

HALF YEAR REPORT

► For the period ended 31 December 2025



**TAKEOVERS
PANEL**
TE PAE WHITIMANA



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1 Financial Report

Status

The financial statements in this report have not been audited by the Panel's auditors, Baker Tilly New Zealand.

This report refers to comparison figures from the Panel's 2025 Annual Report. The comparison figures used in this report have not been reviewed or audited by Baker Tilly.

Statement of responsibility

These financial statements have been prepared for the purpose of the Half Year Report of the Takeovers Panel for the Minister of Commerce and Consumer Affairs. They are not prepared for any other purpose and should not be relied upon for any other purpose.

In the course of preparing these financial statements the Panel has complied with NZ GAAP. The budget of the Takeovers Panel for the year ending 30 June 2026 is included in these statements.

Summary of performance to date

Under the Panel's 2025/2026 Statement of Performance Expectations, the Panel is required, in the period up to 30 June 2026, to produce services related to the following outputs:

Output 1: Services for transactions under the Code

Output 2: Services under the Companies Act 1993 for Code company schemes

Output 3: Review takeovers law and practice; recommend any necessary law changes

Output 4: Public understanding

Overview of the Panel's outputs for the first six months of the financial year

The Panel's work related to the outputs as follows (with the equivalent measures for the same period last year in brackets):

Output 1

The Panel reviewed six transaction documents (i.e., for takeovers and shareholder meetings) (Dec 2024: 5). The Panel commenced two preliminary investigations into possible breaches of the Code during the six months (Dec 2024: 1). There were no section 32 meetings held during the six months (Dec 2024: 0).

The Panel processed seven requests for approval of independent advisers during the six months (Dec 2024: 7). The Panel also processed four exemption applications in the six months (Dec 2024: 1).

Output 2

The Panel reviewed three Code company schemes (Dec 2024: 2) and gave three no-objection statements in accordance with the procedure set out in its published guidance (Dec 2024: 2).

Output 3

In September 2025, the Panel published law reform recommendations in respect of Court ordered enforcement measures that may apply in response to breaches of the Takeovers Code, including injunctions, civil remedy orders, compensatory orders and pecuniary penalties. The Panel recommended strengthening the current enforcement regime by increasing the maximum pecuniary penalty, addressing technical matters such as clarifying the factors that the Court should consider in setting a pecuniary penalty, and modernising other aspects of the regime, including removing automatic management bans and clarifying how the enforcement measures interact with the criminal regime to avoid the potential for double jeopardy.



Additionally, the Panel continued working closely with the Ministry of Business, Innovation and Employment (**MBIE**) to implement the Panel's April 2022 and July 2024 recommendations for amendments to the Code and the Takeovers Act 1993 and other legislation.

Output 4

The Panel published one edition (Dec 2024: 1) of its periodic news bulletin, *CodeWord*, and updated three guidance note (Dec 2024: 1). The Panel continued to provide public understanding services, including individual stakeholder meetings. The Panel continued to maintain and enhance its website and online profile.

The Panel's financial position and outlook

The Panel's operating revenue for the six months at \$858,430, was \$24,110 (approximately 3%) below budget, while operating expenditure for the six months, at \$855,916, was \$29,956 (approximately 3%) below budget. The Panel also earned interest income of \$12,884 on litigation fund deposits and incurred \$12,622 in litigation fund expenses. The overall result for the Panel for the six months was made up of an operating surplus of \$2,514 and a surplus for the litigation fund of \$262. The Panel budgeted an operating deficit of \$3,332 and a surplus of \$9,390 in the litigation fund for the six months.

A summary of the figures to date is as follows:

	JUL - DEC 2025 ACTUAL \$	JUL - DEC 2024 ACTUAL \$	JUL - DEC 2025 OVERALL BUDGET \$
Operating revenue	858,430	823,181	882,540
Operating expenditure	855,916	890,229	885,872
Operating surplus/(deficit)	2,514	(67,048)	(3,332)
Litigation revenue	12,884	20,943	17,166
Litigation expenditure	12,622	9,071	7,776
Litigation fund surplus/(deficit)	262	11,872	9,390
Net surplus/(deficit)	2,776	(55,176)	6,058



The following summarises the Panel's completed actions and the allocations of resources for the half year to 31 December 2025:

Quantity of Work	Actual 6 months to 31 Dec 2025	Actual 6 months to 31 Dec 2024	Actual 12 months to 30 Jun 2025	Budget 12 months to 30 Jun 2026
Services for transactions				
Draft documents reviewed for Code-regulated transactions	6	5	8	8-12
Section 32 meetings held	0	0	1	0
Services under Companies Act for Code company schemes				
Draft scheme documents reviewed	3	2	5	3-5
Review takeovers law and practice				
Policy projects that arise out of market practice	3 continuing	4 continuing	1 commenced 1 completed 3 continuing	2 completed 1 continuing
Public understanding				
Guidance Notes updated or published	3	1	1	2
Engagement with stakeholders per Stakeholder Engagement Plan	14 individual 3 seminars	32 individual 0 seminars	41 individual 3 seminars	30-40 individual 2 seminars
Public enquiries responded to	18	7	46	20-40



Cost Allocation

	Actual 6 months to 31 Dec 2025		Actual 6 months to 31 Dec 2024		Actual 12 months to 30 Jun 2025		Budget 12 months to 30 Jun 2026	
	\$	%	\$	%	\$	%	\$	%
Code transactions	501,356	58	548,452	61	1,145,465	69	1,035,820	58
Schemes	150,427	17	106,078	12	236,694	14	303,602	17
Law and policy	117,904	14	151,941	17	150,515	9	250,025	14
Public understanding	98,851	11	92,599	10	129,116	8	196,449	11
Cost Allocation	868,538	100	899,070	100	1,661,790	100	1,785,896	100



2 Statement of Financial Performance

For the 6 months ended 31 December 2025

	Notes	Actual 6 months to 31 Dec 2025 \$	Actual 6 months to 31 Dec 2024 \$	Budget 6 months to 31 Dec 2025 \$
Revenue				
General funding received from central or local government	3	747,000	747,000	747,000
Revenue from non-government service delivery grants/contracts	3	88,592	43,490	104,598
Interest, dividends and other investment revenue	3	35,722	53,294	47,814
Other revenue	3	-	340	294
Total Revenue		871,314	844,124	899,706
Expenses				
Employee remuneration and other related expenses	4	576,111	615,753	628,940
Other expenses related to service delivery	4	281,762	272,537	258,822
Other expenses	4	10,665	11,010	5,886
Total Expenses		868,538	899,300	893,648
Net Profit Surplus/(Deficit)		2,776	(55,176)	6,058



3 Statement of Financial Position

As at 31 December 2025

	Notes	Actual as at 31 Dec 2025 \$	Actual as at 30 June 2025 \$	Budget as at 30 June 2026 \$
Assets				
Current Assets				
Cash and short-term deposits	5	48,227	142,053	194,998
Debtor and prepayments	5	85,525	120,524	181,164
Investments	5	1,796,850	1,760,559	1,856,658
Other current assets	5	13,824	14,897	21,984
Total Current Assets		1,944,426	2,038,033	2,254,804
Non-Current Assets				
Property, plant and equipment		28,564	39,229	26,870
Total Non-Current Assets		28,564	39,229	26,870
Total Assets		1,972,990	2,077,262	2,281,674
Liabilities				
Current Liabilities				
Creditors and accrued expenses	6	27,091	87,635	34,400
Employee costs payable		32,724	79,228	70,477
Total current liabilities		59,815	166,863	104,877
Total Liabilities		59,815	166,863	104,877
Net Assets		1,913,175	1,910,399	2,176,797
Accumulated Funds				
Capital contributed by owners or members		199,000	199,000	199,000
Operating fund		1,015,334	1,012,820	1,095,059
Litigation fund	8	698,841	698,579	882,738
Total Accumulated Funds		1,913,175	1,910,399	2,176,797



4 Statement of Cash Flows

For the 6 months ended 31 December 2025

	Notes	Actual 6 months to 31 Dec 2025 \$	Actual 6 months to 31 Dec 2024 \$	Budget 12 months to 30 Jun 2026 \$
Cash Flow				
Cash Flows from Operating Activities				
Cash Received				
General funding received from central or local government		747,000	747,000	1,494,000
Revenue from non-government service delivery grants/contracts		149,415	118,760	205,099
Interest, dividends and other investment revenue		36,795	53,303	95,628
Other revenue		-	340	-
Net GST		6,019	-	-
Cash Payments				
Employee remuneration and other related expenses		(622,616)	(686,353)	(986,972)
Other expenses related to service delivery		(374,148)	(323,880)	(747,383)
Net GST		-	(6,987)	(82,864)
Net Cash Flows from Operating Activities		(57,535)	(97,817)	(22,492)
Cash Flows from Other Activities				
Cash was applied to:				
Payments to acquire property, plant and equipment		-	-	-
Payments to purchase investments		(36,291)	(49,670)	(83,155)
Total Cash Flows from Other Activities		(36,291)	(49,670)	(83,155)
Net increase/(decrease) in cash		(93,826)	(147,487)	(105,647)
Opening cash		142,053	448,522	300,645
Closing cash		48,227	301,035	194,998



5 Notes to the Financial Statements

For the period ended 31 December 2025

1. Statement of Accounting Policies

Reporting entity

The Takeovers Panel is a body corporate established by the Takeovers Act 1993.

The Panel's primary function is the regulation of changes of voting control involving Code companies.

Sources of funding

The Panel is funded by the appropriation of money by Parliament, and the payment of fees by the users of its services and parties to its enforcement actions. It is responsible for the allocation of the money. It sets priorities with care and reviews them continually to ensure that the money is put to the best value for its use.

Basis of preparation

This performance report is prepared in accordance with the XRB's Tier 3 (PS) Standard. The entity is eligible to apply these requirements as it does not have public accountability and has total annual expenses of less than \$5,000,000. All transactions in the performance report are reported using the accrual basis of accounting. This performance report is prepared under the assumption that the entity will continue to operate for the foreseeable future.

Basis of measurement

The accounting principles recognised as appropriate for the measurement and reporting of results and financial position on a historical cost basis have been applied.

Functional and presentational currency

These financial statements are presented in New Zealand dollars (\$) which is the entity's functional currency and rounded to the nearest dollar.

Use of estimates and judgements

The process of applying accounting policies requires the Panel to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Changes in accounting policies

All accounting policies were applied consistently during the 6 months since June 2025 and no changes have been made.

Significant accounting policies

Significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Cash and short-term deposits

Bank accounts and cash balances comprise cash on hand, held in cheque or savings accounts, and deposits held at call with banks with a maturity of three months or less from the date of commencement that form part of the Panel's day-to-day cash management.



(b) Investments

This category includes all term deposits except short-term deposits which are categorised within cash and short-term deposits.

(c) Debtors and prepayments

Debtors and other receivables are initially measured at the amount owed. Impairment is recorded when it is likely that the amount owed will not be collected, in which case the loss is recorded as a bad debt expense.

(d) GST

All items in financial statements are exclusive of GST with the exception of trade and other receivables and trade and other payables which are stated with GST included. The statement of cash flows has been prepared on a net GST basis. That is, cash receipts and payments are presented exclusive of GST. A net GST presentation has been chosen to be consistent with the presentation of the statement of comprehensive income and statement of financial position. The net GST component of operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST component has been presented on a net basis as the gross amounts would not provide meaningful information for financial statement purposes.

(e) Creditors and accrued expenses

Creditors and accrued expenses are initially measured at the amount owing. If an invoice has not been received, an accrual for an estimate of the amount to be paid is recorded.

(f) Income tax

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

(g) Revenue recognition

The Government grant is recognised as revenue when earned and is reported in the financial period to which it relates. Revenue from application fees and costs recoverable is recognised when the relevant services are provided or when the Panel has made the relevant determination under section 32 of the Takeovers Act 1993. Interest is recorded as revenue as it is earned during the period.

(h) Litigation fund

Interest income and expenditure on approved litigation fund matters are reported as revenue and expenditure of the Panel in the financial period in which they were derived or incurred. Reimbursements from the Crown to top up the fund are reported as income in the period to which the Panel's claim for reimbursement relates. The balance of the fund is disclosed as a component of accumulated funds in the statement of financial position.

(i) Property, plant and equipment

Property, plant and equipment are shown at cost or deemed cost less depreciation, and less any impairment losses.

The following classes of property, plant and equipment have been depreciated over their economic lives on the following basis:

- Office furniture: 10.5 percent straight line
- Office equipment: 40 - 67 percent straight line

(j) Employee costs payable

Employee costs payable represent the Panel's liability for employee annual leave entitlements and salaries accrued up to balance date. This has been calculated on an accrued entitlement basis which involves recognising the undiscounted amount of short term employee benefits expected to be paid in exchange for service that an employee has already rendered. This is calculated at current remuneration rates.

(k) Cost allocation policy

For the purposes of the statement of performance, direct costs are charged directly to outputs. Indirect costs are allocated on the basis of direct labour hours spent on each output.



2. Budget Figures

The budget figures are those approved by the Panel on 22 April 2025 and published in the Panel's Statement of Performance Expectations 2025/2026. The budget figures are prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Panel for the preparation of the financial statements but have not been audited.

3. Analysis of Revenue

	6 months to 31 Dec 2025 \$	6 months to 31 Dec 2024 \$	12 months to 30 Jun 2025 \$
General Funding Received from Central or Local Government			
Operating funding - MBIE	747,000	747,000	1,494,000
Total General Funding Received from Central or Local Government	747,000	747,000	1,494,000
Revenue From Non-Government Service Delivery Grants/Contracts			
Operating			
Approvals	7,898	10,401	28,398
Exemptions	42,143	6,117	37,517
Schemes	38,551	26,972	85,353
Cost Determination	-	-	48,983
Total Operating	88,592	43,490	200,251
Total Revenue from Non-Government Service Delivery Grants/Contracts	88,592	43,490	200,251
Interest, Dividends and Other Investment Revenue			
Operating interest	22,838	32,351	59,625
Litigation interest	12,884	20,943	37,973
Total Interest, Dividends and Other Investment Revenue	35,722	53,294	97,598
Other Revenue			
Operating other revenue	-	340	340
Total Other Revenue	-	340	340

Total operating revenue for the 6 months ended 31 December 2025 was \$858,430.

Total litigation revenue for the 6 months ended 31 December 2025 was \$12,884.



4. Analysis of Expenses

	6 months to 31 Dec 2025 \$	6 months to 31 Dec 2024 \$	12 months to 30 Jun 2025 \$
Employee Remuneration and Other Related Expenses			
Operating			
ACC	1,515	1,335	1,335
Employer Contributions to Defined Contribution Plans	15,860	14,923	27,714
Member Fees	128,860	126,420	268,212
Salaries & Superannuation	429,876	473,075	962,523
Total Operating	576,111	615,753	1,259,784
Litigation			
Member Fees	-	-	61,851
Total Litigation	-	-	61,851
Total Employee Remuneration and Other Related Expenses	576,111	615,753	1,321,635
Other Expenses Related to Service Delivery			
Operating			
Audit Fees	17,866	17,500	35,972
Computer Costs	51,360	38,586	83,665
Consulting & Accounting	38,250	37,849	75,949
Fees – Experts	2,221	22,397	40,127
Insurance	16,836	16,803	33,606
Rent	52,166	50,280	100,787
Training	9,767	4,965	11,352
Other	80,674	75,086	165,770
Total Operating	269,140	263,466	547,228
Litigation			
Fees – Experts	12,622	9,071	139,374
Other Litigation Expenses	-	-	304
Travel	-	-	20,603
Total Litigation	12,622	9,071	160,281
Total Other Expenses Related to Service Delivery	281,762	272,537	707,509
Other Expenses			
Operating Depreciation	10,665	11,010	21,821
Total Other Expenses	10,665	11,010	21,821

Total operating expenses for the 6 months ended 31 December 2025 was \$855,916.

Total litigation expenses for the 6 months ended 31 December 2025 was \$12,622.



5. Analysis of Assets

	6 months to 31 Dec 2025 \$	6 months to 31 Dec 2024 \$	12 months to 30 Jun 2025 \$
Cash and Short-Term Deposits			
Operating			
Bus Adv Current Account	25,731	9,207	72,486
Bus First Oncall Account	17,685	30,931	32,164
Bus Oncall – Litigation	4,811	260,897	37,403
Total Cash and Short-Term Deposits	48,227	301,035	142,053
Debtors and Prepayments			
Accounts receivable	25,458	19,547	86,281
Prepayments	51,089	58,388	19,246
GST receivable	8,978	13,458	14,997
Total Debtors and Prepayments	85,525	91,393	120,524
Investments			
Operating Investments			
Term deposits	1,144,829	1,092,236	1,121,687
Total Operating Investments	1,144,829	1,092,236	1,121,687
Litigation Investments			
Term deposits	652,021	622,239	638,872
Total Litigation Investments	652,021	622,239	638,872
Total Investments	1,796,850	1,714,475	1,760,559
Other Current Assets			
Operating Other Assets			
Interest receivable	9,287	12,492	9,950
Total Operating Other Assets	9,287	12,492	9,950
Litigation Other Assets			
Interest receivable	4,537	6,254	4,947
Total Litigation Other Assets	4,537	6,254	4,947
Total Other Current Assets	13,824	18,746	14,897



6. Analysis of Liabilities

	6 months to 31 Dec 2025 \$	6 months to 31 Dec 2024 \$	12 months to 30 Jun 2025 \$
Creditors and Accrued Expenses			
Accounts payable	2,761	8,275	42,374
Accruals	24,330	17,500	45,261
Total Creditors and Accrued Expenses	27,091	25,775	87,635

7. Accumulated Funds

The Panel seeks to maintain sufficient equity to enable it to manage its ongoing operations and obligations. Surplus funds are invested having regard to the cash flow profile of future commitments. There have been no material changes in the Panel's management of equity during the period compared with the previous period.

The Panel is not subject to any externally imposed equity requirements.

	6 months to 31 Dec 2025 \$	6 months to 31 Dec 2024 \$	12 months to 30 Jun 2025 \$
Accumulated Funds			
Accumulated Operating Surpluses/(Deficits)			
Opening balance	1,012,820	1,087,437	1,087,437
Surplus/(deficit)	2,514	(67,048)	(74,617)
Total Accumulated Operating Surpluses/(Deficits)	1,015,334	1,020,389	1,012,820
Accumulated Litigation Surpluses/(Deficits)			
Opening balance	698,579	882,738	882,738
Surplus/(deficit)	262	11,872	(184,159)
Total Accumulated Litigation Surpluses/(Deficits)	698,841	894,610	698,579
Capital contributed by owners	199,000	199,000	199,000
Total Accumulated Funds	1,913,175	2,113,999	1,910,399



8. Litigation Fund

The litigation fund is to be used for litigation costs that are incurred by the Panel as it enforces compliance with the Takeovers Code or with the Companies Act 1993 for Code company schemes, or responds to litigation bought against it. The fund has been operated in respect only of eligible cases.

Parliament approved an appropriation, if required, of up to \$200,000 (GST inclusive) for the year ended 30 June 2026.

A summary of the movements in the fund during the year is as follows:

	6 months to 31 Dec 2025 \$	6 months to 31 Dec 2024 \$	12 months to 30 Jun 2025 \$
Litigation fund			
Opening balance	698,579	882,738	882,738
Interest received	8,348	14,689	33,026
Interest accrued	4,536	6,254	4,947
Expenditure on approved litigation	(12,622)	(9,071)	(222,132)
Closing balance	698,841	894,610	698,579
This is comprised of:			
Call account	4,811	260,897	37,403
Short term deposits	652,021	622,239	638,872
Cash to be transferred	37,472	5,220	35,580
Interest receivable	4,537	6,254	4,947
Accounts payable	-	-	(18,223)
Closing balance	698,841	894,610	698,579

9. Budget Variances

Explanations of major variances from the Takeovers Panel's budgeted figures in the 30 June 2026 statement of intent are as follows:

Revenue

Application fees and costs recoverable were \$28,392 below budget largely because fees from schemes of arrangement were \$41,446 below budget. This was a result of less chargeable time required than forecast to process the schemes.

Expenditure

Services and Supplies were \$25,110 below budget due to the following:

- Salaries and Superannuation expenditure was \$52,829 below budget. This was because of changes to staffing levels, with staff leaving the Panel and staff on parental leave.
- This was partly offset by Computer Costs being \$18,120 over budget due to additional services from Silicon Systems Limited and Outfox Ltd relating to cyber security.

Net Operating Surplus

The Panel recorded an operating profit of \$2,776 when a profit of \$6,058 had been expected.



10. Projected Level of Operation for the Rest of the Financial Year

Over the remainder of the financial year the Panel will continue to carry out its responsibilities for administration of the Code and reviewing schemes of arrangement involving Code companies. The level of Code-regulated and Companies Act-regulated schemes activity has been similar to the previous year, and activity is expected to remain steady over the second half of the year.

The Panel intends to maintain its current complement of seven staff (6.8 FTE). Currently all positions are filled. The Panel's strong co-regulatory relationships with NZX RegCo Limited and the Financial Markets Authority will be maintained through regular engagements between the respective teams.

The Panel will continue to focus its resources on policy and law reform projects and public understanding. In September 2025, the Panel published law reform recommendations in respect of Court ordered enforcement measures that may apply in response to breaches of the Takeovers Code, including injunctions, civil remedy orders, compensatory orders and pecuniary penalties. The Panel recommended strengthening the current enforcement regime by increasing the maximum pecuniary penalty, addressing technical matters such as clarifying the factors that the Court should consider in setting a pecuniary penalty, and modernising other aspects of the regime, including removing automatic management bans and clarifying how the enforcement measures interact with the criminal regime to avoid the potential for double jeopardy.

In addition, the Panel will continue to work with MBIE officials to progress law reform recommendations made in July 2024 in relation to regulatory alignment between Code-regulated transactions and schemes of arrangement and regulating deal protection devices as well as the technical law reform recommendations made in 2022.

The Panel will also continue to focus on public understanding services by updating a several Guidance Notes. The Panel will continue meeting with stakeholders and making public speeches and presentations. The Panel receives consistently positive feedback from takeovers practitioners and market participants about its responsiveness and approachability, as well as about the value of its published guidance. The Panel receives this feedback through its stakeholder engagement and through its online survey. The Panel intends to continue to rise to the challenge of meeting the market's high expectations.