Norfolk Mortgage Trust

Financial Report

For the Year Ended 31 March 2026

Contents

Trust Directory

Nature of Business	Investment in Mortgages
Manager	Norfolk Mortgage Management Limited
Trustee	Public Trust
Registered Office	The Offices of Glaister Keegan Barristers & Solicitors 18 High Street Auckland 1010
Bankers	ASB Bank Limited
Auditors	William Buck Audit (New Zealand) Ltd Auckland
Accountants	Bendall & Cant Limited Auckland

Independent auditor's report to the Unitholders of Norfolk Mortgage Trust

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of Norfolk Mortgage Trust (the Trust), present fairly, in all material respects:

— the financial position of the Trust as at 31 March 2026, and

— its financial performance and its cash flows for the year then ended

in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What was audited?

We have audited the financial statements of the Trust, which comprise:

— the statement of financial position as at 31 March 2026,

— the statement of profit or loss and other comprehensive income for the year then ended,

— the statement of changes in equity for the year then ended,

— the statement of cash flows for the year then ended, and

— notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor and the provision of trustee assurance compliance services, we have no relationship with, or interests in, the Trust.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Units on Issue	**Area of focus (refer also to note 7)** Note 7 discloses units on issue amounting to $59,029,179 (2025: $47,194,707). These units comprise funds invested by unitholders. Due to the size of the balance, and the inherent risk in maintaining a unitholder register, the units on issue are considered to be a key audit matter.	**How our audit addressed the key audit matter** Our audit procedures included: — Evaluation of the design and implementation of the key control procedures over the approval, processing, management, interest calculation and payment, and repayment of unitholder funds; — Selection of a statistically generated sample of unitholders. Review of the balances to original application forms and associated documentation, vouching receipt of funds for new unitholders, and vouching repayment of funds for withdrawing unitholders; — Review of calculation of interest payments to unitholders including the year end interest accrual; — Review of the unitholder register for mechanical accuracy; — Review of the disclosures in the financial statements, including the prime statements, accounting policies, and note disclosures.
Finance Receivables	**Area of focus (refer also to notes 6, 9 &16)** Note 6 discloses Finance Receivables of $55,051,910 (2025: $41,706,770) which are split into current and non current receivables. These receivables comprise mortgage advances secured over residential and commercial property. Due to the size of the balance, and the inherent risk in assessing expected credit losses, the Finance Receivables are considered to be a key audit matter.	**How our audit addressed the key audit matter** Our audit procedures included: — Evaluation of the design and implementation of the key control procedures over the approval, processing, management, and concluding assessments of finance receivables; — Evaluationof the design and implementation of the key control procedures over the calculation of, and approval of, loan impairment provisions and one off loan writedowns; — Selection of a statistically generated sample of finance receivables. Review of the balances to original loan agreements and loan documentation and assessment of

William Buck
ACCOUNTANTS & ADVISORS

property valuations and security. Assessment of resulting loan to valuation ratios;

- Review of repayment profile of all finance receivables and focussed assessment on finance receivables with overdue balances, assessing available security against loan balances outstanding and assessing any expected shortfall in comparison to the impairment provision;
- Review of the calculation of the impairment provision, assessing the inputs used, the calculation of the expected credit loss calculation against the requirements of NZ IFRS 9, the consideration of changes in the economic environment over the period, and the mechanical accuracy of the calculation.
- Review of the disclosures in the financial statements, including the prime statements, accounting policies, and note disclosures.

Directors' responsibilities for the financial statements

The directors of the manager, Norfolk Mortgage Management Limited, are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/

This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Michael Wood.

Restriction on distribution and use

This independent auditor's report is made solely to the unitholders of the Trust, as a body. Our audit work has been undertaken so that we might state to the Unitholders those matters which we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Unitholders, as a body, for our audit work, this independent auditor's report, or for the opinions we have formed.

William Buck

William Buck Audit (NZ) Limited
Auckland, 24 July 2026

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2026

	Note	2026 $	2025 $
Investment Income			
Interest Income		4,909,981	4,417,429
Interest Income - Mortgage Penalty		86,862	286,398
Total Investment Income		**4,996,843**	**4,703,826**
Operating Expenses			
Administration	**3**	(1,461,787)	(1,072,593)
Finance Costs		(64)	(70)
Net Profit Before Taxation		**3,534,992**	**3,631,163**
Income Tax Expense		-	-
PIE Tax on Funds Retained		(7,977)	-
Net Profit / (Loss) for the Year		**3,527,015**	**3,631,163**
Other Comprehensive Income and Expense		-	-
Total Comprehensive Income for the Year		**3,527,015**	**3,631,163**

The notes on pages 11-29 form part of and should be read in conjunction with these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2026

	Note	Unit Capital $	Retained Earnings $	Total Equity $
For the Year Ended 31 March 2026				
Opening Equity Balances		47,194,707	114,694	47,309,401
Total Comprehensive Income		-	3,527,015	3,527,015
Transactions with Owners				
Units Issued	7	14,740,648	-	14,740,648
Units Redeemed	7	(2,906,179)	-	(2,906,179)
Distributions Paid		-	(3,564,918)	(3,564,918)
Total Transactions with Owners		**11,834,469**	**(3,564,918)**	**8,269,551**
Balance at 31 March 2026	**7**	**59,029,176**	**76,791**	**59,105,967**

	Note	Unit Capital $	Retained Earnings $	Total Equity $
For the Year Ended 31 March 2025				
Opening Equity Balances		44,166,872	(26,418)	44,140,454
Total Comprehensive Income		-	3,631,163	3,631,163
Transactions with Owners				
Units Issued	7	5,924,666	-	5,924,666
Units Redeemed	7	(2,896,831)	-	(2,896,831)
Distributions Paid		-	(3,490,051)	(3,490,051)
Total Transactions with Owners		**3,027,835**	**(3,490,051)**	**(462,216)**
Balance at 31 March 2025	**7**	**47,194,707**	**114,694**	**47,309,401**

The notes on pages 11-29 form part of and should be read in conjunction with these financial statements.

Statement of Financial Position

As at 31 March 2026

	Note	2026 $	2025 $
Assets			
Current Assets			
Cash and Cash Equivalents		4,438,194	5,952,668
Accounts Receivable	5	292,785	211,589
Finance Receivables	6	47,669,139	39,833,004
Total Current Assets		**52,400,118**	**45,997,261**
Non-Current Assets			
Finance Receivables	6	7,382,771	1,873,766
Total Non-Current Assets		**7,382,771**	**1,873,766**
Total Assets		**59,782,889**	**47,871,027**
Liabilities			
Current Liabilities			
Accounts Payable	8	427,252	333,779
Distribution Payable		249,670	227,848
Total Current Liabilities		**676,922**	**561,627**
Total Liabilities		**676,922**	**561,627**
Net Assets / (Liabilities)		**59,105,967**	**47,309,401**
Represented by:			
Retained Earnings		76,791	114,694
Units on Issue	7	59,029,176	47,194,707
Total Equity		**59,105,967**	**47,309,401**

The notes on pages 9-27 form part of and should be read in conjunction with these financial statements.

For and on behalf of the Directors of the Manager:

Director Jack Porus
Jack Porus (Jul 22, 2026 05:41:04 GMT+1)

Director Stuart Smith

Dated this 23 day of July 2026

NORFOLK MORTGAGE TRUST

Statement of Cash Flows

For the Year Ended 31 March 2026

	Note	2026 $	2025 $
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from Customers		4,915,647	4,726,840
Cash was applied to:			
Payments to Suppliers and Employees		(1,378,035)	(1,163,109)
PIE Tax Paid		(7,977)	-
Net Inflow / (Outflow) from Operating Activities	**4**	**3,529,635**	**3,563,731**
Cash Flows from Financing Activities			
Cash was provided from:			
Subscription Funds Received		13,842,905	5,219,799
Cash was applied to:			
Distributions Paid to Unitholders		(2,577,232)	(2,795,185)
Units Redeemed		(2,906,179)	(2,896,831)
Net Inflow/(Outflow) from Financing Activities		**8,359,494**	**(472,217)**
Cash Flows from Investing Activities			
Cash was provided from:			
Net Mortgage Advances		(13,403,603)	(830,084)
Net (Outflow) from Investing Activities		**(13,403,603)**	**(830,084)**
Net Increase/(Decrease) in Cash Held		**(1,514,474)**	**2,261,430**
Cash and cash equivalents at beginning of Year		**5,952,668**	**3,691,238**
Cash and cash equivalents at end of Year		**4,438,194**	**5,952,668**

The notes on pages 11-29 form part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2026

1. Statement of Accounting Policies

The financial statements presented here are for Norfolk Mortgage Trust ("the Trust"), a trust formed and domiciled in New Zealand. The financial statements of Norfolk Mortgage Trust are general purpose financial statements which have been prepared according to generally accepted accounting practice in New Zealand.

The Trust is registered as a managed fund investment scheme under the Financial Markets Conduct Act 2013 ("FMCA 2013") and prepares financial statements in compliance with that Act.

The Directors of Norfolk Mortgage Management Limited ("the Manager") are responsible for the day-to-day management of the Trust. The Directors of the Manager do not have the power to amend these financial statements once issued.

Measurement Base
The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and also with International Financial Reporting Standards. For the purpose of complying with NZ GAAP, the Trust has designated itself as profit-oriented. The information is presented in New Zealand Dollars, rounded to the nearest dollar.

Material Accounting Policy Information
The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied.

a) **Revenue**

Revenue Recognition
Sources of revenue include interest income and income from limited partnerships.

Interest Income
Financial instruments are classified in the manner described in the financial assets and liabilities sections below.

For financial instruments measured at amortised cost, interest income and expense is recognised on a time-proportion basis using the effective interest method.

b) **Goods & Services Tax**

These financial statements have been prepared inclusive of GST as Norfolk Mortgage Trust is not registered for GST.

Notes to the Financial Statements

For the Year Ended 31 March 2026

1. Statement of Accounting Policies (continued)

c) Income Tax

The Trust is a Portfolio Investment Entity ("PIE"). As such, income is allocated to each unitholder and tax is paid to the Inland Revenue Department on the investors' behalf at the unitholders prescribed rate. All Trust income is allocated and as a result no tax is directly payable by the Trust itself.

d) Units and Distributions

The Trust classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

The Trust units are puttable instruments and are classified as equity as they meet the following conditions:

- All units entitle the holder to a pro-rata share of the Trust's net assets on liquidation
- The units are subordinate to all other classes of instruments
- Such subordinated units have identical features other than redemption period
- The units only hold a contractual obligation for the Trust to repurchase or redeem the units for cash, or where permitted, units in another fund managed by the Manager. They do not have any other features that would require classification as a liability
- The total expected cash flows attributable to the unitholders are based substantially on the net profit, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Trust over the life of the instrument

Distributions on units are recognised when the amount for the relevant period has been set by the Manager.

e) Financial Assets and Liabilities

Financial assets and liabilities are recognised in the Statement of Financial Position when the Trust becomes party to a financial contract. They include cash balances, deposits, finance receivables, receivables, payables and related party balances.

The Trust's financial instruments are initially recognised at fair value. The Trust has not entered into any financial instrument with off balance sheet risk.

Financial Assets

The Trust classifies its financial assets based on both the business model for managing the financial assets and the asset's contractual cash flow characteristics.

The Trust classifies its financial assets at amortised cost if the asset is held within a business model with the objective of collecting the contractual cash flows, and if the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Trust does not currently hold assets that are not classified at amortised cost (i.e. those that would be classified at fair value through comprehensive income or at fair value through profit and loss).

Subsequent to initial recognition financial assets are measured at amortised cost using the effective interest method.

NORFOLK MORTGAGE TRUST

Notes to the Financial Statements

For the Year Ended 31 March 2026

1. Statement of Accounting Policies (continued)

Subsequent to initial recognition financial liabilities are measured at amortised cost using the effective interest method.

Impairment of Financial Assets

The Trust now applies a three-stage approach to measuring credit loss provision (CLP) on debt instruments accounted for at amortised cost. Such assets may move through the following three stages based on their change in credit quality since their initial recognition:

<u>Stage 1: 12-month CLP – Performing</u>

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime CLP associated with the probability of default events occurring within the next 12 months is recognised.

<u>Stage 2: Lifetime CLP - Under Performing</u>

For credit exposures where there has been a significant increase in credit risk since initial recognition, but that are not credit impaired, a lifetime CLP is recognised. Lifetime CLP represents the credit loss provision that will result from all possible default events over the expected life of a financial instrument.

<u>Stage 3: Lifetime CLP - Not Performing</u>

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime CLP is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

<u>Assessment of Significant Increase in Credit Risk</u>

At each reporting date, the Trust assesses whether there has been significant increase in credit risk since initial recognition by comparing the risk of default occurring over the expected life between that of the reporting date to that of the date of initial recognition.

The Trust assesses whether the credit risk on a financial asset has increased significantly on an individual and collective basis. For the purposes of collective evaluation, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, internal credit risk rating, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Regardless of other changes since the origination of the financial asset, it will be considered to have had a significant increase in credit risk where it is more than 30 days past due.

<u>Subsequent Improvement in Credit Quality</u>

If, in a subsequent reporting period, the credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for credit losses reverts from full lifetime CLP to 12-month CLP.

Notes to the Financial Statements

For the Year Ended 31 March 2026

1. Statement of Accounting Policies (continued)

Measurement of Credit Loss Provision
The estimated amount of CLP is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Trust and all the cash flows that the Trust expects to receive. The amount of the loss is recognised using a provision for credit loss allowance.

The Trust considers its historical loss experience and adjusts this for current observable data. In addition, the Trust uses reasonable and supportable forecasts of future economic conditions including experienced judgement to estimate the amount of an expected impairment loss. The Trust assesses a range of macroeconomic factors which include, but are not limited to, unemployment rates, interest rates, gross domestic product, inflation and property prices, and requires an evaluation of both the current and future direction of the economic cycle. Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect CLP. The methodology and assumptions, including any forecasts of future economic conditions are reviewed regularly.

Collective Assessment of Credit Loss Allowances
For collectively assessed provisions, credit loss provision are estimated based on the probability of default, loss given default, and the anticipated exposure at default.

The Probability of Default ("PD")
This estimates the likelihood of default occurring either over the lifetime of the financial instrument, or within the 12 months from reporting period.

Exposure at Default ("EAD")
This represents the estimate of the exposure at a future default date, taking into account expected changes in the exposure after reporting date for instance due to available borrowing facilities.

Loss Given Default ("LGD")
This represents the estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Trust would expect to receive, including cash flows expected from the realisation of collateral and other credit enhancements.

Individually Assessed Loss Allowances
For credit-impaired financial assets that are assessed on an individual basis, a discounted cash flow calculation is performed and multiple cash flow scenarios are considered.

Credit Impaired Assets
In defining default for the purposes of determining the risk of a default occurring, the Trust applies a default definition consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and considers qualitative indicators when appropriate. The Trust applies a presumption that default does not occur later than when a financial asset is 90 days past due, or where it operates outside of agreed facility limits for a period of more than 90 days.

NORFOLK MORTGAGE TRUST

Notes to the Financial Statements

For the Year Ended 31 March 2026

1. Statement of Accounting Policies (continued)

Write-off of Financial Assets

Financial assets (and the related impairment allowances) will be written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security.

f) Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach modified by the netting of certain items.

The following are the definitions of the terms used in the statement of cash flows:

- Cash and cash equivalents means current accounts and cash on deposit with banks.
- Investing activities are those which relate to the mortgage advances
- Financing activities are those activities which result in changes in Trust unit capital.
- Operating activities include all transactions that are not investing or financing activities, and include all interest received and paid.

Mortgage principal receipts and advances have been presented on a net basis.

g) **Changes in Accounting Policies**

The Trust has adopted all new and amended standards for the year ended 31 March 2026, which had no impact on the Trust. There have been no changes in accounting policies.

Significant Judgements, Estimates and Assumptions

The preparation of financial statements requires the Directors of the Manager to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Estimates are based both on historical experiences and on assumptions that are believed to be reasonable in the circumstances. They form the basis of judgements made as to appropriate carrying values disclosures for assets, which are not readily ascertainable from other sources. Actual results may differ from these estimates and judgements.

The uncertainty associated with judgements and estimates that has the most significant effect on the financial statements as at 31 March 2026 is commented on as follows:

Liquidity

Liquidity profile disclosures include the timing of cash flows from finance receivables based on current expectations. These cash flow timings have been estimated by the Directors of the Manager based upon their assessments of the current status of borrower's property, recent valuations and their assumptions relating to the time it may take to sell the secured property.

There have been no changes in unit redemption patterns over the last year.

Notes to the Financial Statements

For the Year Ended 31 March 2026

1. Statement of Accounting Policies (continued)

Recognition of Credit Loss Provision ("CLP")

In determining the CLP, management is required to exercise judgement in defining what is considered to be a significant increase in credit risk and default events.

Assumptions and estimates have been made based on readily obtainable and relevant information about past credit experience, current conditions and forecasts of economic conditions.

The probability of default, loss given default, and exposure at default assumptions which support the expected credit loss estimate is reviewed regularly in light of differences between loss estimates and actual loss experience.

New Zealand's economic conditions remained mixed over the 2026 financial year. Inflationary pressures eased from prior periods but remained sensitive to global and domestic factors, while interest rates were lower than earlier years. These settings supported improving activity in interest-rate sensitive sectors and contributed to more stable conditions in the property market, although broader uncertainty continued to influence borrower behaviour and credit risk.

These factors have been subject of detailed analysis and close monitoring by the Manager. They have also been considered with regards to their impact on both the unitholders and borrowers. Upon review of the current economic conditions and forecasts the Manager has decreased the estimated probability of default.

The Manager has used the CLP model and the Trust's internal scoring system to assess the loan portfolio and identify any mortgages where a change in scoring would be required. The loan portfolio has been the subject of ongoing monitoring and assessment over the 2026 financial year.

2. New Standards and Interpretation

The Trust has not early adopted any new standards or interpretations in advance of their effective dates.

3. Additional Information

	Note	2026 $	2025 $
Administration Costs			
Audit Fees - Trust		52,808	55,796
Audit Fees - Register Assurance		2,000	1,150
Accounting Fees - Trust		24,054	28,773
Management Fees - Norfolk Mortgage Management Limited		1,324,459	1,093,528
Movement in Allowance for Expected Credit Losses		58,466	(106,654)

Other than audit fees no other fees were paid to the auditors (2025: Nil).

Notes to the Financial Statements

For the Year Ended 31 March 2026

4. Reconciliation of Net Profit after Taxation with Cash Inflow from Operating Activities

	2026 $	2025 $
Net Profit for the Year	3,527,015	3,631,163
Add / (Less) Non Cash Items:		
Credit Loss Allowance	58,462	(106,654)
Add / (Less) Movements in other Working Capital items:		
Accounts Payable and Accruals	25,354	16,207
Accounts Receivable and Prepayments	(81,196)	23,013
Net Cash Inflow from Operating Activities	**3,529,635**	**3,563,729**

5. Trade and Other Receivables

	2026 $	2025 $
Interest Accrued Receivable	292,785	211,589
Total Trade and Other Receivables	**292,785**	**211,589**

Notes to the Financial Statements

For the Year Ended 31 March 2026

6. Finance Receivables

	2026 $	2025 $
First Mortgage Advances - Current as follows:	47,931,807	40,058,863
Provision for Credit Impairment	(262,668)	(225,858)
Total Mortgages Advances - Current	47,669,139	39,833,004
First Mortgage Advances - Non - Current	7,414,577	1,883,919
Provision for Credit Impairment	(31,806)	(10,153)
Total Mortgages Advances - Non - Current	7,382,771	1,873,766
Total Net Mortgage Advances	55,051,910	41,706,770

These represent mortgages to unrelated parties at commercial interest rates and have a maximum contractual maturity of 67 months. Interest rates range from 7.90% to 11.95% (2025: 8.25% to 11.95%). Loans which are past due and where any agreed contractual grace period has passed incur penalty interest rates ranging from 17.90% to 21.95% (2025: 18.25% to 21.95%).

7. Units on Issue

	2026		2025	
	Number	$	Number	$
At the Beginning of the Year	47,205,605	47,194,707	45,445,339	44,166,872
Units Issued	14,740,648	14,740,648	6,039,945	5,924,665
Units Cancelled	-	-	(1,354,921)	-
Units Redeemed	(2,906,179)	(2,906,179)	(2,924,758)	(2,896,831)
At the End of the Year	59,040,074	59,029,176	47,205,605	47,194,707

As at 31 March 2026, the number of unitholders was 363 (2025: 298 with an average holding per unitholder of 162,645 units (2025: 158,408 units). A number of these units are held by related parties, please refer to the Related Parties Note (Note 15). Units in the Trust are redeemable at net asset value per unit at the time of redemption. The Trust's net asset value is calculated by taking the gross asset value of the fund, deducting any amounts held in the Reserve Fund, deducting all liabilities of the fund calculated on an accrual basis and deducting any other provisions that the Manager or Trustee thinks necessary or desirable for accrued or contingent liabilities.

NORFOLK MORTGAGE TRUST

Notes to the Financial Statements

For the Year Ended 31 March 2026

7. Units on Issue (continued)

On 30 March 2025, the Trust normalised its unit price to $1.00. This process did not affect the value of unitholders' investments or returns but reduced the number of units held on a pro rata basis, resulting in 1,354,921 of units being cancelled. The change simplified investment and redemption processes, and enhanced transparency for unitholders.

8. Accounts Payables

	2026 $	2025 $
Accounts Payable and Accruals comprise the following:		
Accrued Management Fees - Norfolk Mortgage Management Ltd	123,687	100,441
PIE Tax Payable	223,621	155,498
Distribution Funds Held in Trust	274	275
Sundry Payables and Accruals	79,670	77,565
Total Accounts Payables	**427,252**	**333,779**

9. Financial Risk Management

Exposure to credit, market and interest rate risks arise in the normal course of the Trust's business.

Credit Risk

To the extent that the Trust has a receivable from another party there is a credit risk in the event of non performance by that other party.

Financial instruments which potentially subject the Trust to credit risk principally consist of loans advanced to third parties and secured by registered mortgages over property. Maximum exposures to credit risk at balance date are the carrying amounts of financial assets as follows:

	2026 $	2025 $
Mortgage Portfolio - Current Portion	47,669,139	39,833,004
Mortgage Portfolio - Term Portion	7,382,771	1,873,766
Cash and Cash Equivalents	4,438,194	5,952,668
Interest Accrued Receivable	292,785	211,589

The above maximum exposures are net of any recognised impairment losses on these financial instruments.

Notes to the Financial Statements

For the Year Ended 31 March 2026

9. Financial Risk Management (continued)

Credit Risk Management

The Trust invests in loans secured by first mortgages. These loans must not exceed 75% of the property's value at the time of approval.

Loans may be spread between the residential, commercial, rural and mixed-use sectors, and in no set proportions. Generally, loans are predominantly within the residential and commercial sectors. The board has considered a sector allocation policy and after careful review have decided not to impose any sector allocation rules.

Origination and Assessment

Loan applications are generally received from brokers and are subject to a detailed credit assessment that normally includes enhanced due diligence of the borrower and guarantors, assessment and review of the proposed security property and its valuation, assessment and review of financial information, and assessment and review of the proposed structure of the loan including debt servicing and exit plan.

Monitoring

Each loan is monitored to ensure it is performing in accordance with the contracted terms. In the event of an issue with the performance of the contracted terms, a management plan is put in place which has been approved at director level.

Each loan is reviewed quarterly and checked to ensure it is correctly categorised and any CLP provisions are identified and calculated.

The Trust has a very hands on management style with close monitoring and review by the Directors and its Board on a regular basis.

Concentration of Credit Risk

No mortgage exceeded 10% of the gross asset value of the Trust (2025: Nil). Geographic information regarding mortgages is disclosed in Note 13.

At balance date, cash and interest bearing deposits were held with one bank. During the year the Trust also held funds on trust with Glaister Keegan. There was no overdraft at balance date and no facility arranged. The Trust does not have any other significant concentrations of credit risk.

Market Risk

The Trust's mortgages portfolio is linked to the property market which may vary from time to time. However, the Trust's weighted average loan to asset ratio is not able to exceed 75% per the investment policy. This means that the Trust has no exposure to a property market downturn of up to 25% based on the most recent valuations obtained.

As at 31 March 2026, the weighted average loan to asset ratio was 51.96% (2025: 50.72%), excluding accrued interest.

Interest Rate Risk

The Trust has exposure to interest rate risk to the extent it borrows or invests for a fixed term at fixed rates. The Trust has no borrowings at balance date. In general the interest rate risk associated with lending by the Trust is managed by lending for relatively short terms and ensuring that interest rates on initial lending or renewal are appropriate given the prevailing market interest rates.

Notes to the Financial Statements

For the Year Ended 31 March 2026

9. Financial Risk Management (continued)

At 31 March 2026, the weighted average interest rate on the mortgage portfolio was 9.62% (2025: 10.61%), with rates ranging from 7.90% to 11.65% (2025: 8.25% to 11.95%). All loans have fixed rate lending and agreed penalty interest rates to apply in the event of the loan being past due. Penalty interest rates range from 17.90% to 21.65% (2025: 18.25% to 21.95%) with a weighted average of 19.66% (2025: 20.59%).

The distribution to unitholders is based on the net profit arising from operations, after allowing for expenses, impairment losses, taxes and any other amount the Manager considers prudent to set aside.

The key driver of this distribution is interest income from loans to customers. Assuming nil impairment losses, a 1 percent increase/(decrease) in the interest rates received from loans to customers and bank deposits would normally drive a corresponding 1 percent increase/(decrease) in the return on investment by way of distribution to unitholders as follows:

	2026 $	2025 $
Impact on distributions of a 1% interest rate increase	553,464	419,428
Impact on distributions of a 1% interest rate decrease	(553,464)	(419,428)

The interest rate risk profile of the Trust is consistent with the Trust's contractual liquidity profile. The liquidity profiles shown in the Liquidity Risk Note below can therefore also be used to provide an interest rate repricing analysis of the Trust's financial assets.

<u>Liquidity Risk</u>
Liquidity risk represents the Trust's ability to meet its financial obligations on time. The Trust's redemption policies allow sufficient time to collect finance receivables in order to meet the cash flows resulting from redemptions. The Trust's cash flows enable it to make timely payments.

Units issued after 16 September 2016 are redeemable within six months from the date of request. Units issued before this date have redemption terms of either three months or twelve months depending on issue date. A summary of the value of units based on redemption term is as follows:

	2026 $	2025 $
Redeemable within three months	2,058,607	2,058,607
Redeemable within six months	55,066,449	43,231,979
Redeemable within twelve months	1,915,018	1,915,018

Notes to the Financial Statements

For the Year Ended 31 March 2026

9. Financial Risk Management (continued)

The Manager can elect to redeem units on an earlier date at the Manager's discretion. As units issued do not have fixed maturity dates, they have not been included in the liquidity analysis below. The actual units redeemed during the year were 2,906,179 units (2025: 2,924,758 units) with a redemption value of $2,906,179 (2025: $2,896,831). The historical redemption rate is 6.97% (2025: 6.56%) and is a 10-year historical rate.

Redemptions of units paid subsequent to the reporting date amount to $281,016 (2025: $219,439). Redemption requests of $0 (2025: $211,475) have been received but not yet actioned.

The following provides analysis of the Trust's liquidity profile as at 31 March 2026 and 31 March 2025. This analysis is of both contractual and expected undiscounted cash flows. Where contract terms have been re-documented, the maturity profile is based on the maturity date per the new contract.

	Total	0-6 mths	7-12 mths	13-24 mths	24+ mths
As at 31 March 2026					
Cash flows based on contractual obligations:					
Finance Receivables	58,702,256	38,038,919	12,617,128	5,922,995	2,123,214
Cash & Cash Equivalents	4,438,194	4,438,194	-	-	-
Total	**63,140,450**	**42,477,113**	**12,617,128**	**5,922,995**	**2,123,214**
Cash flows based on Trust's expectations of likely flows					
Finance Receivables	59,016,225	33,752,669	17,217,344	5,922,995	2,123,217
Cash & Cash Equivalents	4,438,194	4,438,194	-	-	-
Total	**63,454,419**	**38,190,863**	**17,217,344**	**5,922,995**	**2,123,214**

	Total	0-6 mths	7-12 mths	13-24 mths	24+ mths
As at 31 March 2025					
Cash flows based on contractual obligations:					
Finance Receivables	44,299,303	29,066,847	13,304,958	1,927,498	-
Cash & Cash Equivalents	5,952,669	5,952,669	-	-	-
Total	**50,251,972**	**35,019,516**	**13,304,958**	**1,927,498**	**-**
Cash flows based on Trust's expectations of likely flows					
Finance Receivables	44,402,424	28,192,068	14,282,858	1,927,498	-
Cash & Cash Equivalents	5,952,669	5,952,669	-	-	-
Total	**50,355,093**	**34,144,737**	**14,282,858**	**1,927,498**	**-**

The cash flows based on Trust's expectations take into consideration the expected renewal of existing facilities upon maturity for past due assets, which lead to increased cash flows from interest and later principal repayments.

Notes to the Financial Statements

For the Year Ended 31 March 2026

9. Financial Risk Management (continued)

Accounts payable and accruals, representing all the financial liabilities of the Trust, are all due to be settled within six months. This takes into consideration the expected renewal of existing facilities upon maturity.

Capital Management

Net assets attributable to unitholders are considered to be the Trust's capital for the purposes of capital management. The Trust does not have any externally imposed capital requirements.

The Trust's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its unitholders and to support future development and growth of the business to maximise the Trust's unitholders value as well as ensuring its net assets attributable to unitholders are sufficient to meet all present and future obligations, considering the level of units on issue and their redemption periods as disclosed above.

In order to meet its objectives for capital management the Manager reviews the Trust's performance on a regular basis.

10. Capital Commitments

The entity had no capital commitments as at balance date (2025: Nil).

11. Contingent Liabilities

There were no known contingent liabilities as at balance date (2025: Nil).

12. Subsequent Events

There have been no events or transactions subsequent to balance date that have been deemed to potentially have a material impact on these financial statements.

NORFOLK MORTGAGE TRUST

Notes to the Financial Statements

For the Year Ended 31 March 2026

13. Concentration of Risk

Loans advanced by the Trust including interest accrued receivable have the following geographical concentration (based on land registration district):

	2026 $	2025 $
Auckland	22,454,772	16,552,485
Bay of Plenty	250,959	364,842
Canterbury	3,169,331	3,375,606
Hawkes Bay	-	1,940,330
King Country / Taranaki	6,302,001	5,452,528
North Island - Other	1,970,213	1,435,669
Northland	10,615,816	4,060,344
Waikato	7,920,695	7,703,058
Wellington	2,953,359	1,268,031
Total	**55,637,146**	**42,152,893**

Loans advanced by the Trust including interest accrued receivable have been secured by the following property types:

	2026 $	2025 $
Residential - Home & Land	19,726,843	25,049,402
Residential - Lifestyle	10,389,792	2,017,448
Rural - Farming	-	2,022,736
Rural - Other	11,973,392	4,880,673
Commercial - Industrial	12,830,130	6,637,469
Commercial - Retail	716,989	1,545,165
Total	**55,637,146**	**42,152,893**

The Trust has the following unit geographical concentration with all figures shown being in number of units issued.

	2026 $	2025 $
Auckland	29,442,741	21,298,472
Bay of Plenty	4,801,171	4,166,840
Canterbury	1,902,137	689,263
North Island - Other	1,541,204	481,005
King Country / Taranaki	515,766	692,871
Northland	-	884,576
Overseas Resident	170,199	163,213
South Island - Other	2,077,053	1,350,593
Waikato	17,383,642	15,925,277
Wellington	1,206,161	1,553,495
Total	**59,040,074**	**47,205,605**

Notes to the Financial Statements

For the Year Ended 31 March 2026

14. Related Parties

The Trust is associated with its Manager, Norfolk Mortgage Management Limited. Management fees paid to the Manager during the year were $1,324,459 (2025: $1,093,528). The balance payable to Norfolk Mortgage Management Limited for management fees at year end was $123,687 (2025: $100,436). The Manager also derives fees from borrowers related to loan processing.

J L Porus is a consultant of the law firm Glaister Keegan ("GK"). The Trust and its Manager engage GK for a variety of matters from time to time. GK also holds interest bearing bank deposits on behalf of the Trust. The value of these deposits at balance date was $3,240,000 (2025: $2,000,000).

S A Smith is a director and shareholder of Bridging Finance Group Limited ("BFG"), an entity that itself is a mortgage lender.

Some of the Directors of the Manager and/or the firm(s) of which they are members may from time to time receive fees direct from borrowers for arranging mortgage advances by the Trusts. These fees are payable by the borrowers at commercial rates.

Related Party Unitholders
Related party investments are on a normal basis as systems and processes do not allow favourable treatment to investors. All unitholders are treated equally including any distributions paid. Related parties include the Directors and Senior Management of the Manager, and their close family members.

Related Party Unitholdings at 31 March

	2026 Units Held	2025 Units Held
Non-Beneficial Interest	5,469,403	4,265,218
Beneficial Interest	1,497,335	1,088,771

Distributions were paid to each of these units on a normal basis and in all respects in the same manner as for other unitholders.

Notes to the Financial Statements

For the Year Ended 31 March 2026

15. Asset Quality

Gross Loan Exposures by Internal Rating

The Trust's internal rating approach scores loans out of 70 across seven different indicators. Each indicator is ranked 1 to 10 with 10 being most favourable and therefore the total rating being out of 70. Deposits held by the Trust are not scored. A summary of gross loan exposures by internal rating by Stage (as defined in Note 1 (e)) is as follows:

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
As at 31 March 2026				
Below 40	-	-	-	-
40-45	-	-	-	-
46-50	2,874,312	1,965,493	-	4,839,805
51-55	19,989,196	2,343,409	-	22,332,605
56-60	19,742,669	215,789	-	19,958,458
Above 60	8,506,278	-	-	8,506,278
Total	**51,112,455**	**4,524,691**	**-**	**55,637,146**

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
As at 31 March 2025				
Below 40	356,439	-	-	356,439
40-45	-	-	-	-
46-50	5,957,392	-	-	5,957,392
51-55	8,933,325	-	704,097	9,637,422
56-60	20,029,870	-	220,398	20,250,269
Above 60	5,951,372	-	-	5,951,372
Total	**41,228,398**	**-**	**924,495**	**42,152,893**

Analysis of Days Past Due

Gross amount of finance receivables that are past due but not impaired are as follows:

As at 31 March 2026				
Less than 30 Days Past Due	-	-	-	-
At Least 30 Days but less than 60 Days Past Due	-	-	-	-
More than 60 Days but less than 90 Days Past Due	-	2,343,409	-	2,343,409
At Least 90 Days Past Due	-	2,181,282	-	2,181,282
	-	**4,524,691**		**4,524,691**

Notes to the Financial Statements

For the Year Ended 31 March 2026

15. Asset Quality (continued)

As at 31 March 2026				
Less than 30 Days Past Due	-	-	-	-
At Least 30 Days but less than 60 Days Past Due	-	-	-	-
More than 60 Days but less than 90 Days Past Due	-	-	-	-
At Least 90 Days Past Due	-	-	924,495	924,495
	-	**-**	**924,495**	**924,495**

Gross Exposure (by Credit Loss Allowance Stage)

A summary of gross loan exposures by credit loss allowance stage is as follows:

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
As at 31 March 2026				
At the Beginning of the Year	41,228,398	-	924,495	42,152,893
Transfers Between Stages				-
From Stage 1 to 2	(4,066,887)	4,066,887	-	-
From Stage 2 to 1	-	-	-	-
Transfer to Stage 3	-	-	-	-
Transfer from Stage 3	704,097	220,398	(924,495)	-
Net Lending/(Repayment) - Existing Loans	2,434,240	237,406	-	2,671,645
Net Lending/(Repayment) - New Loans	19,287,164	-	-	19,287,164
Asset Derecognised including Final Repayments	(8,474,557)	-	-	(8,474,557)
Assets Written Off	-	-	-	-
	51,112,455	**4,524,691**	**-**	**55,637,146**
Assessment Approach:				
Collectively Assessed	51,112,455	4,524,691	-	55,637,146
Individually Assessed	-	-	-	-

Notes to the Financial Statements

For the Year Ended 31 March 2026

15. Asset Quality (continued)

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
As at 31 March 2025				
At the Beginning of the Year	35,203,985	3,427,110	2,716,204	41,347,299
Transfers Between Stages				-
From Stage 1 to 2	-	-		-
From Stage 2 to 1	201,008	(201,008)	-	-
Transfer to Stage 3	(689,044)	(224,570)	913,614	-
Transfer from Stage 3	-	-	-	-
Net Lending/(Repayment) - Existing Loans	1,886,851	-	10,881	1,897,732
Net Lending/(Repayment) - New Loans	14,126,201	-	-	14,126,201
Asset Derecognised including Final Repayments	(9,500,603)	(3,001,531)	(2,716,204)	(15,218,338)
Assets Written Off	-	-	-	-
	41,228,398	**-**	**924,495**	**41,152,893**
Assessment Approach:				
Collectively Assessed	41,228,398	-	924,495	42,152,893
Individually Assessed	-	-	-	-

16. Credit Loss Allowance

Credit Loss Provision on collectively assessed mortgages are as follows:

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
As at 31 March 2026				
At the Beginning of the Year	229,100	-	6,908	236,008
Transfers Between Stages				
From Stage 1 to 2	(25,601)	56,464	-	30,863
From Stage 2 to 1	-	-	-	-
Transfer to Stage 3	-	-	-	-
Transfer from Stage 3	3,045	1,447	(6,908)	(2,416)
Net Lending/(Repayment) - New Loans	97,159	-	-	97,159
Changes in Models/Risk parameters	(17,936)	-	-	(17,936)
Asset Derecognised including Final Repayments	(49,204)	-	-	(49,204)
Assets Written Off	-	-	-	-
	236,563	**57,911**	**-**	**294,474**
Charge / (Credit) to profit or loss	7,463	57,911	(6,908)	58,466

NORFOLK MORTGAGE TRUST

Notes to the Financial Statements

For the Year Ended 31 March 2026

16. Credit Loss Allowance (continued)

	Stage 1 $	Stage 2 $	Stage 3 $	Total $
As at 31 March 2025				
At the Beginning of the Year	224,175	46,094	72,393	342,662
Transfers Between Stages				
From Stage 1 to 2	-	-	-	-
From Stage 2 to 1	706	(1,447)	-	(742)
Transfer to Stage 3	(4,134)	(1,616)	6,823	1,073
Transfer from Stage 3	-	-	-	-
Net Re-Measurement on Individual Assessment	-	-	-	-
Net Lending/(Repayment) - Existing Loans	11,397	-	84	11,481
Net Lending/(Repayment) - New Loans	73,434	-	-	73,434
Changes in Models/Risk parameters	(15,117)	-	-	(15,117)
Asset Derecognised including Final Repayments	(61,361)	(43,031)	(72,393)	(176,784)
Assets Written Off	-	-	-	-
	229,100	**-**	**6,908**	**236,008**
Charge / (Credit) to profit or loss	4,925	(46,094)	(65,484)	(106,654)

Individually Assessed

There were no mortgages individually assessed as at balance date (2025: nil).

Impact of Changes in Gross Carrying Amount on Credit Loss Provision

The carrying amount of mortgages increased during the year. This growth in the mortgage portfolio was considered in the expected credit loss assessment and contributed to an increase in the loss allowance.

In the prior year, the carrying amount of mortgages remained stable and did not materially impact the loss allowance.

Financial Assets other than Mortgages

All other financial assets have been assessed to have expected credit losses that are not material.

NORFOLK MORTGAGE TRUST