FAR NORTH HOLDINGS LIMITED

2025/2026 ANNUAL REPORT

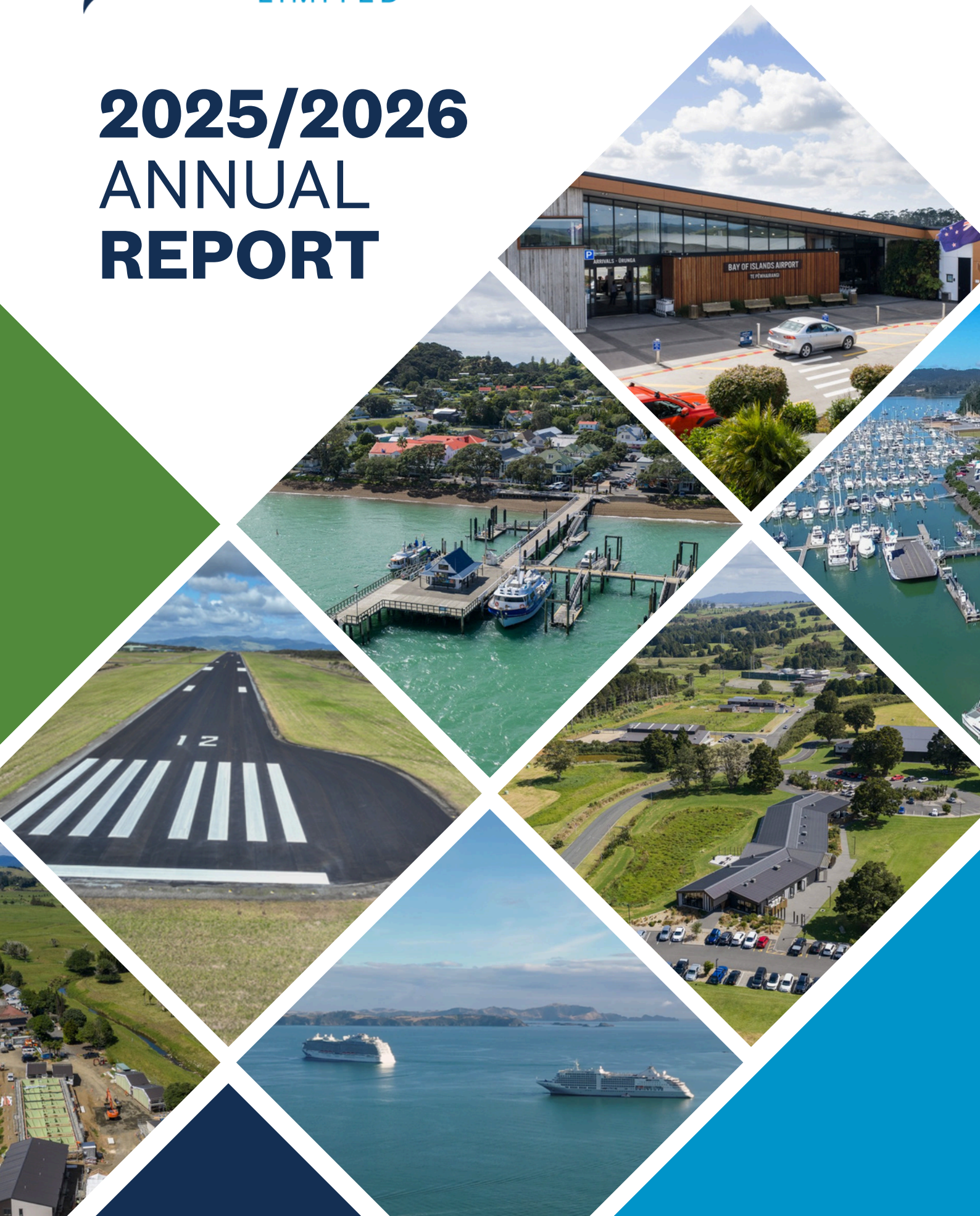


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ABOUT US
MŌ MĀTOU

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 operations span across Te Tai Tokerau Northland with assets totalling $215 million.

Far North Holdings Owned

- Cruise Ship Management
- Commercial Property
- Airports
- Community Housing
- Maritime

Managed on Behalf of FNDC

- Airports
- Maritime

Our Purpose

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

Ngā Whāinga

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.

ABOUT US
MŌ MĀTOU

Strategic Pillar	Strategic Objective	Area of Operation
Housing & Commercial Property Development	Accelerate development growth, optimising returns and capital deployment	Commercial Property Development
		Community Housing Development
Commercial Business Operations	Effectively manage our operations to provide commercial, sustainable returns	Commercial Property Leasing
		Maritime - Marina & Boatyard
		Cruise Ships
		Community Housing Leasing
Regional Economic Development	Invest in initiatives that maximise regional impact while maintaining financial discipline	Ngawha Innovation & Enterprise Park
Strategic Asset Management	Deliver efficient stewardship of strategic assets to safeguard and maximise value for our shareholder and community	Maritime - Public Wharves
		Airports

Community Housing
Far North Holdings supports community housing with Ministry for Cities, Environment, Regions and Transport (MCERT) and local community housing providers, delivering 124 homes across Te Kamo, Kaikohe and Dargaville. A further 28 homes are underway in Kaitaia with Claud Switzer Memorial Trust, due for completion in late 2026.

Maritime - Marina, Boatyard & Public Wharves
Bay of Islands Marina manages maritime facilities across the Far North, including the 420-berth Opua Marina, a full-service boatyard and key port of entry for international yachts. It also manages wharves and 77 other maritime assets.

Ngawha Innovation & Enterprise Park
Far North Holdings developed Ngawha Innovation and Enterprise Park, a 189-hectare business hub supported by Kānoa and FNDC. Established in 2022, the Park supports regional wellbeing and attracts complementary businesses and investment.

Commercial Property
Far North Holdings manages over 300 lease and licence agreements across a diverse commercial property portfolio.

Cruise Ship Management
Far North Holdings manages cruise visits as Port Authority and holds International Ship and Port Facility Security (ISPS) certification for its Waitangi tender facility, ensuring secure, compliant operations. Cruise activity supports local businesses and tourism across the region.

Airports
Far North Holdings owns and operates Bay of Islands Airport and manages Kaitaia Airport, supporting essential passenger, medical and emergency services. Both airports provide domestic access and Bay of Islands Airport serves as a Lifeline Utility during emergencies.

VALUES & PRINCIPLES
NGĀ UARA ME NGĀ MĀTĀPONO

Values

Ambitious for our people and communities

Listen and support tangata whenua

Transparent and accountable partnership

Deliver on our commitments

Teamwork driven excellence

Ngā Uara

Ko te manawanui ki ō tātou tangata me te hapori

Ko te whakarongo me te tautoko i te tangata whenua

He hononga pono, he haepapa pono

Ko te whakatutuki i a mātou herenga

Ko te kairangi nā te mahi tahi



Guiding Principles

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.

Ngā Mātāpono Arataki

Ko te hauora, te haumarutanga, me te oranga hoki o ā mātou tāngata me te marea, te aronga matua i ā mātou mahi katoa.

Ka aro mātou ki te tuku wāriu ahumoni e toitū ai ki ngā kaiwhaipānga.

Ka whakahaere, ka whakawhanake hoki mātou i ngā rawa rautaki matua kia tautoko ai ēnei i te whai rawa, te tupu o te ōhanga, te manawaroa me te oranga o ō tātou hapori puta noa i Te Hiku o te Ika.

He mea tautoko nā mātou ngā kaupapa ā-rohe, mā te whakarato tūāhunga me ngā huarawa kei ngā taumata tika e hiahia ana e Ngā Mana ā-Rohe o Te Tai Tokerau, Te Kaunihera ā-Rohe o Te Tai Tokerau me te Kāwanatanga.

Ka whakarite, ā, ka whakaū mātou i ngā hononga kaha, e tū nei mātou hei hoamahi whaimana, hei kaitohutohu, ā, hei kaiwhakawhiwhi anō hoki ki ngā kaiwhaipānga, te Kāwanatanga, ngā Kaunihera, ngā tangata whenua, ngā hapori me ngā kiripānga.

CHAIR & CEO REPORT

NGĀ RIPOATA A TE HEAMANA ME TE TUMU WHAKARAE





We are proud to present the Far North Holdings Limited Group Annual Report for the year ended 30 June 2026, and to reflect on a year of progress, partnership and continued delivery for the Far North.

FY26 was a year of strong delivery in a challenging economic operating environment. Far North Holdings maintained financial discipline, progressed important community and infrastructure projects, and continued to strengthen the partnerships and asset base that support long-term value for our Shareholder and the Far North.

The year marked the first stage of our refreshed strategy, reflecting a deliberate shift towards development-led growth. Our focus has been on building and progressing a pipeline of housing and commercial property opportunities that leverage our expertise, strengthen future earnings, and contribute to the economic development of Northland.

Financial Strength and Shareholder Value

Far North Holdings achieved a Statement of Intent (SOI) operating profit of $3.2 million for the year, in line with FY25 operating profit of $3.3 million. Total comprehensive income was $5.2 million, including asset revaluation movements. This was lower than FY25 total comprehensive income of $11.4 million, with valuation gains varying from year to year depending on the timing of completed development projects, market valuations and asset recycling decisions. Overall, the Group's portfolio value remained resilient, reflecting the strength and quality of Far North Holdings asset base in a challenging market environment.

Dividends

During the year, Far North Holdings paid dividends of $5.0 million to Far North District Council (FNDC), comprising an ordinary dividend and a special dividend. This followed dividends of $5.5 million paid in the previous financial year and brings total dividends paid over the last five years to $12.9 million. These dividend levels have been supported by development gains realised in recent years. While dividends are expected to reduce in the near term, the Board remains focused on sustainably increasing dividends over the medium term through new development activity, disciplined asset recycling and a stronger project pipeline.

Investing in Communities

Housing and commercial property development is the Group's highest-priority growth area. Community housing remained an important part of that work during FY26, with the 28-home community housing project in Kaitaia under construction in partnership with the Claud Switzer Memorial Trust.

Far North Holdings also advanced resource consent and funding-related work for potential housing projects, with applications being made to the Government's flexible fund to support social and affordable rental housing.

If approved, these projects would add to the Group's future housing pipeline.

Changing central government policy affected the timing and certainty of future housing opportunities, but it did not change the underlying need or the strategic importance of building a development pipeline.

Far North Holdings' approach has been to manage existing commitments carefully, progress viable partnerships, and maintain a disciplined approach to delivery risk, asset recycling and capital deployment.

Delivering with Our Shareholder

Our relationship with FNDC continued to be central to delivery. During the year, Far North Holdings progressed priority projects on behalf of Council, including the Kaikohe Library and Civic Hub, which remains on time and within budget. Kaitaia Airport resilience works also advanced, with the main runway and apron being complete, delivered to programme and within approved budgets.

Connecting the Far North

Far North Holdings transport and visitor-related assets play an important role in connecting people, enabling business and welcoming visitors to the district. During the cruise ship season, the Bay of Islands welcomed 42 cruise ships and 84,000 passengers. Although ship visits were below FY25 levels, in line with fewer cruise ships visiting New Zealand shores, visitor interest in the destination remained strong, including a New Zealand record for shore excursions booked for a single ship.

Bay of Islands Airport remained an essential regional connection point, with passenger numbers reaching 124,000 for the year. While Air New Zealand flight schedules were affected by fuel-related pressures, the airport continued to provide important connectivity for residents, businesses and visitors. Far North Holdings also contributed to wider sector engagement on Civil Aviation Authority regulatory changes relevant to future runway extension opportunities.

A runway extension would support future Air New Zealand airline fleet requirements and help protect long-term air services for the Far North. It would also strengthen regional growth by improving visitor access, supporting business connectivity, and reinforcing the airport's role as strategic infrastructure for tourism, investment and community resilience.

CHAIR & CEO REPORT

NGĀ RIPOATA A TE HEAMANA ME TE TUMU WHAKARAE

Looking Ahead

Far North Holdings is well positioned as it looks ahead to strengthening and building a pipeline of projects that benefit the Far North.

Our priorities are clear: disciplined capital allocation, active development pipeline management, careful asset stewardship, improved efficiency and sustainable returns for reinvestment and dividends.

We will continue to balance commercial performance with broader regional outcomes. Far North Holdings role is to create enduring value for FNDC, contribute to the wellbeing and prosperity of Far North communities, and pursue larger-scale housing, commercial and regional delivery opportunities where risk, return and shareholder expectations are aligned.

People and Partnerships

The signing of a Relationship Agreement with Ngāti Rangi ki Ngawha for Ngawha Innovation & Enterprise Park was also another important milestone, reflecting the strength of this long-standing partnership and shared commitment to the Park's future.

We were also pleased to welcome Tony Sewell to the Far North Holdings Board during the year. Tony brings valuable governance, commercial and development experience that will support the Group's activities as we manage delivery risk, partnership opportunities and long-term community outcomes.

We thank our directors, employees, partners, tenants, customers and shareholder for their continued support. The progress achieved during FY26 reflects the commitment of our people and the strength of the relationships that underpin Far North Holdings work across the Far North.

Sarah Petersen
Chair

Andy Nock
CEO



Far North Holdings is proud to continue supporting the R. Tucker Thompson youth development programme, helping young Northlanders access life-changing experiences at sea. Through immersive voyages aboard the iconic tall ship, participants develop leadership, teamwork, resilience and confidence while forming lasting connections with their peers and the region.

This sponsorship reflects our commitment to investing in the future of Te Tai Tokerau by supporting opportunities that empower rangatahi to realise their potential and contribute positively to their communities.

Photo left: The iconic R. Tucker Thompson, which supports youth development opportunities for rangatahi across Te Tai Tokerau.

NGĀ RIPOATA A TE HEAMANA ME TE TUMU WHAKARAE

CHAIR & CEO REPORT





Ko tēnei te whakamāori o te rīpoata Ingarihi i mua ake nei.

E whakaahurei ana mātou ki te whakatakoto i te Pūrongo ā-Tau a te Rōpū Far North Holdings Limited mō te tau i mutu i te 30 o Pipiri 2026, me te hoki whakamuri ki te tau kua pahure atu nei, nā, he tau i kitea ai te ahu whakamua, te mahi ngātahi me te tuku tonutanga o ngā hua mō Te Hiku i te Ika.

He tau tino whai hua te FY26 ahakoa te taiao ōhanga wero nei. Ka ū tonu a Far North Holdings ki te whakahaere pūtea tōtika, ka kōkiri i ngā kaupapa hapori me ngā kaupapa tūāhanga whakahirahira, ā, ka whakapakari tonu i ngā hononga me te tūāpapa rawa e tautoko ana i te wāriu toitū mō tō mātou Kaipupuri Hea me Te Hiku o te Ika nōki.

Ko tēnei tau te wāhanga tuatahi o tā mātou rautaki kua whakahoungia, e whakaatu ana i te aronga matua ki te tupu ā-whakawhanaketanga. Ko tā mātou aronga ko te waihanga me te kōkiri i tētahi ara kaupapa whare me ngā rawa arumoni e whakamahi ana i ō mātou pūkenga, e whakapakari ana i ngā whiwhinga ā muri ake nei, ā, e whai wāhi ana ki te whanaketanga ōhanga o Te Tai Tokerau.

Te Kaha Pūtea me te Wāriu mō te Kaipupuri Hea

I tutuki i a Far North Holdings te Tauākī Whāinga (SOI) mō te tau, a, he hua whakamahi e $3.2 miriona te rahi, e ai ki te hua whakahaere FY25 e $3.3 miriona. Ko te tapeke whiwhinga whānui he $5.2 miriona, tae atu ki ngā arotakenga wāriu o ngā rawa. He iti iho tēnei i te tapeke whiwhinga whānui o FY25, arā, e $11.4 miriona. Ka rerekē ngā hua arotake wāriu i ia tau, nā te wā e oti ai ngā kaupapa whakawhanake, ngā wāriu mākete me ngā whakatau mō te hangarua rawa. Ko te tirohanga whānui, e pakari tonu ana te wāriu o te kōpaki rawa a te Rōpū, e whakaatu ana i te kaha me te kounga o te tūāpapa rawa a Far North Holdings i roto i tētahi taiao mākete nui nei anō te wero.

Ngā Wāwānga

Nō te tau nei, i utua e Far North Holdings ngā wāwānga e $5.0 miriona ki FNDC, arā, he wāwānga noa me tētahi wāwānga motuhake. I whai tēnei i ngā wāwānga e $5.5 miriona i utua i te tau pūtea o mua, ā, kua eke te tapeke o ngā wāwānga kua utua i roto i ngā tau e rima kua pahure ki te $12.9 miriona. E tautokona ana ēnei taumata wāwānga e ngā hua whakawhanaketanga i whakatutukihia i ngā tau tata nei. Ahakoa e matapaetia ana ko te heke ngā wāwānga ā te wā tata, e aro tonu ana te Poari ki te whakapiki toitū i ngā wāwānga i te wā waenga mā ngā mahi whakawhanake hou, te hangarua rawa whai tikanga me tētahi ara kaupapa kaha ake.

Te Haumi ki ngā Hapori

Ko te whakawhanaketanga whare me ngā rawa arumoni te wāhanga tupu matua rawa a te Rōpū. E noho tonu ana ngā whare hapori hei wāhanga nui o aua mahi i te FY26, ā, i hangā i Kaitaia te kaupapa whare hapori e 28 ngā kāinga, he mea mahi ngātahi me te Claud Switzer Memorial Trust.

I kōkiri hoki a Far North Holdings i ngā mahi e pā ana ki ngā whakaaetanga rawa me te pūtea mō ētahi kaupapa whare, me ngā tono ki te pūtea ngāwari a te Kāwanatanga hei tautoko i ngā whare pāpori me ngā whare rīhi utu māmā. Ki te whakaaetia, ka tāpiri ēnei kaupapa ki te ara kaupapa whare a te Rōpū mō ngā rā e heke mai nei.

Nā ngā huringa o ngā kaupapa here a te Kāwanatanga i pā ai te wā me te mōhio pū o ngā arawātea whare ā muri ake nei, engari kīhei i huri te tino hiahia, te hiranga rautaki rānei o te hanga i tētahi ara kaupapa whakawhanake.

Ko te huarahi a Far North Holdings he āta whakahaere i ngā herenga o nāianei, he kōkiri i ngā hononga mahi e taea ana, me te pupuri i tētahi huarahi whakahaere whai tikanga ki ngā tūraru tuku, te hangarua rawa me te tohatoha pūrawa.

Te Whakatutuki Ngātahi me tō Mātou Kaipupuri Hea

E ū tonu ana tō mātou hononga ki FNDC hei pou matua mō te whakatutuki kaupapa. I roto i te tau, i kōkiri a Far North Holdings i ngā kaupapa matua mā te Kaunihera, tae atu ki te Whare Pukapuka me te Pokapū Hapori o Kaikohe, e haere tonu ana e ai ki te wā kua whakaritea me te pūtea kua whakaaetia. E ahu whakamua ana hoki ngā mahi whakapakari i te taunga rererangi o Kaitāia, ā, kua oti te papa rererangi matua me te wāhi tū waka rererangi, e ai ki te hōtaka me ngā pūtea kua whakaaetia.

Te Tūhono i Te Tai Tokerau

He wāhi nui tō ngā rawa waka me ngā rawa manuhiri a Far North Holdings ki te tūhono i te tangata, te āhei o ngā pakihi ki te mahi, me te manaaki hoki i ngā manuhiri ki te rohe nei. I te kaupeka o ngā kaipuke whakatere, i pōwhiritia e te Pēwhairangi ngā kaipuke whakatere e 42 me ngā pāhihi e 84,000. Ahakoa he iti iho ngā toronga kaipuke tērā i ngā taumata o FY25, e kaha tonu ana te hiahia o ngā manuhiri ki te rohe nei, ā, ka tū tētahi rekoata o Aotearoa mō te maha o ngā haerenga ki uta nō tētahi kaipuke kotahi.

E noho tonu ana te Taunga Rererangi o Pēwhairangi hei hononga ā-rohe tino hirahira, ā, eke ana te tokomaha o ngā pāhihi ki te 124,000 mō te tau. Ahakoa e pāngia ana ngā hōtaka rerenga a Air New Zealand ki ngā taimahatanga ā-kora, i whakarato tonu te taunga rererangi i ngā hononga whakahirahira mō ngā kainoho, ngā pakihi me ngā manuhiri anō hoki. I whai wāhi hoki a Far North Holdings ki ngā kōrero whānui a te rāngai mō ngā hurihanga ture kua marohitia e te Civil Aviation Authority, ā, e hāngai ana ēnei ki te whakawhānui ake i te papa rererangi ā muri ake nei.

Mā te whakawhānui i te papa rererangi e tautoko ngā hiahia ā muri ake nei mō te kāhui waka rererangi a Air New Zealand, ā, ka āwhina hoki ki te tiaki i ngā ratonga rererangi tautini mō Te Tai Tokerau. Ka whakapakari hoki tēnei i te tupu ā-rohe mā te whakapai ake i te urunga mai o ngā manuhiri, te tautoko i ngā hononga pakihi, me te whakapūmau i te tūranga o te taunga rererangi hei tūāhanga matua mō te tāpoi, te haumitanga me te manawaroa o te hapori.

NGĀ RIPOATA A TE HEAMANA ME TE TUMU WHAKARAE

CHAIR & CEO REPORT

Ko tēnei te whakamāori o te rīpoata Ingarihi i mua ake nei.

Te Titiro Whakamua

E titiro whakamua ana mātou ki FY27, ā, e tū pai ana a Far North Holdings ki te whakapakari, ki te waihanga nōki i tētahi ara kaupapa e whai hua ai Te Hiku.

E mārama ana ā mātou kaupapa matua: ko te tohatoha pūrawa whai tikanga, ko te whakahaere kaha i te ara kaupapa whakawhanake, ko te āta tiaki i ngā rawa, ko te whakapiki i te pai o ngā mahi, me ngā hua toitū hei haumi, hei utu wāwānga hoki.

E mahi tonu ana mātou ki te whakataurite i te whakatutukitanga arumoni ki ngā hua whānui mō te rohe. Ko te mahi a Far North Holdings he waihanga wāriu toitū mō FNDC, he whai wāhi ki te oranga me te tōnuitanga o ngā hapori o Te Tai Tokerau, me te whai i ngā mahinga whare nunui, te arumoni me te whakatutuki kaupapa ā-rohe, e hāngai tahi ana te tūraru, te hua me ngā tūmanako o te ngā kaipupuri hea.

Ngā Tāngata me ngā Hononga

Ko te hainatanga o tētahi Whakaaetanga Hononga ki a Ngāti Rangi ki Ngawha mō te Ngawha Innovation & Enterprise Park tētahi atu tohu whakahirahira, e whakaatu ana i te kaha o tēnei hononga kua roa e tū ana me te ū ngātahi ki te anamata o te Park rā.

E hari ana hoki mātou ki te pōwhiri i a Tony Sewell ki te Poari o Far North Holdings i tēnei tau. Ka nui nei anō ngā wheako whai tikanga o Tony ki te mana whakahaere, te ao arumoni me te whakawhanaketanga, ā, e tautoko katoa ana ēnei i ngā mahi a te Rōpū i a mātou e whakahaere ana i ngā tūraru tuku, ngā arawātea mahi ngātahi me ngā hua mō te hapori ā haere ake nei.

Ka nui nei anō ā mātou mihi ki ō mātou kaiwhakahaere, kaimahi, hoa mahi, kairīhi, kiritaki me ngā kaipupuri hea mō tō rātou tautoko tonutanga. Ko ngā mahi i tutuki i te FY26 e whakaatu ana i te ū o ō mātou tāngata me te kaha o ngā hononga e pou here ana i ngā mahi a Far North Holdings puta noa i Te Hiku o te Ika.

Sarah Petersen
Heamana

Andy Nock
Tumu Whakarae



Far North Holdings is proud to be leading, on behalf of Far North District Council, the delivery of Kaikohe's new Library and Civic Hub, a transformative community facility designed to bring people together through learning, creativity and connection.

Scheduled to open in November 2026, the Hub will provide modern library services alongside community spaces, meeting rooms and innovative facilities that support lifelong learning and engagement.

Photo left: Window artwork installed within the new Kaikohe Library and Civic Hub.

FY26 AT A GLANCE
HE TIROHANGA KI TE TAU PŪTEA 2026

Dividends Paid



$5.0 million
FY25: $5.5 million

New Community Housing Homes



28 In Progress
FY25: 59 Completed

SOI Operating Profit



$3.2 million
FY25: $3.3 million

Cruise Ships



42 Ships
84,000 Passengers
FY25: 70 Ships
FY25: 126,000 Passengers

Total Assets



$215.0 million
FY25: $214.9 million

Passenger Numbers



124,000 Bay of Islands
FY25: 128,000 Bay of Islands

FNDC Rates Paid



$0.5 million
FY25: $0.5 million

Giving Back to Our Community



$109,000
FY25: $130,000

Gender Diversity



21 Women | Wāhine
FY25: 20

40 Men | Tāne
FY25: 45

International Yacht Arrivals



310
FY25: 418

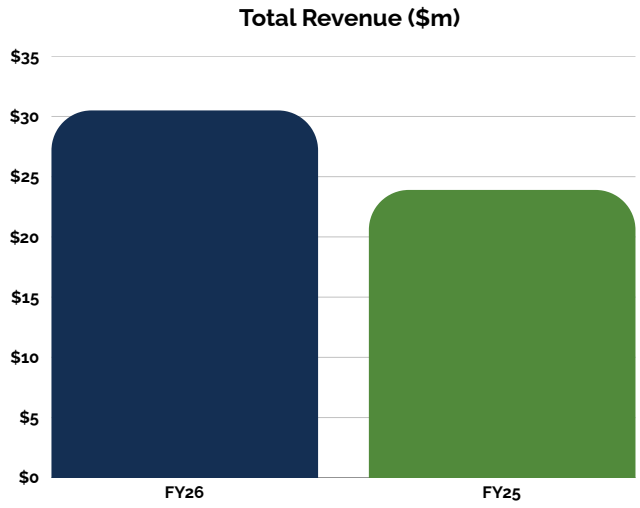
FINANCIAL OVERVIEW

TE TIROHANGA AHUMONI

Far North Holdings Limited delivered a strong financial result for the year ended 30 June 2026, supported by increased revenue across the Group's commercial, marina, property and service activities. The result reflects continued demand for the Group's assets and services, alongside the impact of property valuation movements and ongoing investment in assets that support economic, commercial and community outcomes across the Far North.

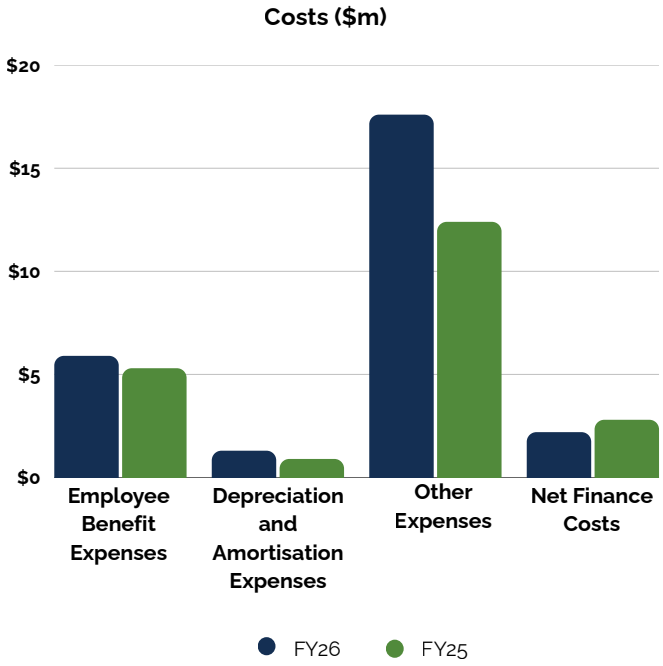
Income Statement

Revenue



The Group generates revenue from a diverse range of activities, including property rentals, marina berth rentals and fees, boatyard services, airport operations, and property development. Development-related revenue can fluctuate from year to year, depending on the scale, timing and nature of projects undertaken, and whether assets are developed for sale or retained for long-term ownership. The increase in revenue in FY26 was primarily driven by higher levels of development activity compared with FY25.

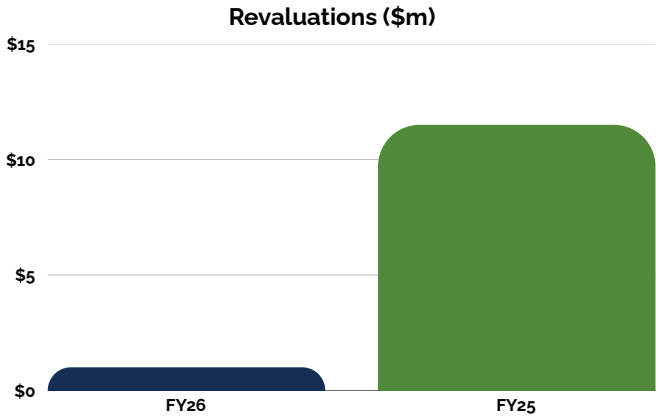
Costs



Operating costs increased during FY26, largely reflecting the higher level of revenue-generating development activity undertaken during the year. During FY26, the fuel business transitioned from an inventory ownership model to a commission-based arrangement. While this reduced both revenue and associated costs, it had no material impact on profitability.

The year also represented the first full year of borrowing through the Local Government Funding Agency (LGFA), providing access to lower-cost funding and contributing to reduced finance costs compared with FY25.

Revaluations

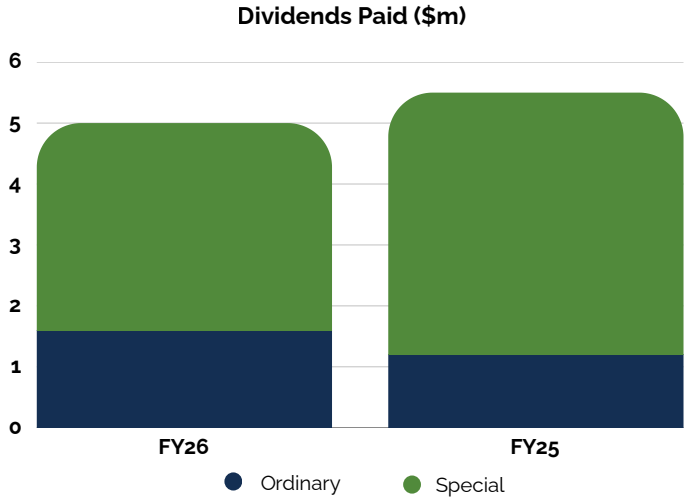


As a property-focused group, the valuation of assets can have a significant impact on reported financial results and may fluctuate from year to year due to market conditions, construction activity, asset classifications and independent valuation assessments. Revaluation movements recorded in FY26 primarily related to properties held throughout the year and did not result in any significant changes to overall asset values.

Dividends

Dividends paid during the year of $5 million were made up of a $1.6 million ordinary dividend attributable to the operating profit generated for the year ended 30 June 2025 and a special dividend of $3.4 million.

The special dividend was delivered through realised gains from the sale of properties that no longer aligned with the company's long-term objectives for its asset portfolio, together with development gains achieved across the business in recent years.

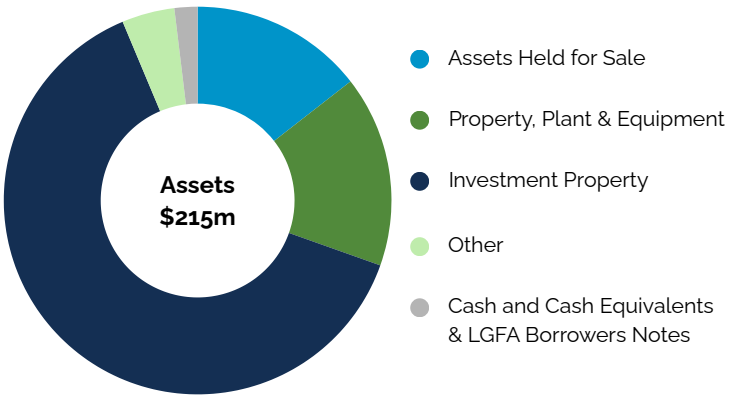


FINANCIAL OVERVIEW
TE TIROHANGA AHUMONI

Financial Position

The Group maintained a strong financial position at 30 June 2026, with total assets of approximately $215.0 million and total equity of $103.8 million. The equity-to-assets ratio was 48.3%, remaining above the Statement of Intent minimum target of 45%. The statement of financial position continues to reflect the Group's significant property portfolio, prudent debt management and capacity to support future investment opportunities.

Assets

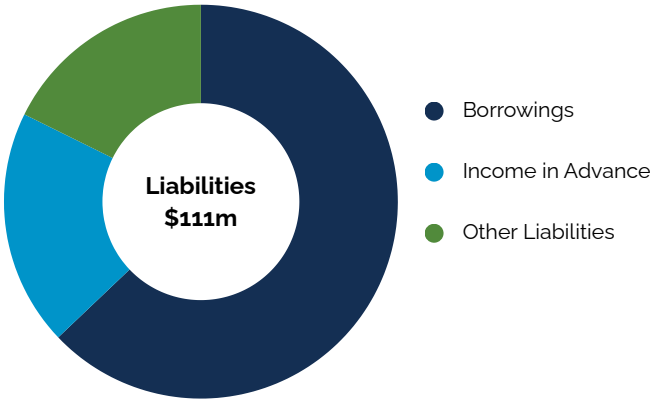


Investment property remains the Group's largest asset category at approximately $138.1 million and reflects the long-term nature of the Group's commercial property holdings.

Assets classified as held for sale represent assets identified for disposal as part of the Group's ongoing strategy of recycling capital from mature assets into new investment opportunities.

LGFA borrower notes held by the Group are interest-bearing investments required under the terms of long-term LGFA borrowing arrangements.

Liabilities



Income received in advance primarily relates to long-term marina berth licences, where cash is received upfront and recognised as revenue over the licence term.

Borrowings are provided through the Local Government Funding Agency (LGFA) and support the Group's investment activities. Although certain facilities are classified as current due to rollover dates, the borrowing programme is managed on an ongoing basis and remains well within covenant requirements.

Asset Returns

Far North Holdings holds a mixed portfolio of commercial assets, regionally strategic assets and assets that support regional economic development and growth. Returns from assets held for strategic or regional economic development purposes are generally expected to be lower than typical commercial benchmarks, reflecting their broader contribution and long-term benefits to the Far North.

Far North Holdings measures returns on assets at an earnings before interest and tax (EBIT) level, after allocating Group overhead across asset classes. Returns are primarily assessed against the asset valuations recorded in the Group statement of financial position. These valuations are typically higher than the original cost of the assets, reflecting market movements and the quality of the underlying portfolio.

Assets and Returns












OUR PEOPLE
Ā MĀTOU TĀNGATA

Our people are our greatest strength. This section shares the stories, achievements and initiatives that support a thriving workplace and celebrate the diverse individuals who contribute to our success every day.











OUR PEOPLE
Ā MĀTOU TĀNGATA

Celebrating Long Service

Jane Wubben



Jane joined the Marina team in February 2000, just weeks before it officially opened, initially designing its first website and helping establish the office. One of only two employees at the time, she has played a key role in the Marina's growth and success over the past 26 years.

Having witnessed the transformation of the area from a largely undeveloped site into a thriving destination, Jane has seen the Marina become a hub for visitors, sailing events, fishing tournaments and international boating traffic. She is particularly proud of helping champion the development of Opua Marina Stage 2 and of contributing to the Marina's ongoing evolution.

"You are always learning new things. Your brain is never idle, and that's what I love about the job."

What has kept Jane motivated throughout her career is the variety, challenge and constant opportunity to learn. Whether helping customers solve problems or navigating the unexpected situations that arise in a busy marina environment, no two days are ever the same. For Jane, being part of the Marina's journey and serving a diverse range of people has made every year rewarding.

Chad Holmes



Chad Holmes began his career as a marine tradesman with Opua Marine Painters, a long-standing tenant operating within the Bay of Islands Boatyard. Specialising in boat sanding and antifouling, he developed strong technical skills and a passion for the marine industry.

As the Boatyard evolved under Far North Holdings ownership, Chad continued to build on his expertise, eventually becoming a Marine Spray Painter and a valued member of the team when Opua Marine Painters became part of the organisation.

Over the years, Chad has built extensive industry knowledge while contributing to the success of the Bay of Islands Boatyard and witnessing the growth of both the business and the wider Opua community.

One of Chad's career highlights was being involved in Team New Zealand's America's Cup campaign during his time with Opua Marine Painters, helping prepare and paint the yacht alongside the Boatyard crew.

"What makes this place special is the team. When everyone works together and supports one another, we're like whānau."

For Chad, it's the people and the strong sense of teamwork that have made his career so rewarding, and he remains committed to delivering quality workmanship while supporting those around him.

Leading Safety in Aviation

Hanna Munro



Hanna has built a diverse career in the aviation industry, combining a passion for aviation with a commitment to operational excellence. She plays a key role in supporting the day-to-day management of airport operations while helping ensure the airport remains safe, compliant and efficient.

Her aviation background extends beyond the workplace, having earned her Private Pilot Licence and maintained a long-standing interest in flying.

A significant milestone in Hanna's career was becoming the airport's Safety Manager. Achieving this responsibility required a rigorous interview process with the Civil Aviation Authority (CAA), demonstrating her knowledge, capability and understanding of aviation safety requirements. Taking on the role marked an important step in her professional journey and reflects the expertise and dedication she brings to the organisation.

"Aviation has always been a passion of mine, and I am proud to play a role in helping keep our airport safe and successful."

As a woman working in the aviation industry, Hanna is proud to contribute to a sector where diverse perspectives and strong leadership continue to shape the future of aviation. Through her work in airport administration and safety management, she helps create an environment where aviation can operate safely, efficiently and effectively for the benefit of the wider community.

From Project Cadet to Project Manager

Hori Tane



When Hori Tane joined Far North Holdings as a Project Cadet in January 2023, fresh out of Bay of Islands College, he saw an opportunity to build a career while contributing to the communities he cares deeply about. Encouraged to apply by his P.E. teacher, Hori was drawn to the chance to stay in Northland and make a meaningful difference close to home.

Since joining the organisation, Hori has embraced every opportunity to learn and grow. Early involvement in the Ngawha Innovation & Enterprise Park project provided valuable exposure to project management and helped him build the administration, relationship management and organisational skills needed to succeed.

"The skills I've developed, the relationships I've built, and the opportunities I've been given have made my journey incredibly fulfilling."

Today, Hori is managing the Kaikohe Library and Civic Hub project, a milestone that reflects both his hard work and the investment made in his development. Having been involved from the early design stages through to construction, he is proud to be helping deliver a project that will serve the Kaikohe community for years to come.

Looking back, Hori is most proud of the personal and professional growth he has achieved and remains excited about creating opportunities and delivering projects that benefit Northland communities.

OUR PEOPLE
Ā MĀTOU TĀNGATA

Listening to Our People: Great Place to Work

This year, we undertook our first Great Place to Work employee survey, providing our people with an opportunity to share honest feedback about their experience working at Far North Holdings. The survey marked an important milestone in our commitment to creating a workplace culture where our employees feel valued, supported, and able to thrive.

The results were overwhelmingly positive, with a high percentage of employees indicating that our organisation is a great place to work. As a result, we achieved Great Place to Work Certification, an internationally recognised benchmark of workplace culture and employee experience.

The survey provided valuable insights into what we are doing well and highlighted opportunities for continuous improvement. Importantly, this was not a one-off initiative. The Great Place to Work survey will now become an annual exercise, ensuring we regularly listen to our people, track our progress, and continue building a workplace where everyone can succeed.

Achieving certification is a reflection of the positive culture our employees help create every day, and we thank our team for their engagement, honesty, and commitment throughout the process.

Supporting Wellbeing Every Day

Supporting the wellbeing of our people remains a key priority, and this year we took an important step forward with the introduction of My Everyday Wellbeing for all employees.

The digital wellbeing platform provides access to a wide range of tools, resources, and support designed to help employees maintain and improve their overall wellbeing. Recognising that wellbeing extends beyond the individual, each employee also receives licences for two family members, enabling whānau to benefit from the programme as well.



The platform supports multiple aspects of wellbeing, including mental, physical, financial, and social health, helping employees and their families access practical resources whenever and wherever they need them.

By investing in proactive wellbeing initiatives, we are building a healthier, more resilient workforce and reinforcing our commitment to ensuring our people feel supported both at work and at home. The introduction of My Everyday Wellbeing is an important part of our ongoing focus on creating a workplace where people can perform at their best while maintaining balance and wellbeing in their daily lives.

Supporting our people, strengthening our future

Bringing Our People and Whānau Together

In May, we welcomed employees and their families from across the organisation to a special Whānau Day at Bay of Islands Airport. The event was designed to bring our people together, strengthen connections across teams, and provide an opportunity for families to learn more about the work we do.

The day offered something for everyone, with games, face painting and barbecue refreshments, while rides in the airport fire trucks were a highlight for guests young and old. Attendees also enjoyed learning more about the airport, including behind-the-scenes insights into its operations and the important role it plays in connecting our communities.

Whānau Day was more than just a family event; it was an opportunity to celebrate our people and recognise the support that families provide behind the scenes. By opening our workplace to whānau, we strengthened connections, built new relationships across the organisation, and created a shared sense of pride in what we achieve together.

The success of the day highlighted the value of fostering a connected and inclusive culture, where employees and their families feel part of the wider organisational whānau.



Image Right: Bubbles, Fire Trucks & Family Fun at our Bay of Islands Airport Whānau Day



DELIVERING FOR OUR COMMUNITY

NGĀ MAHINGA MŌ TE HAPORI

Our commitment to the Far North is reflected in the projects, partnerships and initiatives that support thriving communities. This section highlights some of the ways we are creating positive outcomes for the people, places and communities we serve.



DELIVERING FOR OUR COMMUNITY
NGĀ MAHINGA MŌ TE HAPORI

Record-Breaking Cruise Visit Delivers Boost for the Far North



A record-breaking day for cruise tourism in the Bay of Islands highlighted the region's growing appeal as a premier destination for international visitors. During the visit of Discovery Princess in February 2026, a new New Zealand record was set for shore excursions managed by IDNZ, surpassing the previous national benchmark and reinforcing the Bay of Islands' reputation as a leading cruise port.

The achievement reflected the collective efforts of Far North Holdings, tourism operators, transport providers, ships' agents and support crews, who worked together to deliver a seamless visitor experience both on the water and ashore. Shore excursions provide an important connection between cruise passengers and local businesses, culture and attractions, generating significant economic benefits for the Far North while showcasing the region to thousands of international visitors. Far North Holdings' purpose-built tender facility at Waitangi continues to play a critical role in supporting safe, efficient and high-quality cruise operations that contribute to regional prosperity.

Major Milestone Reached in Kaitaia Airport Upgrade

A major milestone was achieved in the $5.4 million Kaitaia Airport Upgrade and Resilience Programme with the successful resealing of the main runway and apron. Delivered by Far North Holdings on behalf of Far North District Council, the project is designed to strengthen the airport's long-term safety, reliability and operational performance, ensuring critical services such as Air Ambulance operations, visiting medical services and Barrier Air flights can continue to support communities across Te Hiku and the wider Far North for years to come.

The runway reseal was completed during a carefully coordinated 10-day airport closure, allowing contractors to safely undertake the large-scale works while minimising disruption to airport users. Alongside the reseal, further upgrades are progressing across the site, including new security fencing, terminal and fuel facility improvements and runway lighting enhancements. Wherever possible, local contractors have been engaged throughout the programme, supporting regional employment while helping future-proof this critical infrastructure and position the airport to serve the Far North for the next 10 to 15 years.



Swordfish Club Brings New Energy to Opua



The Bay of Islands Swordfish Club officially opened its new waterfront clubrooms at Bay of Islands Marina, creating a vibrant new hub for the Opua community, boaties and visitors. Strongly supported by volunteers, donors and community leaders, the project has transformed a long-held vision into a welcoming space that celebrates the region's deep connection to the water while enhancing the marina precinct as a destination for locals and travellers alike.

Since opening, the club has quickly established itself as a thriving centre for community activity, hosting fishing tournaments, social events and special occasions in a unique harbourfront setting. With strong support from members and visitors, and plans already underway to expand its outdoor event space, the club is contributing to increased visitation and community connection while strengthening Opua's reputation as a premier boating destination in New Zealand.

DELIVERING FOR OUR COMMUNITY
NGĀ MAHINGA MŌ TE HAPORI

Building Homes, Strengthening Communities in Kaitaia



Construction got underway on a new community housing development in Kaitaia that will provide 28 one-bedroom homes designed to support independent living for Te Hiku residents aged over 50. Delivered through a partnership between Far North Holdings, the Claud Switzer Memorial Trust, and the Ministry for Cities, Environment, Regions and Transport, the project will provide safe, accessible and well-designed homes for up to 56 community members, with completion scheduled for November 2026.

The development has been designed to promote wellbeing, connection and independence, with 12 homes incorporating enhanced accessibility features. Landscaped gardens, shared community spaces and recycling facilities will further support a vibrant and connected living environment.

Building the Future Together at Ngawha

Ngāti Rangi ki Ngawha and Far North Holdings formalised a long-standing partnership in November 2025 through the signing of a Relationship Agreement for Ngawha Innovation & Enterprise Park. The agreement acknowledges Ngāti Rangi ki Ngawha as mana whenua and reflects a shared commitment to the ongoing success of the Park and the prosperity of Te Tai Tokerau.

The signing marked an important milestone in a kaupapa five years in the making, strengthening collaboration between Far North Holdings and Ngāti Rangi ki Ngawha. Together, the partners are committed to supporting sustainable economic growth, employment opportunities, innovation, and environmental stewardship as the Park continues to develop as a hub for regional enterprise and future-focused industries.



Working Together for Emergency Preparedness



In December, Bay of Islands Airport conducted its biannual emergency exercise, testing the airport's preparedness and response to an aircraft emergency. Using an aircraft provided by Merlin Labs, the Airport Fire Rescue team carried out the initial emergency response before working alongside Fire and Emergency New Zealand, Hato Hone St John, and New Zealand Police to manage the simulated incident.

The exercise provided a valuable training and learning opportunity for all agencies involved, strengthening coordination and response capabilities across the wider emergency services network. Regular exercises such as this help ensure the airport and its emergency response partners remain well prepared to respond effectively should a real emergency occur.

Giving Back to the Community at Christmas

In December 2025, Far North Holdings' annual Christmas Toy Drive brought together staff, tenants, and visitors, with toy donations collected across all Far North Holdings sites. The generous response helped create a meaningful contribution to families in need during the festive season and highlighted the strong sense of community across our region.

All donated toys were gifted to Bald Angels, supporting their work to bring Christmas cheer to local whānau in Te Tai Tokerau. The success of the initiative reflects Far North Holdings' commitment to supporting community wellbeing and demonstrates the positive impact that can be achieved through collective generosity.



GOVERNANCE & LEADERSHIP
TE MANA WHAKAHAERE ME TE HAUTŪTANGA

Far North Holdings Independent Directors



Sarah Petersen
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 Far North Holdings Group Positions Held:
- Far North Housing Ltd - Chair
- Northern Housing Ltd - Chair
- Bay of Islands Marina Ltd - Chair
- Audit & Risk Committee - Member
- Remuneration Committee - Member



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 Far North Holdings Group Positions Held:
- Bay of Islands Marina Ltd - Director
- Audit & Risk Committee - Member
- Remuneration Committee - Member



Nicole Anderson
Deputy Chair

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

Additional Far North Holdings Group Positions Held:
- Audit & Risk Committee - Chair
- Remuneration Committee - Member



Tony Sewell
Director
(appointed 1 October 2025)

Tony Sewell joined the Far North Holdings Board in October 2025, bringing over 50 years' experience in property and construction, including leadership of Ngāi Tahu Property and advisory work through his own consultancy.

Additional Far North Holdings Group Positions Held:
- Far North Housing Ltd - Director (from 1 April 2026)
- Northern Housing Ltd - Director (from 1 April 2026)



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 Far North Holdings Group Positions Held:
- Remuneration Committee - Chair



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
- Paul MacDonald - Independent Director (appointed 1 July 2026)

Far North Housing Ltd

- Sarah Petersen - Chair
- William (Bill) Birnie CNZM - Independent Director
- Brian Donnelly - Independent Director
- Tony Sewell - Director (from 1 April 2026)

Northern Housing Ltd

- Sarah Petersen - Chair
- William (Bill) Birnie CNZM - Independent Director
- Brian Donnelly - Independent Director
- Tony Sewell - Director (from 1 April 2026)

Leadership Team



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.

She brings extensive experience in financial leadership, governance, and commercial performance across complex infrastructure and asset-based organisations.



Robert Binney
Chief Operating Officer

Rob Binney leads the operational management and oversight of Far North Holdings' health and safety, airport operations, and maritime business activities. Prior to joining Far North Holdings, Rob served as CEO of Kapiti Coast Airport Holdings Ltd and has built significant expertise through leadership roles with Doha and Hamad International Airports, Auckland International Airport, and a range of New Zealand businesses.



Patrick O'Reilly
Chief Property Officer

Patrick O'Reilly leads Far North Holdings' property portfolio and property strategy, drawing on more than 30 years' experience across funds management, asset and property management, valuation, and advisory.

A Fellow and former President of the Property Institute of New Zealand, Patrick received the Institute's 2024 President's Award and is a Member of the Institute of Directors.



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

TE TAUĀKĪ PŪTEA MŌ TE TAU OTI ANA I TE 30 O HUNE 2026

Sound financial management underpins our ability to deliver for our communities. This section presents the FY26 audited financial statements, statement of service performance and auditor's report.

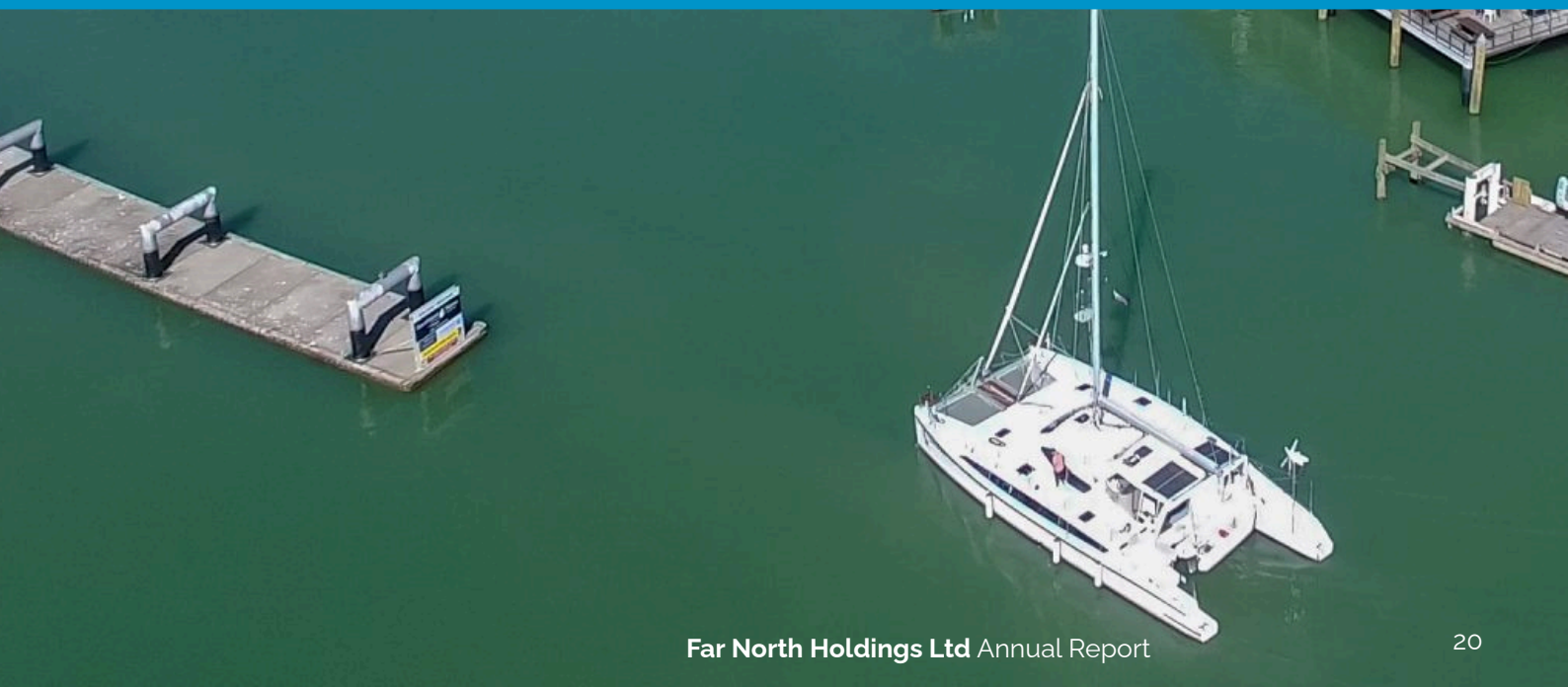


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Directors' Responsibility Statement
For the Year Ended 30 June 2026

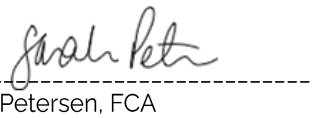
The directors have pleasure in presenting to the shareholders the Annual Report and audited financial statements of Far North Holdings Limited (the "Group") for the year ended 30 June 2026.

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 2026 and its financial performance for the year ended on that date.

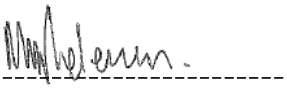
The directors consider that the financial statements of the group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates, and comply with New Zealand equivalents to IFRS Accounting Standards – Reduced Disclosure Regime as appropriate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



N Anderson
Deputy Chair

30 September 2026
Date

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2026

	Note	2026	2025
		$000	$000
Revenue from contracts with customers	1	29,351	22,617
Other income	2	1,187	1,333
		30,538	**23,950**
Employee benefit expenses	3	5,929	5,383
Depreciation and amortisation expenses	4	1,336	950
Other expenses	5	17,896	12,407
Operating profit before net finance costs		**5,377**	**5,210**
Finance income		136	141
Finance expenses		2,342	3,026
Net finance costs	6	**2,206**	**2,885**
Profit before other non-operating movements		**3,171**	**2,325**
Share of profits/(losses) of associates	7	95	523
Devaluation of assets held for sale		(1,206)	(195)
Net gains on valuation of investment property	8	2,304	11,780
Profit before income tax		**4,364**	**14,433**
Income tax credit/(expense)	9	603	(3,750)
Profit for the period		**4,967**	**10,683**
Revaluation of property, plant and equipment	10	324	983
Tax on items that will not be reclassified to profit or loss	9	(91)	(275)
Other comprehensive income for the year, net of tax		**233**	**708**
Total comprehensive income for the year		**5,200**	**11,391**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2026

	Share capital	Property revaluation reserve	Buildings & maintenance reserves	Capital reserve	Retained earnings	Total equity
		$000	$000	$000	$000	$000
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**
Balance at 1 July 2025	18,000	13,208	989	72	71,343	103,612
Profit for the year	-	-	-	-	4,967	4,967
Revaluation of property, plant and equipment	-	233	-	-	-	233
Total comprehensive income for the year	**-**	**233**	**-**	**-**	**4,967**	**5,200**
Transfers		-	(151)		151	-
Transactions with owners of the company in their capacity as owners:						
Dividends paid	-	-	-	-	(5,000)	(5,000)
Total transactions with owners of the company	**-**	**-**	**-**	**-**	**(5,000)**	**(5,000)**
Balance at 30 June 2026	**18,000**	**13,441**	**838**	**72**	**71,461**	**103,812**

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 2026

	Note	2026 $000	2025 $000
Assets			
Non-current assets			
Property, plant and equipment	10	34,843	33,530
Right of Use Assets	11	257	-
Investment property	8	138,058	149,426
Other investments/loans	12	1,035	958
Intangible assets	13	105	159
LGFA Borrowers notes	20	1,316	1,316
Investments in associates	7	-	13,758
Total non-current assets		**175,614**	**199,147**
Current assets			
Inventories	14	17	8,387
Assets held for sale	15	31,580	2,334
Trade and other receivables and prepayments	16	4,148	1,251
Contract assets		766	402
Cash and cash equivalents	17	2,877	3,356
Total current assets		**39,388**	**15,730**
Total assets		**215,002**	**214,877**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2026

	Note	2026 $000	2025 $000
Equity and Liabilities			
Equity			
Share capital	18	18,000	18,000
Reserves	19	14,351	14,269
Retained earnings		71,461	71,343
Total equity		**103,812**	**103,612**
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	20	15,789	26,316
Income in advance	21	20,770	17,665
Lease Liabilities	22	206	-
Deferred tax liability	9	9,279	9,791
Total non-current liabilities		**46,044**	**53,772**
Current liabilities			
Trade and other payables	23	9,569	6,429
Employee benefits	24	787	612
Interest-bearing loans and borrowings	20	53,976	48,750
Income in advance	21	760	1,702
Lease Liabilities	22	54	-
Total current liabilities		**65,146**	**57,493**
Total liabilities		111,190	111,265
Total equity and liabilities		**215,002**	**214,877**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2026

	Note	2026 $000	2025 $000
Cash flows from operating activities			
Cash receipts from customers		28,025	23,401
Cash paid to suppliers and employees		(11,875)	(19,163)
GST (paid)/received		115	(1,430)
Interest received		136	141
Income tax paid		-	(843)
Interest paid		(2,097)	(2,852)
Net cash inflow/(outflow) from operating activities		**14,304**	**(746)**
Cash flows from investing activities			
Purchase of property, plant and equipment and investment property		(7,755)	(11,228)
Loan to associate		-	(12)
Purchase of LGFA borrower notes		-	(1,316)
Purchase of share in associate		-	(49)
Proceeds from sale of property, plant and equipment, investment property and assets held for sale		2,651	4,974
Dividends received		653	-
Distributions from associates		-	709
Net cash outflow from investing activities		**(4,451)**	**(6,922)**
Cash flows from financing activities			
Interest-bearing loans and borrowings advance		-	75,066
Interest-bearing loans and borrowings repayment		(5,301)	(58,397)
Principal repaid on lease liability		(31)	-
Dividends paid		(5,000)	(5,500)
Net cash (outflow)/inflow from financing activities		**(10,332)**	**11,169**
Net (decrease)/increase in cash and cash equivalents		(479)	3,501
Cash and cash equivalents at beginning of year		3,356	(145)
Cash and cash equivalents at end of year	**17**	**2,877**	**3,356**

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 2026

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 (Far North Holdings) 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. Northern Housing Limited's interests in Limited Partnerships have been accounted for as a share in associates using the equity method until they have been transferred to Assets Held for Sale.

The Group financial statements are for the year ended 30 June 2026 and were authorised for issue by the Directors on 30 September 2026.

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

- Far North Holdings has the potential to defer capital expenditure, should it be required
- Continued support from Far North Holdings lending partners - refer note 20 for further details
- Far North Holdings is expected to be solvent and able to meet cash flow 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 include 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.

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 or 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.

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

(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.

	2026 $000	2025 $000
Goods sold	5	2,366
Services	20,452	12,411
Commission	239	45
Rental income	8,655	7,795
Total revenue from contracts with customers	**29,351**	**22,617**

2. OTHER INCOME

	2026 $000	2025 $000
Government grants	-	20
Dividends received	653	-
Gain on sale of investment property	520	1,275
Depreciation recovered	14	38
Total other income	**1,187**	**1,333**

3. EMPLOYEE BENEFIT EXPENSES

(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.

	2026 $000	2025 $000
Salaries and wages	5,577	5,261
Contributions to KiwiSaver	177	159
(Decrease)/increase in employee benefit liabilities	175	(37)
Total employee benefit expenses	**5,929**	**5,383**

4. DEPRECIATION AND AMORTISATION EXPENSES

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.

4. DEPRECIATION AND AMORTISATION EXPENSES (cont.)

	2026 $000	2025 $000
Depreciation, property, plant & equipment	1,299	947
Amortisation intangible assets	3	3
Depreciation right of use assets	34	-
Total depreciation & amortisation	**1,336**	**950**

5. OTHER EXPENSES

	2026 $000	2025 $000
Audit Fees paid to Deloitte for the following:		
Audit of the financial statements	153	155
Directors fees	356	337
Donations	5	11
Inventories	225	2,210
Impairment of receivables	229	13
Loss on sale of shares	8	143
Minimum lease payments under operating leases	119	144
Direct expenses from investment property generating income	2,620	2,566
Other operating expenses	14,181	6,828
Total other expenses	**17,896**	**12,407**

6. NET FINANCE COSTS

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 and lease liabilities.

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.

	2026 $000	2025 $000
Recognised in profit or loss:		
Finance Income		
Interest income on loans and receivables	136	141
Finance Expense		
Interest expenses on financial liabilities measured at amortised cost	2,335	3,026
Interest expense on lease liabilities	7	-
	2,342	3,026
Net finance costs	**2,206**	**2,885**

7. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

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.

7. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES (cont.)

	Country of incorporation and place of business	Portion of ownership held	
		2026	2025
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 previously determined that the Company had significant influence over Kaikohe Berryfruit Limited Partnership, notwithstanding its 12% ownership interest, because of its representation on the Board of Directors. That directorship ceased during the year, and from that date the Directors concluded that Far North Holdings no longer had significant influence. The Group therefore ceased accounting for the investment as an associate and reclassified the shareholding as an other investment

The value of investments in other associates is now more likely to be realised through sale rather than continued ownership. Investments totalling $13.8 million have been transferred to 'assets held for sale' at 31 August 2025. An active plan is in place to dispose of these assets however, details of this have not been disclosed due to commercial sensitivities (refer note 15).

8. INVESTMENT PROPERTY

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.

	2026	2025
	$000	$000
Balance at 1 July	149,426	130,306
Additions	5,868	6,544
Disposals	-	-
Transfer from/(to) assets held for sale	(18,715)	796
Transfer from/(to) property, plant & equipment	(825)	-
Change in fair value	2,304	11,780
Balance at 30 June	**138,058**	**149,426**

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

8. INVESTMENT PROPERTY (cont.)

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 Melody Richards and Talei Atwell, Registered Valuers of the firm CBRE Limited, and the valuation is effective at 30 June 2026. The prior valuation was completed 30 June 2025. Valuations are completed every year for all investment properties.

9. INCOME TAX

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.

9. INCOME TAX (cont.)

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

	2026 $000	2025 $000
Income tax recognised in profit or loss:		
Current tax - prior period adjustment	-	843
Deferred tax expense - prior period adjustment	52	-
Deferred tax expense	(655)	2,907
Total income tax expense	**(603)**	**3,750**
Income tax recognised in other comprehensive income:	91	275
Aggregate deferred tax relating to items in other comprehensive income	91	275

b) Reconciliation of income tax expense

	2026 $000	2025 $000
Profit before income tax expense	4,364	14,433
Tax expense at 28%	1,222	4,041
Permanent differences	(1,877)	(722)
Other movements	52	431
Tax expense	**(603)**	**3,750**

c) Deferred tax

	2026 $000	2025 $000
Balance at the beginning of the year	9,791	6,609
Prior period movement	52	-
Current year movement	(564)	3,182
Deferred tax liability	**9,279**	**9,791**

9. INCOME TAX (cont.)

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

	2026 $000	2025 $000
Property, plant and equipment other	594	723
Property, plant and equipment buildings	2,277	2,233
Investment property and properties intended for sale	6,745	7,191
Employee benefits	(110)	(86)
Tax losses	(70)	(199)
Other items	(157)	(71)
Deferred tax liability	**9,279**	**9,791**

d) Movement in deferred tax income tax assets and liabilities

	Balance at 30 June 2024 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance at 30 June 2025 $000	Recognised in profit or loss $000	Recognised in other comprehensive income $000	Balance at 30 June 2026 $000
Property, plant and equipment other	602	121	-	723	(129)	-	594
Property, plant and equipment buildings	1,695	263	275	2,233	(47)	91	2,277
Investment property and properties intended for sale	4,479	2,712	-	7,191	(446)	-	6,745
Employee benefits	(106)	20	-	(86)	(24)	-	(110)
Tax losses	-	(199)	-	(199)	129	-	(70)
Other items	(61)	(10)	-	(71)	(86)	-	(157)
Total deferred tax liability	**6,609**	**2,907**	**275**	**9,791**	**(603)**	**91**	**9,279**

10. PROPERTY, PLANT AND EQUIPMENT

(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

10. PROPERTY, PLANT AND EQUIPMENT (cont.)

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 Melody Richards and Talei Atwell, Registered Valuers of the firm CBRE Limited, and the valuation is effective at 30 June 2026.

Security
The Group has issued a General Security Agreement over all assets.

	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 2025	10,507	13,452	3,282	2,458	142	4,091	3,572	164	214	37,882
Additions	-	624	90	-	-	565	348	-	462	2,089
Disposals	-	-	-	-	-	(1)	(88)	-	(537)	(626)
Transfer to/from investment property	405	420	-	-	-	-	-	-	-	825
Revaluations	650	(598)	(142)	(207)	-	-	-	-	-	(297)
Balance at 30 June 2026	**11,562**	**13,898**	**3,230**	**2,251**	**142**	**4,655**	**3,832**	**164**	**139**	**39,873**
Accumulated depreciation and impairment										
Balance at 1 July 2025	-	-	-	-	37	3,061	1,198	56	-	4,352
Depreciation	-	419	133	69	5	381	286	6	-	1,299
Elimination on revaluation	-	(419)	(133)	(69)	-	-	-	-	-	(621)
Balance at 30 June 2026	**-**	**-**	**-**	**-**	**42**	**3,442**	**1,484**	**62**	**-**	**5,030**
Net book value										
At 30 June 2025	10,507	13,452	3,282	2,458	105	1,030	2,374	108	214	33,530
At 30 June 2026	**11,562**	**13,898**	**3,230**	**2,251**	**100**	**1,213**	**2,348**	**102**	**139**	**34,843**

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.

11. RIGHT OF USE ASSETS

	2026	2025
	$000	$000
Balance at 1 July	-	-
Additions	291	-
Amortisation	(34)	-
Balance at 30 June	**257**	**-**

12. OTHER INVESTMENTS/LOANS

	2026 $000	2025 $000
Loan Manea	665	665
Loan to Associate	293	293
Shares	77	-
Total other investments	**1,035**	**958**

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

13. INTANGIBLE ASSETS

(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 2025	301	247	548
Disposals	-	(236)	(236)
Balance at 30 June 2026	301	11	312
Accumulated amortisation and impairment			
Balance at 1 July 2025	201	188	389
Amortisation charge for the year	-	3	3
Disposals	-	(185)	(185)
Balance at 30 June 2026	201	6	207
Net book value			
At 30 June 2025	**100**	**59**	**159**
At 30 June 2026	**100**	**5**	**105**

14. INVENTORIES

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.

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.

	2026 $000	2025 $000
Development property	-	8,342
Fuel	2	28
Chandlery and boatyard	15	17
Total inventories	**17**	**8,387**

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

15. ASSETS HELD FOR SALE

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.

Far North Holdings has one property (2025: three) with a carrying value of $18.1 million (2025: $2.3 million) and two investments in associates with a carrying value of $13.4 million (2025: nil) held for sale. The fair value less estimated costs to sell of the property and other assets held for sale align with carrying value (2025: $3.0 million).

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2026 $000	2025 $000
Far North District Council	1,927	87
Trade and other receivables	1,879	823
Prepayments	342	341
Total trade and other receivables and prepayments	**4,148**	**1,251**

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.

Far North District Council includes receivables for project works carried out on their behalf.

16. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (cont.)

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

	2026 $000	2025 $000
Balance at 1 July	101	35
Receivables written off during the year	(45)	2
Additional provisions made during the year	261	64
Balance at 30 June	**317**	**101**

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.

17. CASH AND CASH EQUIVALENTS

	2026 $000	2025 $000
Cash at bank and in hand	2,877	3,356
Total cash and cash equivalents and bank overdrafts for the purpose of the statement of cash flows	**2,877**	**3,356**

Interest rates applying to bank balances was 0.0%-1.6% (2025: 0.0%-2.5%). Bank balances are on call.

18. SHARE CAPITAL

	2026 $000	2025 $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, Far North Holdings 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.

19. RESERVES

	2026 $000	2025 $000
Balances		
Asset revaluation reserve	13,441	13,208
Buildings and maintenance reserves	838	989
Capital reserve	72	72
Total reserves	**14,351**	**14,269**
Movements		
Asset revaluation reserve		
Opening balance	13,208	12,761
Revaluation - fixed and intangible assets	324	983
Transfer to retained earnings	-	(261)
Less deferred tax	(91)	(275)
Closing balance	**13,441**	**13,208**
Buildings and maintenance reserves		
Opening balance	989	665
Transferred (to)/from retained earnings	(151)	324
Closing balance	**838**	**989**
Capital reserve		
Opening balance	72	72
Closing balance	**72**	**72**

20. INTEREST-BEARING LOANS AND BORROWINGS

	2026 $000	2025 $000
Secured loans		
Current	53,976	48,750
Non-current	15,789	26,316
Total interest-bearing loans & borrowings	**69,765**	**75,066**

The carrying value of loans approximates fair value.

All borrowings at 30 June 2026 and 30 June 2025 are held with the Local Government Funding Agency (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 $59k (2025: $460k) that were directly attributable to the construction of qualifying assets were capitalised.

The weighted average effective interest rate on interest-bearing loans and borrowings at 30 June 2026 was 3.27% (2025: 3.78%).

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 2026 the Group had subscribed to $1,316k of borrower notes. (2025: $1,316k).

21. INCOME IN ADVANCE

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.

	2026 $000	2025 $000
Non-current portion		
Income received in advance - long term	20,770	17,665
Total non-current portion	**20,770**	**17,665**
Current portion		
Income received in advance - current	12	1,101
Marina Stage 2 berth sales	748	601
Total current portion	**760**	**1,702**
Total income in advance	**21,530**	**19,367**

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

22. LEASE LIABILITIES

	2026 $000	2025 $000
Land		
Balance at 1 July	-	-
Additions	291	-
Payments	(38)	-
Interest on lease liabilities	7	-
Balance at 30 June	**260**	**-**
Current portion	54	-
Non-current portion	206	-

23. TRADE AND OTHER PAYABLES

	2026 $000	2025 $000
Far North District Council	3,097	765
Trade and other payables	6,472	5,664
Total trade and other payables	**9,569**	**6,429**

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

24. EMPLOYEE BENEFITS

	2026 $000	2025 $000
Salaries payable	400	310
Liability for annual leave - current	387	302
Total employee benefits	**787**	**612**

25. 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 7).

Total key management personnel being the Chief Executive and General Management compensation for the year ended 30 June 2026 was $1,265,878 (2025: $1,254,891). Directors fees for the year were $355,291 (2025: $337,487).

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 (2025: nil) and there have been no write-offs of related party balances during the year (2025: nil).

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 $9,540 (2025: $8,917).

Mr R Palmer was appointed as a director of Far North Holdings Limited for the period 1 August 2025 to 1 October 2025 to fill a temporary vacancy. During Mr R Palmer's term as a director of Far North Holdings Limited, Palmer Macauley Limited, a company in which Mr R Palmer is a director and shareholder, was paid $6,731 for legal services. These services were made on normal commercial terms and at market rates.

Inter-group transactions and balances

	2026 $000	2025 $000
Receivables from Far North District Council (excluding agency transactions)	189	87
Sales to Far North District Council	1,234	971
Purchases from Far North District Council	568	482
Payables to Far North District Council (excluding agency transactions)	491	1
Sales to Associates	47	47
Loan to Associate	-	293

During the year FNHL also carried out capital works on behalf of Far North District Council to the value of $10,855k (2025 $3,176k).

26. OPERATING LEASES

	2026 $000	2025 $000
Non-cancellable operating leases as lessor:		
Not later than one year old	5,074	3,820
Later than one and not later than five	12,703	8,590
Later than five years	32,047	9,939
Total Non-cancellable operating leases	**49,824**	**22,349**

27. COMMITMENTS

During the year Far North Holdings entered into new contracts worth $24.7 million for the construction and improvements for property and marina assets (2025: $1.7 million). At 30 June 2026 $6.9 million (2025: $0.4 million) remained to be paid on contracts.

28. EVENTS OCCURRING AFTER THE REPORTING DATE

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

29. CONTINGENT ASSETS AND LIABILITIES

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

30. GOVERNMENT GRANTS RECEIVED

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 2026

PERFORMANCE MEASURES
Annual performance measures are outlined in the Statement of Intent. In preparing the June 2026 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. New measures have been included to reflect key projects being managed on behalf of Council (Kaitaia Airport resilience upgrade and Kaikohe Library and Civic Hub). The updated framework ensures more focused and meaningful reporting.



FINANCIAL
Increased, sustainable commercial returns

PERFORMANCE OBJECTIVE 1
Effective financial management to deliver profitability

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Operating profit	>$2.5 million	Achieved $3.2 million	Target >$2.0 million Achieved $3.3 million	Target >$1.0 million Achieved $2.4 million	Target >$0.5 million Achieved $0.5 million
Narrative Operating profit is calculated as profit prior to movements in investment properties, share of associates and other non-operating movements and includes distributions received from associates.					

PERFORMANCE OBJECTIVE 2
Pay dividends to FNDC in line with dividend policy

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Dividend paid to FNDC	Dividend paid of $5.0 million, consisting of an ordinary dividend from operating profits and a special dividend	Achieved $5.0 million dividends paid	Achieved $5.5 million dividends paid	Achieved $1.2 million	Achieved $1.75 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 2026 totaled $5.0 million made up of the operating dividend for the year ended 30 June 2025 and a special dividend.					

PERFORMANCE OBJECTIVE 3
Comply with LGFA financial Covenants

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Meet financial covenants	Meet covenants	Achieved	N/A new measure	N/A new measure	N/A new measure
Narrative LGFA financial covenants were met throughout the year.					

Statement of Service Performance
For the Year Ended 30 June 2026

PERFORMANCE OBJECTIVE 4
Ratio of consolidated shareholders funds to total assets

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Total equity / total assets	>45%	Achieved 48.3%	Target >50% Actual 48.2%	Target >50% Actual 50.3%	Target >50% Actual 53.2%
Narrative The capital ratio target was achieved.					



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			
	2025/26	2025/26	2024/25	2023/24	2022/23
Health Safety & Wellbeing policies in place and recorded evidence that all staff have received and been briefed on the documentation	To achieve	Achieved	Put in place Health Safety & Wellbeing Objectives Achieved	Put in place Health Safety & Wellbeing Objectives Achieved	Establish key metrics and implement 6-month reporting to FNDC Achieved
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			
	2025/26	2025/26	2024/25	2023/24	2022/23
Comply with living wage policy for all permanent employees	To achieve	Achieved	Achieved	Achieved	Achieved
Narrative All permanent employees were paid the living wage during 2025/26 as published by the Living Wage Movement Aotearoa New Zealand on 1 September each year.					

Statement of Service Performance
For the Year Ended 30 June 2026

SUSTAINABILITY
Undertake environmentally 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			
	2025/26	2025/26	2024/25	2023/24	2022/23
Measure carbon footprint for the Ngawha Park in line with generally accepted standards	To achieve	Achieved	Scope requirements for measuring carbon footprint across Far North Holdings and its subsidiaries Achieved	Following internal workshops carried out in 2022/23 the company will look to finalise and adopt a sustainability roadmap Not achieved	Prepare a sustainability Roadmap identifying ways to minimise climate impact Achieved
Narrative The current year measure was based on Ngawha Park to provide a staged approach to emissions measurement. The company successfully exceeded this target by measuring Scope 1 and 2 emissions across the group. The company utilised Toitū Environcare's Emanage system and is able to report emissions for sections of the business, including separate measurement for Ngawha Park.					

PERFORMANCE OBJECTIVE 2
Achieve and maintain Clean Marina certification

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
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 2026



COMMUNITY
Create economic & housing opportunities, benefiting the wellbeing of the community

PERFORMANCE OBJECTIVE 1
Encourage positive relationships with the community by having transparent engagement policies and monitoring key stakeholder perceptions

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Undertake a stakeholder perceptions survey	To achieve	Achieved	Achieved	Achieved	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 Park developed to grow economic and employment opportunities in the Far North

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Increase the number of businesses based at the park	To achieve	Achieved	5 businesses based at the Ngawha Innovation & Enterprise Park (the Park) Achieved	5 businesses based at the Ngawha Innovation & Enterprise Park (the Park) Achieved	Open stage 1 Achieved
Narrative Businesses based at the Park continue to 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. During the year ended 30 June 2026 total businesses based at the Park increased when Turners and Growers entered the Park by entering into a 10-year lease on the 10ha of covered tunnels to grow strawberries and blueberries.					

PERFORMANCE OBJECTIVE 3
Identify opportunities to deliver social housing to meet local needs in partnership with Community Housing Providers (CHP's)

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Develop at least 50 housing units	To achieve	Not Achieved	Achieved	Achieved	Analysis of 2 social housing opportunities Achieved
Narrative 28 homes are under construction in Kaitaia, in partnership with Claud Switzer Memorial Trust. A change in central government housing policies has meant no funding has been available for any new projects however Far North Holdings have advanced Resource Consent on potential housing projects that could provide 119 new homes across the North.					

Statement of Service Performance
For the Year Ended 30 June 2026

PERFORMANCE OBJECTIVE 4
Civil Aviation Authority Certification maintained for the BOI Airport

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
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 the year, thereby conforming with CAA regulatory requirements.					



SHARED PROJECTS
Deliver agreed projects

PERFORMANCE OBJECTIVE 1
Kaitaia Airport

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Provide project management services to deliver agreed remediation project within time and budget	To achieve	Achieved	N/A new measure	N/A new measure	N/A new measure
Execute a long-term management contract with FNDC prior to 30 June 2026	To achieve	Achieved	N/A new measure	N/A new measure	N/A new measure
Narrative Progress of the Kaitaia Airport resilience project is on time and on budget. A management contract has been entered into.					

PERFORMANCE OBJECTIVE 2
Kaikohe Library and Civic Hub

Measure	Target	Actual			
	2025/26	2025/26	2024/25	2023/24	2022/23
Provide project management services to deliver agreed remediation project within time and budget	To achieve	Achieved	N/A new measure	N/A new measure	N/A new measure
Narrative The Kaikohe Library and Civic Hub project is progressing as planned and on budget.					

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Far North Holdings Limited's group financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of the Far North Holdings Limited (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 financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Group that comprise the Consolidated Statement of Financial Position as at 30 June 2026, 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 Notes to the Consolidated Financial Statements that include material accounting policy information and other explanatory information on pages 23 to 45; and

- the performance information that consists of the statement of service performance of the Group for the year ended 30 June 2026 on pages 46 to 50.

In our opinion:

- the financial statements of the Group present fairly, in all material respects its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with New Zealand equivalents to IFRS Accounting Standards - Reduced Disclosure Regime (NZ IFRS (RDR).

- the service performance information of the Group accurately reports, in all material respects, the Group's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

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* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements and performance information

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and comply with New Zealand equivalents to IFRS Accounting Standards - Reduced Disclosure Regime (NZ IFRS (RDR). The Board of Directors is also responsible for preparing the performance information contained in the statement of service 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 financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information 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 there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and performance information

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and performance information.

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the Group's statement of intent.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, 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 information we audited 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Group's readers to judge the actual performance of the Group against its objectives in its statement of intent.

- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information and performance information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the group

performance information. 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 financial statements and performance information consisting of statement of performance, and our auditor's report thereon.

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

In connection with our audit of the financial statements and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and performance information 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 in our capacity as auditor, we have no relationship with, or interests in, the Group.



Bennie Greyling
Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
30 September 2026

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:

	Remunerated Position	Term	Directors Fees ($)
Far North Holdings Ltd			
S Petersen	Chair	Full Year Term	56,650
N Anderson	Deputy Chair Chair Audit & Risk Committee	Full Year Term	40,150
K Drinkwater	Director	Full Year Term	28,300
J Frances	Director Chair Remuneration Committee	Full Year Term	35,800
A Sewell	Director	Appointed 1 Oct 2025	21,750
Hon. M McCully	Director	Ceased 1 Aug 2025	2,183
Far North Housing Ltd			
S Petersen	Director *(until 31 July 2025)* Chair *(from 1 August 2025)*	Full Year Term	26,583
W Birnie	Director	Full Year Term	26,875
B Donnelly	Director	Full Year Term	26,875
A Sewell	Director	Appointed 1 Apr 2026	6,875
Hon. M McCully	Chair	Ceased 1 Aug 2025	2,500
Bay of Islands Marina Ltd			
S Petersen	Chair	Full Year Term	27,000
K Drinkwater	Director	Full Year Term	26,875
P Wardale	Director	Full Year Term	26,875
Northern Housing Ltd			
S Petersen	Director *(until 31 July 2025)* Chair *(from 1 August 2025)*	Full Year Term	-
W Birnie	Director	Full Year Term	-
B Donnelly	Director	Full Year Term	-
A Sewell	Director	Appointed 1 Apr 2026	-
Hon. M McCully	Chair	Ceased 1 Aug 2025	-

Rick Palmer was appointed to the Far North Holdings Ltd Board to fill a casual vacancy from 1 August 2025 to 30 September 2025.

STATUTORY INFORMATION
NGĀ TAIPITOPITO KŌRERO Ā TURE

Employees' Remuneration

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

	2026	2025
$100,000 - $149,999	9	9
$150,000 - $199,999	1	2
$200,000 - $249,999	3	2
$250,000 - $299,999	2	2
$300,000 - $349,999	-	-
$350,000 - $399,999	-	-
$400,000 - $449,999	-	-
$450,000 - $499,999	-	1
$500,000 - $549,999	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.

STATUTORY INFORMATION
NGĀ TAIPITOPITO KŌRERO Ā TURE

Donations and Sponsorships

Cash Donations / Sponsorships	2026 ($)	2025 ($)
Autism New Zealand	-	65
Bald Angels Charity	297	-
Bay of Islands Sailing Week	3,000	3,000
Caring Families Aotearoa	-	60
Heart Kids New Zealand	-	70
Island Cruising Aotearoa Ltd	3,000	3,000
Kaitaia Lions Club	-	100
Kawakawa & Districts RSA	250	-
Koha - Blessings	1,000	500
LegaSea	500	-
Marina and Specialised Technologies Academy of New Zealand Limited	-	750
Opua Cruising Club	600	600
Police Managers Guild Trust	300	300
R Tucker Thompson Sailing Trust	30,000	30,000
Resilient Russell Charitable Trust	1,750	1,750
Rugby for Life Charitable Trust	5,500	5,500
Russell Radio	354	300
Solo Trans-Tasman Race	424	-
Brain Injured Children Trust	-	52

"In Kind" Donations / Sponsorships	2026 ($)	2025 ($)
BOI Marina Sponsorships	-	4,685
BOI Russell Volunteer Fire Brigade	1,382	-
BOI Sailing Week	-	522
Kaikohe Berryfruits Limited Partnership	-	21,888
Musket Cove Hobie Cat Festival	2,500	-
Sea Cleaners Charitable Trust	678	6,074
Mid-North Budgeting Services - Food Bank Vouchers	870	-
Kerikeri Hospice / Opua School / Mid-North Budgeting Services (Christmas Cookies)	172	-

The Group also pays an annual fee to Te Rūnanga-Ā-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 2026 was $56,317 (2025 $51,228) 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	Sarah Petersen BMS, Hons, FCA Nicole Anderson CMInstD, PGDipPH Kevin Drinkwater BCom, CA Jane Frances BMS (Hons) Tony Sewell
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







Far North Holdings Limited

5449A State Highway 12, Kaikohe

Ph: 09 402 5659

Website: www.fnhl.co.nz