



QUEENSTOWN LAKES

**Community
Housing Trust**

Unlocking homes in our community.

Queenstown Lakes Community Housing Trust

Consolidated Annual Financial Statements

For the year ended 31 March 2026

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Directory

Settlor	Graham Morris Todd
Date Settled	15 January 2007
Date of Incorporation	12 July 2007
Trustees	D J Lindsay J E Macdonald B G McLeay K L Skeggs P A J Smith J C Sygrove R B Thomas (Chair)
Chief Executive	J M Scott
Accountants	McCulloch + Partners Chartered Accountants PO Box 64 Queenstown 9348
Solicitors	RVG Law PO Box 1513 Queenstown 9348
Auditors	Deloitte Limited PO Box 1245 Dunedin 9054
IRD Number	097-121-805

Statement of Service Performance

for the year ended 31 March 2026

Our Purpose Provide affordable, community housing solutions.

Our Vision A region where those in greatest housing need can stay, belong and thrive.

Our Values

- Kaitiakitanga** – we are guardians of land and homes for our community.
- Manaakitanga** – we show respect, support and kindness to those we serve.
- Whakauka** – we strive to increase sustainability throughout our operations and organisation.
- Hautūtanga** – we embrace a leadership role as an innovative community housing provider.

Key Strategic Goals

- Provision of housing
- Self sufficiency
- Enhance stakeholder relationships
- Leadership

Our Impact

Strategic Goals

Outcomes

	This Year	Last Year
Provision of housing		
Total households assisted to date	392	334
Total households currently housed	241	196
Homes under construction	38	67
Homes in consenting phase	40	0
QLCHT-leased properties	11%	13%
QLCHT-owned properties	89%	87%
Assisted ownership properties	52%	51%
Rental properties	48%	49%
Accessible and accessible-ready homes	10%	9%
Māori households in QLCHT homes	14%	15%
Pasifika households in QLCHT homes	3%	6%
Self sufficiency		
Zero-interest loans	\$24,798,531	\$19,909,101
All other loans	\$20,305,924	\$15,688,620
Non-Government grants	\$50,585	\$150,000
Government grants	\$1,129,600	\$2,884,397
Organisational growth	63%	21%

Enhance stakeholder relationships

Working with Chamber of Commerce to assist employers with staff housing.
 Adopted Capital Raising Strategy to work more closely with funders and donors.
 Formal relationships in place with a local social services agency and school.
 Wraparound support provided to a total of 75 households.

Leadership

Management presentations and collaboration with external groups to share QLCHT models and learnings (27).
 Policy submissions (3).
 Adopted Sustainability Strategy.
 Completed Social Return on Investment report.

Financial Statements

Statement of Comprehensive Income and Expense for the year ended 31 March 2026

		GROUP	
		2026	2025
	Note	\$	\$
INCOME			
Revenue from exchange transactions			
Property sales		12,354,500	4,753,000
Lease rentals (excluding PH IRRS below)		2,627,184	1,829,051
Property management fees received		149,571	89,981
Realised & unrealised gains/(losses) on investments		44,795	24,214
Capital gain on disposal of property, plant and equipment		231,402	561,067
Total revenue from exchange transactions		15,407,452	7,257,313
Revenue from non-exchange transactions			
Grants received	4	1,180,185	3,034,397
Public housing income related rent subsidy and operating supplement	5	2,169,419	2,811,233
Community housing contributions received	6	5,410,000	4,561,196
Total revenue from non-exchange transactions		8,759,604	10,406,826
Investment income		69,859	149,953
Sundry income		69,850	-
Total other income		139,709	149,953
TOTAL INCOME		24,306,765	17,814,092
EXPENSES			
Administration expenses		206,920	175,046
Cost of goods sold		12,354,500	4,653,765
Operating expenses		1,777,743	1,128,002
Other expenses			
Audit fees	7	23,000	22,000
Depreciation	9	838,242	630,837
Interest		920,829	801,729
Loss on sale of fixed assets		285	173,704
Trustees fees		130,757	108,952
Wages		818,209	518,502
Total other expenses		2,731,323	2,255,724
TOTAL EXPENSES		17,070,486	8,212,537
Imputation credits attached to dividends received		-	2,028
SURPLUS FOR THE YEAR AND TOTAL COMPREHENSIVE REVENUE AND EXPENSE		7,236,279	9,599,527

The accompanying notes form part of and should be read in conjunction with these financial statements.



Financial Statements

Statement of Changes in Equity for the year ended 31 March 2026

	GROUP	
	2026	2025
	\$	\$
Equity as at 1 April	75,619,809	66,020,282
Comprehensive income and expense	7,236,279	9,599,527
Equity as at 31 March	82,856,088	75,619,809

The accompanying notes form part of and should be read in conjunction with these financial statements.



Financial Statements

Statement of Financial Position as at 31 March 2026

		GROUP	
	Note	2026 \$	2025 \$
EQUITY			
Trustees' accumulated income account		82,856,088	75,619,809
TOTAL EQUITY		82,856,088	75,619,809
ASSETS			
Current assets			
Cash and cash equivalents	8	2,370,906	2,625,478
Accounts receivable		46,783	38,705
GST receivable		8,103	5,591
Prepayments		107,887	84,583
Property purchase option	16	3,132,560	1,742,570
Tax receivable		1,786	12,149
Work in progress - Development	10	24,833,350	21,194,354
Work in progress - Pin Oaks Office Fitout		-	34,933
		30,501,375	25,738,363
Non-current assets			
Investment Fund - Forsyth Barr		1,957,892	-
Property, plant and equipment	9	97,527,251	87,041,735
Work in progress - Development (non-current portion)	10	345,860	-
TOTAL ASSETS		130,332,378	112,780,098
LIABILITIES			
Current liabilities			
Current portion bank loans	11	9,892,764	27,578
Current portion Central Lakes Trust advance	12	3,835,113	101,184
Accounts payable		2,234,885	1,422,918
Accruals		136,320	92,903
Bonds received		630	46,748
		16,099,712	1,691,331
Non-current liabilities			
Bank loans	11	6,578,047	11,719,613
Central Lakes Trust advance	12	-	3,840,244
Ministry of Housing & Urban Development loan	13	24,798,531	19,909,101
		31,376,578	35,468,958
TOTAL LIABILITIES		47,476,290	37,160,289
NET ASSETS AS PER TOTAL EQUITY		82,856,088	75,619,809

Approved for issue for and on behalf of the Trustees on 15 July 2026:

RBThomas

Richard Thomas
Chair

Kate Skeggs

Kate Skeggs
Trustee

The accompanying notes form part of and should be read in conjunction with these financial statements.



Financial Statements

Statement of Cash Flows for the year ended 31 March 2026

		GROUP	
	Note	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from			
Rental & property revenue		15,146,910	6,777,232
Grants received		1,180,185	3,034,397
Investment income received		114,654	174,167
Community housing contributions received		400,000	-
Public housing income received		2,169,419	7,372,429
Cash was disbursed to			
Payments to suppliers and employees		16,080,886	12,609,244
Trustee's fees		130,757	108,952
Interest paid		921,883	798,239
Net Cash Flows from Operating Activities	14	1,877,642	3,841,790
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from			
Proceeds from sale of property, plant and equipment		6,278,018	2,779,567
Term deposits matured		-	2,500,000
Cash was disbursed to			
Payments for capital work in progress and purchase of property, plant and equipment		15,959,075	13,929,352
Payments to investment fund		1,957,892	-
Net Cash Flows from Investing Activities		(11,638,949)	(8,649,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from			
Drawdowns of borrowings		19,831,748	10,091,688
Cash was disbursed to			
Repayment of borrowings		10,325,013	5,153,480
Net Cash Flows from Financing Activities		9,506,735	4,938,207
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(254,572)	130,212
Cash and cash equivalents at the Beginning of the Year		2,625,478	2,495,265
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,370,906	2,625,478
CASH AND CASH EQUIVALENTS COMPRISE			
Bank accounts	8	276,428	977,312
Non-bank accounts	8	2,094,478	1,648,166
		2,370,906	2,625,478

The accompanying notes form part of and should be read in conjunction with these financial statements.



Notes to the Financial Statements

for the year ended 31 March 2026

1 REPORTING ENTITY

Queenstown Lakes Community Housing Trust operated in accordance with its Trust Deed and is governed by the requirements of the Trustee Act 2019. The Trust is a Public Benefit Entity.

2 STATEMENT OF ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being Queenstown Lakes Community Housing Trust (the parent entity) and its subsidiaries over which the 'Group' has the power to govern the financial and operating policies so as to obtain benefits from their activities.

BASIS OF PREPARATION

The financial statements of the entity have been prepared in accordance with generally accepted accounting practice in New Zealand for general purpose financial reports. They comply with Public Benefit Entity Standards Reduced Disclosure Regime, as appropriate for Tier 2 not-for-profit public benefit entities.

Changes in accounting policies and application of new accounting policies

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

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Functional and presentation currency

The financial statements values are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest dollar (\$), unless otherwise stated.

A) INCOME RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Revenue from non-exchange contracts

Government grants and funding

Revenues from non-exchange transactions with the Government and government agencies is recognised when the Group obtains control of the transferred asset (cash, goods, services, or property), and:

- ▶ it is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably; and
- ▶ the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to the Group at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Group has satisfied these conditions.

Community Housing Contributions

Community Housing contributions are recognised as revenue when the Trust renders the services for which the contribution was levied. Community Housing contributions that are received before the Trust is able to provide the service for which they are levied are recognised as liabilities until the Trust provides the services.

(ii) Revenue from exchange contracts

Interest revenue

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate.

Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of comprehensive revenue and expenses.

Rental revenue

Rental revenue arising from operating leases on properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of financial performance due to its operating nature.

Property revenue

Revenue from the sale of Development Property is recognised when the significant risks and rewards of ownership have been transferred to the homeowner and revenue can be reliably measured.

Notes to the Financial Statements

for the year ended 31 March 2026

Disposal of property, plant and equipment

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

B) EXPENSE RECOGNITION

Borrowings costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Trust incurs in connection with the borrowing of funds.

C) ASSET MEASUREMENT

Accounts Receivable and Mortgages Issued

Accounts receivable and mortgages issued are stated at amortised cost using the effective interest method, less impairment.

Property, Plant and Equipment

Buildings are stated at cost less accumulated depreciation, and land is stated at cost, less any impairment. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially recognised at fair value.

Depreciation

Depreciation has been charged on buildings at a rate of 3% Diminishing Value per annum. No depreciation is charged on land.

Work in progress

Capital work in progress and development work in progress are measured at cost, except items acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition.

D) LIABILITY MEASUREMENT

Accounts Payable

These amounts represent liabilities for goods and services provided to the Trust prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are stated at cost.

E) TAXATION

Income Tax

The Trust is exempt from paying income tax under the Income Tax Act 2007.

Goods and Services Tax (GST)

Queenstown Lakes Community Housing Trust, QLCHT Shotover Country Ltd, and QLCHT Developments Ltd are GST registered and all income and expenses received and incurred by those entities are recorded on a GST exclusive basis. QLCHT Property Portfolio Ltd is not registered for GST as it does not carry on a taxable activity for GST purposes.

Accounts receivables and accounts payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the IRD is stated as 'GST receivable' or 'GST payable' in the Statement of Financial Position.

F) STATEMENT OF CASH FLOWS

The following are the definitions of the terms used in the Statement of Cash Flows:

- (i) Operating activities include all transactions and other events that are not investing or financing activities.
- (ii) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments.
- (iii) Financing activities are those activities relating to changes in the equity and debt structure of the Trust.

G) EMPLOYEE BENEFITS

Wages, salaries and annual leave

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are recognised in surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the Financial Statements

for the year ended 31 March 2026

H) IMPAIRMENT OF ASSETS

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

I) LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term.

3 REVENUE FROM NON-EXCHANGE CONTRACTS

Note

		2026	2025
Grants received	4	1,180,185	3,034,397
Public Housing Income Related Rent Subsidy and Operating Supplement	5	2,169,419	2,811,233
Community Housing Contributions received	6	5,410,000	4,561,196
Total revenue from non-exchange contracts		8,759,604	10,406,826

4 GRANTS RECEIVED

	2026	2025
Catalyst Trust	585	-
Elsie & Ray Armstrong Charitable Trust	-	100,000
Ministry of Housing and Urban Development AHF Grants Received	1,000,000	2,833,597
Ministry of Housing and Urban Development PHO Grants Received	129,600	50,800
Queenstown Lakes District Council	50,000	50,000
Total grants received	1,180,185	3,034,397

5 PUBLIC HOUSING INCOME RELATED RENT SUBSIDY AND OPERATING SUPPLEMENT

	2026	2025
Income Related Rent Subsidy	2,169,419	1,480,127
Operating Supplement	-	1,331,106
Total public housing income related rent subsidy & operating supplement	2,169,419	2,811,233

Notes to the Financial Statements

for the year ended 31 March 2026

6 COMMUNITY HOUSING CONTRIBUTIONS

	2026	2025
Cash contributions	400,000	66,196
Land contributions	5,010,000	4,495,000
Total community housing contributions	5,410,000	4,561,196

Cash contributions are granted from Queenstown Lakes District Council (QLDC). They are received from developers via QLDC, or direct from QLDC.

Land contributions are granted from QLDC for specific subdivisions for the purposes of affordable housing. They are recorded at fair value in accordance with a registered valuation. 2026: Alpine Meadows subdivision 1 title totalling \$1,185,000, Pembroke Heights subdivision 3 titles totalling \$1,425,000 and 176 Upton Street 1 title (5 units) totalling \$2,400,000. (2025: Longview subdivision 12 titles, 2 totalling \$900,000 and 10 totalling \$3,940,000).

7 AUDIT FEES

	2026	2025
Audit services		
Audit of annual financial statements	23,000	22,000
Total audit fees	23,000	22,000

8 CASH AND CASH EQUIVALENTS

	2026	2025
Bank Accounts		
ASB	265,625	962,831
BNZ	-	-
Westpac	10,803	14,481
Craigs Investment Partners	-	1,648,166
Forsyth Barr	2,094,478	-
Total cash and cash equivalents	2,370,906	2,625,478

9 PROPERTY, PLANT & EQUIPMENT

2026				
	Land	Building	Plant & Equipment	Total
Cost				
Balance at 1 April	62,606,573	28,095,797	30,739	90,733,109
Additions	4,860,000	3,971,685	34,933	8,866,618
Transfer from WIP	-	8,774,009	-	8,774,009
Sales or disposals	(31,309)	(6,285,559)	-	(6,316,868)
Balance at 31 March	67,435,264	34,555,932	65,672	102,056,868
Accumulated depreciation				
Balance at 1 April	-	3,662,891	28,484	3,691,375
Depreciation	-	836,472	1,770	838,242
Balance at 31 March	-	4,499,363	30,254	4,529,617
Net book value	67,435,264	30,056,569	35,418	97,527,251
2025				
	Land	Building	Plant & Equipment	Total
Cost				
Balance at 1 April	58,050,782	20,770,580	30,739	78,852,101
Additions	4,840,000	660,344	-	5,500,344
Transfer from WIP	(284,209)	8,774,009	-	8,489,800
Sales or disposals	-	(2,109,135)	-	(2,109,135)
Balance at 31 March	62,606,573	28,095,798	30,739	90,733,110
Accumulated depreciation				
Balance at 1 April	-	3,033,258	27,280	3,060,538
Depreciation	-	629,633	1,204	630,837
Balance at 31 March	-	3,662,891	28,484	3,691,375
Net book value	62,606,573	24,432,907	2,256	87,041,735

Notes to the Financial Statements

for the year ended 31 March 2026

10 WORK IN PROGRESS - DEVELOPMENT

	2026	2025
Opening balance	21,194,354	15,518,047
Plus additions	26,233,389	18,622,194
Less transfer to Property, Plant and Equipment	(8,774,009)	(7,593,671)
Less transfer to Cost of Goods Sold	(12,354,500)	(4,653,765)
Less transfer to Property Purchase Option	(1,120,024)	(698,452)
Total work in progress - development	25,179,210	21,194,354
Developments expected to be completed within 12 months	24,833,350	21,194,354
Developments expected to be completed greater than 12 months	345,860	-
Total work in progress - development	25,179,210	21,194,354

11 BANK LOANS

2026					
	Effective interest rate	Maturity date	Current	Non-current	Total
ASB					
Loan # 910015	3.50%	30/08/2030	-	2,000,000	2,000,000
Loan # 910018	5.00%	30/11/2028	250,172	4,578,047	4,828,219
Loan CCAF	4.49%	On demand	4,850,000	-	4,850,000
Total ASB			5,100,172	6,578,047	11,678,219
BNZ loan	5.03%	31/07/2026	1,002,592	-	1,002,592
Westpac loan	5.49%	31/10/2026	3,790,000	-	3,790,000
Total bank loans			9,892,764	6,578,047	16,470,811

(i) Security held

At reporting date, the following loans were secured over the following assets contained in property, plant and equipment.

ASB

Loan # 910015 - Sustainability loan over 21 titles in the Tewa Banks development.

Loan # 910018 - 16 rental apartment properties at Toru.

Loan CCAF - 21 titles in the Tewa Banks development and 1 title at Suffolk Street, Arrowtown containing 10 rental properties.

BNZ loan - construction financing over 8 titles at the Longview development.

Westpac loan - 9 rental properties in the Longview development.

2025					
	Effective interest rate	Maturity date	Current	Non-current	Total
ASB					
Loan # 910003	6.89%	30/05/2026	21,054	955,767	976,821
Loan # 910012	6.89%	31/05/2046	6,525	293,846	300,371
Loan # 910013	7.15%	30/11/2028	-	5,000,000	5,000,000
Loan # 910015	5.00%	30/08/2030	-	1,500,000	1,500,000
Total ASB			27,578	7,749,613	7,777,192
Westpac loan	5.49%	31/10/2026	-	3,970,000	3,970,000
Total bank loans			27,578	11,719,613	11,747,192

Notes to the Financial Statements

for the year ended 31 March 2026

12 CENTRAL LAKES TRUST LOAN

2026					
	Effective interest rate	Maturity date	Current	Non-current	Total
Loan #1	4.31%	12/04/2026	572,479	-	572,479
Loan #2	4.58%	21/11/2026	3,262,634	-	3,262,634
Total Central Lakes Trust loan			3,835,113	-	3,835,113

(i) Security held

At reporting date, the following loans were secured over the following assets contained in property, plant and equipment.

Loan #1 - 2 properties at Hikuwai.

Loan #2 - 11 properties at Shotover Country.

2025					
	Effective interest rate	Maturity date	Current	Non-current	Total
Loan #1	4.93%	12/04/2026	16,314	572,983	589,297
Loan #2	5.30%	21/11/2026	84,870	3,267,261	3,352,131
Total Central Lakes Trust loan			101,184	3,840,244	3,941,428

13 MINISTRY OF HOUSING AND URBAN DEVELOPMENT LOAN

2026					
	Effective interest rate	Maturity date	Current	Non-current	Total
Loan #1	0%	22/03/2039	-	2,587,500	2,587,500
Loan #2	0%	17/03/2037	-	2,992,500	2,992,500
Loan #3	0%	05/05/2036	-	6,344,531	6,344,531
Loan #4	0%	21/12/2038	-	8,311,000	8,311,000
Loan #5	0%	05/04/2038	-	2,205,000	2,205,000
Loan #6	0%	21/12/2038	-	2,358,000	2,358,000
Total Ministry of Housing and Urban Development loan			-	24,798,531	24,798,531

The Ministry of Housing and Urban Development loans are interest free for the entirety of the loan.

(i) Security held

At reporting date, the following loans were secured over the following assets contained in property, plant and equipment.

Loan #1 - 21 properties at Longview.

Loan #2 - 11 properties at Alps View.

Loan #3 - 26 units at Toru.

Loan #4 - 48 properties at Tewa Banks.

Loan #5 - 8 properties at Northlake.

2025					
	Effective interest rate	Maturity date	Current	Non-current	Total
Loan #1	0%	22/03/2039	-	2,341,070	2,341,070
Loan #2	0%	17/03/2037	-	2,992,500	2,992,500
Loan #3	0%	05/05/2036	-	6,344,531	6,344,531
Loan #4	0%	21/12/2038	-	6,026,000	6,026,000
Loan #5	0%	05/04/2038	-	2,205,000	2,205,000
Total Ministry of Housing and Urban Development loan			-	19,909,101	19,909,101

Notes to the Financial Statements

for the year ended 31 March 2026

14 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2026	2025
Net Surplus/(Deficit) for the year	7,236,279	9,599,527
Add/(Deduct) Non-Cash Items:		
Depreciation	838,242	630,837
Depreciation recovered	(53,632)	(561,067)
Loss/(gain) on disposal of property, plant and equipment	(231,117)	173,704
Community housing land contributions	(5,010,000)	-
Provisions made	20,863	6,460
Changes in Assets and Liabilities:		
Increase/(decrease) in Accruals	(750)	(7,872)
(Increase)/decrease in Accounts Payables	198,343	294,530
(Increase)/decrease in Accounts Receivables	(54,195)	105,200
(Increase)/decrease in Work in progress - Development	(1,066,390)	(6,399,528)
Net cash (outflow)inflow from operating activities	1,877,642	3,841,790

15 OPERATING LEASE ARRANGEMENTS

(a) Trust as Lessee

The Trust has entered into an operating lease for office premises. The lease commenced on 1 December 2023 and is for a term of three years. There is a right of renewal for a further three years on that date, with a final expiry date of 30 November 2029.

	2026	2025
Less than one year	18,505	24,377
Between one and five years	-	24,377
Total non-cancellable operating lease payments	18,505	48,754

(b) Trust as Lessor

The future non-cancellable minimum lease payments of operating leases as lessor at reporting date are \$5,069,459 (2025: \$4,676,381).

Note: the Tenancy end dates are now applicable with the updated Residential Tenancy Act laws, where fixed tenancies become periodic at the end of their fixed terms, unless agreed otherwise.

16 PROPERTY PURCHASE OPTION

As part of the Secured Home model, certain property is sold to households at a discount to QLCHT's full construction cost. Discounts are applied on a project-by-project basis, when additional construction costs incurred result in prohibitively high sale prices for households. QLCHT typically sustains discounts through funding from the Ministry of Housing and Urban Development's Progressive Home Ownership (PHO) fund. QLCHT holds the legal right to re-acquire the property at a fixed value representing the equivalent value the household originally acquired the property. This Property Purchase Option is recognised as a non-financial asset in the financial statements reflecting QLCHT's legal right to re-acquire the property at a discounted value. This legal right does not have a termination date.

17 SECURE HOME PROPERTIES

During the year QLCHT sold \$12,354,500 (2025: \$6,546,022) of property under Secure Home arrangements.

The Secure Home arrangements allow the purchaser to acquire the building assets under a 100-year lease arrangement while QLCHT retains legal ownership of the land and title to the property. Subsequent to acquiring the right to occupy the property based on the cost of the improvements, the purchaser pays rental income to QLCHT for the lease of the land. All other obligations related to the building assets are the responsibility of the purchaser for the duration of the lease. The Secure Home programme contain provisions for the purchaser to require QLCHT to re-purchase the building assets at a price based on the original purchase price, adjusted for capital improvements, maintenance, and inflation.

At 31 March 2026 QLCHT had received no outstanding notices to re-purchase any building assets under the Secure Home arrangement but buy-backs have been made during this financial year.

18 GROUP ENTITIES

A listing of the Group's controlled entities is presented below:

		Ownership interest	
		2026	2025
	Country of Incorporation	%	%
QLCHT Developments Limited	New Zealand	100%	100%
QLCHT Property Portfolio Limited	New Zealand	100%	100%
QLCHT Shotover Country Limited	New Zealand	100%	100%
Queenstown Housing Bonds Limited	New Zealand	0%	100%

All controlled entities have the same reporting date as the controlling entity.

Queenstown Housing Bonds Limited was wound up on 1 March 2025 and removed from the Companies Register on 10 April 2025.



Notes to the Financial Statements

for the year ended 31 March 2026

19 RELATED PARTY TRANSACTIONS

2026 no disclosure is required, (2025: Nil)

20 CONTINGENCIES

As at 31 March 2026 the Trust has no contingent liabilities, (2025: \$Nil).

21 CAPITAL COMMITMENTS

The Trust is currently building 68 homes at the Tewa Banks site in Arrowtown (33 of which are complete). The total build cost is budgeted to cost \$54,016,494 (excluding land and finance). As at 31 March 2026 \$42,015,618 had been spent (2025: \$21,491,695). This project is being funded by construction financing through ASB Bank, property sales and funding support from the New Zealand Government. The project is due for completion in December 2026.

The Trust is proposing to build 15 homes in the Bullenrise subdivision at Arthurs Point. As at 31 March 2026 \$241,500 has been committed towards this project.

The Trust is currently constructing three homes at the Pembroke Heights subdivision in Wānaka. The total build cost is budgeted to cost \$1,552,764 (excluding land and finance). As at 31 March 2026 \$432,354.80 had been spent (2025: \$Nil).

22 SUBSEQUENT EVENTS

There were no subsequent events after balance date, (2025: Nil)

Independent Auditor's Report

To the Trustees of Queenstown Lakes Community Housing Trust

Opinion

We have audited the consolidated financial report of Queenstown Lakes Community Housing Trust (the 'trust') and its subsidiaries (the group'), which comprise the consolidated financial statements on pages 5 to 16, and the consolidated statement of service performance on page 4. The complete set of consolidated financial statements comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial report presents fairly, in all material respects:

- the consolidated financial position of the group as at 31 March 2026, and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 March 2026 in accordance with the group's service performance criteria;

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor, we have no relationship with or interests in the entity.

Other information

The Board of Trustees is responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial report and the audit report.

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

Our responsibility is to read the other information obtained prior to the date of our audit report and consider whether it is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Board of Trustees' responsibilities for the consolidated financial report

The Board of Trustees are responsible on behalf of the group for:

- the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Board of Trustees determines is necessary to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated financial report.

A further description of our responsibilities for the audit of the consolidated financial report is located on at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Board of Trustees, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Board of Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Dunedin, New Zealand
15 July 2026