

A wide-angle photograph of a recycling facility. In the foreground, two parallel conveyor belts are filled with sorted waste, primarily newspapers and paper. Workers in orange high-visibility vests and hard hats are positioned along these belts, manually sorting the material. Several orange bins are placed between the belts for collection. In the background, a large pile of unsorted waste sits on a raised platform, and more conveyor systems are visible, along with industrial machinery. The facility has a high ceiling with a grid of lights.

ECO CENTRAL

Annual Report

For the year ended 30 June 2025

ECOCENTRAL

ECO
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SHOP

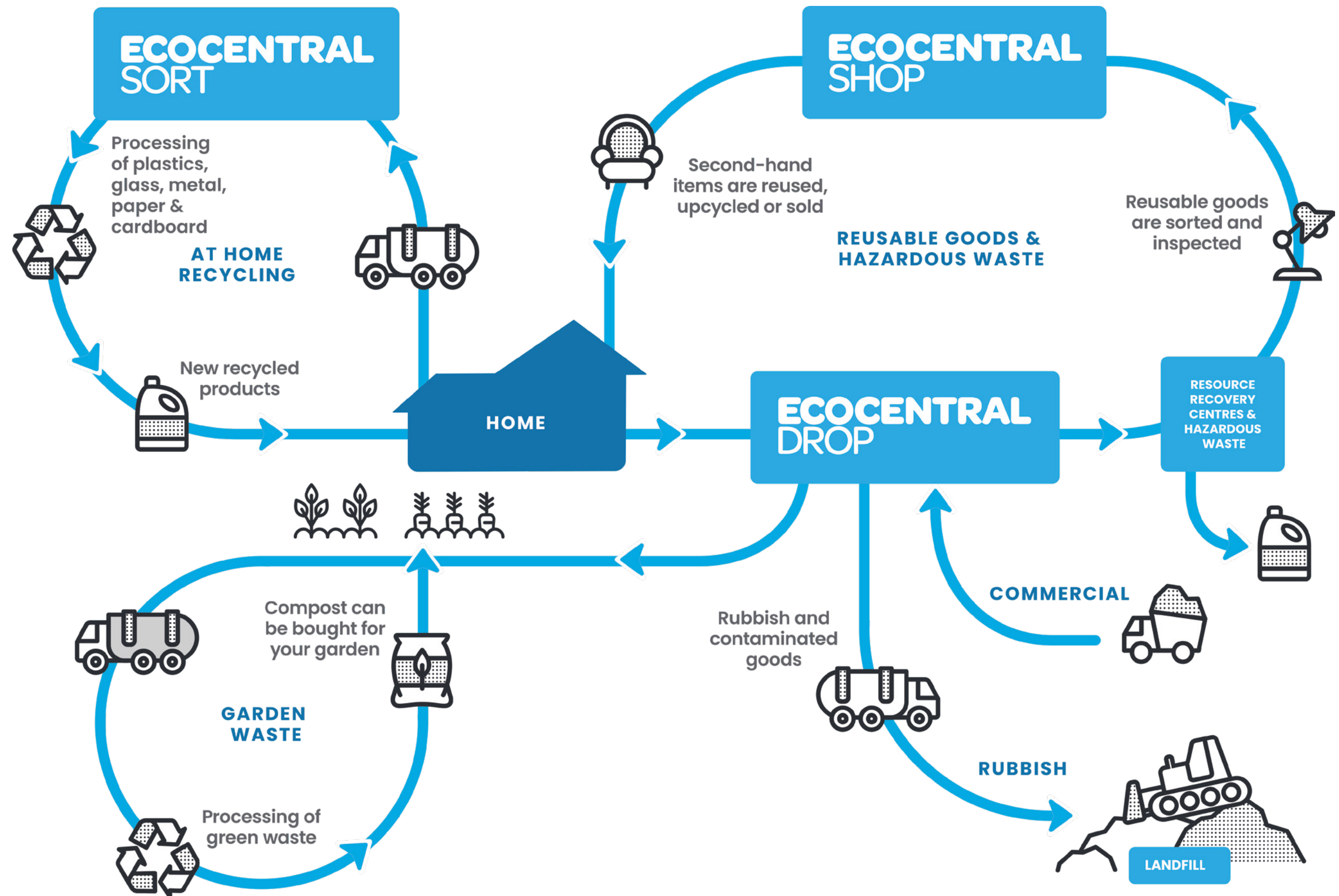
ECO
CENTRAL
DROP

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SORT



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How we've done

EcoDrop
customers served



520,414

2024: 522,390

EcoShop
customers served



142,871

2024: 143,367

EcoShop
items reused



1,423

Tonnes

2024: 1,602

Total glass
recycled



13,529

Tonnes

2024: 14,177

Total plastics
recycled



2,726

Tonnes

2024: 2,900

Total paper &
cardboard recycled



13,220

Tonnes

2024: 14,545

Total recycled/
diverted



60,951

Tonnes

2024: 61,730

Green waste
composted



17,200

Tonnes

2024: 17,407

Health & safety
TRIFR



11.65

(Total recordable injury frequency rate)

2024: 5.93

Chair and CEO report



It is our pleasure to present EcoCentral's 2025 Annual Report. This has been a year of both challenge and progress as we continued to strengthen our core operations, invest in innovation, and deliver the best value and outcomes for the community and our stakeholders.

Health, safety and risk

The safety of our people and the community remains at the heart of our operations. Throughout the year, we enhanced our focus on managing critical risks, with particular attention on customer behaviour at EcoDrop facilities. While we recorded an increase in critical risk "near miss" incidents in the latter part of the year, particularly relating to customer activity, no injuries were sustained. This reflects the robustness of our control systems and the vigilance of our staff. We have implemented additional measures, including physical site improvements, to further enhance safety outcomes.

EcoCentral successfully retained certification to ISO9001 (Quality), ISO45001 (Health & Safety) and ISO14001 (Environmental) following an external audit, underscoring our commitment to industry-leading standards.

Financial performance

EcoCentral delivered a Net Profit After Tax of \$2.4 million, \$1.1 million ahead of budget, reflecting disciplined cost control and strong performance in recycling commodity prices. Our EcoSort Materials Recovery Facility consistently produced output purity above 99.5%, exceeding Statement of Intent targets and both revenue and cost savings for customers, including Christchurch City Council.

EcoDrop volumes remained steady and in line with expectations, while EcoShop sales were softer than anticipated due to broader retail conditions. Nevertheless, careful management of operating costs and an expanded sourcing strategy helped mitigate these pressures.

Innovation and sustainability

This year marked important milestones in sustainability and future-proofing. We invested close to \$2 million in new baling and glass processing capacity at EcoSort, enhancing throughput, flexibility, and resilience. With the deferral of the national Container Return Scheme, these investments ensure continuity of service and improved operational performance.

We also advanced system upgrades, including payroll and HRIS replacements, which will streamline administration and improve efficiency from FY26 onward.

EcoCentral's carbon reduction programme progressed as planned, with ongoing replacement of diesel vehicles with low-emission alternatives. While supply challenges in the heavy vehicle market remain, industry forecasts suggest viable options will become available in FY26.

Waste minimisation and community impact

EcoCentral continues to play a pivotal role in advancing Canterbury's circular economy. Contamination in kerbside recycling bins has stabilised at approximately 1% of total volume, supported by targeted auditing and education campaigns. This represents a significant improvement and a positive outcome for the community.

Across our EcoDrop and Resource Recovery Centres, waste diversion performance achieved annual targets, while EcoShop and our partnerships with retailers continue to provide second-life opportunities for products, reducing landfill disposal and extending product life cycles.

People and culture

Our people remain at the core of our success. Staff engagement remained strong at over 72%, and gender balance improved to 36% female representation across the organisation. We are proud of the dedication of our teams and their contribution to both operational excellence and customer service.

Outlook

Looking ahead to FY26, we anticipate steady EcoDrop and EcoSort volumes, with cautious consumer spending likely to constrain growth. While global instability and the closure of domestic fibre processing capacity in New Zealand present headwinds for commodity pricing and shipping availability, EcoCentral is well positioned through disciplined cost management, operational resilience, and strong relationships with Christchurch City Council and our community partners.

EcoCentral is working closely with CCC on future waste infrastructure planning, positioning ourselves to contribute expertise and help deliver sustainable, cost-effective solutions that will underpin the next generation of resource recovery services.

In closing, we are proud of EcoCentral's achievements in 2025, and extend our thanks to the fantastic EcoCentral team, who's passion and dedication is critical to our success. Despite external challenges, the company has demonstrated resilience, delivered strong financial results, and advanced our commitment to sustainability, safety, and community service. We remain focused on building a strong circular economy for Canterbury, delivering value for our shareholders, and ensuring long-term growth.

On behalf of the Board and management, we thank our staff, our partners, and our stakeholders for their continued support and trust in EcoCentral.

Battery Recycling Station

**Dispose your
unwanted batteries**

Please see staff if unsure

Find out more at ccc.govt.nz/BatteryRecycling



Christchurch
City Council



2025 focused achievements

Enhancing the customer experience

We are proud to have elevated the customer experience across all areas of our operations during FY25. With more than 500,000 customer journeys through our facilities each year, ensuring that every interaction is positive, consistent, and accessible is a responsibility we take seriously, and celebrate achieving.

In FY25, every frontline team member completed a bespoke training programme designed to enhance customer engagement and service delivery. This milestone reflects our ongoing investment in equipping staff with the confidence and skills to deliver a warm, supportive, and professional experience for all.

We also unveiled upgraded signage across all customer-facing sites. Designed with clarity and accessibility in mind, the new wayfinding system makes our facilities easier to navigate and more welcoming to everyone in the community.

Together, these initiatives have transformed the customer journey, reinforcing EcoCentral's commitment to service excellence, accessibility, and community connection.

A community approach to giving items a second life

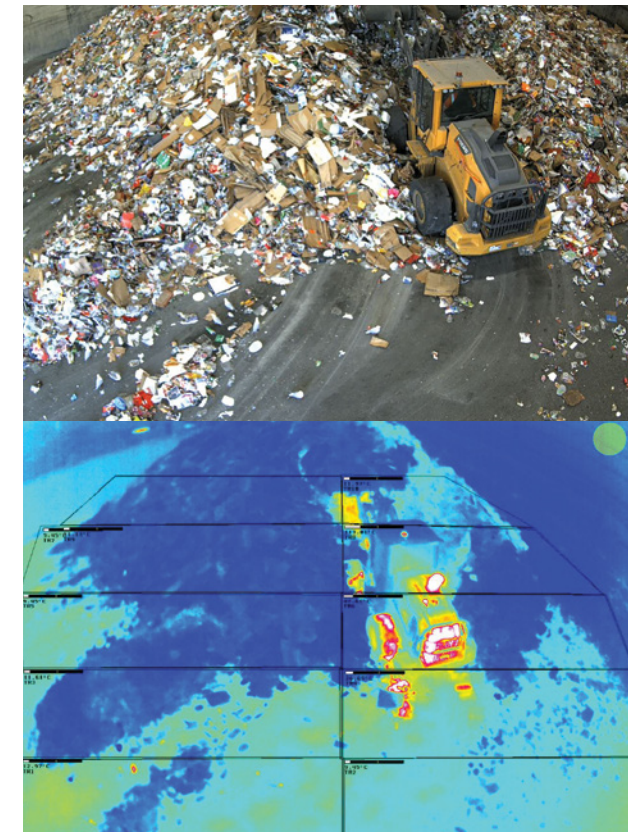
FY25 marked a year of progress for the EcoCentral EcoShop as we expanded our role in Christchurch's circular economy and empowered the community to give everyday items a second life. This renewed focus not only reduced waste but also created meaningful social and economic benefits for local people.

Over the year, EcoShop diverted the equivalent of fifty 40-foot containers of reusable goods from landfill, alongside 1,510 tonnes of donated stock. From furniture and homewares to tools and building materials, these items were recovered and re-homed, keeping valuable resources in circulation.

Collaboration was key to this success. New partnerships with local retailers and businesses helped redirect returned, unsold, or surplus stock, while our growing collection service supported recovery efforts across retirement villages, schools, and households.

EcoShop's impact goes well beyond waste reduction. Affordable "care packages", full house lots of furniture available for just \$350, helped families rebuild their lives, while our "pizza and pillage" student nights combined fun with affordability, moving multiple containers of goods in a single evening.

By making it easier to reuse and more affordable to access essentials, EcoShop continues to shine as a cornerstone of Christchurch's circular economy, where environmental gains and community value go hand in hand.



Strengthening resilience through fire risk management

In FY25, EcoCentral strengthened its operational resilience by proactively addressing fire risk at our Materials Recovery Facility, particularly the growing challenge of discarded lithium-ion batteries.

Working closely with Fire and Emergency New Zealand (FENZ), we introduced a state-of-the-art thermal imaging system capable of detecting heat spots and smoke at the earliest stage. Linked directly to FENZ, the system ensures rapid mobilisation of fire crews within eight minutes, offering world-class protection for both people and infrastructure.

At the same time, we expanded public engagement with new, purpose-built battery disposal stations at every transfer station, giving residents a safe, convenient way to dispose of used batteries and devices responsibly.

Together, these measures showcase EcoCentral's leadership in safety, resilience, and operational excellence – protecting our people, our community, and the continuity of Christchurch's recycling services.



Strengthening assurance through recycling chain audits

EcoCentral is proud to have reinforced its leadership in responsible recycling this year by implementing a new audit process across our export supply chain. This ensures that every product leaving our facilities is managed ethically, transparently, and sustainably.

Our due diligence framework now requires all brokers to be New Zealand-registered and for all destination facilities to meet strict operational and environmental standards. Beyond paperwork, site assessments ensure high performance across safety, environmental management, and worker wellbeing.

Our own operations continue to set the benchmark: plastics processed through our plant achieve up to 99.8% purity, verified through internal audits.

These measures strengthen confidence in Christchurch's recycling system, demonstrating that EcoCentral's processes are not only effective but also ethical and environmentally sound.

Our people

At EcoCentral, our people are at the heart of our success. In FY25, we celebrated an engaged, capable, and committed workforce delivering on our strategy, vision, and values while fostering a healthy, safe, fair, and inclusive workplace.

Highlights of the year included achieving an employee engagement score of 73%, continued investment in leadership and staff development, and securing ISO triple certification – ISO14001 (Environment), ISO45001 (Health & Safety), and ISO9001 (Quality). We also introduced our Employee of the Month programme, celebrating outstanding contributions across the organisation.

We are proud to be taking tangible steps toward greater diversity and inclusion. For the first time, EcoCentral is publicly reporting on our gender pay gap, currently 3.7%. We are committed to closing this gap by focusing on gender diversity in recruitment, supporting women into leadership and frontline roles, and offering inclusive benefits such as flexible working, enhanced parental leave, and targeted leadership development.

These initiatives reflect our ongoing commitment to creating a workplace where everyone feels valued, supported, and able to succeed.

Driving sustainability through carbon reduction initiatives

EcoCentral is proud to be leading the way in climate action, with FY25 marking a major step forward in our decarbonisation journey. Aligning with the global Science Based Targets initiative (SBTi), we have committed to reducing Scope 1 and 2 emissions by at least 42% by 2030 and achieving full carbon neutrality across these scopes by the same year.

With emissions measured at 725 tCO₂e as at 30 June 2025, we are focusing on our most significant contributors, beginning with our vehicle fleet, as we transition to low- and zero-emission alternatives.

Alongside these major shifts, we are implementing practical changes that deliver immediate impact. One example is the redesign of residual waste handling at our Materials Recovery Facility, cutting forklift and truck movements from eight per day to just one. This single improvement has reduced emissions from the process by an outstanding 98%.

By combining ambitious long-term goals with smart operational improvements, EcoCentral is embedding sustainability into every aspect of our work – demonstrating that carbon reduction and operational excellence can go hand in hand.



Corporate governance statement

This statement provides readers with an overview of EcoCentral's main corporate governance practices.

Role of the Board

The directors are appointed by the shareholder Christchurch City Holdings Ltd. The primary role of the board of directors is the corporate governance of the Company. The Board is responsible for the proper direction and control of the Company's activities and all decision-making within the Company.

The Board directs and overviews the business and affairs of the Company, including in particular:

- Ensuring that the Company's goals are clearly established and that strategies are in place to achieve them.
- Establishing policies for strengthening the overall performance of the operation to ensure enhancement of the shareholder value.
- Oversight of the role the Company can play in the recycling and waste industry in the Canterbury region.
- Monitor the performance of the different operations within the Company.
- Take the necessary steps to protect the financial position of the Company.
- Reviewing and approving the Company's annual plan and statement of intent.
- Ensuring the Company's financial statements are true and fair and otherwise conform with the law.
- Ensuring that the Company adheres to high standards of ethics and corporate behaviour.

Conduct of directors

The conduct of directors is required to be consistent with their duties and responsibilities to the Company and indirectly to the shareholder.

Directors are expected to keep themselves abreast of changes and trends in the business and in the Company's environment and markets.

Board composition and mix

The composition of the Board reflects the duties and responsibilities it has to discharge and perform in the interests of the shareholder, and in setting the Company's strategy and seeing that it is implemented.

The Board of EcoCentral Limited comprises four directors.

The Board meets at least eleven times a year. In the 2025 Financial Year, the Board met eleven times.

The Board receives monthly board papers, which cover health and safety, financial and operational performance and updates on progress of strategic initiatives against plan and statement of intent. Issues of health and safety are covered by the Board, as are decisions regarding senior management remuneration.

Subcommittees of the Board

There is one subcommittee of the Board:

- Audit and risk committee – this committee is responsible for the assurance and assistance to the Board on EcoCentral Limited's risk, control and compliance framework, and its external accountability responsibilities.

Directors' remuneration

The Shareholder recommends and approves the level of remuneration paid to directors.

Conflicts of interest

The Board charter outlines the board's policy on conflicts of interest. A full and updated interest register is available at all Board meetings.

Indemnities and insurance

The Company provides directors with directors' and officers' liability insurance cover while acting in their capacity as directors, to the fullest extent permitted by the Companies Act 1993.

Chief Executive Officer performance review

The Board reviews the performance of the Chief Executive Officer against key performance objectives on an annual basis.



Remuneration

Remuneration includes costs to the Company of benefits in addition to cash. In accordance with Section 211 of the Companies Act 1993 the remuneration and other benefits in excess of \$NZ100,000 paid to current employees of the Company are:

Salary bands	30 June 25	30 June 24
100-110	2	4
110-120	2	1
130-140	1	–
140-150	2	2
150-160	1	1
180-190	–	1
190-200	1	1
200-210	1	–
210-220	–	1
220-230	1	–
240-250	1	1
360-370	–	1
390-400	1	–



Financial Statements



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Financial Statements

The directors are pleased to present the audited financial statements of EcoCentral Limited for the year ended 30 June 2025.

Mark Jordan (22 September 2025)
Chairman
For and on behalf of the Board

Mark Christensen (22 September 2025)
Director

Statement of comprehensive income
For the Year Ended 30 June 2025

	Note	30 June 25 \$'000	30 June 24 \$'000
Revenue			
Operating and other revenue	2	53,723	57,713
Financial income	3	421	644
Other gains	4	82	55
Total revenue		54,227	58,412
Expenditure			
Depreciation, amortisation and impairment	5	4,057	11,546
Finance costs	6	592	379
Personnel costs	7	9,963	9,447
Other expenses	8	36,328	33,171
Total expenditure		50,940	54,543
Surplus before tax		3,287	3,869
Income tax expense	10a	893	1,129
Surplus after tax		2,393	2,740
Other comprehensive income			
Cash flow hedges	22	–	(9)
Total comprehensive income		2,393	2,731

The accompanying notes form part of these financial statements

Statement of financial position
As at 30 June 2025

	Note	30 June 25 \$'000	30 June 24 \$'000
Current assets			
Cash and cash equivalents	11	4,926	9,340
Short-term deposits		3,000	–
Trade and other receivables	12	3,187	2,749
Prepayments		42	36
Inventories	13	660	600
Total current assets		11,815	12,724
Non-current assets			
Property, plant and equipment	14	6,975	4,870
Right of use assets	15	8,770	11,123
Deferred tax asset	10d	1,081	972
Total non-current assets		16,827	16,965
Total assets		28,642	29,689
Current liabilities			
Trade and other payables	16	4,213	4,014
Employee entitlements	17	1,399	1,314
Provisions	18	213	261
Deferred income	19	221	222
Lease liabilities	20	2,566	2,416
Current tax liabilities	10b	778	1,085
Total current liabilities		9,390	9,310
Non-current liabilities			
Lease liabilities	20	6,596	8,896
Deferred income	19	610	831
Total non-current liabilities		7,206	9,727
Total liabilities		16,596	19,037
Net assets		12,046	10,653
Equity			
Capital and other equity instruments	21	6,100	6,100
Retained earnings	23	5,946	4,552
Total equity		12,046	10,653



Mark Jordan
Chairman
For and on behalf of the Board



Mark Christensen
Director

The accompanying notes form part of these financial statements

Statement of changes in equity
For the Year Ended 30 June 2025

	Note	Share capital \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000
	21	22	23		
30 June 2024					
Balance at beginning of financial year		6,100	9	6,813	12,921
Net profit		–	–	2,740	2,740
Other comprehensive income		–	(9)	–	(9)
Total comprehensive income		–	(9)	2,740	2,731
Dividends paid		–	–	(5,000)	(5,000)
Balance at end of financial year		6,100	–	4,552	10,653
30 June 2025					
Balance at beginning of financial year		6,100	–	4,552	10,653
Net profit		–	–	2,393	2,393
Total comprehensive income		–	–	2,393	2,393
Dividends paid		–	–	(1,000)	(1,000)
Balance at end of financial year		6,100	–	5,946	12,046

The accompanying notes form part of these financial statements

Statement of cash flows
For the Year Ended 30 June 2025

	Note	30 June 25 \$'000	30 June 24 \$'000
Cash flows from operating activities			
Receipts from customers and other sources		53,025	50,823
Interest received		421	644
Payments to suppliers and employees		(46,082)	(43,132)
Tax payments		(1,309)	(120)
Subvention payments		–	(899)
Interest and other finance costs paid		(592)	(379)
Net cash flow from operating activities	24	5,464	6,937
Cash flows from investing activities			
Payment for property, plant and equipment		(2,765)	(1,428)
Proceeds from sale of property, plant and equipment		201	92
Payment for Short-term deposit		(3,000)	–
Net cash flow from investing activities		(5,564)	(1,336)
Cash flows from financing activities			
Repayment of lease liabilities		(3,313)	(2,564)
Dividends paid		(1,000)	(5,000)
Net cash flow from financing activities		(4,313)	(7,564)
Net increase in cash and cash equivalents		(4,414)	(1,963)
Cash and cash equivalents at beginning of year		9,340	11,303
Cash and cash equivalents at end of year	11	4,926	9,340

The accompanying notes form part of these financial statements

Notes to the Financial Statements

1. Statement of accounting policies

Reporting entity

EcoCentral Limited is a Tier 1 for-profit entity, incorporated in New Zealand under the Companies Act 1993. EcoCentral Limited is a wholly-owned subsidiary of Christchurch City Holdings Limited.

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 include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with IFRS and NZ IFRS, and other applicable financial reporting standards, as appropriate for Council Controlled Trading Organisations (CCTOs).

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain financial instruments (including derivative instruments). The accounting policies have been consistently applied in determining the earnings and cash flows for the year ended 30 June 2025, and the financial position as at that date.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the Company is New Zealand dollars.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The main business contract with Christchurch City Council expires on 31 March 2029. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Significant accounting policies

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short term deposits

Short term deposits in the statement of financial position are investments with original maturities of more than three months and less than one year.

Foreign currency transactions

Foreign currency transactions are translated at the foreign exchange rate that exists on the day of the transaction.

Foreign currency monetary assets and liabilities at the balance date are translated to NZ dollars at the rate that exists at that date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Trade and other receivables

Trade receivables, which generally have 30–60 day terms, are recognised initially at fair value and subsequently less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised following an expected credit loss model, using a simplified approach.

Inventories

Inventories including raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- **Raw materials** – purchase cost on a first-in, first-out basis.
- **Finished goods and work-in-progress** – cost of direct materials and labour and a proportion of variable and fixed manufacturing overheads based on normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant, and equipment

Property, plant, and equipment are recognised at its historical cost or valuation less accumulated depreciation and any accumulated impairment losses.

Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Buildings	8–20 years
Plant and equipment	2–15 years
Motor vehicles	3–10 years
IT Systems & Equipment	2–10 years
Furniture & Fittings	3–15 years

The plant and equipment at the EcoSort’s materials recycling facility (MRF) have been assessed to have their useful lives expiring by 2029 in accordance with the main business contract.

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.

Property, plant, and equipment are recognised at its cost. Where an asset is acquired at nil cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

The assets’ residual values, useful lives and depreciation methods are reviewed annually, and adjusted if appropriate, at each financial year end.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amounts of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment

Items of property, plant and equipment are assessed for impairment on an annual basis. There was no impairment recognised during the current year or previous years.

Leases

EcoCentral Limited as a lessee

The Entity assesses whether a contract is or contains a lease, at inception of the contract. The Entity recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, which are determined to be when purchased new for the price of NZD \$7,000 or below (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Entity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Entity remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

During both the current and prior financial years, following an increase in monthly rental payments, the Entity remeasured its lease liability (and corresponding right-of-use asset) relating to the Christchurch City Council.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer’s ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease and is calculated on a straight-line basis over the estimated useful life of the specific assets.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Entity applies NZ IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss. There were no such expenses in the current year.

As a practical expedient, NZ IFRS 16 permits a lessee not to separate non-lease components, and instead accounts for any lease and associated non-lease components as a single arrangement. The Entity has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Entity allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Provisions and employee benefits

Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the entity expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

EcoCentral's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand Government Stock at the balance sheet date.

The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, staff turnover and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability. Expected future payments are discounted using forward discount rates derived from the New Zealand government 10 year bonds. The salary inflation factor has been determined after considering historical salary and wage inflation patterns.

Revenue recognition

Revenue is recognised when control of a good or service transfers to the customer and is based on the fulfilment of performance obligations.

(i) Processing of waste and recyclables

The company operates three refuse stations and a materials recovery facility for the processing of recyclable products. Revenue for the processing of waste and recyclables is recognised when the product or waste is received by the company. The company's performance obligations for each customer are satisfied at the time of delivery as no further work or processing is required, the quantity and quality of the goods has been determined and the price is fixed. The unit price is pre-agreed and fixed. However, for some contracts, in addition to the fixed unit price, a variable consideration and a consideration payable to a customer are estimated for the respective transactions and recognised at year end based on the entity's overall performance for the year.

(ii) Sale of goods

The company receives revenue from the sale of its sorted recyclable products. Revenue is recognised for the exported product when it is delivered to the port. Title for the goods pass to the customer at this point as all goods are shipped under 'free alongside ship (FAS) terms. Revenue for recycable metals sold within New Zealand is recognised once the product is delivered to the customer. Revenue for all other recyclable product sold within New Zealand is recognised once the goods are picked up by the customer. The company's performance obligations for each customer are satisfied at the time delivery or pick up has been made as no further work or processing is required.

The company runs a retail store that sells recycled goods that have been delivered by the public. Revenue is recognised when the company sells goods to the customer. Payment for each transaction is due immediately. The company offers a 60 day warranty for whiteware and electronic products over the value of \$250. Based on accumulated experience, it is highly probable that a significant reversal in cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

(iii) Hazardous waste cost recoveries

The company has a contract with the Christchurch City Council to invoice for the cost of disposal of hazardous waste received at its refuse stations. Revenue is recognised when the costs of disposal have been determined and a customer invoice has been generated. The company's performance obligations for each transaction are satisfied when the hazardous waste is removed from EcoCentral's property by the respective contractor.

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, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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

Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates 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.

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 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.

Goods and services tax

Revenues, expenses, cash flows and assets are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense. Cash flows in respect of payments to and receipts from the Inland Revenue Department are shown net in the statement of cash flows.

Government grants

Government grants are not recognised until there is a reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct, or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Revenue recognised from Government grants and assistance is disclosed under operating and other revenue (see note 2).

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

There are no estimates and assumptions that have a significant risk of causing a material misstatement within the next financial year.

Management has exercised the following critical judgement in applying accounting policies:

(i) Classification of leases

Determining whether a lease agreement is a finance lease, or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the company. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Management has exercised its judgement on the appropriate classification of leases and has determined that all significant lease arrangements are operating leases.

(ii) Contract extension with Christchurch City Council

On 20 December 2023, the company signed an extension of its existing contract with the Christchurch City Council, pushing out the expiry date of this agreement from 31 January 2024 to 31 March 2029. Following this extension, the company reviewed the useful life of its assets that were tied to the original contract expiry date. With the contract now extended, the useful life of the assets has been revised to reflect the new contract expiry date.

As a result, the depreciation expense for the current period and future periods has been adjusted accordingly. This change in accounting estimate has been applied prospectively from 1 January 2024, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors."

The impact of this change in accounting estimate on the financial statements is as follows:

- Total depreciation expense for the year ended 30 June 2024 was \$1.2M less than what it would have been.
- The book value of property, plant and equipment at 30 June 2024 was \$1.2M higher than what it would have been.
- Government Grant revenue for the year ended 30 June 2024 was \$1.1M less than what it would have been.

This change in estimate does not affect prior periods as it has been accounted for prospectively.

There has been no adjustment to the contract extension and no adjustment to both the right of use asset and lease liability in the current year (2024:\$10.2M).

Adoption of new and revised standards

Certain new accounting standards and amendments have been issued that are not mandatory for the year ended 30 June 2025 and have not been early adopted by the company. The company has assessed that these are not likely to influence its financial statements.

Changes in accounting policy and disclosures

The accounting policies detailed above have been applied in the preparation of these financial statements for the year ended 30 June 2025 and have been consistently applied throughout the year.

There have been no changes in accounting policies in comparison with the prior year.

Subsequent events

There were no events subsequent to balance date.

2. Operating and other revenue

	30 June 25 \$'000	30 June 24 \$'000
Revenues from contracts with customers		
Processing of waste and recyclables	43,111	41,327
Sale of goods	9,484	8,370
Hazardous waste cost recoveries	688	551
	53,284	50,249
Other revenue		
Miscellaneous income	218	239
Government grants	221	7,225
	440	7,464
Total operating and other revenue	53,723	57,713

Processing of waste and recyclables

Consideration payable to a customer was recognised as a reduction in the transaction price, amounting to \$566k (2024: 837k).

Government grants

On 26th August 2020, the New Zealand Government announced it will be investing \$36.7 million in high-tech recycling plants nationwide. On 21st January 2021, EcoCentral signed deeds of funding with the Ministry for the Environment (MfE) to receive up to \$1.8 million grant funding for a plastics optical sorter and up to \$15 million grant funding for a fibre optical and mechanical sorter. This project was completed in December 2022. All government funding was received prior to 30 June 2023. No further claims may be made against this deed of funding. The \$16.8M MfE grant has been initially recognised as deferred revenue (refer to Note 19) and will subsequently be recognised as government grant revenue over the useful life of the asset. During the current year, \$221K of this balance has been recognised as government grant revenue (2024: \$7.2M). The actual cost for this project is now recognised in Property, Plant and Equipment (refer to Note 14).

3. Finance income

	30 June 25 \$'000	30 June 24 \$'000
Interest income – bank deposits	421	644
	421	644

4. Other gains and losses

	30 June 25 \$'000	30 June 24 \$'000
Other gains		
Gains on disposal of property, plant and equipment	82	55
	82	55

5. Depreciation, amortisation and impairment

	30 June 25 \$'000	30 June 24 \$'000
Depreciation of property, plant and equipment	1,338	8,823
Depreciation of right of use assets	2,719	2,723
	4,057	11,546

6. Finance costs

	30 June 25 \$'000	30 June 24 \$'000
Interest on leases	592	379
	592	379

7. Personnel costs

	30 June 25 \$'000	30 June 24 \$'000
Salaries and wages	9,386	8,980
KiwiSaver contributions	265	245
Increase/(decrease) in employee entitlements	86	47
Other	226	176
	9,963	9,447

8. Other expenses

	30 June 25 \$'000	30 June 24 \$'000
Disposal costs	29,841	27,270
Repairs and maintenance	1,490	1,621
Directors' fees	201	175
Net foreign exchange losses	18	3
Other operating expenses	4,778	4,101
	36,328	33,171

9. Remuneration of auditors

	30 June 25 \$'000	30 June 24 \$'000
Audit New Zealand		
Audit of the financial statements	102	78
	102	78

10. Income taxes

	30 June 25 \$'000	30 June 24 \$'000
(a) Components of tax expense		
Taxation payable for current year	1,012	1,205
Adjustments to deferred tax in prior year	33	(33)
Deferred tax expense/(income)	(152)	(43)
Total tax expense	893	1,129
Reconciliation of prima facie income tax:		
Net profit before tax	3,287	3,869
Income tax expense calculated at 28%	920	1,083
Expenses not deducted for income tax	2	1
Deferred tax adjustment	(28)	45
Total tax expense	893	1,129
(b) Current tax payables		
Taxation payable	778	1,085
	778	1,085
(c) Imputation credit account		
Imputation credits available for use in subsequent periods	2,207	–
	2,207	–

	Opening balance \$'000	Income \$'000	Closing balance \$'000
(d) Deferred tax balance			
30 June 2024			
Deferred tax asset:			
Property, plant and equipment	506	73	579
Provisions and employee entitlements	423	(30)	393
	929	43	972
30 June 2025			
Deferred tax assets:			
Property, plant and equipment	579	(147)	432
Provisions and employee entitlements	393	22	415
Doubtful debts and impairment losses	–	1	1
Deferred Income		233	233
	972	109	1,081



11. Cash and cash equivalents

	30 June 25 \$'000	30 June 24 \$'000
NZD Balances	4,922	9,063
AUD Balances	2	269
USD Balances	3	8
	4,926	9,340

12. Trade and other receivables

	30 June 25 \$'000	30 June 24 \$'000
(a) Current trade and other receivables		
Trade receivables (before impairment)	1,681	1,312
Other related parties	1,509	1,440
	3,190	2,752
Provision for impairment – trade receivables	(3)	(3)
	3,187	2,749
(b) Credit risk aging of receivables		
The company has reviewed the approach to measuring expected credit losses and considers the use of the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for financial assets to be appropriate.		
Gross receivables		
Not past due	3,123	2,713
Past due	67	39
	3,190	2,752
Impairment		
Past due more than 60 days	(3)	(3)
	(3)	(3)
Movement in provisions for impairment of receivables		
Balance at start of the year	(3)	(2)
Provisions made during the year	–	(1)
	(3)	(3)

13. Inventories

	30 June 25 \$'000	30 June 24 \$'000
Inventory – spare parts	443	395
Inventory – finished goods	217	204
	660	600

14. Property, plant and equipment

Reconciliation of movement in property, plant and equipment

	Land & buildings \$'000	Plant & equipment \$'000	Total \$'000
Cost			
Cost at 1 July 2023	4,703	29,519	34,223
Additions	323	1,513	1,836
Disposals	–	(850)	(850)
Net movements in work in progress	(122)	(286)	(408)
Cost at 30 June 2024	4,904	29,897	34,801
Cost at 1 July 2024	4,904	29,897	34,801
Additions	78	2,039	2,116
Disposals	–	(644)	(644)
Net movements in work in progress	(50)	1,495	1,445
Cost at 30 June 2025	4,932	32,787	37,719
Accumulated depreciation			
Balance at 1 July 2023	(3,799)	(18,122)	(21,920)
Disposals	–	813	813
Depreciation expense	(625)	(8,198)	(8,823)
Balance at 30 June 2024	(4,424)	(25,507)	(29,931)
Balance at 1 July 2024	(4,424)	(25,507)	(29,931)
Disposals	–	525	525
Depreciation expense	(111)	(1,226)	(1,338)
Balance at 30 June 2025	(4,535)	(26,208)	(30,743)
Carrying amount at 30 June 2024	480	4,390	4,870
Carrying amount at 30 June 2025	397	6,579	6,975



15. Right of use assets

	Land & buildings \$'000	Total \$'000
Cost		
Cost at 1 July 2023	11,649	11,649
Additions	11,585	11,585
Disposals	(781)	(781)
Cost at 30 June 2024	22,453	22,453
Cost at 1 July 2024	22,453	22,453
Additions	367	367
Cost at 30 June 2025	22,819	22,819
Accumulated depreciation		
Balance at 1 July 2023	(9,388)	(9,388)
Disposals	781	781
Depreciation expense	(2,723)	(2,723)
Balance at 30 June 2024	(11,330)	(11,330)
Balance at 1 July 2024	(11,330)	(11,330)
Depreciation expense	(2,719)	(2,719)
Balance at 30 June 2025	(14,049)	(14,049)
Carrying amount at 30 June 2024	11,123	11,123
Carrying amount at 30 June 2025	8,770	8,770

16. Trade and other payables

	30 June 25 \$'000	30 June 24 \$'000
Trade payables and accrued expenses	1,294	1,130
Amounts due to related parties	2,893	2,820
GST payable	25	64
	4,213	4,014

17. Employee entitlements

	30 June 25 \$'000	30 June 24 \$'000
Current portion		
Accrued pay	194	158
Annual leave	987	942
Long service leave	100	99
Bonuses and redundancy provision	118	115
	1,399	1,314

The provision for long service leave is an actuarial assessment of entitlements that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken.

18. Provisions

	Other provisions \$'000	Repairs & maintenance provisions \$'000	Total \$'000
Balance at 1 July 2023	148	90	239
Additional provisions made	68	184	251
Amounts used	–	(229)	(229)
Balance at 30 June 2024	216	45	261
Balance at 1 July 2024	216	45	261
Amounts used	(28)	(19)	(47)
Balance at 30 June 2025	188	25	213

Under the terms of its contract with the Christchurch City Council, the Company is required to follow an agreed maintenance plan for its plant and equipment. At balance date, the Company has provided for the unspent portion of its obligations under the contract.

19. Deferred income

	30 June 25 \$'000	30 June 24 \$'000
Government grants		
Current	221	222
Non current	610	831
	831	1,053

20. Lease liabilities

	30 June 25 \$'000	30 June 24 \$'000
Current		
Non related parties	599	618
Related parties	1,967	1,798
	2,566	2,416
Non current		
Non related parties	576	1,166
Related parties	6,020	7,729
	6,596	8,896
	9,162	11,312
Maturity analysis		
Year 1	3,014	2,989
Year 2	2,714	2,955
Year 3	2,620	2,621
Year 4	1,787	2,533
Year 5	–	1,730
	10,136	12,828

The Company has lease liability agreements with the Christchurch City Council, and other non-related parties, that relate to the rental of land and buildings across all of its business units. The agreements have remaining terms of between one and five years. The Company does not own the assets at the end of the lease term and there is no residual value.

21. Capital and other equity instruments

	30 June 25 \$'000	30 June 24 \$'000
Fully paid redeemable preference shares		
Balance at 1 July	6,100	6,100
Balance at 30 June	6,100	6,100

In August 2012 5,000,000 redeemable preference shares were issued for \$1.00 per share, taking the share capital to 6,100,000 fully paid redeemable preference shares and 100 ordinary \$1.00 shares held by CCHL. These are the same as the authorised share capital. There were no changes to the number of issued shares during the current year or the previous year.

22. Reserves

	30 June 25 \$'000	30 June 24 \$'000
Hedging reserve		
Balance at 1 July	–	9
Forward foreign exchange contracts	–	(9)
Balance at 30 June	–	–

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges.

23. Retained earnings

	30 June 25 \$'000	30 June 24 \$'000
Balance at 1 July	4,552	6,813
Net profit for the period	2,393	2,740
Dividends paid	(1,000)	(5,000)
Balance at 30 June	5,946	4,552

During the year ended 30 June 2025, EcoCentral Limited declared and paid a dividend of \$0.16393 per share, \$1,000,000 (2024: \$0.81966 per share, \$5,000,000), to the shareholder, Christchurch City Holdings Limited.

24. Reconciliation of surplus to net cash flows from operating expenses

	30 June 25 \$'000	30 June 24 \$'000
Surplus for the period	2,393	2,740
Add/(less) non-cash items		
Depreciation, amortisation and impairment expense	4,057	11,546
Deferred tax credited to income	(109)	(43)
	3,948	11,503
Add/(less) items classified as investing or financing activities		
Gain on disposal of property, plant & equipment	(82)	(55)
Deferred government grants credited to income	(221)	(7,224)
	(303)	(7,279)
Add/(less) movement in working capital items		
Trade and other receivables	(437)	304
Inventories	(60)	(176)
Prepayments	(6)	(2)
Trade and other payables	200	(374)
Provisions	(47)	22
Employee entitlements	86	47
Income tax payable	(307)	153
New changes in net assets and liabilities	(573)	(27)
Net cash from operating activities	5,464	6,937

25. Capital commitments

	30 June 25 \$'000	30 June 24 \$'000
As at 30 June 2025, the Company have the following capital commitments:		
(a) Capital commitments		
Property, plant and equipment – other	305	849
	305	849

26. Contingent liabilities and contingent assets

As at 30 June 2025 there were no contingent liabilities and no contingent assets (2024: Nil).

27. Financial instrument risks

Interest rate risk management

The Company's principal financial instruments comprise receivables, payables, bank loans and overdrafts, finance leases, cash and short-term deposits and derivatives.

Risk exposures and responses

The main risks arising from the financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for the identification and control of financial risks rests with the Chief Financial Officer under the authority of the board. The board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

Interest rate risk

At balance date, the Company had the following mix of financial assets and liabilities exposed to New Zealand variable interest rate risk that are not designated in cash flow hedges. The following table summarises the Company's exposure to interest rate risk:

	30 June 25		30 June 24	
	Fixed \$'000	Variable \$'000	Fixed \$'000	Variable \$'000
Financial assets				
Cash and cash equivalents		4,926		9,340
Short term deposits		3,000		–
Trade and other receivables	1,678		1,309	
Related party receivables	1,509		1,440	
	3,187	7,926	2,749	9,340
Financial liabilities				
Lease liabilities	1,175		1,784	
Lease liabilities – related parties	7,987		9,528	
	9,162	–	11,312	–

Foreign currency risk management

Foreign currency risk arises from the possibility that the value of assets, liabilities, revenues, or expenses will fluctuate due to changes in foreign exchange rates. The Company is exposed to such risk through transactions denominated in currencies other than New Zealand dollars. During the year, approximately 10.0% of sales were denominated in foreign currencies (2024: 5.3%), while almost all costs continued to be incurred in New Zealand dollars.

Capital management

The Company's capital includes share capital, reserves and retained earnings. The Company's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain future development of the business.

The board of directors regularly reviews the company's policies in respect of the management and allocation of capital. There has been no material change to the company's management and allocation of capital during the year. The Company is not subject to externally imposed capital requirements.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the entity. Credit risk arises from the Company's financial assets, which comprise cash and cash equivalents and trade and other receivables. The exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets as outlined in each applicable note. The Company does not hold any credit derivatives to offset its credit exposure.

The Company only trades with recognised, creditworthy third parties, and as such collateral is not requested nor is it a policy to scrutinise its trade and other receivables. It is a policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer. These risk limits are regularly monitored. In addition, receivable balances are monitored on an on-going basis with the result that the level of bad debts has not been significant.

The Company has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status other than trade receivables.

The following table summarises the maximum exposure to credit risk as at balance date:

	30 June 25 \$'000	30 June 24 \$'000
Maximum exposure to credit risk		
Cash at bank, term deposits and foreign currency	7,926	9,340
Trade and other receivables	3,187	2,749
	11,113	12,089
Counterparties		
Cash at bank, term deposits and foreign currency	7,926	9,340
	7,926	9,340

Liquidity risk

Liquidity risk arises from the Company's financial liabilities and its ability to meet obligations as they fall due. The Company's objective is to maintain adequate funding to ensure obligations can be met, while also making efficient use of available credit facilities.

The Company manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis. In general, the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities.

The following table summarises the Company's contractual cash flows for its financial assets and liabilities into relevant maturity groupings based on the remaining period at year end to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows:

	Balance sheet \$'000	Contractual cash flows \$'000	Less than 1 year \$'000	1-2 Years \$'000	2-5 Years \$'000
30 June 2025					
Financial assets					
Cash and cash equivalents	4,926	4,926	4,926	–	–
Short-term deposits	3,000	3,000	3,000	–	–
Trade and other receivables	1,678	1,678	1,678	–	–
Related party receivables	1,509	1,509	1,509	–	–
	11,113	11,113	11,113	–	–
Financial liabilities					
Trade and other payables	4,213	4,213	4,213	–	–
Lease liabilities	1,175	1,250	645	344	261
Lease liabilities – related parties	7,987	8,886	2,370	2,370	4,147
	13,375	14,349	7,228	2,714	4,408
30 June 2024					
Financial assets					
Cash and cash equivalents	9,340	9,340	9,340		
Trade and other receivables	1,309	1,309	1,309		
Related party receivables	1,440	1,440	1,440		
	12,089	12,089	12,089	–	–
Financial liabilities					
Trade and other payables	4,014	4,014	4,014		
Lease liabilities	1,784	1,934	695	662	577
Lease liabilities – related parties	9,528	10,893	2,293	2,293	6,307
	15,325	16,841	7,002	2,955	6,884

Commodity price and demand risk

The Company acknowledges the significant risk / benefit of material fluctuations in the commodity prices and demand of EcoSort products which are influenced by international demand. It does mitigate some of this risk by tendering and entering into supply contracts, and through the structure of its commercial contracts for incoming comingled product. In addition, the Company maintains sufficient financial flexibility through its statement of financial position to withstand commodity price fluctuations.

Classification of financial assets and liabilities

The following tables classify the company's financial assets and liabilities between the various categories set out in NZ IFRS 9 and NZ IFRS 7:

	30 June 25 \$'000	30 June 24 \$'000
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	4,926	9,340
Short-term deposits	3,000	–
Trade and other receivables	3,187	2,749
	11,113	12,089
Total financial assets	11,113	12,089
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	4,213	4,014
Lease liabilities	9,162	11,312
Total financial liabilities	13,375	15,325

28. Related parties

	30 June 25 \$'000	30 June 24 \$'000
1 CCHL		
1(a) Transactions with CCHL		
Dividend paid	1,000	5,000
Services provided by CCHL	–	14
2 CCHL Subsidiaries		
2(a) Transactions with CCHL Subsidiaries		
Services provided to CCHL Subsidiaries	674	690
2(b) Balances with CCHL Subsidiaries		
Other balances owing by CCHL subsidiaries	58	52
Other balances owing to CCHL subsidiaries	–	–
3 CCC		
3(a) Transactions with CCC		
Services provided to CCC	17,135	16,038
Services provided by CCC	1,450	1,255
Lease payments to CCC – principle	1,858	1,990
Lease payments to CCC – interest	511	303
Subvention payment	–	899
3(b) Balances with CCC		
Other balances owing by CCC	1,451	1,388
Other balances owing to CCC	566	837
Lease liabilities owing to CCC	7,987	9,528
4 Group entities excluding CCHL and CCC		
4(a) Transactions with group entities		
Services provided by group entities	27,302	24,964
4(b) Balances with group entities		
Other balances owing to group entities	2,378	2,058

The relationships above arise from EcoCentral Limited being 100% owned by Christchurch City Holdings Limited (CCHL) and the ultimate shareholder being Christchurch City Council (CCC).

EcoCentral Limited incurred charges of \$27,302,477 in 2025 (2024: \$24,964,125) in relation to the disposal of waste, to Transwaste Canterbury Ltd, a company in which CCC has a material shareholding.

No provision has been required, nor any expense recognised for impairment of receivables or other receivables to related parties (2024 \$nil).

During the year, no tax losses were transferred by subvention payment. (2024: subvention payment of \$898,744 was paid to the CCC Group and loss offset of \$2,311,056).

5 Directors

Sinead Horgan was a Director of TDX Limited who undertook maintenance work for the year totalling \$499,976 (2024: \$563,723). As at 30 June, \$19,207 (2024: \$6,601) was owing to TDX Limited

29. Remuneration

	30 June 25 \$'000	30 June 24 \$'000
Directors remuneration		
Mark Andrew Jordan (paid to Mark Jordan Ltd)	77	68
Sinead Horgan (paid to Morrison Horgan Ltd)	15	37
Benjamin Reed	40	34
Mark Christensen (paid to Natural Resources Law Ltd)	43	36
Jacqueline Cheyne	27	–
	201	175
Key management personnel remuneration		
Salaries and short term employee benefits	1,843	1,743

Key management personnel:

Craig Downie	Chief Executive Officer
Rob Wilson	Operations Manager
Vaughan Whitehead	Chief Financial Officer
Carol Allen	People & Capability Manager
Brandon Craine	Commercial Manager
Wayne Hocking	EcoDrop Manager
John Sandys	EcoSort Manager
Julie Radcliffe	Ecoshop and Resource Recovery Manager
Judith Adams	Finance Manager

Financial performance targets

Financial performance targets	SOI \$'000	30 June 25	Actual \$'000
The financial performance targets for EcoCentral Limited were as follows:			
Revenue	54,963		54,227
Earnings Before Interest, Taxes, Depreciation &Amortization (EBITDA)	7,809		7,514
Net profit after tax (NPAT)	1,253		2,393
Debt to EBITDA	–		–
Return on Capital*	18.9%		30.46%
Equity	10,803		12,046
Debt	–		–
Shareholder Funds to Total Assets	33.4%		42.1%
Dividend Paid	1,000		1,000

*Return on Capital is calculated as EBIT divided by Average Capital Employed

Key operational performance targets	SOI Targets	Actual 2025	Commentary
EcoDrop Waste minimisation	> 60,000	60,951	Achieved
EcoSort Plastic and fibre quality Plastic and fibre quality is assessed via a systematic auditing process of selected samples of baled recyclables produced by the sorting process. The audit process involves taking a sample of the product. For paper a bale is deconstructed, for plastics and corrugated cardboard (OCC) a sample of loose material is taken before the product enters the baler and all non-conforming material is manually removed. The purity calculation for each audited bale is calculated by the total weight of conforming material in each bale dividend by the total bale weight of those bales, before the non-conforming material was removed.	> 99.5% purity	99.85%	Achieved
EcoShop/Resource Recovery Number of customer sales Total Resource Recovery tonnes diverted from landfill.	> 130,000 > 6,500	142,871 9,140	Achieved Achieved
Continual improvement in health and safety Number of safe work observations Zero serious harm incidents Zero workplace fatalities Annual reduction in total recordable injury frequency rate.	> 150 – – <10	176 – – 11.65	Achieved Achieved Achieved Not achieved
Improve performance through a demonstrable commintment to diversity, equity and engagement Develop a board approved stakeholder engagement plan Develop (2024–25) and conduct (2025–26) regular stakeholder sentiment audit. Develop retention and recruitment plan to achieve 40/40/20 male/female/ any ratio Develop action plan to close gender pay gap by 2030 Improve staff engagement to achieve > 72%	 40/40/20 male/female/ any ratio – > 72%	 – – 73%	 Not achieved Achieved 2030 target 2030 target Achieved
Reduce greenhouse gas emissions YOY reduction in Scope 1 and Scope 2 greenhouse gas emissions from previous year (2024: 771 tCO ₂ -e)	Reduction from 23/24	725	Achieved – (decrease of 46 tCO ₂ -e compared to PY).





Statement of service performance

For the Year Ended 30 June 2025

We report our company-wide emissions from category 1 and 2 emissions sources, which include fuel and electricity usage. This reporting boundary has been defined because it includes the emissions for which sufficient measurement data is available, and the sources where there is the greatest ability to reduce emissions.

There has been a restatement of the prior year base number. The original number, as reported in 2024, was based on the most recent annual electricity factor, being the best information available at the time. The restatement is based on the quarterly emissions factors for that year, which have now become available.

The table below provides a detailed breakdown by category:

Emissions(tco ₂ -e)	30 June 2025	30 June 2024	Variance
Category 1 (Fuel)	528	577	-49
Category 2 (Electricity)	197	194	3
Overall results	725	771	-46

While Category 1 fuel emissions fell by 8.5%, Category 2 emissions rose by 1.5%. Despite this slight increase in Category 2, overall emissions decreased by 5.9%, primarily driven by the company's ongoing progress in electrifying its vehicle and mobile plant fleet.

We use the operational control approach to determine our organisational boundary. This means the reported results include 100% of emissions from which we determine we have operational control. Emissions are included from all of EcoCentral's facilities under this approach.

There is a level of inherent uncertainty in reporting greenhouse gas emissions, which is due to inherent scientific uncertainty in measuring emissions factors as well as estimation uncertainty in the measurement of activity quantity data. In measuring emissions, EcoCentral has used the published emissions factors from the Ministry for the Environment (MfE) 2025 guidance document issued May 2025 and obtained quantity data directly from electricity and fuel suppliers. The prior year electricity emission factors have been restated, as we now have an actual emission factor for the period 1 January to 30 June 2024.

We rely on electricity emission factors that are provided by the Ministry for the Environment. As at the time of reporting our 2025 emissions, an emission factor for the period 1 January to 30 June 2025 was not available. Due to this missing data point, in calculating our emissions we have assumed an emission factor of 0.101 for this period. Due to the use of an assumed emission factor rather than actual factor, this may result in future restatements if the actual emission factor is materially different from our assumption.

Fuel use contributed approximately 80% of category 1 and 2 emissions in FY2024 and 77% in FY2025.



Report of the Auditor General

Independent Auditor's Report

To the readers of EcoCentral Limited's financial statements and statement of service performance for the year ended 30 June 2025

The Auditor-General is the auditor of EcoCentral Limited (the Company). The Auditor-General has appointed me, Yvonne Yang, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 20 to 51, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive income, 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 statement of service performance of the Company for the year ended 30 June 2025 on pages 52 to 55.

Opinion

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 New Zealand equivalents to International Financial Reporting Standards; and
- the statement of service performance:
 - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and
 - has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 22 September 2025. This is the date at which our opinion is expressed.

Emphasis of Matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Company has chosen to include a measure of its greenhouse gas (GHG) emissions in its statement of performance. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to page 55 of the statement of service performance, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

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 for the audit of the financial statements and the statement of service performance* 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 statement of service performance

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 statement of service performance in accordance with the Act.

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

In preparing the financial statements and the statement of service performance, 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 either intend 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 statement of service performance

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

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

For the budget information reported in the statement of service performance, our procedures were limited to checking that the information agreed to the Company's statement of intent.

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

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 statement of service performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the statement of service performance 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the statement of service performance, including the disclosures, and assess whether the statement of service performance achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the statement of service performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the statement of service performance, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Company in accordance with 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) issued by the New Zealand Auditing and Assurance Standards Board.

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



Yvonne Yang
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Statutory disclosures

The following are particulars of general disclosures of interest given by the Company pursuant to Section 140(2) of the Companies Act 1993:

Directors’ interests

The following Directors have made general disclosures of interest with respect to any transaction that may be entered into with certain organisations on the basis of their being a Director, Partner, Trustee or Officer of those organisations during the year:

Mark Andrew Jordan	Charter Trucks (2008) Ltd – Director Keith Andrews Ltd – Director Keith Andrews Trucks Ltd – Director Keith Andrews Holdings Ltd – Director Landpower Group Ltd – Director Mark Jordan Ltd – Director/Shareholder Wealleans Groundspread Ltd – Advisor (resigned 3/09/2024) Wigram Close Investments Ltd – Director AMURI Irrigation – Director
Mark Christensen	Animal Control Products Ltd – Director Better World Initiative Trust – Trustee Committee for Canterbury Trust – Trustee EEB Trustee Company – Director Lake Hood Extension Project Joint Venture – Independent Chair Natural Resources Law Ltd – Director/Shareholder Pest Free Banks Peninsula Initiative (Project Oversight Group) – Chair (resigned 30/03/2025)
Benjamin Elliott Reed	C W F Hamilton & Co Ltd and subsidiaries – Managing Director Learning City Christchurch – Trustee (retired 1/01/2025) Link Engine Management Limited – Independent Director Yarns Men – Trustee
Jacqueline Cheyne (appointed 24/11/2024)	External Reporting Board – Board Member Sustainability Reporting Board – Board Member Queenstown Airport Corporation – Director Pioneer Energy Ltd – Director Stride Property Ltd – Director (resigned 30/11/2024) Snow Sports Ltd – Chair
Sinead Horgan (retired 30/10/2024)	Assistance Dogs New Zealand – Chair Bank of China – Director and Chair of Risk (retired 26/03/2024) FMG Insurance – Director and Chair of Audit and Risk FuselT – Advisory Chair Leighs Construction Ltd – Director Leighs Holdings Ltd – Director & Chair of Audit Maia Foundation – Trustee Morrison Horgan Limited – Director/Shareholder Rakon Ltd – Director and Chair of Audit and Risk Lift & Dig Ltd – Director Terrequipe Ltd – Director TDX Ltd – Director

Remuneration of Directors

Remuneration was paid to five Directors totaling \$201,250 during 2025 for services (2024: \$175,000). There were no other benefits paid or due to directors for services as a director or in any other capacity during the year (2024: nil).

Use of company information

During the year the Board received no notices from directors of the Company requesting to use company information received in their capacity as directors, which would not otherwise have been available to them.

Directory

Registered Office
Ground Floor, 9 Baigent Way
Christchurch

Principal Place of Business
Ground Floor, 9 Baigent Way
Christchurch

Chairperson
Mark Andrew Jordan

Directors
Mark Andrew Jordan
Benjamin Elliott Reed
Mark Raymond George Christensen
Jacqueline Margaret Cheyne

Chief Executive Officer
Craig Downie

Bankers
ANZ National Bank Limited Christchurch

Solicitors
Chapman Tripp Christchurch

Auditors
Audit New Zealand (on behalf of the
Controller and Auditor-General)
Christchurch

Ownership
100% owned by Christchurch City
Holdings Limited

Website
ecocentral.co.nz





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SHOP**

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DROP**

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