

Business East Tamaki Incorporated
Performance Report
For the year ended
30th June 2025

Full name of organisation

Business East Tamaki Incorporated

For the year ended

for the year ended 30 June 2025

Business East Tamaki Incorporated
Performance Report
for the year ended 30 June 2025

Contents

	Page
Non-Financial Information:	
Approval of Performance report	2
Entity Information	3
Statement of Service Performance	4
Financial Information:	
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8
Notes to the Performance Report	9 - 13
Independent Auditor's Report	14 - 16

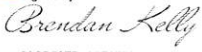


Business East Tamaki Incorporated

Approval of Performance Report for the year ended 30 June 2025

The Member are pleased to present the approved performance report including the historical performance statements of Business East Tamaki Incorporated for the year ended 30th June 2025.

For and on behalf of the board:

Signed by:

23CB52FB196F8F7B
.....
Brendan Kelly
Chairperson

Date : 02/10/2025

Signed by:

5991F89CC1B8E711
.....
Lisa Murphy
Treasurer

Date : 01/10/2025

Business East Tamaki Incorporated

Entity Information for the year ended 30 June 2025

Legal name of entity	Business East Tamaki Incorporated	
Registration Number	639532	
Type of entity	Incorporated Society	
Entity's purpose or mission	The Association's purpose is to advocate for the commercial interests of business and property owners in the economic development of the area; to foster and promote generally the welfare of the business community by providing a conduit to business support and networking; to enhance the safety and security of East Tamaki to drive business attraction and employment growth; and to capitalise on the unique assets and profile of East Tamaki as a means of establishing an identity and positioning for the area as a great place to do business.	
Entity structure	Business East Tamaki is governed by an Executive Committee of nine East Tamaki business/property owner representatives elected on an annual basis. In 2024-25, the Executive Committee met 10 times across the year (monthly except for January and July). The Howick Local Board and Otara-Papatoetoe Local Board each have a representative on the Committee but under Business East Tamaki's constitution they do not have a vote. Business East Tamaki operates with an executive staff consisting of a General Manager, Office Manager, Marketing Communications and Events Manager and a Membership Liaison representative. The latter three positions report to the General Manager.	
Entity's governance arrangements	Business East Tamaki Incorporated (BET) is a not-for-profit organisation that registered under the Incorporated Societies Act 2022 on 22 November 2024, operates as a Business Improvement District (BID) in partnership with Auckland Council. BET operates under a formal constitution and rules, last updated on 1 November 2024, which outline its governance framework, membership rights, and decision-making processes . BET is governed by an elected Executive Committee made up of representatives from its registered business members. This committee oversees strategic direction, financial stewardship, and operational oversight A small team of staff supports the Executive Committee, handling day-to-day operations, member engagement, and programme delivery .	
Other entities controlled by the entity	Legal Name	Entity Identifier
	Nil	
Entity's reliance on volunteers and donated goods or services	The Committee is made up of volunteers. BNZ Partners also provides their venue on occasions as an in kind sponsorship contribution.	



Business East Tamaki Incorporated

Statement of Service Performance for the year ended 30 June 2025

Description of medium to long term objectives

Business East Tāmaki's two-year business plan focuses on maintaining valuable services, strengthening advocacy, and driving long-term growth and sustainability for the local business community. The plan is aligned with the current Strategic Plan and associated budgets.

Advocacy Objectives (2024–2026)

- Collaborate with local boards to support economic growth.
- Maintain and grow strategic stakeholder relationships.
- Represent business interests in major transport projects (Eastern Busway, Airport to Botany).
- Foster connections for environmental and biodiversity initiatives.
- Continue raising the profile of Business East Tāmaki.

Leadership Objectives

- Improve access to local employment for students through partnerships with schools and support organisations.
- Advance sustainable transport initiatives and reduce single-occupancy vehicle use.
- Promote the electrification of local businesses and deliver related education events.
- Support businesses in aligning with sustainability and wellbeing goals.

Member Value Initiatives

- Help businesses build resilience and foster community safety through expanded ANPR camera coverage.
- Increase visibility and engagement with the business community.
- Grow the East Auckland Business Awards as a flagship event.
- Offer diverse networking and educational opportunities.
- Evaluate current strategic priorities (2024–2025) and develop a new five-year strategic plan in 2025–2026.

Description of key activities

Provide feedback to the relevant agencies and decision makers on issues that affect East Tamaki business owners e.g. Stakeholder Engagement meetings with Auckland Transport x 3 across 2024-2025; host member events with central government ministers, including PM Christopher Luxon and Minister of Health, Simeon Brown.

Fund the purchase of a 6th, 7th and 8th ANPR camera to support a safe and secure business area (2024 and 2025. None were purchased in the 2023-24 year.)

Continue to offer a broad range of business and networking opportunities and education. (2024-2026) – 35 events.

Business East Tamaki is more visible within the business community (2024-2026) e.g. between 1 July 2024 and June 30 2025, our membership liaison team member (newly created role) visited 65 East Tamaki businesses.

Additional Information

Business East Tamaki (formerly the Greater East Tamaki Business Association) was founded in 1994 and operated for 15 years as a voluntary subscription-based organization. In 2009 business and property owners in the area voted to invest in improvements to enhance the local business environment and economic growth of the area by adopting the Business Improvement District program, funded by the targeted rate collected by Auckland Council. In addition to members paying the targeted rate, Business East Tamaki allows businesses from outside the area to apply for associate membership for a fee and subject to certain criteria. Associate members are not eligible to stand for the committee and do not have voting rights.

Business East Tamaki Incorporated

Statement of Financial Performance for the year ended 30 June 2025

	Note	Current year \$	Last year \$
Revenue			
Membership fees and subscriptions	1	16,691	10,654
Revenue from commercial activities		682,787	720,111
Interest, dividends and other investment revenue		11,747	13,673
Total revenue		711,225	744,438
Expenses			
Employee remuneration and other related expenses	2	425,684	419,811
Other expenses related to service delivery		279,396	298,934
Other expenses		13,844	19,340
Total expenses		718,924	738,085
Surplus/(Deficit) for the year		(7,699)	6,353



Business East Tamaki Incorporated
Statement of Financial Position
As at 30 June 2025

	Note	Current year \$	Last year \$
Assets			
Current assets			
Cash and short-term deposits		179,510	51,464
Debtors and prepayments	3	23,302	23,218
Investment - Term Deposit		180,000	180,000
Total current assets		382,812	254,682
Non-current assets			
Property, plant and equipment	5	34,164	26,493
Total non-current assets		34,164	26,493
Total assets		416,976	281,175
Liabilities			
Current Liabilities			
Bank overdraft		548	1,158
Creditors and accrued expenses	4	24,083	31,524
Employee costs payable		19,657	15,218
Deferred revenue		162,811	15,700
Total current liabilities		207,099	63,599
Total Liabilities		207,099	63,599
Total assets less total liabilities (net assets)		209,877	217,576
Accumulated Funds			
Accumulated surpluses or (deficits)	6	209,877	217,576
Total Accumulated Funds		209,877	217,576

This performance report has been approved by those charged with governance.



Signed by:

23CB52FB196F8F7B

Name: Brendan Kelly
Position: Chairperson
Date 02/10/2025

Signed by:

5991F89CC1B8E711

Name: Lisa Murphy
Position: Treasurer
Date 01/10/2025

Business East Tamaki Incorporated

Statement of Cash Flows for the year ended 30 June 2025

	Current year \$	Last year \$
Cash flows from operating activities		
Operating receipts (money deposited into the bank account)		
Membership fees and subscriptions	16,691	10,654
Gross sales from commercial activities	832,232	732,228
Interest, dividends and other investment receipts	9,979	13,627
Total receipts	858,901	756,509
Less operating payments (money withdrawn from you bank account)		
Employee remuneration and other related payments	715,263	749,895
Income Tax Paid/Refund	(1,095)	1,584
Net GST	172	(8,464)
Total payments	714,340	743,015
Net cash flows from operating activities	144,561	13,494
Cash flows from other activities		
Cash was applied to:		
Payments to acquire property, plant and equipment	16,515	-
Net cash flows from other activities	(16,515)	-
Net increase/(decrease) in cash	128,046	13,494
Opening cash	51,464	37,970
Closing cash	179,510	51,464



Business East Tamaki Incorporated

Statement of Accounting Policies for the year ended 30 June 2025

Basis of preparation

This performance report is prepared in accordance with the XRB's Tier 3 (NFP) Standard. The entity is eligible to apply these requirements as it does not have public accountability and has total annual expenses of less than \$5,000,000. All transactions in the performance report are reported using the accrual basis of accounting. This performance report is prepared under the assumption that the entity will continue to operate for the foreseeable future.

Treatment of GST

All amounts are recorded on a GST exclusive basis, except for Debtors and Creditors which are stated inclusive of GST

Income Tax

Business East Tamaki is liable for tax only on income earned from the Entities or activities outside the Association and its members. The Association also received an exemption of \$1,000 on income earned outside entities activities.

Bank Accounts and Cash

Cash and short term deposits in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Receivables

Debtors are carried at estimated realisable value after providing against debts where collection is doubtful.

Fixed Assets and Depreciation

Fixed assets are recorded at cost less accumulated depreciation. Depreciation has been calculated on a basis to write off the value of the assets over its expected useful life:

<u>Asset class</u>	<u>Depreciation rate</u>	<u>Depreciation Method</u>
Leasehold Improvements	2% - 30%	Diminishing Value
Office Equipment	10% - 67%	Diminishing Value
Plant & Equipment	30% - 40%	Diminishing Value
Software & Website	33.33% - 50%	Diminishing Value

All classes of property, plant and equipment are stated at cost less depreciation and impairment losses.

Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of the a cash generating unit is estimated to be less than its carrying amount, the carrying amount of the cash generating unit is reduced to its recoverable amount.

Payable

Creditors are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

Income

Interest income is recognized using the effective interest method.

Government Grants

Governments grants are reported at their fair value where there is reasonable certainty that the grant will be received and all attaching conditions will be met.

Changes in Accounting Policies

Effective for the reporting year ended 30 June 2025, Business East Tamaki Incorporated changed its accounting policy from Tier 3 Public Benefit Entity Simple Format Reporting Standard – Accrual (PBE SFR-A) to Tier 3 (NFP) Standard – Reporting Requirements for Tier 3 Not-for-Profit Entities. This change was made in accordance with the Standard's mandatory date of 1 April 2024 specified by the External Reporting Board.

Certain prior year figures have been reclassified for comparative purposes.



Business East Tamaki Incorporated
Notes to the Performance Report
for the year ended 30 June 2025

Note 1 - Analysis of Revenue

Membership fees and subscriptions	June 2025 (NZ\$)	June 2024 (NZ\$)
Associate Membership Subscription	7,333	7,350
Breakfast Fees	8,662	2,969
Seminar Fees	696	335
Total	16,691	10,654

Revenue from commercial activities	June 2025 (NZ\$)	June 2024 (NZ\$)
Council Target Rate/Grant	600,372	588,600
Local Council Grant	-	-
Advertising Income	21,121	22,719
Sponsorship Income	61,294	58,200
East Auckland Business Awards Income	-	50,591
Total	682,787	720,111

Interest, dividends and other investment revenue	June 2025 (NZ\$)	June 2024 (NZ\$)
Interest	11,747	13,673
Total	11,747	13,673

Note 2 - Analysis of Expenses

Employee remuneration and other related expenses	June 2025 (NZ\$)	June 2024 (NZ\$)
Salaries and Wages	424,936	419,091
ACC Levies	748	720
Total	425,684	419,811

Other expenses related to service delivery	June 2025 (NZ\$)	June 2024 (NZ\$)
Event Expenses	42,773	41,003
Marketing Expenses	74,313	67,517
Infrastructure Expenses	44,735	39,452
Professional Fees	32,474	27,636
General Expenses	85,100	85,768
East Auckland Business Awards	-	37,558
Total	279,396	298,934

Other expenses	June 2025 (NZ\$)	June 2024 (NZ\$)
Audit Fees	5,000	5,550
Depreciation	8,844	13,741
Interests	-	49
Total	13,844	19,340



Business East Tamaki Incorporated
Notes to the Performance Report
for the year ended 30 June 2025

Note 3 - Analysis of Assets

Cash and short-term deposits	June 2025 (NZ\$)	June 2024 (NZ\$)
Cheque Account Balance	58,565	6,708
Savings Account Balance	120,945	44,756
Total	179,510	51,464

Debtors and prepayments	June 2025 (NZ\$)	June 2024 (NZ\$)
Accounts Receivable	690	3,024
Other Receivables	2,677	909
GST Receivable	7,587	7,415
Prepayment	9,354	7,782
Taxation	2,993	4,088
Total	23,302	23,218

Investment - Term Deposit	June 2025 (NZ\$)	June 2024 (NZ\$)
Term Deposit	180,000	180,000
Total	180,000	180,000

Note 4 - Analysis of Liabilities

Bank overdraft	June 2025 (NZ\$)	June 2024 (NZ\$)
ASB Visa	548	1,158
Total	548	1,158

Creditors and accrued expenses	June 2025 (NZ\$)	June 2024 (NZ\$)
Trade and Other Payables	19,083	25,017
Accrued Expenses	5,000	6,507
Total	24,083	31,524

Employee costs payable	June 2025 (NZ\$)	June 2024 (NZ\$)
Holiday Pay Accrual	19,657	15,218
Total	19,657	15,218

Deferred revenue	June 2025 (NZ\$)	June 2024 (NZ\$)
Target Rate Grants	153,095	9,000
Local Board Grant	9,716	3,401
Sponsorship (Other)	-	3,299
Total	162,811	15,700



Business East Tamaki Incorporated

Notes to the Performance Report

for the year ended 30 June 2025

Note 5 - Property, Plant and Equipment

June 2025 (NZ\$)						
Asset Class	Opening Carrying Amount	Purchases	Disposals	Depreciation and Impairment	Revaluation Movements	Closing Carrying amount
Leasehold Improvements	6,798	-	-	461	-	6,337
Office equipment	4,662	-	-	1,317	-	3,345
Software/Website	2,983	-	-	1,488	-	1,495
Plant & Equipment	12,050	16,515	-	5,579	-	22,986
Total	26,493	16,515	-	8,844	-	34,164

June 2024 (NZ\$)						
Asset Class	Opening Carrying Amount	Purchases	Disposals	Depreciation and Impairment	Revaluation Movements	Closing Carrying amount
Leasehold Improvements	7,410	-	-	612	-	6,798
Office equipment	7,600	-	-	2,938	-	4,662
Software/Website	5,956	-	-	2,973	-	2,983
Plant & Equipment	19,268	-	-	7,218	-	12,050
Total	40,234	-	-	13,741	-	26,493

Note 6 - Investments

June 2025 (NZ\$)							
Asset Class	Valuation Method	Opening Carrying Amount	Investment	Maturity Date	Interest Rate	Term	Closing Carrying amount
Term Deposit	Cost	180,000	ASB	1 Dec 2025	4.45% p.a.	9 months	180,000
Total		180,000				-	180,000

June 2024 (NZ\$)							
Asset Class	Valuation Method	Opening Carrying Amount	Investment	Maturity Date	Interest Rate	Term	Closing Carrying amount
Term Deposit	Cost	180,000	ASB	01 Mar 2025	6.15% p.a.	9 months	180,000
Total		180,000				-	180,000

Note 7 - Accumulated Funds

	June 2025 (NZ\$)	June 2024 (NZ\$)
Opening balance	217,576	211,223
Surplus/(Deficit)	(7,699)	6,353
Closing balance	209,877	217,576

June 2025 (NZ\$)							
Description	Capital Contributed by Owners	Accumulated Surpluses or Deficits	Restricted Reserves	Discretionary Reserves	Revaluation Reserves	Other Reserves	Total
Opening balance	-	217,576	-	-	-	-	217,576
Surplus/(Deficit)	-	(7,699)	-	-	-	-	(7,699)
Closing balance	-	209,877	-	-	-	-	209,877

June 2024 (NZ\$)							
Description	Capital Contributed by Owners	Accumulated Surpluses or Deficits	Restricted Reserves	Discretionary Reserves	Revaluation Reserves	Other Reserves	Total
Opening balance	-	211,223	-	-	-	-	211,223
Surplus/(Deficit)	-	6,353	-	-	-	-	6,353
Closing balance	-	217,576	-	-	-	-	217,576



Business East Tamaki Incorporated

Notes to the Performance Report

for the year ended 30 June 2025

Note 8 - Commitments and Contingencies

Commitment	Explanation and Timing	June 2025 (NZ\$)	June 2024 (NZ\$)
		\$	\$
Commitments to lease or rent assets	Current Lease Commitments (Due within 12 months)	45,523	37,282
	Non Current Lease Commitments (Due more than 12 months)	37,857	18,641
	Total Lease Commitments	83,380	55,923
Commitment to purchase property, plant and equipment	Crime Prevention Project to purchase additional 2 ANPR cameras	8,500	-
Commitments to lease or rent assets	Business East Tamaki has renewed the office lease for a further one year from 24 January 2025 to 23 January 2026. The Landlord has granted last right of renewal of one year, to be exercised by the Tenant on or before 23 October 2025. This is a non-cancellable operating lease. Business East Tamaki has entered into a non-cancellable lease agreement for a motor vehicle. The lease has commenced in October 2024 for a period of 45 months, with fixed monthly payments of \$552.16.		

Note 9 - Other

Deferred Revenue: Unused Significant Donations, Grants, Bequests and Pledges with Expectations over Use

Description	Purpose and nature of the condition(s)	Date condition(s) expected to be met	Original Amount	Deferred Amount	
				June 2025 (NZ\$)	June 2024 (NZ\$)
			\$	\$	\$
Target Rate Grants	Target Rate Grants (Purpose) is to fund business associations to deliver programmes and services that promote economic development, improve the business environment, enhance safety, and support local business growth. The rate is set annually and collected by Auckland Council on behalf of the Business Improvement District (BID) to ensure transparency and accountability in the use of funds.	30 Sept 2025	153,095	153,095	9,000
Local Board Grant	Local Board Grants (Purpose) is to assist business associations—such as Business East Tāmaki—in delivering activities that contribute to economic development, community well-being, or local placemaking. These grants are typically one-off or project-based and are subject to an application and accountability process to ensure responsible use of public funds. In Business East Tamaki's case, this was to assist in subsidising skills training such as fork lift training, working at heights etc	30 Sept 2025	13,690	9,716	3,401



Business East Tamaki Incorporated

Notes to the Performance Report

for the year ended 30 June 2025

Income Received in Advance - Event	Income Received in Advance - Event account is used to record funds received in advance for assisting Business East Tāmaki members by offering subsidised seminars, webinars, workshops, and training sessions targeted at SME business owners, managers, and employees. These sessions focus on the fundamentals of running a successful business. The funds received are recognised as deferred revenue to align with the timing of events occurring after the balance date.				3,299
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Goods or services provided to the entity in kind

Description	Amount \$
BNZ venue for Business East Tamaki events – offered on an in-kind basis	2,500
Donations for Goodie bags from various East Tamaki businesses for our annual International Women's Day event.	500

Note 10 - Related Party Transactions

Description of related party relationship	Description of the Transactions (whether in cash or amount in kind)	Value of Transactions		Amount Outstanding	
		June 2025	June 2024	June 2025	June 2024
		\$	\$	\$	\$
Accounting Fees	Lisa Murphy is treasurer of Business East Tamaki, and part owner of RSM New Zealand. Accountancy Fees being monthly fees charged by RSM New Zealand for management and payroll reporting.	24,693	22,537	1,794	2,243
Legal Fees	Henry Jansen who is secretary of Business East Tamaki, and part owner of Wynyard Wood. Legal Fees is charged by Wynyard Wood for work relating to AGM and other contractual matters.	6,032	4,099	-	-
ANPR Expenses	Andrew Turner is owner of Nautech and committee member of Business East Tamaki. ANPR camera charges, monthly monitoring costs for ANPR cameras owned by Business East Tamaki. Costs charged by Nautech.	9,828	8,327	928	-

Note 11 - Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

Note 12 - Ability to Continue Operating

The nature of the Incorporated Society is reliant on the continued support of its funders and members. The management is confident of receiving this ongoing support, and accordingly has adopted the going concern assumption, in the preparation of these performance report.

Note 13 - Audit

These Performance Report have been audited by a third party auditor. Please refer to the Auditor's Report.





INDEPENDENT AUDITOR'S REPORT

To the Members of Business East Tamaki Incorporated

Opinion

We have audited the accompanying performance report of Business East Tamaki Incorporated on pages 3 to 13, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30th June 2025, the statement of financial position as at 30th June 2025, the statement of accounting policies and Notes to the Performance Report including material accounting policy information and other explanatory information.

In our opinion, the accompanying Performance Report presents fairly, in all material respects:

- the entity information for the year ended 30th June 2025.
- the service performance for the year ended 30th June 2025, in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods;
- the financial position of Business East Tamaki Incorporated as at 30th June 2025, and its financial performance, and cash flows for the year then ended,

in accordance with the Tier 3 (NFP) Standard issued by the New Zealand Accounting Standards Board of the External Reporting Board (XRB).

Basis for Opinion

We conducted our audit of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies and Notes to the Performance Report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the Entity Information and Statement of Service Performance in accordance with New Zealand Auditing Standard 1 (Revised) 'The Audit of Service Performance Information' (NZ AS1 (Revised)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Business East Tamaki Incorporated in accordance with Professional and Ethical Standard 1 'International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Business East Tamaki Incorporated.

Restriction on Responsibility

This report is made solely to the Executive Committee as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the Executive Committee

those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Executive Committee as a body, for our audit work, for this report, or for the opinions we have formed.

Executive Committee's Responsibility for the Performance Report

The Executive Committee are responsible on behalf of the entity for:

(a) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the Tier 3 (NFP) Standard;

(b) the preparation and fair presentation of the Performance Report which comprises:

- the Entity Information;
- the Statement of Service Performance; and
- the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies and Notes to the Performance Report in accordance with the Tier 3 (NFP) Standard, and

(c) for such internal control as the Executive Committee determine is necessary to enable the preparation of a Performance Report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Performance Report

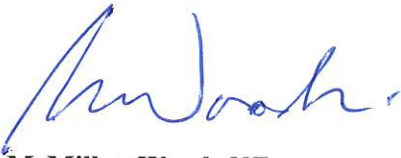
Our objectives are to obtain reasonable assurance about whether the Performance Report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and NZ AS1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this Performance Report.

As part of an audit in accordance with ISAs (NZ) and NZ AS1 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Performance Report, 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.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- Evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance in accordance with the applicable financial reporting framework.

- Evaluate whether the service performance information is prepared in accordance with the entity's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Executive Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 Performance Report 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Performance Report, including the disclosures, and whether the Performance Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee 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.



McMillan Woods NZ

Auckland

2nd October 2025