



# NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

# Annual Report

*Statement of Service Performance  
& Financial Statements*

For the Year Ended 30 June 2025







# CONTENTS

Entity Information	4	Statement of Financial Position	12
Statement of service performance KPI Results	5	Statement of Changes in Net Assets	13
Independent Auditor's Report	8	Statement of Cash Flows	14
Statement of Comprehensive Revenue and Expense	11	Notes to the Financial Statements	15



# ENTITY INFORMATION

As at 30 June 2025

## LEGAL NAME OF ENTITY

Northland Inc Limited

## TYPE OF ENTITY AND LEGAL BASIS

Northland Inc 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 comprises a Board of six Directors who oversee the governance of the Company, a Chief Executive Officer who is responsible for the day-to-day operations of the Company and reporting to the Directors. The Directors are appointed by the Joint Regional Economic Development Committee.

## MAIN SOURCES OF THE COMPANY'S CASH AND RESOURCES

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

## DIRECTORS

Suzanne Duncan  
Mark Osborne  
Michael Lightfoot  
Kris MacDonald  
Carmen Howearth

## 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  
Whangārei District Council – 30  
Total Ordinary Shares – 120



# STATEMENT OF SERVICE PERFORMANCE

## 2024/2025 KPI RESULTS

As at 30 June 2025

INVESTMENT AND INFRASTRUCTURE				
Measured by:		2024/25 Target	2024/25 Actual 30 June	% of target
Output	Number of inward delegations hosted - <b>Achieved</b>	3 per annum	6	200%
Outcomes	Number of high impact projects that are being actively supported (reporting by regional strategic sectors) - <b>Achieved</b>	4 per annum	6	150%

THE PRIMARY SECTOR (TUPUTUPU GROW NORTHLAND)				
Measured by:		2024/25 Target	2024/25 Actual 30 June	% of target
Output	Projects assisted through stages of growth - <b>Achieved</b>	6 per annum	6	100%
Output	Number of meaningful engagements and relationships with landowners, businesses, stakeholder that lead to and support positive outcomes. - <b>Achieved</b>	88 per annum	88	100%
Outcomes	Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity - <b>not Achieved</b>	24 per annum	11	46%
Comments	KPI developed as part of a group of KPI's showing delivery of work within Tuputupu Grow Northland. Intention is for a series of engagements (output KPI) to identify priorities for Market Opportunity Studies, to enable study completion and work with businesses and landowners to explore land use change (outcome KPI) . Due to the contractual (and therefore funding) delays, Market Opportunity Studies have not yet been completed, hindering ability to make significant progress with businesses and landowners wishing to explore change. The Market Opportunity Studies will be released in September 2025.			



## TOURISM AND DESTINATION MANAGEMENT

Measured by:		2024/25 Target	2024/25 Actual 30 June	% of target
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). - <b>Achieved</b>	1	3	300%
Outcomes	Number of Destination Management Plan initiatives completed in partnership with stakeholders. - <b>Achieved</b>	6	6	100%

## INNOVATION AND ENTERPRISE

Measured by:		2024/25 Target	2024/25 Actual 30 June	% of target
Output	Number of business engagements assisted (includes both one to one and one to some assistance and reporting by TA and industry). - <b>Achieved</b>	250	354	142%
Output	Proportion of those business engagements that are Māori (by TA and industry). - <b>not Achieved</b>	35%	33%	93%
Outcomes	Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score. - <b>Achieved</b>	>50	83	

## ADVOCACY AND BRAND

Measured by:		2024/25 Target	2024/25 Actual 30 June	% of target
Output	Number of regional economic development updates or reports released. - <b>Achieved</b>	6	8	133%
Outcomes	Number of media features that profile the region. - <b>Achieved</b>	24	39	163%
Outcomes	Number of media activity that references Northland Inc. - <b>Achieved</b>	52	53	102%



## MĀORI ECONOMIC DEVELOPMENT

Measured by:		2024/25 Target	2024/25 Actual 30 June	% of target
Output	Number of iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. actively supported. - <b>Achieved</b>	18	25	139%
Outcomes	Proportion of Māori organisations that are satisfied with Northland Inc support. - <b>Achieved</b>	>80%	87%	109%

## ENVIRONMENTAL SUSTAINABILITY

Measured by:		2024/25 Target	2024/25 Actual 30 June	% of target
Output	Number of businesses and organisations supported to improve their environmental sustainability. - <b>Achieved</b>	20	44	220%
Outcomes	Number of Northland businesses taking action to reduce their emissions. - <b>Achieved</b>	20	44	220%
Outcomes	Number of Northland businesses supported to meet climate adaptation targets set by Central Government.	20	Not Applicable	
Comments	Climate Adaptation targets have not been set by Central Government and therefore this KPI is not achievable – however there is a level of policy direction available from Central Government and Northland Inc has been supporting a number of initiatives that align with this – two key examples include the Diversified Pastures Project and the Tourism Carbon Footprint Programme.			



## Independent Auditor's Report to the Readers of Northland Inc Limited's Financial Statements And Statement of Performance For The Year Ended 30 June 2025

The Auditor-General is the auditor of Northland Inc 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 statement of performance of the company on his behalf.

### Opinion

We have audited:

- the financial statements of the company on pages 11 to 24, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of performance of the company on pages 5 to 7.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR); and
- the *statement of performance*:
  - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended *30 June 2025*; and
  - has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 24 September 2025. This is the date at which our opinion is expressed.

### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audit of the financial statements and the statement of performance 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 the statement of performance

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the statement of performance 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 statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of performance, 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 the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

## Responsibilities of the auditor for the audit of the financial statements and the statement of performance

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

For the budget information reported in the financial statements and the statement of performance, 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 the statement of performance.

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 the statement of performance, 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 financial statements and the statement of performance 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 statement of performance, including the disclosures, and assess whether the statement of performance 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.

### 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 the audit, we have no relationship with, or interests in, the company.



Bennie Greyling  
**for Deloitte Limited**  
**On behalf of the Auditor-General**  
Auckland, New Zealand  
24 September 2025

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30 June 2025

	Notes	2025 Actual \$	2025 Budget \$	2024 Actual
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>				
Grants revenue	6	2,245,000	2,245,000	2,077,000
Grant funded project revenue		2,916,204	1,462,458	3,457,557
<b>Total revenue from non-exchange transactions</b>	6	<b>5,161,204</b>	<b>3,707,458</b>	<b>5,534,557</b>
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>				
Tenant income		451,810	100,000	402,431
<b>Total revenue from exchange transactions</b>		<b>451,810</b>	<b>100,000</b>	<b>402,431</b>
<b>TOTAL REVENUE</b>		<b>5,613,014</b>	<b>3,807,458</b>	<b>5,936,988</b>
<b>EXPENSES</b>				
Wages, salaries and other employee costs		2,059,749	2,121,733	2,371,743
Depreciation		59,331	56,000	74,643
Other overhead and administrative expenses	7	3,555,038	1,629,427	3,569,639
<b>TOTAL EXPENSES</b>		<b>5,674,118</b>	<b>3,807,160</b>	<b>6,016,025</b>
Interest income		59,516	-	102,125
Finance costs		-	-	(18,496)
<b>NET SURPLUS/(DEFICIT) FROM FINANCE ACTIVITIES</b>		<b>59,516</b>	<b>-</b>	<b>83,629</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>		<b>(1,588)</b>	<b>298</b>	<b>4,591</b>
<b>OTHER GAINS/(LOSSES)</b>				
Gain/(loss) on disposal of assets		13,480	-	3,166
<b>TOTAL OTHER GAINS/(LOSSES)</b>		<b>13,480</b>	<b>-</b>	<b>3,166</b>
<b>SURPLUS/ (DEFICIT) BEFORE TAX</b>		<b>11,892</b>	<b>298</b>	<b>7,757</b>
Income tax expense	8	-	-	-
<b>SURPLUS/ (DEFICIT) AFTER TAX</b>		<b>11,892</b>	<b>298</b>	<b>7,757</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR</b>		<b>11,892</b>	<b>298</b>	<b>7,757</b>

These financial statements have been authorised for issue by the Board of Directors on 24th September 2025



Suzanne Duncan, Chair  
24/09/2025



Mark Osborne, Audit and Risk Committee Chair  
24/09/2025

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



# STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	2025 \$	2024 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		1,462,770	2,016,334
Receivables	9	272,070	448,580
<b>Total current assets</b>		<b>1,734,840</b>	<b>2,464,914</b>
<b>Non-current</b>			
Property, plant and equipment		218,030	242,845
<b>Total non-current assets</b>	10	<b>218,030</b>	<b>242,845</b>
<b>TOTAL ASSETS</b>		<b>1,952,870</b>	<b>2,707,759</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Payables	11	502,265	495,090
Employee entitlements	12	128,515	96,929
Deferred revenue		1,110,865	1,916,407
<b>Total current liabilities</b>		<b>1,741,645</b>	<b>2,508,426</b>
<b>TOTAL LIABILITIES</b>		<b>1,741,645</b>	<b>2,508,426</b>
<b>NET ASSETS</b>		<b>211,225</b>	<b>199,333</b>
<b>EQUITY</b>			
Share capital		140	140
Accumulated funds		211,085	199,193
<b>TOTAL EQUITY</b>		<b>211,225</b>	<b>199,333</b>

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 2025

	Share Capital	Accumulated Funds	Total Equity
Balance 1 July 2024	140	199,193	199,333
Shares issued	-	-	-
Surplus/(deficit) for the year	-	11,892	11,892
<b>Balance 30 June 2025</b>	<b>140</b>	<b>211,085</b>	<b>211,085</b>
Balance 1 July 2023	140	191,436	191,576
Shares issued	-	-	-
Surplus/(deficit) for the year	-	7,757	7,757
<b>Total comprehensive revenue and expenses</b>	<b>-</b>	<b>7,757</b>	<b>7,757</b>
<b>Balance 30 June 2024</b>	<b>140</b>	<b>199,193</b>	<b>199,333</b>

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 2024

	2025 \$	2024 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Cash was provided from/(applied to):</b>		
Joint Regional Economic Development Committee funding	2,245,000	1,972,000
Whangārei District Council operating grants	-	105,000
Receipts from services provided	2,288,512	3,304,835
Receipts from exchange transactions	451,810	402,431
Net movement in GST	(103,583)	310,384
Payments to suppliers	(3,445,620)	(3,429,937)
Payments to employees	(2,028,163)	(2,358,671)
<b>Net cash from/(used in) operating activities</b>	<b>(592,044)</b>	<b>306,041</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Cash was provided from/(applied to):</b>		
Proceeds from sale of plant and equipment	26,739	4,348
Purchase of plant and equipment	(47,775)	(32,319)
<b>Net cash from/(used in) investing activities</b>	<b>(21,036)</b>	<b>(27,971)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Cash was provided from/(applied to):</b>		
Interest received	59,516	102,125
Interest paid on borrowings	-	(18,496)
<b>Net cash from/(used in) financing activities</b>	<b>59,516</b>	<b>83,628</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(553,564)</b>	<b>361,700</b>
Cash and cash equivalents, beginning of the year	2,016,334	1,654,634
<b>Cash and cash equivalents at end of the year</b>	<b>1,462,770</b>	<b>2,016,334</b>

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 Inc Limited (the “Company” or “Entity”) for the year ended 30 June 2025.

The financial statements were authorised for issue by the Board of Directors on 24th September 2025.

## 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 costs 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 Inc 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 the 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 that planned due to an increase in revenue for specific projects.

Actual expenses were higher than budgeted due to greater spending on specific project. This is in line with the increase in 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 material 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

	2025 \$	2024 \$
Joint Regional Economic Development Committee operational grant funding	2,245,000	1,972,000
Whangārei District Council operating grants funding	-	105,000
Grant Funded project income	2,916,204	3,457,557
<b>Total non-exchange revenue</b>	<b>5,161,204</b>	<b>5,534,557</b>

## 7. EXPENSES

The following amounts were expensed in the surplus/(deficit) for the year:

	2025 \$	2024 \$
Audit of the Financial Statements	55,000	51,000
Directors' Fees	113,850	134,550
Motor vehicle expenses	49,692	65,450
Operating lease payments	377,375	360,592
Other direct project expenses	2,251,443	2,238,637
Other indirect expenses	554,335	532,882
Project consultants	-	38,707
Regional promotions	153,343	147,821
<b>Total</b>	<b>3,555,038</b>	<b>3,569,639</b>

## 8. INCOME TAX

	2025 \$	2024 \$
Revenue from exchange transactions	5,613,014	5,936,988
Gain / (loss) on sale of assets	13,480	3,166
<b>Total Revenue</b>	<b>5,626,494</b>	<b>5,940,154</b>

### Permanent differences:

#### Less:

Grants from Local authorities exempt income	(2,245,000)	(2,077,000)
Other revenue from grant funded operations	(2,916,204)	(3,457,557)
<b>Total Permanent differences</b>	<b>(5,161,204)</b>	<b>(5,534,557)</b>

#### Less:

Deductible expenses	(465,290)	(405,597)
<b>Total Taxable Profit</b>	<b>-</b>	<b>-</b>



## 9. RECEIVABLES

	2025 \$	2024 \$
Trade debtors (non-exchange)	216,733	397,747
Trade debtors (exchange)	48,485	35,980
Related party receivables	-	6,661
Prepayments	6,852	8,192
<b>Total</b>	<b>272,070</b>	<b>448,580</b>

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 2024 and 2025, 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:

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

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

2024	Vehicles	Office Furniture and Equipment	Total
<b>Gross carrying amount</b>			
Cost	288,950	364,372	653,322
Additions	11,304	21,015	32,319
Disposal	(19,129)	-	(19,129)
<b>Closing balance</b>	<b>281,125</b>	<b>385,387</b>	<b>666,512</b>
<b>Accumulated depreciation and impairment</b>			
Opening balance	196,506	170,465	366,971
Depreciation for the year	30,771	43,872	74,643
Depreciation written back on disposal	(17,947)	-	(17,947)
<b>Closing balance</b>	<b>209,330</b>	<b>214,337</b>	<b>423,667</b>
<b>Carrying amount 30 June 2024</b>	<b>71,795</b>	<b>171,050</b>	<b>242,845</b>

## 11. PAYABLES

	2025 \$	2024 \$
<b>Current</b>		
Trade creditors (non-exchange)	443,765	336,211
Trade creditors (exchange)	785	3,533
Non trade payables and accrued expenses	76,558	70,606
GST payable/(receivable)	(18,843)	84,740
<b>Total payables</b>	<b>502,265</b>	<b>495,090</b>

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

	2025 \$	2024 \$
<b>Current</b>		
Provision for Holiday Pay	92,996	92,996
Accrued Salary & Wages	35,518	-
<b>Total payables</b>	<b>128,515</b>	<b>96,929</b>

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.

	2025 \$	2024 \$
<b>Non-cancellable operating leases are payable as follows:</b>		
Less than one year	339,825	308,380
Between one and five years	684,543	558,000
<b>Total</b>	<b>1,024,368</b>	<b>866,380</b>

### 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.

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

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

2024	Financial Assets at amortised cost	Financial liabilities at amortised cost	Total
<b>Financial assets</b>			
Cash and cash equivalents	2,016,334	-	2,016,334
Trade debtors and other receivables	448,580	-	448,580
<b>Total</b>	<b>2,464,914</b>	<b>-</b>	<b>2,464,914</b>
<b>Financial liabilities</b>			
Trade creditors and other payables	-	495,090	495,090
<b>Total</b>	<b>-</b>	<b>495,090</b>	<b>495,090</b>

## 15. COMMITMENTS

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

## 16. EVENTS AFTER THE REPORTING PERIOD

### Shareholding Change

On 4 September 2024, Northland Regional Council, Kaipara District Council, and Far North District Council agreed to transfer 10 shares each (a total of 30) to Whangārei District Council at a price of \$2 per share.

This share transfer will make Northland Regional Council, Kaipara District Council, Far North District Council, and Whangārei District Council equal shareholders in Northland Inc., each owning 30 shares after this transaction.

The share transfer date has occurred before 30 June 2025.

Subsequent to 30 June 2025 Northland Inc has initiated a restructure to align with the strategic direction agreed by the Board.

## 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, Far North District Council, 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 personnel include the Board of Directors and Senior Management.

	2025 \$	2024 \$
<b>Key management personnel compensation includes the following expenses</b>		
Salaries and other short-term employee benefits	870,938	966,762
Directors Fees	113,850	134,550
<b>Total remuneration</b>	<b>984,788</b>	<b>1,101,312</b>
<b>Number of persons recognised as key management personnel</b>	<b>10</b>	<b>12</b>



**(b) Joint Regional Economic Development Committee**

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

	<b>2025</b> \$	<b>2024</b> \$
Joint Regional Economic Development Committee	2,245,000	1,972,000
<b>Total grant &amp; funding income received</b>	<b>2,245,000</b>	<b>1,972,000</b>
<b>Other services income received</b>		
Northland Regional Council	400,113	368,335
Kaipara District Council	58,846	25,885
Whangarei District Council	2,000	-
Far North District Council	5,657	22,875
<b>Total other services income received</b>	<b>466,615</b>	<b>417,095</b>

As at 30 June 2025, the following related party balances were outstanding:

	<b>2025</b> \$	<b>2024</b> \$
<b>Related party receivables</b>		
Northland Regional Council	-	430
Kaipara District Council	-	6,131
Whangarei District Council	-	-
Far North District Council	-	100
<b>Total other services income received</b>	<b>-</b>	<b>6,661</b>







# NorthlandInc

**Growing Northland's Economy**

Kia tupu ai te ōhanga o Te Tai Tokerau

**Phone:** +64 9 438 5110

**Email:** [welcome@northlandnz.com](mailto:welcome@northlandnz.com)

**Address:**

Level One, corner Cameron  
and Walton Streets  
Whangārei 0110

PO Box 1762, Whangārei 0140

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