



Mō Te Tai Tokerau
Northland NZ

Annual Report

STATEMENT OF SERVICE PERFORMANCE
& FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026



Ngātokimatawhaorua,
Waitangi Treaty Grounds.

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Entity Information

AS AT 30 JUNE 2026

Legal name of entity

Northland NZ Limited

Type of entity and legal basis

Northland NZ Limited is a company registered under the Companies Act 1993. The company is controlled by The Joint Regional Economic Development Committee and is a council-controlled organisation as defined by Section 6 of the Local Government Act 2002.

Registration number

857377

Company's purpose

The Company's principal activity during the year was the development of the economy in Northland and review of funding opportunities for the Investment and Growth Reserve.

Structure of company's operations

The Company is governed by a Board comprising five Directors, who are responsible for overseeing the governance and strategic direction of the Company. The Directors are appointed by the Joint Regional Economic Development Committee.

The Chief Executive Officer is responsible for the day-to-day management and operations of the Company and is accountable to, and reports to, the Board of Directors.

Main sources of the company's cash and resources

Operating grants are received from the Joint Regional Economic Development Committee and this is the primary source of funding to the Company.

Directors

Suzanne Duncan
Mark Osborne
Michael Lightfoot
Carmen Howearth
Stewart Otene

Accountants

Findex Limited
Level 1, Findex House
57 Willis Street
Wellington 6011

Shareholders

Northland Regional Council – 30
Kaipara District Council – 30
Far North District Council – 30
Whangarei District Council – 30
Total Ordinary Shares – 120

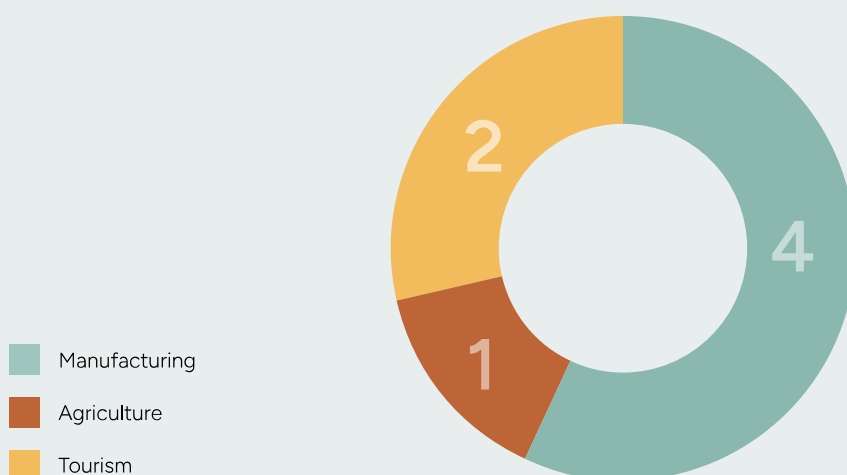
Statement of Service Performance

2025/2026 KPI RESULTS

AS AT 30 JUNE 2026

INVESTMENT AND INFRASTRUCTURE					
Measured by		2025/26 Target	2025/26 Actual	% of target	Prior Year
Output	Number of inward delegations hosted – Achieved	3	8	267%	6
Outcome	Number of high impact projects that are being actively supported (reporting by regional strategic sectors) – Achieved	4	7	175%	6

HIGH IMPACT PROJECTS BY REGIONAL STRATEGIC SECTORS



2025/26 KPI RESULTS

TUPUTUPU GROW NORTHLAND					
Measured by		2025/26 Target	2025/26 Actual	% of target	Prior Year
Output	Projects assisted through stages of growth – Achieved	6	8	133%	6
Outcome	Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity – Achieved	24	24	100%	11

TOURISM AND DESTINATION MANAGEMENT					
Measured by		2025/26 Target	2025/26 Actual	% of target	Prior Year
Output	Number of destination marketing campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign) – Achieved	1	2	200%	3
76 Operators engaged in the campaigns					
Outcome	Number of Destination Management Plan initiatives completed in partnership with stakeholders – Not Achieved *	7	6	86%	6

*Sustainable financing capability building webinar in late June did not meet minimum numbers to hold. This has been rescheduled to be held FY27.

AVOCACY AND BRAND					
Measured by		2025/26 Target	2025/26 Actual	% of target	Prior Year
Output	Number of regional economic development updates or reports released – Achieved	6	10	167%	8
Outcome	Number of media features that profile the region – Achieved	24	37	154%	39
Outcome	Number of media activity that references Northland NZ – Achieved	52	53	102%	53

MĀORI ECONOMIC DEVELOPMENT

Measured by		2025/26 Target	2025/26 Actual	% of target	Prior Year
Output	Number of iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. actively supported – Achieved	20	20	100%	25
Outcome	Proportion of Māori organisations that are satisfied with Northland NZ support – Achieved	>80%	82.70%	103%	87%

ENVIRONMENTAL SUSTAINABILITY

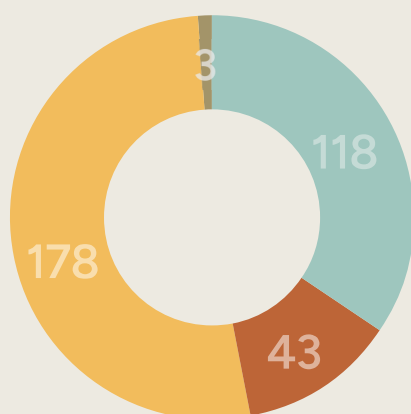
Measured by		2025/26 Target	2025/26 Actual	% of target	Prior Year
Output	Number of businesses and organisations supported to improve their environmental sustainability – Achieved	20	25	125%	44



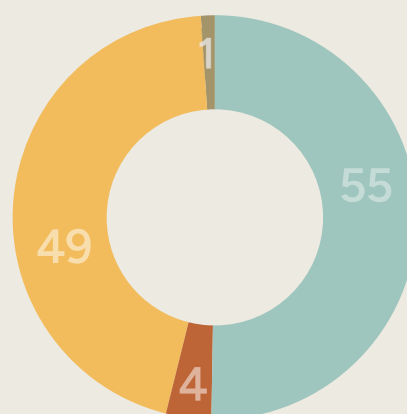
INNOVATION AND ENTERPRISE					
Measured by		2025/26 Target	2025/26 Actual	% of target	Prior Year
Output	Number of business engagements assisted (includes both one to one and one to some assistance and reporting by TA and industry) – Achieved	250	342	137%	354
Output	Proportion of those business engagements that are Māori (by TA and industry) – Not Achieved**	35%	31.90%	91%	33%
Outcome	Client satisfaction with businesses assistance provided by Northland NZ as measured by Net Promoter Score – Achieved	> 50	94	188%	83

**While the 35% Māori business engagement target has not been fully met, 109 Māori businesses have received support during the year.

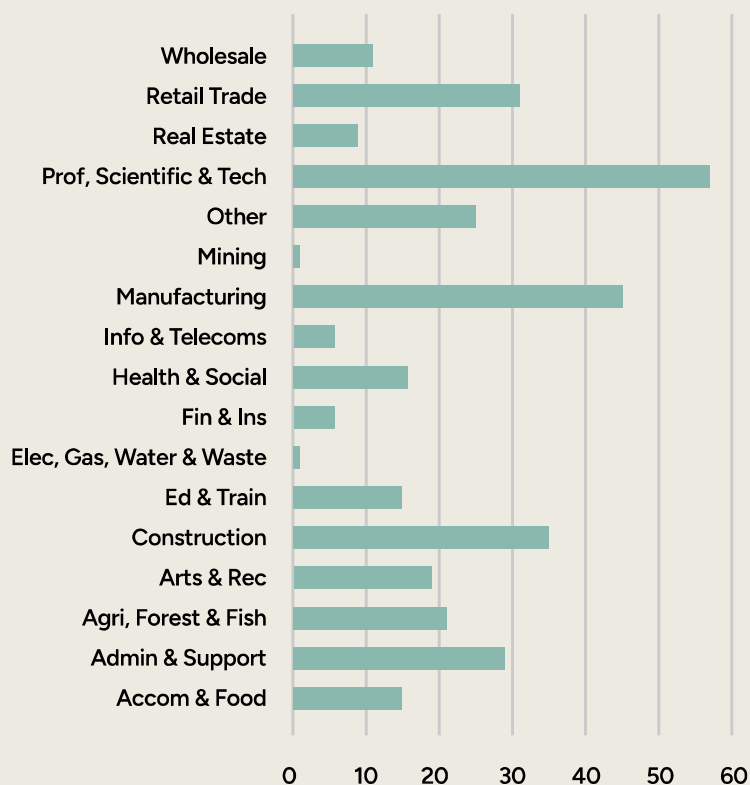
TOTAL BUSINESS ENGAGEMENT BY TA



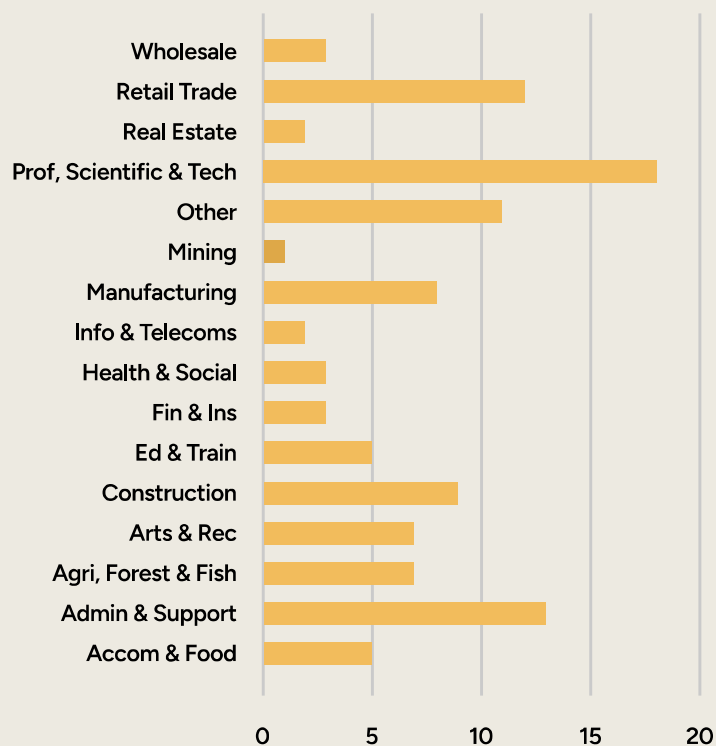
MĀORI BUSINESS ENGAGEMENT BY TA



TOTAL BUSINESS ENGAGEMENT BY INDUSTRY



MĀORI BUSINESS ENGAGEMENT BY INDUSTRY



Independent Auditor's Report

To the readers of Northland NZ Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Northland NZ Limited (the company) 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 Company or Group that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information on pages 14 to 26; and
- the performance information that consists of the statement of performance for the year ended 30 June 2026 on pages 5 to 9.

In our opinion:

- the financial statements of the Company 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 Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR).
- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in 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 Company for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information contained in the statement of performance of the Company 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, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company 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 Company'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 Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and 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 Company in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.



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

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2026

	Notes	2026 Actual \$	2026 Budget \$	2025 Actual \$
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Grants revenue	6	2,400,000	2,400,000	2,245,000
Grant funded project revenue	6	1,882,823	1,434,063	2,916,204
Total revenue from non-exchange transactions		4,282,823	3,834,063	5,161,204
REVENUE FROM EXCHANGE TRANSACTIONS				
Tenant income		463,792	320,000	451,810
Total revenue from exchange transactions		463,792	320,000	451,810
TOTAL REVENUE		4,746,615	4,154,063	5,613,014
EXPENSES				
Wages, salaries and other employee costs		1,817,315	1,901,812	2,059,749
Depreciation		55,398	56,000	59,331
Other overhead and administrative expenses	7	2,910,462	2,195,523	3,555,038
TOTAL EXPENSES		4,783,175	4,153,335	5,674,118
Interest income		59,705	-	59,516
Finance costs		(22,527)	-	-
NET SURPLUS/(DEFICIT) FROM FINANCE ACTIVITIES		37,178	-	59,516
OPERATING SURPLUS/(DEFICIT)		618	728	(1,588)
OTHER GAINS/(LOSSES)				
Gain on disposal of assets		8,354	-	13,480
TOTAL OTHER GAINS/(LOSSES)		8,354	-	13,480
SURPLUS BEFORE TAX		8,972	728	11,892
Income tax expense	8	-	-	-
SURPLUS AFTER TAX		8,972	728	11,892
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		8,972	728	11,892

These financial statements have been authorised for issue by the Board of Directors on 17th September 2026.



Suzanne Duncan, Chair
17/09/2026



Mark Osborne, Audit and Risk Committee Chair
17/09/2026

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 30 June 2026

	Notes	2026 \$	2025 \$
ASSETS			
Current			
Cash and cash equivalents		1,615,207	1,462,770
Receivables	9	96,701	272,070
Total current assets		1,711,908	1,734,840
Non-current			
Property, plant and equipment	10	221,798	218,030
Total non-current assets		221,798	218,030
TOTAL ASSETS		1,933,706	1,952,870
LIABILITIES			
Current			
Payables	11	252,047	502,265
Employee entitlements	12	159,188	128,515
Deferred revenue		1,302,274	1,110,865
Total current liabilities		1,713,509	1,741,645
TOTAL LIABILITIES		1,713,509	1,741,645
NET ASSETS		220,197	211,225
EQUITY			
Share capital		140	140
Accumulated funds		220,057	211,085
TOTAL EQUITY		220,197	211,225

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Changes in Net Assets

For the year ended 30 June 2026

	Share Capital	Accumulated Funds	Total equity
Balance 1 July 2025	140	211,085	211,225
Shares issued	-	-	-
Surplus/ (deficit) for the year	-	8,972	8,972
Balance 30 June 2026	140	220,057	220,197
Balance 1 July 2024	140	199,193	199,333
Shares issued	-	-	-
Surplus/ (deficit) for the year	-	11,892	11,892
Total comprehensive revenue and expenses	-	11,892	11,892
Balance 30 June 2025	140	211,085	211,225

These financial statements should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2026

	Notes	2026 \$	2025 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash was provided from/(applied to):			
Joint Regional Economic Development Committee funding		2,400,000	2,245,000
Receipts from services provided		2,227,366	2,288,512
Receipts from exchange transactions		463,792	451,810
Net movement in GST		33,282	(103,583)
Payments to suppliers		(3,171,728)	(3,445,620)
Payments to employees		(1,786,641)	(2,028,163)
Net cash from/(used in) operating activities		166,071	(592,044)
CASH FLOW FROM INVESTING ACTIVITIES			
Cash was provided from/(applied to):			
Proceeds from sale of plant and equipment		12,270	26,739
Purchase of plant and equipment		(63,082)	(47,775)
Net cash from/(used in) investing activities		(50,812)	(21,036)
CASH FLOW FROM FINANCING ACTIVITIES			
Cash was provided from/(applied to):			
Interest received		59,705	59,516
Interest paid on project reserves		(22,527)	-
Net cash from/(used in) financing activities		37,178	59,516
Net (decrease)/increase in cash and cash equivalents		152,437	(553,564)
Cash and cash equivalents, beginning of the year		1,462,770	2,016,334
Cash and cash equivalents at end of the year		1,615,207	1,462,770

These financial statements should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1. REPORTING ENTITY

These financial statements comprise the financial statements of Northland NZ Limited (the "Company" or "Entity") for the year ended 30 June 2026. Formerly known as Northland Inc Limited.

The financial statements were authorised for issue by the Board of Directors on 17th September 2026.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS with RDR) and other applicable Financial Reporting Standards as appropriate to Public Benefit Entities.

The entity is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and is not large.

The financial statements have been prepared in accordance with the Local Government Act 2002, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

The entity is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation currency

The financial statements are presented in New Zealand dollars which is the functional currency of Northland NZ Limited.

All numbers are rounded to the nearest dollar (\$), except when otherwise stated.

(d) Changes in accounting policies

Disclosure of fees for audit firm services (Amendments to PBE IPSAS 1) is now required. There have been no other changes to accounting policies during the year.

(e) Explanations for major variances from budget

Grant-funded project revenue was above budget due to additional revenue associated with specific projects.

Actual expenditure was also above budget, reflecting increased spending on these projects and aligning with the corresponding increase in project revenue.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies of the entity have been applied consistently to all years presented in these financial statements.

The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less.

(b) Debtors and other receivables

Trade debtors and other receivables are measured at their cost less any impairment losses.

(c) Creditors and other payables

Trade creditors and other payables are stated at cost.

(d) Property, plant and equipment

Items of plant and equipment are initially measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions and subsequent costs

Subsequent costs and the cost of replacing part of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

When an item of plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on diminishing value (DV) basis on all plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied for each class of plant and equipment:

Vehicles	26 – 30% DV
Office Furniture & Equipment	5 – 67% DV

The residual value, useful life, and depreciation methods of property, plant and equipment is reassessed annually.

(e) Leased assets

Leases where the Entity assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

(f) 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 comprise of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings, and other financial liabilities.

Financial Assets – Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at amortised cost or fair value through surplus or deficit (FVTSD).

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTSD.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTSD:

- It is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The entity's cash and cash equivalents, short term investments, and receivables are classified as financial assets at amortised cost.

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with original maturities of three months or less. Short-term investments are those with an original maturity of more than three months. Financial assets are not reclassified subsequent to their initial recognition unless the entity changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTSD – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Comprehensive Income.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial Liabilities – Classification, subsequent measurement and gains and losses

All the entity's financial liabilities meet the criteria to be classified as measured at amortised cost. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Any interest expense or foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

Impairment of non-derivative financial instruments

The entity recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the entity's historical experience and informed credit assessment and including forward-looking information.

The entity assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

(g) Employee entitlements

Short-term employee benefits

Employee benefits, previously earned from past services, that the entity expects to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The entity assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship only the portion of revenue earned on the entity's own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

Revenue from non-exchange transactions

A non-exchange transaction is where the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

When non-exchange revenue is received with conditions attached, the asset is recognised with a matching liability. As the conditions are satisfied the liability is decreased and revenue recognised.

When non-exchange revenue is received with restrictions attached, but no requirement to return the asset if not deployed as specified, then revenue is recognised on receipt.

Condition stipulation – funds received are required to be used for a specific purpose, with a requirement to return unused funds.

Restriction stipulation – funds received are required to be used for a specific purpose, with no requirement to return unused funds.

Revenue from exchange transactions

An exchange transaction is where the entity either receives value from another entity and directly gives approximately equal value in exchange, or gives value to another entity and directly receives approximately equal value in exchange.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

(i) Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Income tax

As agreed with Inland Revenue from 2014 financial year, operational grants received address only the operating deficit such that deductible expenses equate to taxable income. The result being that taxable income is nil.

(k) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with NZ IPSAS requires management to make judgements, estimates and assumptions that affect

the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

The following are significant management judgements in applying the accounting policies of the entity that have a significant effect on the financial statements:

Deferred Revenue

One area of estimation is the calculation of deferred revenue at each balance date as this involves an assessment of the amount of work completed for each project in relation to the milestones to be achieved to determine the amount of revenue and associated deferred revenue to record.

Agency vs Principal Determination

Determining whether the entity is acting as a principal or agent in applying revenue recognition policies requires management to exercise judgment and consider the economic substance of the arrangement.

5. CAPITAL MANAGEMENT POLICY

The entity's capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the entity's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The entity manages its capital structure and makes adjustment to it, in light of changes to funding requirements.

6. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2026 \$	2025 \$
Joint Regional Economic Development Committee operational grant funding	2,400,000	2,245,000
Grant funded project income	1,882,823	2,916,204
Total non-exchange revenue	4,282,823	5,161,204

7. EXPENSES

	2026 \$	2025 \$
The following amounts were expensed in the surplus/(deficit) for the year:		
Audit of the financial statements	43,624	55,000
Directors' fees	113,850	113,850
Motor vehicle expenses	43,279	49,692
Operating lease payments	387,013	377,375
Other direct project expenses	1,526,266	2,251,443
Other indirect expenses	636,007	554,335
Project consultants	-	-
Regional promotions	160,423	153,343
Total	2,910,462	3,555,038

7(a). Other direct project expenses – reclassification of comparatives

Certain comparative figures in the Statement of Comprehensive Revenue and Expenses have been reclassified to align with the current year's presentation. Specifically, Whariki wages of \$225,510 previously included in Wages, salaries and other employee costs has been reclassified to Other overhead and administrative expenses – Other direct project expenses. The reclassification has been made to provide more relevant information regarding the entity's operations. The reclassification has no impact on the reported surplus /(deficit) for the comparative period.

8. INCOME TAX

	2026 \$	2025 \$
Revenue from non-exchange transactions	4,282,823	5,161,204
Revenue from exchange transactions	463,792	451,810
Gain / (loss) on sale of assets	8,354	13,480
Total Revenue	4,754,969	5,626,494
Permanent differences:		
Less:		
Grants from local authorities exempt income	(2,400,000)	(2,245,000)
Other revenue from grant funded operations	(1,882,823)	(2,916,204)
Total Permanent differences	(4,282,823)	(5,161,204)
Less:		
Deductible expenses	(472,146)	(465,290)
Total Taxable Profit	-	-

9. RECEIVABLES

	2026 \$	2025 \$
Trade debtors (non-exchange)	45,058	216,733
Trade debtors (exchange)	13,717	48,485
Related party receivables	8,838	-
Prepayments	29,088	6,852
Total	96,701	272,070

Receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore the carrying value of trade debtors and other receivables approximates its fair value.

As at 30 June 2025 and 2026, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

10. PROPERTY, PLANT AND EQUIPMENT

Movements for each class of plant and equipment are as follows:

2026	Vehicles	Office Furniture and Equipment	Total
Gross carrying amount			
Cost	273,916	398,582	672,498
Additions	61,054	2,028	63,082
Disposals	(86,426)	(43,950)	(130,376)
Closing balance	248,544	356,660	605,204
Accumulated depreciation and impairment			
Opening balance	207,006	247,462	454,468
Depreciation for the year	26,362	29,036	55,398
Depreciation written back on disposal	(82,886)	(43,574)	(126,460)
Closing balance	150,482	232,924	383,406
Carrying amount 30 June 2026	98,062	123,736	221,798

Movements for each class of plant and equipment are as follows:

2025	Vehicles	Office Furniture and Equipment	Total
Gross carrying amount			
Cost	281,125	385,387	666,512
Additions	34,580	13,195	47,775
Disposals	(41,789)	-	(41,789)
Closing balance	273,916	398,582	672,498
Accumulated depreciation and impairment			
Opening balance	209,330	214,337	423,667
Current year depreciation	26,206	33,125	59,331
Depreciation written back on disposal	(28,530)	-	(28,530)
Closing balance	207,006	247,462	454,468
Carrying amount 30 June 2025	66,910	151,120	218,030

11. PAYABLES

	2026 \$	2025 \$
Current		
Trade creditors (non-exchange)	179,325	443,765
Trade creditors (exchange)	4,640	785
Non-trade payables and accrued expenses	53,643	76,558
GST payable/(receivable)	14,439	(18,843)
Total payables	252,047	502,265

Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore their carrying amount approximates their fair value.

12. EMPLOYEE ENTITLEMENTS

	2026 \$	2025 \$
Provision for holiday pay	108,141	92,996
Accrued Salary & Wages	51,047	35,518
Total	159,188	128,515

Short-term employee entitlements represent the entity's obligation to its current and former employees that are expected to be settled within 12 months of balance date. These mainly consist of accrued holiday entitlements at the reporting date.

13. OPERATING LEASES

Operating leases are held for premises used for office space and office equipment.

	2026 \$	2025 \$
Non-cancellable operating leases are payable as follows:		
Less than one year	333,535	339,825
Between one and five years	323,512	684,543
Total	657,047	1,024,368

14. FINANCIAL INSTRUMENTS

(a) Carrying value of financial instruments

The carrying amount of all material financial assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability could be settled, between knowledgeable and willing parties in an arm's length transaction.

(b) Classification of financial instruments

All financial assets held by the entity that are classified as "loans and receivables" are carried at cost less accumulated impairment losses.

All financial liabilities held by the Company are carried at amortised cost.

14. FINANCIAL INSTRUMENTS – CONTINUED

(b) Classification of financial instruments – continued

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities.

2026	Financial Assets at amortised cost	Financial Liabilities at amortised cost	Total
Financial assets			
Cash and cash equivalents	1,615,207	-	1,615,207
Trade debtors and other receivables	96,701	-	96,701
Total	1,711,908	-	1,711,908
Financial liabilities			
Trade creditors and other payables	-	252,047	252,047
Total	-	252,047	252,047

2025	Financial Assets at amortised cost	Financial Liabilities at amortised cost	Total
Financial assets			
Cash and cash equivalents	1,462,770	-	1,462,770
Trade debtors and other receivables	272,070	-	272,070
Total	1,734,840	-	1,734,840
Financial liabilities			
Trade creditors and other payables	-	502,265	502,265
Total	-	502,265	502,265

15. COMMITMENTS

The entity has no capital commitments at the end of the reporting period.

16. EVENTS AFTER THE REPORTING PERIOD

The entity has no events after the end of the reporting period.

17. RELATED PARTY TRANSACTIONS

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the entity.

The entity has a related party relationship with its shareholders Northland Regional Council, Kaipara District Council, Whangārei District Council and, the Far North District Council and its Directors and other key management personnel.

Transactions with related parties

The following transactions were carried out with related parties:

(a) Key management compensation

Key management personnel include the Board of Directors and Senior Management.

	2026 \$	2025 \$
Key management personnel compensation includes the following expenses:		
Salaries and other short-term employee benefits	973,643	870,938
Directors Fees	113,850	113,850
Total remuneration	1,087,493	984,788
Number of persons recognised as key management personnel	11	10

(b) Joint Regional Economic Development Committee

On 1 July 2024, Far North District Council, Whangārei District Council and Kaipara District Council became joint shareholders with Northland Regional Council (referred to collectively as the Joint Regional Economic Development Committee) in Northland NZ Limited.

	2026 \$	2025 \$
Joint Regional Economic Development Committee	2,400,000	2,245,000
Total grant & funding income received	2,400,000	2,245,000

Northland NZ receives other related party income primarily from the provision of facility hire services at Mahinga and The Orchard, as well as additional funding from related parties to support specific projects and initiatives.

	2026 \$	2025 \$
Other services income received		
Northland Regional Council	555,859	400,113
Kaipara District Council	40	58,846
Whangārei District Council	18,725	2,000
Far North District Council	665	5,657
Total other services income received	575,289	466,615

As at 30 June 2026, the following related party balances were outstanding:

	2026 \$	2025 \$
Related party receivables		
Northland Regional Council	-	-
Kaipara District Council	-	-
Whangārei District Council	8,838	-
Far North District Council	-	-
Total related party receivables	8,838	-

Whananaki pedestrian bridge.





Phone: +64 9 438 5110

Email: welcome@northlandnz.com

Address:

Level One

Corner Cameron and Walton Streets

Whangārei 0110

PO Box 1762, Whangārei 0140

NorthlandNZ.com | [#NorthlandNZ](https://twitter.com/NorthlandNZ)