

Performance Report

The Karangahape Road Business Association, Incorporated
For the year ended 30 June 2026

Prepared by O'Leary & Associates Limited

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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 6 to 14, the entity information on page 4 and the service performance information on page 5. The complete set of financial statements comprise the statement of financial position as at 30 June 2026, 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 2026;
- the financial position of the ASSOCIATION as at 30 June 2026 and of its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2026 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.

Governance Committees' Responsibility for the Performance Report

The Governance Committee ("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.

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.

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

Audit Integrity Ltd

Chartered Accountants

East Tamaki, Auckland

14 October 2026

Entity Information

The Karangahape Road Business Association, Incorporated For the year ended 30 June 2026

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

Legal Name of Entity

The Karangahape Road Business Association, Incorporated

Entity Type

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 entity operates as a single unit.

Entity's Governance Arrangements

The Karangahape Road Business Association, Incorporated (KBA) is run by a manager who is answerable to a committee of no less than five members and no more than 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 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.

Entity's Reliance on Volunteers and Donated Goods or Services

The entity primarily operates as a business rather than as a volunteer-run organisation.

Physical Address

59 Pitt Street, Beresford Square, Auckland, New Zealand

Postal Address

P O Box 68 370, Wellesley Street, Auckland, New Zealand

Statement of Service Performance

The Karangahape Road Business Association, Incorporated For the year ended 30 June 2026

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

Description of Medium to Long Term Objectives

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.

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.

	2026	2025
Description of Significant Activities		
In-house street festivals	2	2
Thursday D8 night and FAM (Food, Art, Market)	10	11
Other events	-	15
Newsletter subscribers	3,700	3,277
Foot traffic	3,799,961	3,872,702
Social media	25,377	22,325



Statement of Financial Performance

The Karangahape Road Business Association, Incorporated For the year ended 30 June 2026

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

	NOTES	2026	2025
Revenue			
Government service delivery grants/contracts	1	1,025,943	837,813
Interest, dividends and other investment revenue	1	744	2,100
Other revenue	1	7,000	41,165
Total Revenue		1,033,687	881,079
Expenses			
Employee remuneration and other related expenses	2	131,235	116,771
Expenses related to commercial activities	2	825,017	748,354
Other expenses	2	5,416	5,324
Total Expenses		961,668	870,449
Surplus/(Deficit) for the Year		72,019	10,630

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 Financial Position

The Karangahape Road Business Association, Incorporated
As at 30 June 2026

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

	NOTES	30 JUN 2026	30 JUN 2025
Assets			
Current Assets			
Cash and short-term deposits	3	345,732	293,082
Debtors and prepayments	3	6,018	260
Other current assets	3	23,153	30,818
Total Current Assets		374,903	324,160
Non-Current Assets			
Property, plant and equipment	5	1,597	2,121
Total Non-Current Assets		1,597	2,121
Total Assets		376,500	326,282
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	54,353	25,306
Other current liabilities	4	128,787	179,635
Total Current Liabilities		183,140	204,941
Total Liabilities		183,140	204,941
Total Assets less Total Liabilities (Net Assets)		193,359	121,340
Accumulated Funds			
Accumulated surpluses (or deficits)	6	193,359	121,340
Total Accumulated Funds		193,359	121,340

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

Date: 13/10/26 Date: 13/10/2026
 Signature: [Signature] Signature: [Signature]
 Name: Christy Tennent Name: TANE WILLIAMS
 Position: Chair Position: TREASURER

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Statement of Cash Flows

The Karangahape Road Business Association, Incorporated For the year ended 30 June 2026

	2026	2025
Cash Flows from Operating Activities		
Cash receipts:		
Government service delivery grants/contracts	967,895	975,135
Interest or dividends received	744	2,100
GST	10,407	6,622
Other cash received	37,000	51,165
Total Cash receipts:	1,016,046	1,035,022
Cash payments:		
Employee remuneration and other related payments	(124,447)	(116,965)
Payments related to commercial activities	(832,196)	(816,206)
Other payments	(4,186)	(1,916)
Total Cash payments:	(960,829)	(935,087)
Total Cash Flows from Operating Activities	55,217	99,935
Cash Flows from Other Activities		
Cash payments:		
Payments to acquire property, plant and equipment	-	(1,179)
Repayments of loans or credit cards	(2,567)	1,098
Total Cash payments:	(2,567)	(81)
Total Cash Flows from Other Activities	(2,567)	(81)
Net Increase/(Decrease) in Cash	52,650	99,854
Bank Accounts and Cash		
Opening cash	293,082	193,228
Net change in cash for period	52,650	99,854
Closing cash	345,732	293,082

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 2026

'How did we do our accounting?'

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 \$5million. 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 is a going concern and will continue to operate for 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 Karangahape Road Business Association, Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

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 receivable 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 payable 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 2026

	2026	2025
1. Analysis of Revenue		
Government service delivery grants/contracts		
Auckland Council Development Response Office	160,000	55,000
Auckland Council Quarterly Grant	558,237	539,359
Destination Marketing Projects Grant	148,489	80,000
Destination Marketing Reserves Grant	35,000	16,217
Other Grants	124,217	147,238
Total Government service delivery grants/contracts	1,025,943	837,813
Interest, dividends and other investment revenue		
Dividends Received	364	350
Interest Income	380	1,750
Total Interest, dividends and other investment revenue	744	2,100
Other revenue		
Other Revenue	7,000	41,165
Total Other revenue	7,000	41,165



2026

2025

2. Analysis of Expenses**Employee remuneration and other related expenses**

Administration Fees	20,800	21,000
KiwiSaver Employer Contributions	3,082	2,709
Recruitment	-	2,949
Salaries	107,353	90,113
Total Employee remuneration and other related expenses	131,235	116,771

Expenses related to commercial activities

Accountancy Fees	12,342	11,694
Advertising & Promotions	7,166	8,397
Audit Fees	1,106	3,349
Business & Governance Support	1,137	12,400
Community Support	1,331	836
Destination Marketing	198,767	51,850
Development Response	122,010	41,146
Entertainment	3,684	2,964
Events	232,944	338,001
First Thursdays	-	51,651
Freight & Courier	61	7
General Expenses	-	14
Insurance	3,211	3,117
Iwi Relationships/Koha	374	474
Light, Power, Heating	1,640	1,479
MarketView	5,250	5,250
Member Services - networking	1,000	2,000
Newsletters	-	260
Office Expenses	3,810	6,960
Parking	2,376	2,361
Printing & Stationery	1,286	-
Rent	26,669	23,000
Repairs and Maintenance	206	86
Road Safety - Ped Count	8,193	5,462
Safety Audit	33	-
Security and Lighting	153,075	153,544
Social Media	26,157	16,178
Subscriptions	5,628	3,391
Telephone & Internet	2,437	2,485
Travel - National	2,707	-
Website Expenses	421	-
Total Expenses related to commercial activities	825,017	748,354

Other expenses

Bank Fees	117	60
Depreciation	524	803

Entertainment - Non deductible GST	4,052	1,856
Interest Expense	23	-
Legal expenses	700	2,605
Total Other expenses	5,416	5,324

2026 2025

3. Analysis of Assets

Cash and short-term deposits

00 a/c Operating Expenses (Business Focus AC)	4,671	1,568
01 Security	40,393	56,381
02 a/c Destination Marketing	20	70
03 a/c Contingency (Development Resp)	346	2,254
04 a/c Events	129,680	34
50 a/c Income (Moneymaker Commercial)	80,394	187,116
51 a/c Tax (Business Saver)	65,121	38,042
52 a/c Payroll	25,086	7,598
Petty Cash	20	20
Total Cash and short-term deposits	345,732	293,082

Debtors and prepayments

Accounts Receivable	5,750	-
Prepayments	268	260
Total Debtors and prepayments	6,018	260

Other current assets

GST	22,582	30,247
Imputation Credits	298	298
Withholding tax paid	273	273
Total Other current assets	23,153	30,818

2026 2025

4. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	54,353	25,306
Total Creditors and accrued expenses	54,353	25,306

Other current liabilities

Accrued Expenses	14,412	39,644
Funds Received in Advance	116,511	139,559
Income Tax	22	22
Jamey Credit Card	(5,157)	410
Rounding	-	-
Visa Business	3,000	-
Total Other current liabilities	128,787	179,635



	2026	2025
5. Property, Plant and Equipment		
Furniture and Fittings		
Opening Balance	2,029	1,560
Furniture and fittings owned	-	1,179
Accumulated depreciation - furniture and fittings owned	(478)	(711)
Total Furniture and Fittings	1,550	2,029
Other Fixed Assets		
Opening Balance	93	185
Accumulated depreciation - fixed assets owned	(46)	(92)
Total Other Fixed Assets	46	93
Total Property, Plant and Equipment	1,597	2,121
	2026	2025

6. Accumulated Funds

Accumulated surpluses or (deficits)		
Opening Balance	121,340	110,711
Current year earnings	72,019	10,630
Total Accumulated surpluses or (deficits)	193,359	121,340
Total Accumulated Funds	193,359	121,340

7. Commitments

There are no commitments as at 30 June 2026 (Last year - nil).

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 2026 Last year - nil).

9. Related Party Transactions

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 (Last year - nil).

11. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

