



ANNUAL REPORT

2024 / 2025

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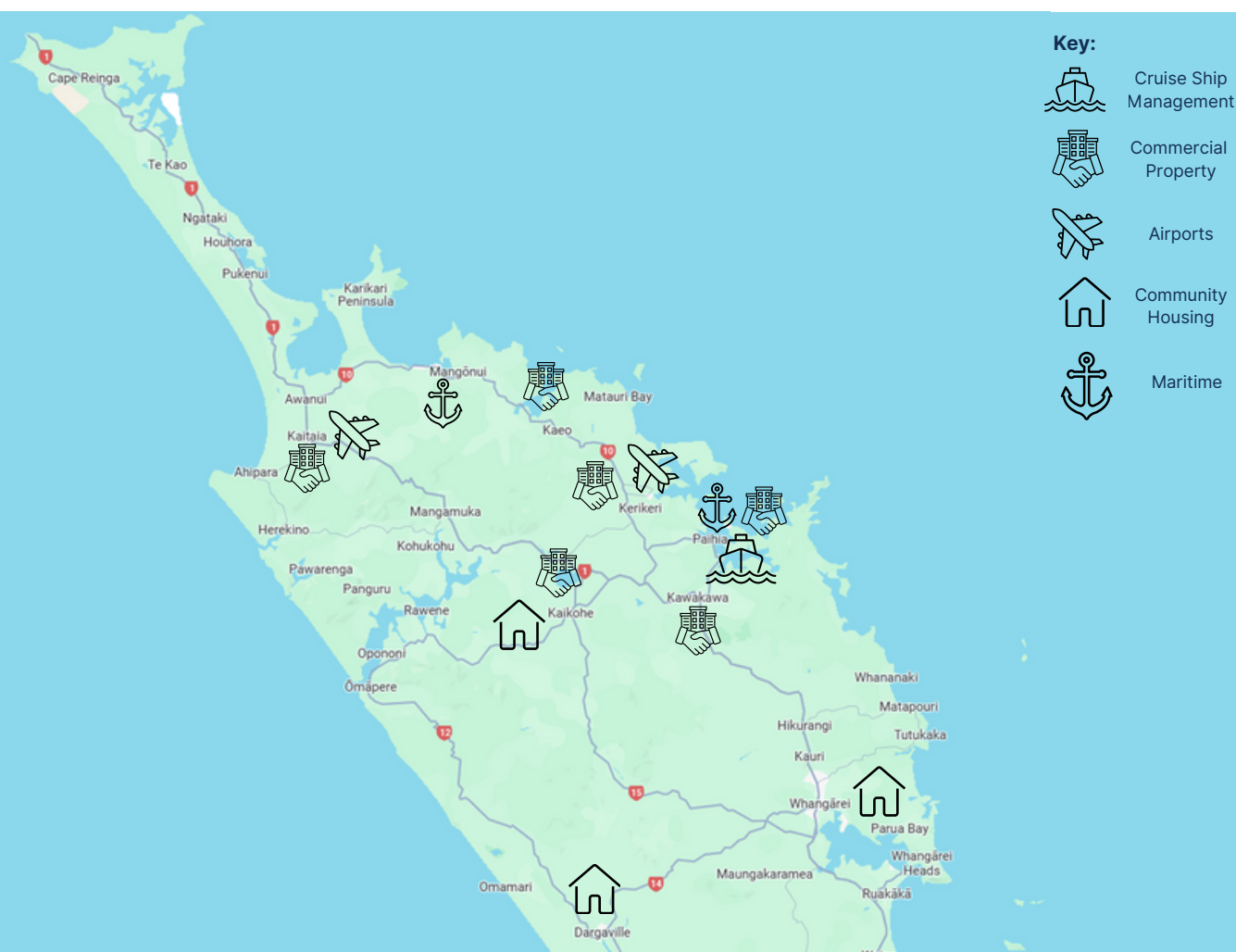
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About Us

Mō mātou

Far North Holdings Ltd is a Council Controlled Trading Organisation (CCTO) under the Local Government Act 2002, wholly owned by the Far North District Council (FNDC).

Far North Holdings Ltd's purpose and objectives are outlined in the Statement of Intent (SOI) which is agreed upon annually with FNDC. Far North Holdings Ltd is an enabler of FNDC's vision for the Far North "He Whenua Rangatira - A District of sustainable prosperity and wellbeing", and Far North Holdings Ltd's strategic direction reflects this and the mission of "He Ara Tāmata - creating great places, supporting our people".



Far North Holdings Ltd's operations span across Te Tai Tokerau Northland with assets totalling \$215 million.

Nature and Scope of Activity

As Council's commercial trading organisation, Far North Holdings Ltd exists to:

- Manage, operate and develop commercial, maritime, aviation, housing and infrastructure assets within its ownership in a commercial manner, or under the terms of any management agreement entered into;
- Plan, facilitate and secure commercial outcomes and investment in its area of influence that support economic growth of the Far North District (the District) for the betterment of the District, in a socially, culturally and environmentally responsible way; and
- Create profits for its Shareholder and improve the Shareholder's asset value.

About Us

Mō mātou



Commercial Property

Far North Holdings Ltd owns and manages a wide portfolio of commercial property assets across the region with over 300 lease and licence agreements in place.

Ngawha Innovation and Enterprise Park is a 189 hectare business park that was developed with support from Kānoa and FNDC. The Park is already well established after opening in 2022, contributing to the economic, social and cultural wellbeing of the North. Opportunities are being actively pursued to see further complementary businesses locate to the Park.

Community Housing

Far North Holdings Ltd, as a registered direct leasing partner with the Ministry of Housing and Urban Development (MHUD), works closely with local community housing providers and MHUD to help address housing supply for those most in need.

Over the past three years our subsidiary, Far North Housing Ltd, has developed and delivered 18 homes in Te Kamo, 60 in Kaikohe, and 46 in Dargaville. Construction of 28 homes in partnership with Claude Switzer Memorial Trust in Kaitia began after year end and is scheduled for completion by the end of 2026.



Cruise Ship Management

The Bay of Islands is a popular destination for cruise ships and welcomes tens of thousands of visitors annually. Cruise activity provides a significant boost to local businesses and offers visitors the chance to experience the region's unique cultural and natural attractions.

Far North Holdings Ltd acts as the Port Authority for cruise ship visits to the Bay of Islands as well as holding ISPS (International Ship and Port Facility Security) certification for its cruise ship tender facility at Waitangi. ISPS is an international framework that enhances the security of ships and port facilities. Compliance ensures the safe and secure management of passengers and crew while meeting international maritime obligations.



Far North Holdings Ltd manages a diverse range of assets to provide employment, economic, cultural, and social outcomes to support growth and prosperity in the Far North.

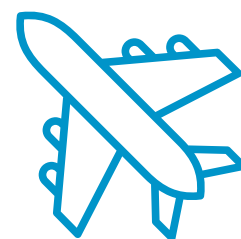
Airports

Far North Holdings Ltd owns and operates the Bay of Islands Airport and manages Kaitia Airport on behalf of FNDC.

Bay of Islands Airport holds a CAA Part 139 Aerodrome Operating Certificate commensurate with Air New Zealand's flight services to/from Auckland carrying over 130,000 passengers per annum. Barrier Air also operates regular passenger services to/from Auckland.

Kaitia Airport provides essential facilities for air transport services to the Te Hiku Community including regular passenger services by Barrier Air to/from Auckland, transport of medical professionals, patients, and use by emergency services.

Bay of Islands Airport is a MPI (Ministry for Primary Industries) and NZ Customs certificated Place of First Arrival for aircraft arriving in New Zealand. Also, this airport is identified as a Lifeline Utility under the Civil Defence and Emergency Act 2002 classified as a Lifeline Utility therefore providing essential services at time of emergency.



Maritime

Bay of Islands Marina Ltd operates facilities that support both water-based recreation and commercial activity across the Far North. Bay of Islands Marina is a 420-berth facility located at Opuā, with a mix of rented and privately owned berths. The marina precinct features a full-service boatyard and hosts a diverse range of marine businesses that support both domestic and international vessels.

As a designated Place of First Arrival, the Marina serves as New Zealand's primary port of entry for international yachts and a key destination for global cruisers arriving from the Pacific and beyond. Beyond Opuā, the maritime business owns and operates a network of commercial and recreational facilities across the district, including the wharves at Paihia, Waitangi, Russell, and Mangonui. In addition, 77 other maritime assets are managed on behalf of FNDC, ensuring safe, reliable, and sustainable infrastructure to support the district's strong maritime identity.



Purpose, Values & Principles

Ngā whāinga, ngā uara me ngā mātāpono

Purpose | Ngā Whāinga



To contribute to the sustainable prosperity and well-being of the Far North through astute commercial development, investment and management of assets and infrastructure.

Kia tautoko i te oranga tonutanga me te whai rawa o Te Hiku o te Ika mā te whakawhanake pakihi, te haumi me te whakahaere i ngā rawa me ngā tūāhanga.

Values | Ngā Uara



Ambitious for our people and communities.

Ko te manawanui ki ō tātou tangata me te hapori.

Deliver on our commitments.

Ko te whakatutuki i a mātou herenga.

Transparent and accountable partnership.

He hononga pono, he haepapa pono.

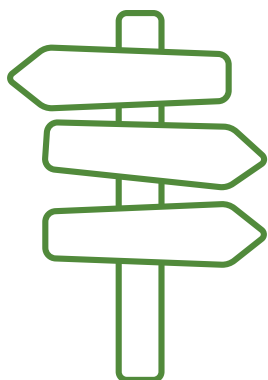
Teamwork driven excellence.

Ko te kairangi nā te mahi tahi.

Listen to and support tangata whenua.

Ko te whakarongo me te tautoko i te tangata whenua.

Guiding Principles | Ngā Mātāpono Arataki



We prioritise the Health, Safety and Wellbeing of our people and the public in everything we do.

We focus on delivering sustainable commercial value to our shareholder.

We manage and develop key strategic assets enabling them to support prosperity, economic growth, resilience and wellbeing of our communities in the Far North District.

We support Regional initiatives, delivering infrastructure and assets that meet the needs of Northland's Territorial Authorities, NRC and Central Government.

We build and maintain strong relationships and act as a valued partner, advisor and contributor to our shareholder, central and local government, tangata whenua, our communities and other stakeholders.

Chair & CEO Report

Ngā ripoata a te Heamana me te Tumu Whakarae

On behalf of the Board and Executive Leadership Team, we are pleased to present the Far North Holdings Ltd Group Annual Report for the year ended 30 June 2025.

Far North Holdings Ltd delivered a record operating result in FY25, driven by improved interest rates with new Local Government Funding Agency lending in place, operational efficiencies achieved across the Group, and realised property gains. This strong performance reflects our commitment to delivering value for our shareholder and the Far North community. This was achieved in the context of a challenging economic environment.

We were also proud to be in a position to deliver a dividend of \$5.5 million to Far North District Council (FNDC) this year to help offset rate increases for rate payers during a time of challenging cost of living pressures across the motu. This is the largest dividend paid since Far North Holdings Ltd was established in 1997, and was enabled by strong balance sheet growth over a long period of time and development profits realised in recent years.

Financial Performance

Far North Holdings Ltd achieved an SOI operating profit of \$3.3 million for the year (FY24: \$2.4 million). Total comprehensive income rose to \$11.4 million (FY24: \$0.3 million), supported by a \$12.6 million uplift in asset and investment revaluations (FY24: \$3.7 million devaluation). Shareholder equity increased to \$103.6 million, up from \$97.7 million in FY24.

Dividends

We are pleased to report that dividends totaling \$5.5 million were paid during the year, meeting our SOI target. Looking ahead, the Board is targeting dividends of \$5.0 million to be paid in FY26, which would bring total dividends paid over five years to \$12.9 million. Future dividend levels will depend on new development activity, and we are actively working to secure a robust pipeline to help us deliver strong dividend returns into the future.

Funding Arrangements

Far North Holdings Ltd has established borrowing facilities with the Local Government Funding Agency. We acknowledge and appreciate the support of our shareholder, FNDC, in enabling this arrangement, which has significantly reduced our interest costs.



Delivering with Our Shareholder

Far North Holdings Ltd has been appointed project manager for two key FNDC initiatives: the Kaitaia Airport upgrade and the Kaikohe Library and Community Hub. Both projects will continue through FY26 and deliver significant community benefits. The airport upgrade will safeguard this vital regional link, while the new library and hub will redefine and support community engagement in Kaikohe.

Community Housing

FY25 was a milestone year for our team, with the completion of two Community Housing developments—Te Kohekohe Stage Four and Dargaville—bringing the total number of homes constructed by FNHL to 124. Our next project, in partnership with the Claud Switzer Memorial Trust, is underway in Kaitaia, with 28 new homes scheduled for completion in 2026.

Cruise Ship Sector

Cruise ship visits to the Bay of Islands declined from 87 ships in FY24 to 70 in FY25, with 48 scheduled in FY26. This trend mirrors national patterns, influenced by global shipping route complexities and high port charges in some areas. We work closely with the Cruise Association to maintain the Bay of Islands' appeal as a premier destination, with our region continuing to benchmark favourably against other Aotearoa destinations.

This year the Bay of Islands placed number one for the most tourist excursions pre-booked, with 1,470 booked from a single cruise ship. This highlights the appeal of our tourism offering, and the significant impact of cruise ship visitors for our local tourism businesses.

Maritime Business

Despite a challenging economic environment, the maritime sector delivered a strong performance over the past year. International yacht arrivals remained steady, highlighting the Bay of Islands' enduring appeal as a top destination for visiting vessels. A warm and settled summer further boosted activity across the region which helped to support local businesses.

Bay of Islands Airport

The Bay of Islands Airport continues to play a vital role in connecting the Far North to the rest of New Zealand, and welcoming visitors to our region. We welcomed Barrier Air's new direct flights to Auckland, expanding regional travel options. Air New Zealand remains our anchor airline, providing connectivity for residents and visitors.

Chair & CEO Report

Ngā ripoata a te Heamana me te Tumu Whakarae

Looking Ahead

Far North Holdings Ltd’s core objective remains the active management and development of regional infrastructure and assets that support economic growth and community wellbeing. Over the past decade, our asset base has grown from \$60 million in 2015 to \$215 million in 2025, reflecting our strategic focus on value creation.

Our portfolio includes both commercial assets—where we seek market returns—and strategic assets, which are managed for broader community benefit.

Thanking our Outgoing Chair

We want to thank the Honourable Murray McCully for his 7 years of service on the Far North Holdings Ltd Board, including the last two years as Chair. During his tenure, Murray oversaw significant growth across the Group and led the strategic move to develop housing across the rohe. His contribution to the organisation and commitment to improving the outcomes for the Far North have been greatly valued. We wish him well in his future endeavours.

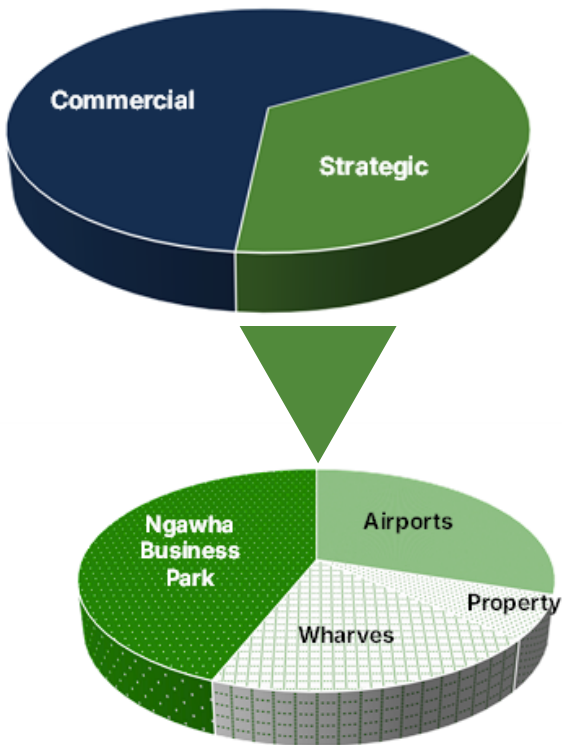


Sarah Petersen
Chair

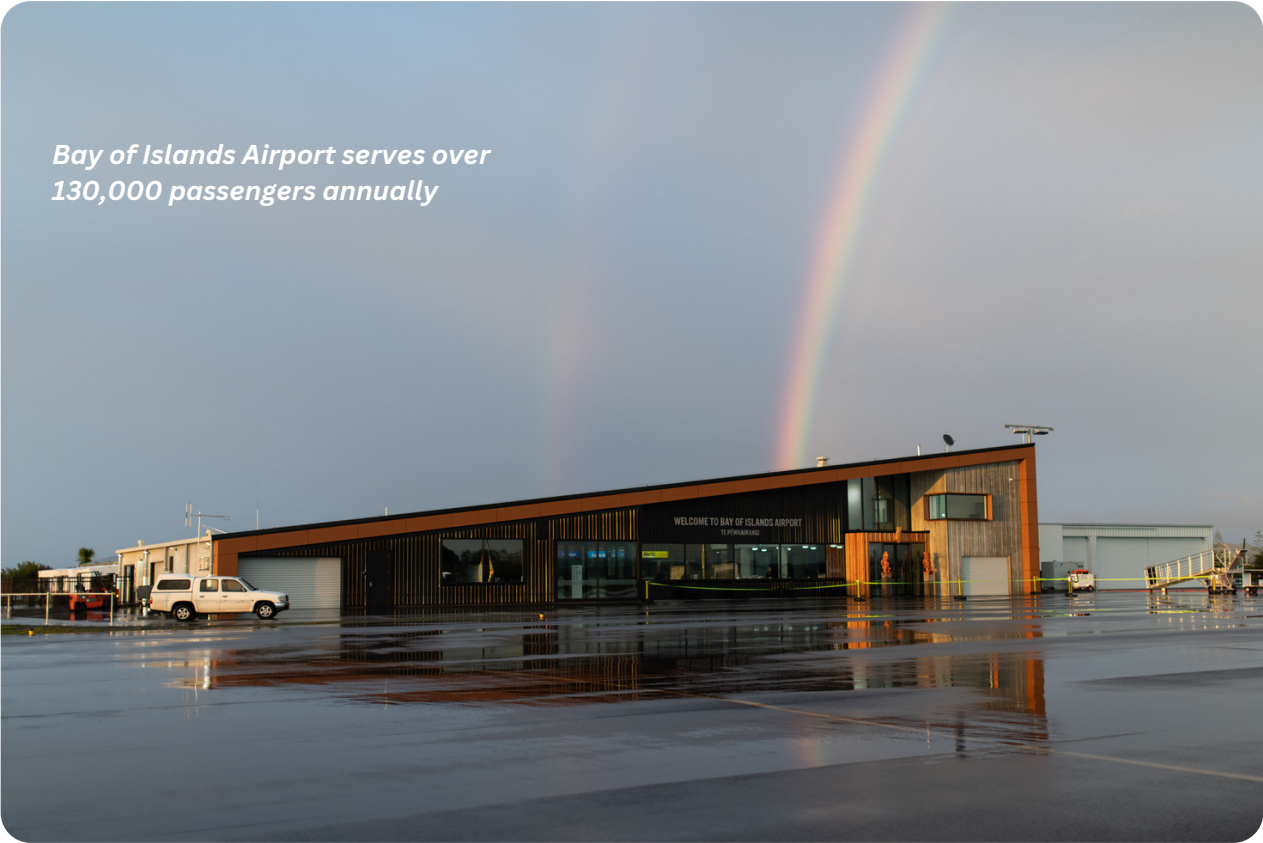


Andy Nock
CEO

Far North Holdings Ltd Group Asset Split



Far North Holdings Ltd Group Strategic Asset Split

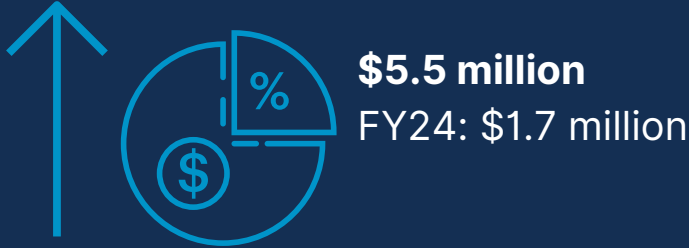


Bay of Islands Airport serves over 130,000 passengers annually

FY25 at a Glance

He tirohanga ki te tau pūtea 2025

Dividends Paid



New Community Housing Homes



SOI Operating Profit



Cruise Ships



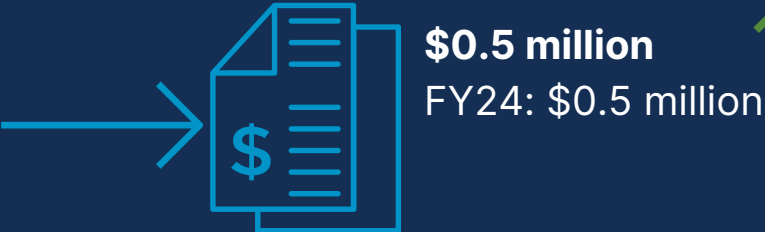
Total Assets



Passenger Numbers



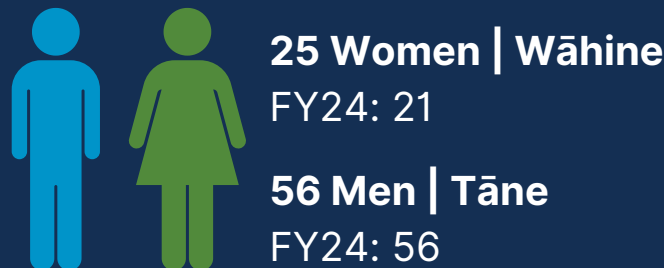
FNDC Rates Paid



Giving Back to Our Community



Gender Diversity



International Yacht Arrivals



Governance & Leadership

Te mana whakahaere me te hautūtanga

Far North Holdings Independent Directors

Hon. Murray McCully | **Chair**



The Honourable Murray McCully CNZM CF served for 30 years as the Member of Parliament for East Coast Bays, and over sixteen years as a Minister in the Bolger, Shipley, Key and English Governments. He held a range of portfolios including Foreign Affairs, Housing and Sport. Murray resigned as Chair of the Far North Holdings Ltd Board on 1 July 2025 and as a Director from 1 August 2025.

Additional Positions Held:

- Far North Housing Ltd - Chair (until 1 August 2025)
- Northern Housing Ltd - Chair (until 1 August 2025)
- Remuneration Committee - Member (Until 21 July 2025)

Sarah Petersen | **Deputy Chair**



Sarah Petersen is a Fellow Chartered Accountant and experienced director from Te Tai Tokerau, bringing deep regional insight and expertise in investment, risk management, and economic development to her governance roles across multiple sectors.

Additional Positions Held:

- Far North Holdings Ltd - Chair (from 1 July 2025)
- Far North Housing Ltd - Director (until 1 August 2025), Chair (from 1 August 2025)
- Northern Housing Ltd - Director (until 1 August 2025), Chair (from 1 August 2025)
- Bay of Islands Marina Ltd - Chair
- Audit & Risk Committee - Chair (until 1 July 2025)
- Remuneration Committee - Member (from 21 July 2025)

Nicole Anderson | **Director**



Nicole Anderson is a Chartered Professional Director from Te Tai Tokerau, bringing expertise in finance and business development to her governance roles across crown entities, energy and Māori economic development sectors.

Additional Positions Held:

- Far North Holdings Ltd - Deputy Chair (from 1 August 2025)
- Audit & Risk Committee - Member (until 21 July 2025), Chair (from 21 July 2025)
- Remuneration Committee - Chair (until 21 July 2025), Member (from 21 July 2025)

Kevin Drinkwater | **Director**



Kevin Drinkwater is a Northlander and Chartered Accountant who spent many years leading finance and operations functions at Mainfreight, both in New Zealand and internationally. Since retiring, he has brought his deep expertise in global business, technology, and finance to several governance roles, serving on multiple boards.

Additional Positions Held:

- Audit & Risk Committee - Member (from 21 July 2025)
- Remuneration Committee - Member (until 21 July 2025)
- Bay of Islands Marina Ltd - Director

Jane Frances | **Director**



Jane Frances is an economist and business consultant with strong central government networks, known for advancing regional development through economic, social, and environmental initiatives across Northland and Wellington.

Additional Positions Held:

- Remuneration Committee - Chair (from 21 July 2025)

Governance & Leadership

Te mana whakahaere me te hautūtanga

Subsidiary Boards Directors

Bay of Islands Marina Ltd

- Sarah Petersen - Chair
- Kevin Drinkwater - Director
- Philip Wardale - Independent Director

Far North Housing Ltd

- Hon. Murray McCully CNZM CF - Chair (until 1 August 2025)
- Sarah Petersen - Chair (from 1 August 2025)
- William (Bill) Birnie CNZM - Independent Director
- Brian Donnelly - Independent Director

Northern Housing Ltd

- Hon. Murray McCully CNZM CF - Chair (until 1 August 2025)
- Sarah Petersen - Chair (from 1 August 2025)
- William (Bill) Birnie CNZM - Independent Director
- Brian Donnelly - Independent Director

Leadership

Andy Nock | Chief Executive Officer



Since 2011, Andy Nock has served as CEO at Far North Holdings, where he has applied his extensive expertise in property and infrastructure development to foster significant partnerships and lead innovative projects throughout Te Tai Tokerau.

Prior to this, Andy offered Property development and Investment consultancy services to International and New Zealand based companies, with high-profile clients such as LaSalle Investment Fund, Carrefour and Pradera. His experience includes leadership roles at Auckland International Airport Ltd and Real Property Consultants in Europe.

Lisa Parkes | Chief Financial Officer



Lisa Parkes started her role as Far North Holdings' Chief Financial Officer in 2023, where she oversees the planning, development, and execution of the financial strategy to align with the Group's strategic goals.

As a Chartered Accountant, Lisa has held key finance positions at Northpower Limited and The New Zealand Refining Company Limited.

Rob Binney | Chief Operating Officer



Rob Binney is in charge of managing and overseeing the property portfolio, health and safety, and aspects of airports.

His career has included several leadership roles overseeing the portfolios of several listed organisations, with a strong focus on customer service to drive business growth.

Before Far North Holdings, Rob was CEO of Kapiti Coast Airport Holdings Ltd, and has significant experience with Doha and Hamad International Airports, Auckland International Airport, and various New Zealand property companies.

Delivering for Our Community

Ngā mahinga mō te hāpori

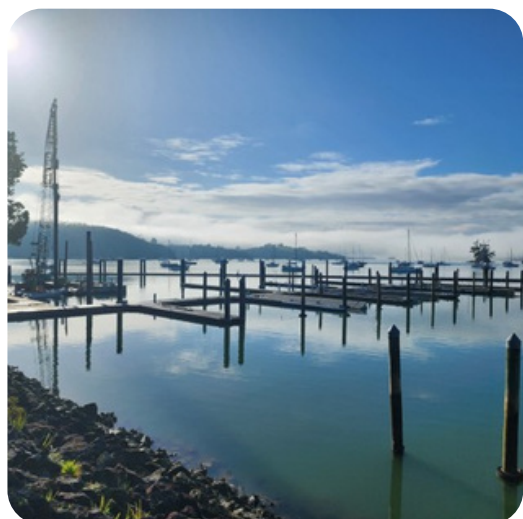
Progress Through Partnership - Te Kohekohe (Stage 4)



In partnership with Te Hau Ora o Ngāpuhi, Far North Holdings Ltd—through its subsidiary Far North Housing Limited—celebrated the opening of Stage 4 of the Te Kohekohe housing development, delivering 13 additional two- and three-bedroom homes for whānau in Te Tai Tokerau.

Far North Housing has led all aspects of construction and project management, while Te Hau Ora o Ngāpuhi continues to manage tenancies and provide wraparound support services to residents. This collaborative effort reflects a shared commitment to improving hauora outcomes and ensuring every whānau has access to safe, secure, and comfortable housing.

Enhancing Marine Infrastructure - A Pier / Fuel Dock



A \$2 million upgrade at Bay of Islands Marina was in progress at year end and is now complete. Key improvements will include a new 42-metre public fuelling pontoon with upgraded fast flow diesel pumps, and new petrol pumps. We have also taken the opportunity to install modern communications and security systems. These changes will provide a faster and more efficient marine refuelling facility.

A Pier is also being refurbished, adding four new berths to meet growing demand, while new infrastructure supports MPI and NZ Customs, strengthening the marina's role as a Port of Entry.

These enhancements reflect Far North Holdings Ltd's commitment to delivering high-quality marine infrastructure that meets the evolving needs of Te Tai Tokerau's commercial and recreational users.

Improving Access & Safety in Mangonui - Large Vehicle Parking Deck



Stage 2 of the Mangonui Waterfront Redevelopment Project has been completed with the construction of a new large vehicle parking deck. Delivered on behalf of FNDC, this \$2.9 million investment enhances public safety and accessibility by providing dedicated parking for tourist buses, trucks, and campervans—encouraging more visitors to stop, explore, and support local businesses.

Far North Holdings Ltd is proud to support Mangonui's growing tourism economy through infrastructure that alleviates congestion and improves the overall visitor experience in the town.

Delivering for Our Community

Ngā mahinga mō te hāpori

Delivering Community Housing in Dargaville - Ranfurly Street



A significant community housing development in Dargaville has added 46 new homes—a mix of one, two, and three bedroom dwellings—across Hoeroa and Ranfurly Streets, providing safe, secure housing for whānau in the North. Delivered by Far North Housing Limited, a subsidiary of Far North Holdings Ltd, in partnership with Kāhui Tū Kaha.

Far North Housing led the development from concept to completion, while Kāhui Tū Kaha now manages tenancies and provides wraparound support services. This initiative reflects our commitment to building thriving communities and supporting long-term outcomes for Te Tai Tokerau.

Enhancing Marine Infrastructure - Whangaroa Harbour



This year over \$1.1 million of work was completed on renewing FNDC maritime assets in the Whangaroa Harbour. Totara North Wharf had new dolphin and fender piles installed to replace aging assets and improve usability for the various types of vessels that use the facility. Power and water services were also installed along with security cameras.

Marlin and Clansman Wharf pontoons were renewed and involved replacing 24-year-old steel pontoons with new concrete ones.

These works have advanced the quality of facilities in the harbour significantly for both recreational and commercial users.

Investing in Airport Safety - New Fire Appliances



With support from Air New Zealand, two new fire engines have been purchased for Bay of Islands Airport—marking a significant upgrade to the airport's emergency response capabilities. These state-of-the-art vehicles will strengthen safety infrastructure and ensure readiness for a wide range of incidents.

Sourced from a New Zealand-based supplier, the fire engines have undergone specialised fit-out for aviation emergency services. They are scheduled to be commissioned in September 2025.

This initiative reflects Far North Holdings' ongoing commitment to maintaining the highest standards of safety for all airport users and the wider community.

Delivering for Our Community

Ngā mahinga mō te hāpori

Celebrating Environmental & Industry Excellence - Boatyard of the Year and Clean Marina



Bay of Islands Marina has once again achieved Level 3 Clean Marina certification from the New Zealand Marina Operators Association—an acknowledgment of its strong commitment to environmental stewardship and sustainable marine operations.

Adding to this success, the marina's boatyard was named 2024 Boatyard of the Year, a prestigious accolade recognising outstanding service, innovation, and its valuable contribution to the regional marine economy.

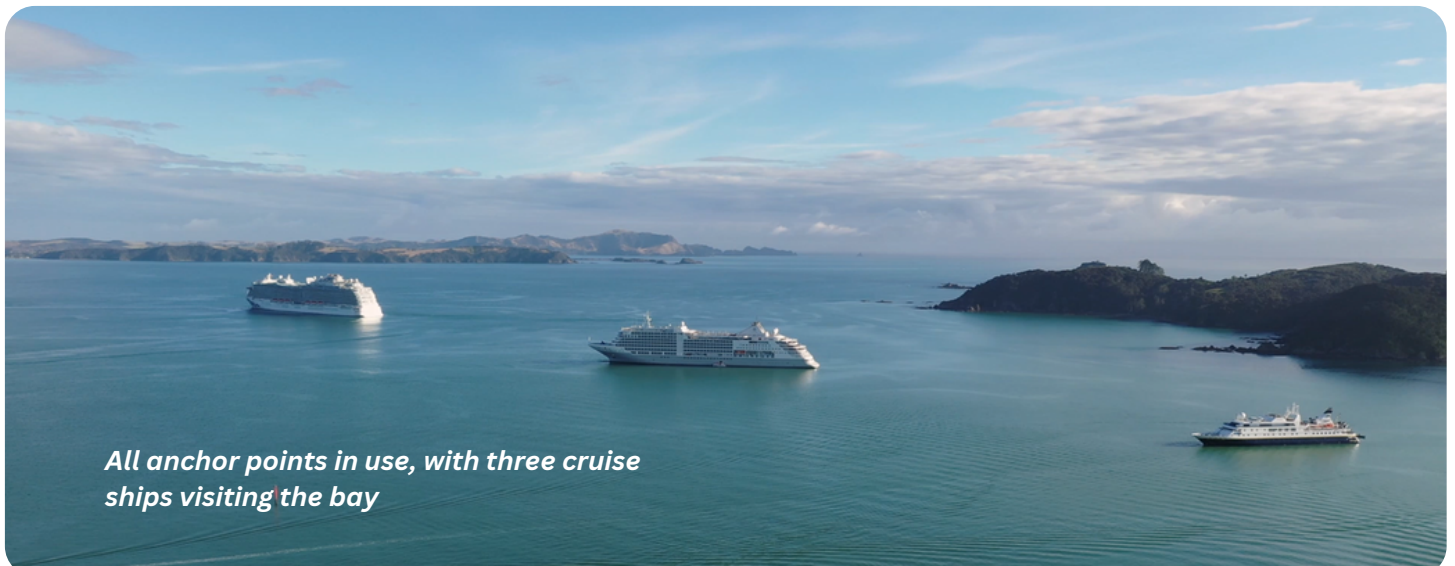
These achievements reflect Far North Holdings Ltd's ongoing investment in high-quality, environmentally responsible infrastructure, the dedication of the team behind it, and its strong commitment to delivering exceptional outcomes for its customers.

Empowering Youth Development - R Tucker Thompson



Sponsorship of the R. Tucker Thompson youth development voyages has once again enabled a group of young Northlanders to embark on a transformative journey at sea. Over seven days aboard the iconic tall ship, 12 students from local colleges develop leadership, teamwork, resilience, and self-confidence—skills that continue to shape their lives long after the voyage ends.

This initiative is part of Bay of Islands Marina Ltd's ongoing commitment to supporting youth development and fostering positive outcomes for rangatahi across Te Tai Tokerau.

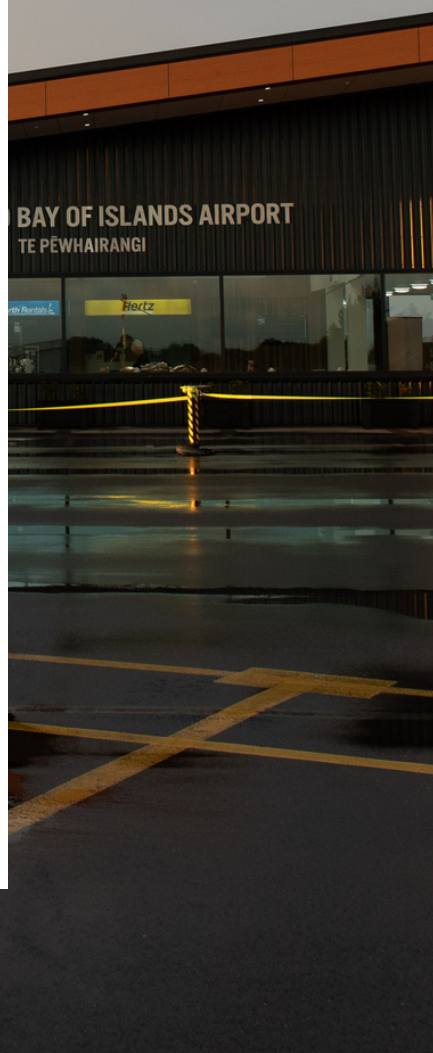


All anchor points in use, with three cruise ships visiting the bay

Financial Statements for the year ended 30 June 2025

Te tauākī pūtea mō te tau oti ana i te 30 o Hune 2025

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Directors' Responsibility Statement

For the Year Ended 30 June 2025

The directors have pleasure in presenting to the shareholders the Annual Report and audited financial statements of Far North Holdings Limited (the "group") for the year ended 30 June 2025.

The directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the group as at 30 June 2025 and its financial performance for the year ended on that date.

The directors consider that the financial statements of the group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates, and comply with New Zealand equivalents to IFRS Accounting Standards – Reduced Disclosure Regime as appropriate for profit-orientated entities.

The directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the group.

Approved for and on behalf of the Board of Directors:



S Petersen
Chair



N Anderson
Deputy Chair

26 September 2025

Date

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025



	Note	2025 \$000	2024 \$000
Revenue from contracts with customers	1	22,617	19,547
Other income	2	1,333	3,127
		23,950	22,674
Employee benefit expenses	3	5,383	4,969
Depreciation and amortisation expenses	4	950	1,066
Other expenses	5	12,407	12,417
Operating profit before net finance costs		5,210	4,222
Finance income		141	55
Finance expenses		3,026	3,185
Net finance costs	6	2,885	3,130
Profit before other non-operating movements		2,325	1,092
Gain on transfer of investment property	11	-	6,437
Share of profits/(losses) of associates	11	523	(1,410)
Devaluation of property intended for sale		(195)	(90)
Devaluation of biological assets	14	-	(39)
Net gains/(losses) on valuation of investment property	9	11,780	(3,544)
Profit before income tax		14,433	2,446
Income tax expense	7	(3,750)	(1,842)
Profit for the period		10,683	604
Revaluation/(Devaluation) of property, plant and equipment	8	983	(66)
Share of associates other comprehensive income	11	-	(22)
Tax on items that will not be reclassified to profit or loss	7	(275)	(213)
Other comprehensive income for the year, net of tax		708	(301)
Total comprehensive income for the year		11,391	303

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2025



	Share capital	Property revaluation reserve \$000	Equity investment reserve \$000	Buildings & maintenance reserves \$000	Capital reserve \$000	Retained earnings \$000	Total equity \$000
Balance at 1 July 2023	18,000	13,040	(231)	375	72	67,914	99,170
Profit for the year	-	-	-	-	-	604	604
Other comprehensive income for the year:						(22)	(22)
Devaluation of property, plant and equipment	-	(279)	-	-	-	-	(279)
Total comprehensive income for the year	-	(279)	-	-	-	582	303
Transfers			231	290		(521)	-
Transactions with owners of the company in their capacity as owners:							
Dividends paid						(1,752)	(1,752)
Total transactions with owners of the company	-	-	-	-	-	(1,752)	(1,752)
Balance at 30 June 2024	18,000	12,761	-	665	72	66,223	97,721
Balance at 1 July 2024	18,000	12,761	-	665	72	66,223	97,721
Profit for the year	-	-	-	-	-	10,683	10,683
Revaluation of property, plant and equipment	-	708	-	-	-	-	708
Total comprehensive income for the year	-	708	-	-	-	10,683	11,391
Transfers		(261)	-	324		(63)	-
Transactions with owners of the company in their capacity as owners:							
Dividends paid						(5,500)	(5,500)
Total transactions with owners of the company	-	-	-	-	-	(5,500)	(5,500)
Balance at 30 June 2025	18,000	13,208	-	989	72	71,343	103,612

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2025



	Note	2025 \$000	2024 \$000
Equity and Liabilities			
Equity			
Share capital	17	18,000	18,000
Reserves	18	14,269	13,498
Retained earnings		71,343	66,223
Total equity		103,612	97,721
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	19	26,316	12,443
Income in advance	22	17,665	18,037
Deferred tax liability	7	9,791	6,609
Total non-current liabilities		53,772	37,089
Current liabilities			
Bank overdraft	16	-	1,080
Trade and other payables	21	6,429	10,006
Employee benefits	20	612	649
Interest-bearing loans and borrowings	19	48,750	45,954
Income in advance	22	1,702	1,654
Total current liabilities		57,493	59,343
Total liabilities		111,265	96,432
Total equity and liabilities		214,877	194,153
Assets			
Non-current assets			
Property, plant and equipment	8	33,530	31,038
Investment property	9	149,426	130,306
Other investments/loans	12	958	1,006
Biological assets	14	-	219
Intangible assets	10	159	103
LGFA Borrowers notes	19	1,316	-
Investments in associates	11	13,758	13,835
Total non-current assets		199,147	176,507
Current assets			
Inventories	13	8,387	7,207
Properties intended for sale	23	2,334	6,663
Trade and other receivables and prepayments	15	1,251	2,601
Contract assets		402	240
Cash and cash equivalents	16	3,356	935
Total current assets		15,730	17,646
Total assets		214,877	194,153

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2025



	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Cash receipts from customers		23,401	21,661
Cash paid to suppliers and employees		(19,163)	(21,810)
GST (paid)/received		(1,430)	(1,246)
Interest received		141	55
Income tax paid		(843)	-
Interest paid		(2,852)	(3,220)
Net cash (outflow)/inflow from operating activities		(746)	(4,560)
Cash flows from investing activities			
Purchase of property, plant and equipment and investment property, and biological assets		(11,228)	(17,096)
Sale of investments		-	449
Loan to associate		(12)	(341)
Purchase of LGFA borrower notes		(1,316)	-
Purchase of share in associate		(49)	-
Proceeds from sale of property, plant and equipment, investment property and property intended for sale		4,974	24,069
Dividends received		-	61
Distributions from associates		709	123
Net cash inflow/(outflow) from investing activities		(6,922)	7,265
Cash flows from financing activities			
Interest-bearing loans and borrowings advance		75,066	-
Interest-bearing loans and borrowings repayment		(58,397)	(554)
Dividends paid		(5,500)	(1,752)
Net cash (outflow)/inflow from financing activities		11,169	(2,306)
Net increase/(decrease) in cash and cash equivalents		3,501	399
Cash and cash equivalents at beginning of year		(145)	(544)
Cash and cash equivalents at end of year	16	3,356	(145)

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



MATERIAL ACCOUNTING POLICY INFORMATION

Reporting entity

Far North Holdings Limited (the "Company") is a company registered under the Companies Act 1993.

It is a Council Controlled Trading Organisation (CCTO) as defined in the Local Government Act 2002. The Company is wholly owned by the Far North District Council.

The consolidated financial statements comprise the results of Far North Holdings Limited (FNHL) and its subsidiaries (together the Group) and the results of the Group's equity accounted associates.

The company owns 100% of the shares in Bay of Islands Marina Limited, Far North Housing Limited and Northern Housing Limited. Far North Holdings Limited owns 12% of Kaikohe Berryfruit Limited Partnership, and Northern Housing Limited owns 50% of 450 Kamo Road Limited Partnership and 50% of 56 Tawanui Road Limited Partnership. The 50% holding in 450 Kamo Road Limited Partnership transferred from Far North Housing Limited to Northern Housing Limited during the year. The interests in Limited Partnerships have been accounted for as a share in associates using the equity method.

The Group financial statements are for the year ended 30 June 2025 and were authorised for issue by the Directors on 26 September 2025.

Basis of preparation

The financial statements have been prepared on a going concern basis. This is supported by:

- FNHL has the potential to defer capital expenditure, should it be required
- Continued support from FNHL's lending partners - refer note 19 for further details
- FNHL is expected to be solvent and able to meet cashflow obligations whilst remaining within financing obligations and covenants.

The accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of the Group have been prepared in accordance with the requirements of the Local Government Act 2002, Part 5, Section 67 which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to IFRS Accounting Standards - Reduced Disclosure Regime ("NZ IFRS (RDR)").

The Group is a Tier 2 For-profit entity and has elected to report in accordance with Tier 2 For-profit Accounting Standards as issued by the New Zealand External Reporting Board (XRB). The Group is eligible to report in accordance with Tier 2 For-profit Accounting Standards on the basis that it does not have public accountability and is not a large for-profit public sector entity. In applying NZ IFRS RDR the group has applied a number of disclosure concessions.

Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$) which is the Group's functional presentation currency, rounded to the nearest thousand dollars (\$000).

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position, which are measured at fair value:

- Investment property;
- Land and buildings, wharves and runways; and
- Financial instruments - fair value through other comprehensive income.

Use of estimates and judgements

The Group makes certain estimates regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property, plant and equipment useful lives and residual values

At each balance date the Group reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Group to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the Statement of Profit or Loss and Other Comprehensive Income, and carrying amount of the asset in the Statement of Financial Position. The Group minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programmes;
- Review of second-hand market prices for similar assets; and
- Analysis of prior asset sales.

The Group has not made significant changes to past assumptions concerning useful lives and residual values.

Fair value measurement

A number of assets and liabilities in the Group's financial statements require measurement at, and/or disclosure of fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy").

- Level 1: Quoted prices in an active market for identical items
- Level 2: Observable direct or indirect inputs other than level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The Group measures a number of items at fair value - revalued property, plant and equipment, investment property, equity investments, and biological assets. For more detailed information on the fair value measurement of these items please refer to the applicable notes.

Classification of properties under construction

The Group's activities includes construction of properties that are held for the long-term or are sold to earn a development profit. The recognition of these properties as investment properties or inventory requires the Group to consider the arrangement of each project and intended use of the completed property.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity. Financial instruments are comprised of trade and other receivables, cash and cash equivalents, debt securities, other financial assets, trade and other payables, borrowings and other financial liabilities.

Financial assets and financial liabilities are offset only when the entity has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis, or to realise the asset and liability simultaneously. The right to set off must not be contingent on a future event, and must be legally enforceable in the normal course of business, and in the event of default and in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The Group initially recognises financial instruments on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



The Group has the following categories of financial assets;

Amortised cost

Financial assets with fixed or determinable payments that are not quoted in an active market, are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses (see further below). These comprise of cash and cash equivalents, trade and other receivables and short-term loans.

Fair value through Other Comprehensive Income

Equity investments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value, with all gains and losses recognised in other comprehensive income. Changes to fair value are not subsequently recycled to profit and loss. Dividends are recognised in profit or loss. On disposal of these equity investments, any related balance within equity investment reserve is reclassified to retained earnings.

Financial liabilities

The Group initially recognises debt securities on the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies financial liabilities into the amortised cost category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



Non-financial assets

The carrying amounts of the Group's property, plant and equipment held at cost and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite life intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (Group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (Group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. REVENUE FROM CONTRACTS WITH CUSTOMERS

Accounting Policy

(i) Goods Sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when control of the goods has been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed or the proportion of costs incurred.

(iii) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(iv) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

	2025	2024
	\$000	\$000
Goods sold	2,366	2,368
Services	12,411	10,277
Commission	45	6
Rental income	7,795	6,896
Total revenue from contracts with customers	22,617	19,547

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



2. OTHER INCOME

	2025	2024
	\$000	\$000
Government grants	20	6
Dividends received	-	61
Gain on sale of investment property	1,275	3,037
Depreciation recovered	38	23
Total other income	1,333	3,127

3. EMPLOYEE BENEFITS EXPENSES

Accounting Policy

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short Term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date. The Group recognises a liability and an expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

	2025	2024
	\$000	\$000
Salaries and wages	5,261	4,726
Contributions to Kiwisaver	159	150
(Decrease)/increase in employee benefit liabilities	(37)	93
Total employee benefit expenses	5,383	4,969

4. DEPRECIATION AND AMORTISATION EXPENSES

Accounting Policy

For plant and equipment, depreciation is based on the cost of an asset less its residual value, and for runways, wharves and buildings is based on the revalued amount less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, are depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. Assets under construction are not subject to depreciation.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- Buildings and structures - 33 years
- Plant, fittings and office equipment - 3-20 years
- Wharves - 33 years
- Ramps and moorings - 33 years
- Motor vehicles, boat transporters - 5-15 years
- Runways, including all airport infrastructure / civil works assets - 25 years
- Leasehold improvements - 29 years

Depreciation methods, useful lives and residual values are reviewed at reporting date and adjusted if appropriate.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



4. DEPRECIATION AND AMORTISATION EXPENSES (cont.)

	2025	2024
	\$000	\$000
Depreciation, property, plant & equipment	947	1,063
Amortisation intangible assets	3	3
Total depreciation & amortisation	950	1,066

5. OTHER EXPENSES

	2025	2024
	\$000	\$000
Audit Fees paid to Deloitte for the following:		
Audit of the financial statements	155	123
Directors fees	337	373
Donations	11	3
Inventories	2,210	2,376
Impairment of receivables	13	31
Honey stock impairment	-	1,162
Loss on sale of shares	143	49
Minimum lease payments under operating leases	144	176
Direct expenses from investment property generating income	2,566	2,849
Other operating expenses	6,828	5,275
Total other expenses	12,407	12,417

6. NET FINANCE COSTS

Accounting Policy

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

6. Net Finance costs

	2025	2024
	\$000	\$000
<i>Recognised in profit or loss:</i>		
Finance Income		
Interest income on loans and receivables	141	55
Finance Expense		
Interest expenses on financial liabilities measured at amortised cost (including finance leases)	3,026	3,185
Net finance costs	2,885	3,130

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



7. INCOME TAX

Accounting Policy

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

a) Income tax recognised in profit or loss and other comprehensive income

	2025	2024
	\$000	\$000
Income tax recognised in profit or loss:		
Current tax	-	-
Current tax - prior period adjustment	843	-
Deferred tax expense	2,907	1,842
Total income tax expense	3,750	1,842

Income tax recognised in other comprehensive income:

	275	213
Aggregate deferred tax relating to items in other comprehensive income	275	213

b) Reconciliation of income tax expense

Profit before income tax expense	14,433	2,446
Tax expense at 28%	4,041	685
Permanent differences	(722)	(1,691)
Other movements	431	2,848
Tax expense	3,750	1,842

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



7. INCOME TAX (cont.)

c) Deferred tax

	2025	2024
	\$000	\$000
Balance at the beginning of the year	6,609	4,554
Current year movement	3,182	2,055
Deferred tax liability	9,791	6,609

Deferred tax (assets)/liabilities are attributable to the following:

	2025	2024
	\$000	\$000
Property, plant and equipment other	723	602
Property, plant and equipment buildings	2,233	1,695
Investment property and properties intended for sale	7,191	4,479
Employee benefits	(86)	(106)
Tax losses	(199)	
Other items	(71)	(61)
Deferred tax liability	9,791	6,609

d) Movement in deferred tax income tax assets and liabilities

	Balance at 30 June 2023	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 30 June 2024	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 30 June 2025
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Property, plant and equipment other	788	(264)	78	602	121	-	723
Property, plant and equipment buildings	158	1,402	135	1,695	263	275	2,233
Investment property and properties intended for sale	3,963	516	-	4,479	2,712		7,191
Biological assets	(195)	195	-	-			-
Employee benefits	(92)	(14)	-	(106)	20		(86)
Tax losses	-	-	-	-	(199)		(199)
Other items	(68)	7	-	(61)	(10)		(71)
Total deferred tax liability	4,554	1,842	213	6,609	2,907	275	9,791

8. PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

(i) Recognition and measurement

Land, runways, wharves and buildings are measured at fair value, less accumulated depreciation (except for land) and accumulated impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any revaluation surplus arising on the revaluation of an asset is credited to other comprehensive income and shown in the asset revaluation reserve in the Statement of Financial Position. A revaluation deficit in excess of the asset revaluation reserve balance for an asset is recognised in the profit or loss in the period it arises. Revaluation surpluses which reverse previous revaluation deficits recognised in the profit or loss are recognised in the profit or loss.

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

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

The most recent valuation of land, buildings, runways and wharves was performed by Brad Sworn, Registered Valuer of the firm CBRE Limited, and the valuation is effective at 30 June 2025.

Security

The Group has issued a General Security Agreement over all assets. As at 30 June 2024 there were certain land and buildings, with a carrying amount of \$100.1 million were also subject to a first mortgage to secure bank loans. No mortgages were in place at 30 June 2025.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



8. PROPERTY, PLANT AND EQUIPMENT (cont.)

	Land	Buildings	Runways	Wharves	Ramps & moorings	Plant, fittings and office furniture	Motor vehicles, boat transporters	L'hold impr'ments	Work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cost or Valuation										
Balance at 1 July 2024	10,507	12,531	3,152	2,619	117	3,572	2,152	164	228	35,042
Additions	-	510	-	-	25	530	1,480	-	(14)	2,531
Disposals	-	(4)	-	-	-	(11)	(60)	-	-	(75)
Revaluations	-	415	130	(161)	-	-	-	-	-	384
Balance at 30 June 2025	10,507	13,452	3,282	2,458	142	4,091	3,572	164	214	37,882
Accumulated depreciation and impairment										
Balance at 1 July 2024	-	-	-	-	33	2,883	1,038	50	-	4,004
Depreciation	-	389	131	79	4	178	160	6	-	947
Elimination on revaluation	-	(389)	(131)	(79)	-	-	-	-	-	(599)
Balance at 30 June 2025	-	-	-	-	37	3,061	1,198	56	-	4,352
Net book value										
At 30 June 2024	10,507	12,531	3,152	2,619	84	689	1,114	114	228	31,038
At 30 June 2025	10,507	13,452	3,282	2,458	105	1,030	2,374	108	214	33,530

The fair value of land and buildings is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Group, and to market based yields for comparable properties.

The fair value of runways and wharves is determined using depreciated replacement cost.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



9. INVESTMENT PROPERTY

Accounting Policy

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. When an investment property is expected to be sold the fair value is remeasured and any gain or loss recognised in profit or loss, and the fair value is transferred to property held for sale.

	2025	2024
	\$000	\$000
Balance at 1 July	130,306	128,137
Acquisitions	6,544	17,039
Disposals	-	(10,520)
Transfer from/(to) properties intended for sale	796	(806)
Change in fair value	11,780	(3,544)
Balance at 30 June	149,426	130,306

Investment property comprises a number of commercial properties that are leased to third parties and land held for development. Leases all have variable terms. Subsequent renewals are negotiated with the lessee.

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Specialised assets are valued using a discounted cash flow approach.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

The most recent valuation was performed by Brad Sworn, Registered Valuer of the firm CBRE Limited, and the valuation is effective at 30 June 2025. The prior valuation was completed 30 June 2024. Valuations are completed every year for all investment properties.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



10. INTANGIBLE ASSETS

Accounting Policy

(i) Goodwill

Goodwill that arises upon the acquisition of a business is presented with intangible assets.

(ii) Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Except for goodwill and intangible assets that have indefinite lives or are not yet available for use, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Computer software - 3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

	Goodwill \$000	Software \$000	Total \$000
Cost			
Balance at 1 July 2024	301	188	489
Additions	-	59	59
Balance at 30 June 2025	301	247	548
Accumulated amortisation and impairment			
Balance at 1 July 2024	201	185	386
Amortisation charge for the year	-	3	3
Balance at 30 June 2025	201	188	389
Net book value			
At 30 June 2024	100	3	103
At 30 June 2025	100	59	159

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



11. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Accounting policy

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits or losses and other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

Profits and losses arising on transactions between the Group and its associate are recognised only to the extent of unrelated investors' interest in the associate.

	Country of incorporation and place of business	Portion of ownership held	
		2025	2024
Associate			
Kaikohe Berryfruit Limited Partnership	New Zealand	12%	12%
450 Kamo Road Limited Partnership	New Zealand	50%	50%
56 Tawanui Road Limited Partnership	New Zealand	50%	50%
Subsidiaries			
Far North Housing Limited	New Zealand	100%	100%
Bay of Islands Marina Limited	New Zealand	100%	100%
Northern Housing Limited	New Zealand	100%	100%

The Directors of the Company consider it has the power to exercise significant influence over the Associate Kaikohe Berryfruit Limited Partnership even though it only owns 12% of the shares. This is because of the position it holds on the Board of Directors.

During the 2024 year a new entity was formed 56 Tawanui Road Limited Partnership. FNHL was initially the sole limited partner and it transferred an investment property to this entity. Subsequent to this Far North Housing Limited sold a 50% share to its subsidiary Northern Housing Limited, and a 50% share to an unrelated party.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



12. OTHER INVESTMENTS/LOANS

	2025	2024
	\$000	\$000
Loan Manea	665	665
Loan to Associate	293	341
Fonterra shares	-	-
Total other investments	958	1,006
Fonterra shares		
Opening value	-	499
Change in fair value	-	-
Disposals	-	(499)
Closing value	-	-

The fair value of quoted securities is based on published market prices.

13. INVENTORIES

Accounting policy

Inventories are measured at the lower of cost and net realisable value with due allowance for any damaged and obsolete stock items. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of items transferred from biological assets is their fair value less point-of-sale costs at the date of transfer.

Development property is held as inventory when there is an intention to sell the property and recognise a development margin, rather than hold the property for long term gain.

	2025	2024
	\$000	\$000
Development property	8,342	6,921
Honey	-	232
Fuel	28	32
Chandlery and boatyard	17	22
Total inventories	8,387	7,207

Some chandlery and boatyard inventories are subject to retention of title clauses.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



14. BIOLOGICAL ASSETS

Accounting policy

Biological assets are measured at fair value less point-of-sale costs, with any changes recognised in profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets. Agricultural produce from biological assets is transferred to inventory at its fair value, by reference to market prices for honey, less estimated point-of-sale costs at the date of harvest.

	2025	2024
	\$000	\$000
Balance at beginning of year	219	258
Sale of queens and hives	(219)	-
(Decrease) in fair value of queens and hives	-	(39)
Balance at end of year	-	219

Biological assets have been valued at fair value by reference to the Ministry of Primary Industries published prices.

15. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025	2024
	\$000	\$000
Far North District Council	87	1,471
Trade and other receivables	823	702
Prepayments	341	428
Total trade and other receivables and prepayments	1,251	2,601

Impairment losses are recognised in other expenses in profit or loss – see note 5. Trade receivables generally have terms of 30 days and are interest free. Trade receivables of a short-term duration are not discounted.

Reconciliation of the allowance for impairment in respect of trade and other receivables:

	2025	2024
	\$000	\$000
Balance at 1 July	35	75
Receivables written off during the year	2	71
Additional provisions made during the year	64	(111)
Balance at 30 June	101	35

The allowance accounts in respect of loans and receivables are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



16. CASH AND CASH EQUIVALENTS

	2025	2024
	\$000	\$000
Cash at bank and in hand	3,356	935
Bank overdrafts	-	(1,080)
Total cash and cash equivalents and bank overdrafts for the purpose of the statement of cash flows	3,356	(145)

The Group had bank overdraft facilities in 2024 provided by the Bank and secured by the first charge debenture. The interest rate on the bank overdraft in 2024 was 9.64% and the maximum overdraft facility available to the Group was \$2 million. The Group has no overdraft facilities at June 2025.

Interest rates applying to bank balances was 0.0%-2.5% (2024: 0.0%). Bank balances are on call.

17. SHARE CAPITAL

	2025	2024
	\$000	\$000
Ordinary shares - fully paid	7,000	7,000
Redeemable shares - fully paid	11,000	11,000
Total share capital	18,000	18,000

The holders of the convertible non-participating redeemable shares have no rights to participate in the profits or assets of the Group, other than by the discretion of the Directors, to vote at any General Meeting of the Group or to subscribe for or be offered or allotted any present or future issues of shares in the capital of the Group. Since 30 May 2004, FNHL is entitled to redeem half of the convertible non-participating redeemable shares at the available subscribed capital per share.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group, and rank equally with regard to the Group's residual assets.

On 6 September 2024, the Company issued a further \$150 million redeemable preference shares, at value of \$1.00 each. These shares are uncalled and unpaid.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



18. RESERVES

	\$000	\$000
Balances		
Asset revaluation reserve	13,208	12,761
Buildings and maintenance reserves	989	665
Capital reserve	72	72
Total reserves	14,269	13,498
Movements		
Asset revaluation reserve		
Opening balance	12,761	13,040
Revaluation - fixed and intangible assets	983	(66)
Transfer to retained earnings	(261)	-
Less deferred tax	(275)	(213)
Closing balance	13,208	12,761
Equity investment reserve		
Opening balance	-	(231)
Revaluation Fonterra shares	-	-
Transferred to retained earnings	-	231
Closing balance	-	-
Buildings and maintenance reserves		
Opening balance	665	375
Transferred from retained earnings	324	290
Closing balance	989	665
Capital reserve		
Opening balance	72	72
Closing balance	72	72

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



19. INTEREST-BEARING LOANS AND BORROWINGS

	2025	2024
	\$000	\$000
Secured loans		
Current	48,750	45,954
Non-current	26,316	12,443
Total interest-bearing loans & borrowings	75,066	58,397

The carrying value of loans approximates fair value.

In 2024 the bank loans were secured over certain land and buildings with a carrying amount of \$110,135k, and a general security agreement over all Group's assets.

During the year the Group entered into a funding arrangement with the Local Government Funding Agency (LGFA). All borrowings at 30 June 2025 are held with the LGFA, are secured over all assets of the Group and carry an undertaking regarding certain actions and that certain financial ratios will be maintained. All covenants have been met by the Group.

During the year, borrowing costs of \$460k (2024: \$1,084k) that were directly attributable to the construction of qualifying assets were capitalised.

The weighted average effective interest rate on interest-bearing loans & borrowings at 30 June 2025 was 3.78% (2024: 7.50%).

Borrower notes are subordinated convertible debt instruments that the Group subscribes for an amount equal to 5.0% of loan drawdowns that have an initial term of beyond 12-months. LGFA will redeem borrower notes when the Group's related borrowings are repaid or no longer owed to LGFA. At 30 June 2025 the Group had subscribed to \$1,316k of borrower notes. (2024: \$nil)

20. EMPLOYEE BENEFITS

	2025	2024
	\$000	\$000
Salaries payable	310	274
Liability for annual leave - current	302	375
Total employee benefits	612	649

21. TRADE AND OTHER PAYABLES

	2025	2024
	\$000	\$000
Far North District Council	1,958	2,435
Trade and other payables	4,471	7,571
Total trade and other payables	6,429	10,006

Trade payables generally have terms of 30 days and are interest free. Trade payable of a short-term duration are not discounted.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



22. INCOME IN ADVANCE

Accounting policy

Income in advance represents rental income received for future periods calculated on a straight line basis over the term of the licence. Marina berths licence income is spread to 2033, or 2049 if an extension has been granted.

	2025 \$000	2024 \$000
Non current portion		
Income received in advance - long term	17,665	18,037
Total non current portion	17,665	18,037
Current portion		
Income received in advance - current	1,101	1,077
Marina Stage 2 berth sales	601	577
Total current portion	1,702	1,654
Total income in advance	19,367	19,691

Income in advance relates to marina berth licences income which has been spread over the period of the licences.

23. PROPERTIES INTENDED FOR SALE

Accounting policy

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, and the sale is highly probable, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, the Group's property, plant and equipment are no longer amortised or depreciated.

FNHL has three properties (2024: seven) with a carrying value of \$2.3 million (2024: \$6.7 million) and a market valuation of \$3.0 million (2024: \$8.8 million) intended for sale.

After balance date the Directors have approved entering into an agreement to market the community housing assets for sale.

24. RELATED PARTIES

Identity of related parties

The Group has a related party relationship with its key management personnel being the executive officers, and the Directors.

The Group also has a related party relationship with its parent Far North District Council and its equity accounted associates (disclosed in note 11).

Total key management personnel being the Chief Executive and General Management compensation for the year ended 30 June 2025 was \$1,254,891 (2024: \$1,055,150). Directors fees for the year were \$337,487 (2024: \$373,413).

Transactions with related parties

Transactions with related parties are to be settled in cash. None of these balances are secured. There have been no impairments of related party balances during the year (2024: nil) and there have been no write-offs of related party balances during the year (2024: nil).

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025



24. RELATED PARTIES (cont.)

Mr K Drinkwater is a director of Far North Holdings Limited and Bay of Islands Marina Limited, he is a berth holder at Bay of Islands Marina and used the marina and boatyard facilities to the value of \$8,917 (2024: \$6,699).

Mr R Blackman was a director of Bay of Islands Marina Limited until his resignation on 30 April 2024 and rented a berth in the marina and used the boatyard facility during the 2024 year to the value of \$8,776. During the same period Mr Blackman provided consulting services to the Group and was paid \$88,453. These services were made on commercial terms and at market rates.

Inter-group transactions and balances

	2025	2024
	\$000	\$000
Receivables from Far North District Council (excluding agency transactions)	87	1,471
Sales to Far North District Council	971	245
Purchases from Far North District Council	482	598
Payables to Far North District Council	1	10
Sales to Associates	47	16
Loan to Associate	293	341

During the year FNHL also carried out capital works on behalf of Far North District Council to the value of \$3,176k (2024 \$4,268k).

25. OPERATING LEASES

	2025	2024
	\$000	\$000
Non-cancellable operating leases as lessor:		
Not later than one year old	3,820	3,635
Later than one and not later than five	8,590	10,258
Later than five years	9,939	13,180
Total Non-cancellable operating leases	22,349	27,073

26. COMMITMENTS

During the year FNHL entered into new contracts worth \$1.7 million for the construction and improvements for property and marina assets (2024: \$16.2 million). At 30 June 2025 \$0.4 million (2024: \$4.8 million) remained to be paid on contracts.

27. EVENTS OCCURRING AFTER THE REPORTING DATE

After balance date the Directors have approved entering into an agreement to market the community housing assets for sale.

There are no other significant events occurring after balance date that require disclosure in these financial statements.

28. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities that require disclosure in these financial statements.

29. GOVERNMENT GRANTS RECEIVED

Accounting policy

Government Grants received for assets have been deducted in arriving at the carrying amount of the assets. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the carrying amount of the asset.

No government grants were received during the current or prior year for assets.

Statement of Service Performance

For the Year Ended 30 June 2025



PERFORMANCE MEASURES

Annual performance measures are outlined in the Statement of Intent. In preparing the June 2025 Statement of Intent, the Board reviewed and refined performance measures with approval from Council. Several previously reported metrics were excluded to better reflect the Group's strategic priorities and core performance. The updated framework ensures more focused and meaningful reporting.



Financial

Achieve sustainable commercial returns

Performance Objective 1

Create value for ratepayers by increasing shareholder funds

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Grow shareholders' funds	Increase	Achieved \$5.9 million	Not achieved (\$1.4) million	Achieved \$8.9 million	Achieved \$17.3 million
Narrative This performance objective is measured by reference to total equity reported in the Statement of Financial Position. This shows an increase of \$5.9 million.					

Performance Objective 2

Ratio of consolidated shareholder funds to total assets

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Total equity / total assets	>50%	Not achieved 48.2%	Achieved 50.3%	Achieved 53.2%	Achieved 53.8%
Narrative The Group had anticipated sale of a commercial development prior to 30 June 2025, which will now take place during the next financial year. The ratio would have been achieved if the sale had settled prior to year end or the special dividend had not been paid.					

Performance Objective 3

Effective financial management to deliver profitability

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Operating profit	>\$2.0 million	Achieved \$3.3 million	Achieved \$2.4 million	Achieved \$0.5 million	Not Achieved \$0.2 million
Narrative Operating profit is calculated as profit prior to movements in investment properties, share of associates and other non-operating movements, excluding cost of honey sold and includes distributions received from associates.					

Statement of Service Performance

For the Year Ended 30 June 2025



Performance Objective 4

Return profit to FNDC by way of dividend, in line with dividend policy

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Dividend to FNDC	Dividend payable >\$1.0 million Special dividend \$5.0m dividend	Achieved \$1.6 million Operating Dividend	Achieved \$1.2 million	Achieved \$1.75 million	Not Achieved \$0.12 million
Narrative The dividend payable under the policy is 50% of the operating profit and is payable in February following the financial year end and the Group will declare and pay a dividend in accordance with the policy. Cash dividends paid during the year ended 30 June 2025 totaled \$5.5 million made up of the operating dividend for the year ended 30 June 2024 and a special dividend.					

Statement of Service Performance

For the Year Ended 30 June 2025



PEOPLE

Be a good employer

Performance Objective 1

To make safety our priority to ensure health, safety and wellbeing of all employees and contractors in the Group

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Put in place Health Safety & Wellbeing Objectives	To achieve	Achieved	Achieved	Establish key metrics and implement 6-month reporting to FNDC Achieved	N/A new measure
Narrative Health, safety, and wellbeing (HSW) policies and procedures in place, subject to scheduled reviews, performance being monitored and measured. The Group reports quarterly to FNDC about HSW.					

Performance Objective 2

Comply with our living wage policy for all permanent employees

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Comply with living wage policy for all permanent employees	To achieve	Achieved	Achieved	Achieved	N/A new measure
Narrative All permanent employees were paid the living wage during 2024/25.					



SUSTAINABILITY

Undertake sustainable investment and management for the benefit of future generations

Performance Objective 1

Commit to tangible action to measure climate impact and target reductions based on best practice

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Scope requirements for measuring carbon footprint across Far North Holdings and its subsidiaries.	To achieve	Achieved	Not achieved	Prepare a sustainability Roadmap identifying ways to minimise climate impact Achieved	N/A new measure
Narrative The Board has approved a plan and carbon footprint will be measured during the year ended 30 June 2026.					

Performance Objective 2

Achieve and maintain Clean Marina certification

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Achieve and maintain Clean Marina certification	Achieved	Achieved	Achieved	Achieved	Achieved
Narrative Clean Marina certification held throughout the period.					

Statement of Service Performance

For the Year Ended 30 June 2025



COMMUNITY

Create economic & housing opportunities, with improving engagement and communication

Performance Objective 1

Encourage positive relationships with the community by having transparent engagement policies and monitoring key stakeholder perceptions

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Stakeholder perceptions survey	To achieve	Achieved	Achieved	N/A new measure	N/A new measure
Narrative The Group holds and has implemented a Significance & Engagement Policy. Curia Group was engaged in the year to carry out a stakeholder survey.					

Performance Objective 2

Ngawha Innovation & Enterprise Park developed to grow economic and employment opportunities in the Far North

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
5 businesses based at the Ngawha Innovation & Enterprise Park (the Park)	To achieve	Achieved	Achieved	Open stage 1 Achieved	N/A new measure
Narrative Businesses based at the Park include Kaikohe Berries Ltd, Te Pūkenga, Regent Training, Corrections, and the Innovation Centre. There are also a number of smaller businesses working out of the shared workspace and utilising the laboratory facilities.					

Performance Objective 3

Identify opportunities to deliver social housing to meet local needs in partnership with Community Housing Providers (CHP's)

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
Develop at least 50 housing units	To achieve	Achieved	Achieved	Analysis of 2 social housing opportunities Achieved	N/A new measure
Narrative 13 homes were completed in Kaikohe (in partnership with Te Hau Ora o Ngāpuhi) and 46 homes in Dargaville (in partnership with the Ministry of Housing and Urban Development and Kāhui Tū Kaha). We continue to investigate further opportunities in the North.					

Statement of Service Performance

For the Year Ended 30 June 2025



Performance Objective 4

Civil Aviation Authority Certification maintained for the BOI Airport to support regional tourism and business visitors

Measure	Target	Actual			
	2024/25	2024/25	2023/24	2022/23	2021/22
CAA Certification maintained	To achieve	Achieved	Achieved	Achieved	Achieved
Narrative Bay of Islands Airport continued to hold a current CAA Part 139 Aerodrome Operating Certificate through 2024/25, thereby conforming with CAA regulatory requirements.					

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF FAR NORTH HOLDINGS LIMITED'S GROUP CONSOLIDATED FINANCIAL STATEMENTS AND THE STATEMENT OF PERFORMANCE OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of Far North Holdings Limited and its controlled entities (collectively referred to as "the Group"). The Auditor-General has appointed me, Bennie Greyling, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements and the statement of performance of the Group on his behalf.

We have audited:

- the consolidated financial statements of the Group on pages 15 to 38, that comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include material accounting policies and other explanatory information; and
- the statement of performance of the Group for the year ended 30 June 2025 on pages 39 to 44.

Opinion

In our opinion:

- the consolidated financial statements of the Group:
 - o present fairly, in all material respects:
 - its consolidated financial position as at 30 June 2025; and
 - its consolidated financial performance and consolidated cash flows for the year then ended; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to IFRS Accounting Standards – Reduced Disclosure Regime ('NZ IFRS RDR'); and
- the statement of performance of the Group:
 - o accurately reports, in all material respects, the Group's actual performance compared against the performance targets and other measures by which the Group's performance can be judged in relation to the Group's objectives in its statement of intent for the year ended 30 June 2025; and
 - o 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 26 September 2025. This is the date at which our opinion is expressed.

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 consolidated financial statements and the statement of performance of the Group 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 consolidated financial statements and the statement of performance of the Group

The Board of Directors is responsible on behalf of the Group for preparing consolidated 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 performance of the Group 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 consolidated financial statements and the statement of performance of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the statement of performance of the Group, the Board of Directors is responsible on behalf of the Group for assessing the Group'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 Group 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 consolidated financial statements and the statement of performance of the Group

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the statement of performance of the Group, 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 consolidated financial statements and the statement of performance of the Group.

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

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 consolidated financial statements and the statement of performance of the Group, 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 Group'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 Group'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 consolidated financial statements and the statement of performance of the Group 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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 performance of the Group, including the disclosures, and assess whether the statement of performance of the Group achieves its statutory purpose of enabling the Group's readers to judge the actual performance of the Group against its objectives in the Group's statement of intent.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information and the service performance information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and the statement of performance of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the statement of performance of the Group, and our auditor's report thereon.

Our opinion on the consolidated financial statements and the statement of performance of the Group 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 consolidated financial statements and the statement of performance of the Group, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the consolidated financial statements and the statement of performance of the Group 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 Group 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 Group.



Bennie Greyling
Partner

For Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand

Statutory Information

Ngā taipitopito kōrero ā ture

Share Dealings

No Director acquired or disposed of any interest in shares in the Group during the year.

Loans to Directors

There were no loans to Directors authorised during the year.

Directors' Interests

Directors' interests have been updated regularly and recorded to manage perceived and potential conflicts. In accordance with good practice, individual Directors are excluded from decision-making processes where there is a perceived or potential conflict of interest.

Directors'

Directors of the Company and wholly owned subsidiaries during the year were as follows:

Far North Holdings Ltd		Directors Fees (\$)
Hon. M McCully (Chair)	Full year term	52,600
S Petersen	Full year term	26,200
K Drinkwater	Full year term	26,200
N Anderson	Full year term	21,287
J Frances	Full year term	26,200
Far North Housing Ltd		
Hon. M McCully (Chair)	Full year term	30,000
S Petersen	Full year term	25,000
W Birnie	Full year term	25,000
B Donnelly	Full year term	25,000
Bay of Islands Marina Ltd		
S Petersen (Chair)	Full year term	30,000
P Wardale	Full year term	25,000
K Drinkwater	Full year term	25,000
Northern Housing Ltd		
Hon. M McCully (Chair)	Full year term	-
S Petersen	Full year term	-
W Birnie	Full year term	-
B Donnelly	Full year term	-

After year-end, on 1 July 2025 Hon. M McCully resigned from the position of Chair of Far North Holdings Ltd and S Petersen was appointed as Chair. On 1 August 2025 Hon. M McCully resigned as director of Far North Holdings Ltd, Far North Housing Ltd and Northern Housing Ltd.

On 1 August 2025 Rick Palmer was appointed to the Far North Holdings Ltd Board to fill a casual vacancy of up to three months.

Statutory Information

Ngā taipitopito kōrero ā ture

Employees' Remuneration

Number of staff with salaries and benefits more than \$100,000:

	2025	2024
\$100,000 - \$149,999	9	7
\$150,000 - \$199,999	2	4
\$200,000 - \$249,999	2	2
\$250,000 - \$299,999	2	1
\$300,000 - \$349,999	-	-
\$350,000 - \$399,999	-	-
\$400,000 - \$449,999	-	1
\$450,000 - \$499,999	1	-

Indemnification and Insurance of Executive Employees and Directors

All Directors and Executive Officers of the Group have been insured against liabilities to other parties that may arise from their office.

Auditor

Deloitte New Zealand on behalf of the Auditor-General has been appointed as the Group's auditors.



Ngawha Innovation and Enterprise Park is a 189 hectare business park established in 2022

Statutory Information

Ngā taipitopito kōrero ā ture

Donations and Sponsorships

Cash Donations / Sponsorships	2025 (\$)	2024 (\$)
Autism New Zealand	65	55
Bay of Islands Sailing Week	3,000	-
Caring Families Aotearoa	60	60
Heart Kids New Zealand	70	-
Island Cruising Aotearoa Ltd	3,000	-
Kaitaia Lions Club	100	-
Kids Day Out	-	60
Koha - Blessing	500	-
Marine and Specialised Technologies Academy of New Zealand Limited	750	-
Opua Cruising Club	600	-
Police Managers Guild Trust	300	300
R Tucker Thompson Sailing trust	30,000	21,730
Resilient Russell Charitable Trust	1,750	1,500
Rugby for Life Charitable Trust	5,500	-
Russell Radio	330	330
Brain Injured Children Trust	52	0
In Kind Donations / Sponsorships	2025 Amount excl. GST (\$)	2024 Amount excl. GST (\$)
Bay of Islands Marina Sponsorships	4,685	-
Bay of Islands Sailing Week	522	-
Blue Water Festival Prize	-	1,309
Kaikohe Berryfruits Limited Partnership	21,888	21,026
Landsar Far North	-	4,025
Sea Cleaners Charitable Trust	6,074	4,500

The Group also pays an annual fee to Te Runanga A Iwi O Ngāpuhi for the use of land at Opua marina under an agreement dated 6 September 1999. The amount paid for the year ended 2025 was \$51,228 (2024 \$50,869) and under the terms of the agreement the funds are to be used for educational scholarships for Ngāpuhi beneficiaries.



Company Directory

Rārangi Kamupene

Nature of Business

Property and infrastructural investment, management, development, operations and services.

Registered Office

5449a State Highway 12, Kaikohe

Directors

Hon Murray McCully CNZM CF LLB (resigned 1 August 2025)
Sarah Petersen BMS, Hons, FCA
Nicole Anderson CMInstD, PGDipPH
Kevin Drinkwater BCom, CA
Jane Frances BMS (Hons)

Independent Auditor

Deloitte

Bankers

Bank of New Zealand

Business Locations

Opua, Kerikeri, Kaitaia, Kaikohe and wider Northland area

Shareholders

Far North District Council

Share Capital

\$18,000,000 paid up share capital
\$150,000,000 unpaid share capital



**FAR NORTH
HOLDINGS**
LIMITED