 30 June 2025. The outcome reflects our commitment to maintaining stable and reliable returns and demonstrates our ability to deliver on shareholder expectations while supporting long-term financial sustainability.

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

17 Quayside Group Performance Information (continued)


Performance target	Performance measure	2025 result	
Investment policies that promote a sustainable and diversified fund.	Independent review of Statement of Investment Policy and asset allocations.	SIPO externally reviewed by Mapua Wealth	

Target met: **Yes**

The Quayside Group has met its investment governance target for the year. A comprehensive independent review of the Statement of Investment Policy and Objectives (SIPO) and associated asset allocations was undertaken by Mapua Wealth, with the updated SIPO formally approved by the Board in December 2024.

This review has reinforced the robustness of our investment framework, ensuring continued alignment with strategic objectives, prudent risk management, and best practice governance standards.

Strategic Assets

Performance target	Performance measure	2025 result	
Develop the Rangiuru Business Park to create long term benefit for the Bay of Plenty region.	Deliver Stage 1a Rangiuru Business Park by late 2025 and Stage 1b by late 2026.	Quayside has sold 8.7ha in Rangiuru Business Park, confirming demand. Stage 1a completes in 2025 with Stage 1b in 2026—boosting growth in Bay of Plenty.	

Target met: **Yes**

The *Quayside Group* has achieved a key milestone with the unconditional sale of 8.7 hectares within Stage 1a of the Rangiuru Business Park, validating market demand for this strategically located industrial hub. Leveraging disciplined capital allocation, proactive risk management, and close collaboration with regional stakeholders, Quayside remains on track to complete Stage 1a by late 2025 and reach practical completion of Stage 1b by late 2026. These developments will unlock significant economic value, attract high-quality tenants, and advance Quayside's commitment to sustainable growth for the Bay of Plenty—while upholding the highest standards of safety, quality, and environmental stewardship.

Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

17 Quayside Group Performance Information (continued)

Responsible Investment

Performance target	Performance measure	2025 result
Be a responsible investor that aligns capital with achieving a healthy, sustainable society, environment, and economy.	Independent Review of Responsible Investment Policy. Publish climate related disclosures.	Quayside's Responsible Investment Policy went through an independent review, and its Climate Disclosure was filed on 31 Oct 2024



Target met: **Yes**

As part of the recent Statement of Investment Policy and Objectives (SIPO) review, Mapua Wealth independently assessed Quayside's Responsible Investment Policy against leading market standards. In addition, Quayside's Climate-Related Disclosure (CRD) statement was filed on 31 October 2024, demonstrating transparency and compliance with emerging regulatory expectations. Together, these actions confirm that the responsible-investment framework meets or exceeds best-practice benchmarks, reinforcing Quayside's dedication to sound governance, environmental stewardship, and long-term value creation.

Performance target	Performance measure	2025 result
Build climate resilience into investment decision-making.	Investment due diligence and decision papers include comprehensive climate resilience consideration.	Quayside includes climate-resilience checks in all investment decisions.



Target met: **Yes**

The *Quayside Group* embeds comprehensive climate-resilience analysis in every investment due-diligence and decision paper. While a formal manager-selection framework is still being finalised, each of Quayside's three most recent commitments—Waterman Fund 5, Pacific Equity Partners, and Direct Capital—was approved only after undergoing dedicated climate due-diligence reviews, ensuring alignment with Quayside's responsible-investment objectives.

An Engaging Place to Work

Performance target	Performance measure	2025 result
Our kaimahi are valued, supported and passionate about their work.	Employee Engagement Survey achieves >78% rating.	2025 is 80%. (2024: n/a this is a new measure)



Target met: **Yes**


Lakes Commercial Developments Limited

Notes to the Financial Statements

For the year ended 30 June 2025

17 Quayside Group Performance Information (continued)


An Engaging Place to Work (continued)

Performance target	Performance measure	2025 result	
Our kaimahi represent our community in an environment of diversity and inclusiveness.	Review of Diversity and Inclusion (D&I) metrics. Annual Report on progress against D&I metrics.	D&I metrics are reviewed annually by the People, Culture and Safety Committee. D&I metrics are reported in the annual report.	

Target met: **Yes**


There is continued focus on Quayside's Employee Value Proposition to encourage diversity and inclusion in its recruitment practices, as well as focussed initiatives to build on Quayside's culture of inclusion.

Social License to Operate

Performance target	Performance measure	2025 result	
Our stakeholder engagement is honest, transparent, and respectful and our community understands and supports our purpose.	Increase Net Promoter Score (NPS) FY25 ≥ 5% of previous year or ≥85%.	NPS score in 2025 was 91%. <i>(2024: 96%)</i>	

Target met: **Yes**

While the Net Promoter Score is a slight decrease from 2024, which yielded a result of 96%, Quayside maintains a target of at or above 85%.

Performance target	Performance measure	2025 result	
Our recognition of Te Tiriti o Waitangi is meaningful and supports decision making.	>40% of our kaimahi are competent in our cultural competency framework	63% of our kaimahi are defined as competent against Quayside's cultural competency framework.	

Target met: **Yes**

Quayside's cultural competency framework requires assessment of understanding of Te Tiriti o Waitangi (amongst other aspects). Quayside's cultural competency framework—developed internally — defines competence for our organisation, requires staff to self-assess and agree a rating with their manager at year-end, and is finally moderated by GM Operations for consistency and recording on the employee file.

Lakes Commercial Developments Limited


Notes to the Financial Statements

For the year ended 30 June 2025

17 Quayside Group Performance Information (continued)

Governance

This activity relates to the policies and procedures the *Quayside Group* will adopt to satisfy governance requirements and expectations and ensures that open dialogue exists between the *Quayside Group* and Council, so that Council are kept informed of all significant matters relating to the *Quayside Group* at the earliest opportunity.

Performance measure	Performance target	2025 result	
Quayside operates independently of Council and the Fund is managed in a prudent commercial manner.	Quayside Board has a majority of independent directors.	The Quayside Board has seven appointed Directors, of which four are independents (M Wynne, D Fear, F Whineray, K Horne)	
	Quayside Board holds regular meetings.	Regular meetings are held by the Quayside Board throughout the year, with seven meetings held during the period.	
	Quayside maintains the following committees that meet regularly: - Audit and Risk - People, Culture and Safety - Investment	The committees met regularly during the period: - Audit and Risk: five meetings - People, Culture and Safety: four meetings - Investment: six meetings	
	Quayside reports regularly to Council via publication of annual and interim reports, presentations, briefings, and workshops.	Quayside presented to Council: - 23 October 2024 (Briefing) - 27 March 2025 (Briefing) - 18 June 2025 (Briefing)	
	Maintain a robust internal and external audit function.	Quayside has a Board approved internal audit plan which is monitored by Audit and Risk. The external audit is conducted by KPMG.	
	Regular review of company policies and frameworks.	All policies are reviewed in accordance with the Policy & Charter Schedule or as directed by our Board.	
	Regular internal compliance auditing,	The Board has defined risk appetite statements and has undertaken a review of the risk management framework.	
	Defined risk appetite and risk management framework.	An Annual Board Performance review was undertaken during the period.	
	Annual Board Performance Review.		

Target met: **Yes**

The Group maintains strong governance practices and policies, with regular review.

Lakes Commercial Developments Limited


Notes to the Financial Statements

For the year ended 30 June 2025

17 Quayside Group Performance Information (continued)

NZDX Issuer

This activity relates to requirements for the *Quayside Group* to satisfy the New Zealand Exchange Listing Rules as a New Zealand Debt Exchange listed company.

Performance measure	Performance target	2025 result	
Quayside maintains regulatory compliance with its obligations as a market issuer.	Financial Reporting in accordance with Financial Markets Conduct Act 2013. Quayside complies with NZX Listing Rules, including Continuous Disclosure obligations.	Filing of interim and annual financial statements achieved within legislative timelines. Board receives regular reporting on PPS compliance in line with NZX requirements.	

Targets met: **13/13**

Key



Met



Not met



Not applicable

Lakes Commercial Developments Limited

Statutory Information

For the year ended 30 June 2025

Information used by directors

During the financial period there were no notices from directors of Lakes Commercial Developments Limited 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 Directors' and Officers' Liability Insurance and separate Directors' and Officers' defence costs insurance.

Donations

No donations were made by Lakes Commercial Developments Limited during the period ended 30 June 2025.

Directors

The following directors of Lakes Commercial Developments Limited held office during the period ended 30 June 2025:

- D Caloni
- M Jefferies

There was no director remuneration.

Loans

There were no loans by Lakes Commercial Developments Limited to directors.

Employees

Lakes Commercial Developments Limited does not have any employees.

Lakes Commercial Developments Limited Directory

Registered office

Level 2, 41 The Strand
Tauranga 3110
Ph: (07) 579 5925

Solicitor

Cooney Lees Morgan
PO Box 143
Tauranga 3110