Performance Report

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2025

Prepared by O'Leary & Associates Limited

Contents

INDEPENDENT AUDITOR'S REPORT

To MEMBERS of the KARANGAHAPE ROAD BUSINESS ASSOCIATION INC

Report on the Performance Report

Opinion

We have audited the performance report of KARANGAHAPE ROAD BUSINESS ASSOCIATION INC ("the ASSOCIATION"), which comprise the financial statements on pages 7 to 15, the entity information on page 5 and the service performance information on page 6. The complete set of financial statements comprise the statement of financial position as at 30 June 2025, the statement of financial performance and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects:

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

in accordance with Reporting requirements for Tier 3 Not-for-profit Entities (Tier 3 (NFP) Standard) issued in New Zealand (NZ) by the NZ Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the statement of service performance and entity information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information.* 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 the ASSOCIATION 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 audit opinion.
Other than in our capacity as auditor we have no relationship with, or interests in the ASSOCIATION.

Committees' Responsibility for the Performance Report

The Committee are responsible for:

- The preparation, and fair presentation of the performance report in accordance Tier 3 (NFP) Standard;
- The selection of the elements/aspects of the service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present the service performance information that is appropriate and meaningful in accordance with the Tier 3 (NFP) Standard;
- The preparation and fair presentation of service performance information in accordance with the ASSOCIATION's measurement bases or evaluation methods, in accordance with the Tier 3 (NFP) Standard;
- The overall presentation, structure and content of the service performance information in accordance with the Tier 3 (NFP) Standard; and
- Such internal control as the Committee determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

Level 1, Building 2, 15 Accent Drive, East Tamaki, Auckland 2013. PO Box 217-055 Botany Junction 2164. Phone: 09 274 5232
Email: sholan@auditintegrity.nz

In preparing the performance report, the Committee is responsible for assessing the ASSOCIATION'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 Committee either intends to liquidate the ASSOCIATION 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 (NZ) and NZ AS 1 (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the performance report is located at the XRB's website at:
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-18-1/

We communicate with the 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.

Other Matters

The prior year comparatives were audited by William Buck Audit (NZ) Limited, they issued an unqualified audit opinion dated 21 October 2024.

Restriction on responsibility

This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

AUDIT INTEGRITY

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Audit Integrity Ltd
Chartered Accountants
East Tamaki, Auckland
15 October 2025

Level 1, Building 2, 15 Accent Drive, East Tamaki, Auckland 2013. PO Box 217-055 Botany Junction 2164. Phone: 09 274 5232
Email: sholan@auditintegrity.nz

Entity Information

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2025

'Who are we?', 'Why do we exist?'

Legal Name of Entity

The Karangahape Road Business Association, Incorporated

Entity Type and Legal Basis

Incorporated Society

Registration Number

221397

Entity's Purpose or Mission

To assist and guide the development and advancement of the commercial interests of business people and businesses in the Karangahape Road Business Precinct through a coordinated, structured and measurable communications, marketing and economic development programme.

Entity Structure

The Karangahape Road Business Association, Incorporated (KBA) is run by a manager who is answerable to a committee of no less then five members and no more then nine voting members; and up to two non-voting members. The committee is elected annually by KBA's membership. The staff consists of a Precinct Manager, and a staff member with the combined role of Office Manager and Accounts Manager.

Main Sources of Entity's Cash and Resources

Auckland Council (Council) Grants

Main Methods Used by Entity to Raise Funds

Targeted rate collected by council and paid back to the KBA through quarterly grants. Additional grants are received from the Council after successful application by KBA

Physical Address

Shop 8, 59 Pitt Street, Beresford Square, Auckland

Postal Address

The Manager, PO Box 68 370, Wellesley Street, Auckland, New Zealand

Statement of Service Performance

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2025

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

The aim of the Association is to foster the economic development of the business precinct as a whole and, in turn, the economic success of its individual members. It works towards this goal by taking guidance from a strategic plan, commissioned and renewed every five years and an annual plan reassessed annually. The Association is governed by a board consisting of nine representatives of the membership who are elected annually and who meet monthly to review and direct the conduct of the business of the association by the manager and staff.

Description and Quantification of the Entity's Outputs

	2025	2024
EVENTS		
In-house Street Festivals	2	3
Thursday D8 night and FAM (Food, Art, Market)	11	11
Other Events	15	17
OTHER QUANTIFICATIONS		
Newsletter Subscribers	3,277	3,257
Foot Traffic	3,872,702	4,038,627
Social Media	22,325	18,792

The KBA delivers an annual programme of destination marketing and events to support an accessible and inclusive city centre. The free events and activations aim to enhance public life, respond to the needs of the community and where possible engage local suppliers in the development and delivery of events.

Statement of Financial Performance

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2025

'How was it funded?' and 'What did it cost?'

	NOTES	2025	2024
Revenue			
Government service delivery grants/contracts		837,813	805,088
Interest, dividends and other investment revenue	1	2,100	2,156
Other revenue	1	41,165	69,435
Total Revenue		**881,079**	**876,679**
Expenses			
Volunteer and employee related costs	2	116,771	113,854
Costs related to providing goods or service	2	748,354	745,522
Other expenses			
Legal expenses	2	2,605	1,500
Depreciation	2	803	776
Interest and finance charges	2	60	135
Non deductible entertainment	2	1,856	3,861
Total Other expenses		**5,324**	**6,272**
Total Expenses		**870,449**	**865,648**
Surplus/(Deficit) for the Year		**10,630**	**11,031**

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Independent Auditor's Report.

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Statement of Financial Position

The Karangahape Road Business Association, Incorporated
As at 30 June 2025

'What the entity owns?' and 'What the entity owes?'

	NOTES	2025	2024
Assets			
Current Assets			
Bank accounts and cash	3	293,082	193,228
Debtors and prepayments	3	260	14,489
Other Current Assets	3	30,818	46,883
Total Current Assets		**324,160**	**254,600**
Non-Current Assets			
Property, Plant and Equipment	5	2,121	1,745
Total Non-Current Assets		**2,121**	**1,745**
Total Assets		**326,282**	**256,346**
Liabilities			
Current Liabilities			
Creditors	4	25,306	112,116
Unused donations and grants with conditions	4	-	2,238
Other current liabilities	4	179,635	31,282
Total Current Liabilities		**204,941**	**145,635**
Total Liabilities		**204,941**	**145,635**
Total Assets less Total Liabilities (Net Assets)		**121,340**	**110,711**
Accumulated Funds			
Accumulated surpluses or (deficits)			
Retained earnings/Accumulated funds		110,711	99,680
Current year earnings		10,630	11,031
Total Accumulated surpluses or (deficits)		**121,340**	**110,711**
Total Accumulated Funds		121,340	110,711

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Chairperson **Date** 14/10/2025

Treasurer **Date** 14 10 2025

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Statement of Cash Flows

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2025

'How the entity has received and used cash'

	2025	2024
Cash Flows from Operating Activities		
Government service delivery grants/contracts	981,757	690,162
Cash receipts from other revenue	51,165	59,985
Payments to suppliers and employees	(881,205)	(758,449)
Cash flows from other operating activities	(18,297)	-
Destination Marketing Project	(36,765)	(36,750)
Total Cash Flows from Operating Activities	**96,656**	**(45,051)**
Cash Flows from Investing and Financing Activities		
Interest, dividends and other investment receipts	2,100	2,156
Cash Flows from Other Investing and Financing Activities	1,098	(1,562)
Total Cash Flows from Investing and Financing Activities	**3,198**	**594**
Net Increase/ (Decrease) in Cash	**99,854**	**(44,457)**
Cash Balances		
Cash and cash equivalents at beginning of period	193,228	237,686
Cash and cash equivalents at end of period	293,082	193,228
Net change in cash for period	99,854	(44,457)

The accompanying notes form part of these financial statements. These financial statements have been subject to audit and should be read in conjunction with the attached Independent Auditor's Report.

Statement of Accounting Policies

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2025

'How did we do our accounting?'

Basis of Preparation

The Karangahape Road Business Association, Incorporated (KBA, entity) has elected to apply the Reporting requirements for Tier 3 (NFP) Not-For-Profit on the basis that it does not have public accountability and has total annual expenses equal to or less than $5,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

The society is a not for profit registered under the Incorporated Societies Act and is exempt from income tax having fully complied with all statutory conditions for this exemption.

Revenue

General funding received from local government, grants from non-government organisations and capital grants, interest, other

General funding or grants with no documented expectations over use

General funding received from central or local government, grants from non-government organisations and capital grants are recognised as revenue when the funds are received if there are no documented expectations over use.

General funding or grants with documented expectations over use

If funding is subject to documented expectations over use, the funds are initially recorded as deferred revenue. As the documented expectations over use are met, the deferred revenue is reduced and revenue is recorded.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of six months or less.

Accounts Receivable

Accounts receivabe are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recorded and the loss is recognised as a bad debt expense.

Property Plant and Equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses. The Association has not elected to revalue any of its classes of property, plant and equipment after initial recognition.

For all property, plant and equipment assets, depreciation is provided on a diminishing value basis at the following rates:

Furniture and other fixed assets (10%-60%)

Accounts Payable

Accounts payable and accrued expenses are recorded when a transaction occurs that creates the payment obligation. Accounts pyable and accrued expenses are measured at the amount owed.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2025

	2025	2024

1. Analysis of Revenue

Government service delivery grants/contracts	2025	2024
Auckland Council Development Response Office	55,000	-
Auckland Council Quartery Grant	539,359	504,074
Destination Marketing Grant	80,000	80,000
Other Grants	147,238	206,015
Destination Marketing Reserves Grant	16,217	15,000
Total Government service delivery grants/contracts	**837,813**	**805,088**

Interest, dividends and other investment revenue	2025	2024
Dividends Received	350	364
Interest Income	1,750	1,792
Total Interest, dividends and other investment revenue	**2,100**	**2,156**

Other revenue	2025	2024
Other Revenue	41,165	69,435
Total Other revenue	**41,165**	**69,435**

	2025	2024

2. Analysis of Expenses

Volunteer and employee related costs	2025	2024
Administration Fees	21,000	11,092
KiwiSaver Employer Contributions	2,709	3,065
Recruitment	2,949	-
Salaries	90,113	99,697
Total Volunteer and employee related costs	**116,771**	**113,854**

Costs related to providing goods or services	2025	2024
Accountancy Fees	11,694	12,217
Advertising & Promotions	8,397	13,395
Audit Fees	3,349	5,974
Business & Governance Support	12,400	-
Community Support	836	-
Consultancy	-	26,100
Destination Marketing-Marketing Manager	50,350	-
Destination Marketing Project	1,500	73,515
Destination Marketing Reserves Expense	-	18,200
Development Response Project	1,920	-
Development Response Activator	25,057	-
Development Response Assist	14,169	-
Entertainment	2,964	1,187
Events	338,001	323,233
First Thursdays	51,651	21,916

	2025	2024
Freight & Courier	7	9
General Expenses	14	47
Insurance	3,117	3,075
IRD Penalties and Interest	-	100
Iwi Relationships/Koha	474	1,300
Light, Power, Heating	1,479	1,331
MarketView	5,250	5,250
Member Services - Business Attraction	-	27
Member Services - networking	2,000	2,900
Newsletters	260	-
Office Expenses	6,960	5,644
Parking	2,361	2,358
Rent	23,000	23,000
Repairs and Maintenance	86	-
Road Safety - Ped Count	5,462	5,462
Security and Lighting	153,544	165,761
Social Media	16,178	24,920
Subscriptions	3,391	4,810
Telephone & Internet	2,485	3,794
Total Costs related to providing goods or services	**748,354**	**745,522**

Other expenses

Bank Fees	60	122
Depreciation	803	776
Entertainment - Non deductible GST	1,856	3,861
Interest Expense	-	14
Legal expenses	2,605	1,500
Total Other expenses	**5,324**	**6,272**

	2025	2024

3. Analysis of Assets

Bank accounts and cash

00 a/c Operating Expenses (Business Focus AC)	1,568	12,674
01 Security	56,381	81,327
02 a/c Destination Marketing	70	48,251
03 a/c Contingency (Development Resp)	2,254	16,801
04 a/c Events	34	23,272
50 a/c Income (Moneymaker Commercial)	187,116	256
51 a/c Tax (Business Saver)	38,042	88
52 a/c Payroll	7,598	10,540
Petty Cash	20	20
Total Bank accounts and cash	**293,082**	**193,228**

Debtors and prepayments

Accounts Receivable	-	11,500

	2025	2024
Prepayments	260	2,989
Total Debtors and prepayments	**260**	**14,489**

Other current assets

GST	30,247	46,312
Imputation Credits	298	298
Withholding tax paid	273	273
Total Other current assets	**30,818**	**46,883**

	2025	2024

4. Analysis of Liabilities

Creditors

Accounts Payable	25,306	112,116
Total Creditors	**25,306**	**112,116**

Unused donations and grants with conditions

ACCAB - Destination Marketing Emergency	-	2,238
Total Unused donations and grants with conditions	**-**	**2,238**

Other current liabilities

Jamey Credit Card	410	(688)
Accrued Expenses	39,644	31,947
Funds Received in Advance	139,559	-
Income Tax	22	22
Rounding	-	-
Total Other current liabilities	**179,635**	**31,282**

	2025	2024

5. Property, Plant and Equipment

Furniture and Fittings

Furniture and fittings owned	29,445	28,266
Current year depreciation - furniture and fittings owned	(711)	(591)
Accumulated depreciation - furniture and fittings owned	(26,706)	(26,114)
Total Furniture and Fittings	**2,029**	**1,560**

Other Fixed Assets

Owned fixed assets	12,920	12,920
Current year depreciation - fixed assets owned	(92)	(185)
Accumulated depreciation - fixed assets owned	(12,735)	(12,550)
Total Other Fixed Assets	**93**	**185**
Total Property, Plant and Equipment	**2,121**	**1,745**

	2025	2024

6. Accumulated Funds

Accumulated Funds

	2025	2024
Opening Balance	110,711	99,680
Accumulated surpluses or (deficits)		
Current year earnings	10,630	11,031
Total Accumulated surpluses or (deficits)	**10,630**	**11,031**
Total Accumulated Funds	**121,340**	**110,711**
Total Accumulated Funds	**121,340**	**110,711**

7. Lease Commitments

Description	Within a Year	Between 1 and 5 Years	More than 5 Years
Office Rent	-	-	-

The current lease is on a month by month basis.

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2025 (last year - nil).

9. Related Parties

There were no transactions involving related parties during the financial year.

10. 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 .

11. Ability to Continue Operating

The entity has adequate funding to continue to operate for the foreseeable future.