

**The Electrical Contractors Association of New  
Zealand Incorporated**

**Financial Statements  
For the year ended 31 December 2023**

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# The Electrical Contractors Association of New Zealand Incorporated

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# The Electrical Contractors Association of New Zealand Incorporated

## Entity Information

Legal Name of Entity	The Electrical Contractors Association of New Zealand Incorporated	
Other Name of Entity	Master Electricians	
Entity Type & Legal Basis	Professional Trade Association registered under Incorporated Societies Act 2022	
Date of Incorporation	30/04/1959	
Registration Number	WN/216464	
Entity Purpose	A professional trade association which represents its members who are owners of electrical contracting businesses.	
Entity Structure	A national office that reports to a Board of Directors. In addition there are 10 branches who are incorporated societies and each provides a delegate to vote at the AGM.	
Board of Directors	Colin Smith	Chair
	Craig O'Connell	Director
	Gary Roxburgh	President / Director
	Mike Barr	Director
	Omri Ash	Director
	Mark Rawson	Director
Business location and registered office:	Floor 4, 191 Thorndon Quay Pipitea WELLINGTON	
Auditor:	Crowe New Zealand Audit Partnership WELLINGTON	

  
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# The Electrical Contractors Association of New Zealand Incorporated



## Statement of Service Performance For the year ended 31 December 2023

### Description of Entity's outcomes

Advocate for Master Electricians members, public and wider electrical contracting industry.  
Provide services, information and support.

- 1 - Digital growth.
- 2 - Promote Master Electricians membership, brand and awareness of topics relevant to the electrical contracting
- 3 - Growth of the membership.

Description and quantification of the Entity's Outputs	12 months	6 months
	31 December 2023	31 December 2022
1) Visits to Master Electricians Website	157,806	61,247
2) Facebook page followers over the year	7,811	7,502
3) LinkedIn follows over the year	1,358	998
4) Growth of the membership	1,288	1,260

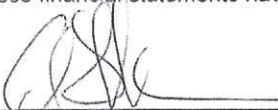


# The Electrical Contractors Association of New Zealand Incorporated

## Statement of Comprehensive Revenue and Expense For the year ended 31 December 2023

	Notes	Group 12 months 31 December 2023 \$	Parent 12 months 31 December 2023 \$	Parent & Group* 6 months 31 December 2022 \$
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>				
Fees, subscriptions and other revenue from members		1,328,119	1,328,119	1,000,856
Revenue from providing goods or services		632,418	987,612	337,151
Rental income		442,097	-	-
Outgoings income		127,294	-	-
<b>Total revenue from exchange transactions</b>		<b>2,529,928</b>	<b>2,315,731</b>	<b>1,338,007</b>
<b>TOTAL REVENUE</b>		<b>2,529,928</b>	<b>2,315,731</b>	<b>1,338,007</b>
<b>EXPENSES</b>				
Wages, salaries and other employee costs		1,501,722	1,482,972	597,309
Depreciation, amortisation and impairment expenses	5, 10, 11	270,583	107,083	47,586
Outgoings expenses		105,703	-	-
Other overhead and administrative expenses	4	2,074,925	1,992,393	1,087,202
<b>TOTAL EXPENSES</b>		<b>3,952,933</b>	<b>3,582,448</b>	<b>1,732,097</b>
Interest income	6	331,624	331,624	1,296
<b>NET SURPLUS FROM FINANCE ACTIVITIES</b>		<b>331,624</b>	<b>331,624</b>	<b>1,296</b>
<b>OPERATING SURPLUS/( DEFICIT)</b>		<b>(1,091,381)</b>	<b>(935,093)</b>	<b>(392,795)</b>
<b>OTHER LOSSES/(GAINS)</b>				
Gain/(Loss) on Assets Disposal		1,832	1,832	7,700
Gain/(Loss) on Shares Disposal		29,838,727	29,838,727	-
<b>TOTAL OTHER LOSSES</b>		<b>29,840,560</b>	<b>29,840,560</b>	<b>7,700</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>28,749,179</b>	<b>28,905,467</b>	<b>(385,095)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR</b>		<b>28,749,179</b>	<b>28,905,467</b>	<b>(385,095)</b>

These financial statements have been authorised for issue by the Board of Directors on \_\_\_\_\_

  
Chairman


13/5/2024  
Date

  
Director

14/5/2024  
Date

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

This statement should be read in conjunction with the attached notes to the financial statements

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# The Electrical Contractors Association of New Zealand Incorporated



## Statement of Financial Position As at 31 December 2023

	Notes	Group 31 December 2023 \$	Parent 31 December 2023 \$	Parent & Group* 31 December 2022 \$
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents	7	8,884,619	8,808,812	119,493
Receivables	8	171,298	171,298	237,128
Short term investments		2,025,000	2,025,000	-
Inventories	9	14,056	14,056	12,734
Income tax receivable	23	4,652	4,652	449
Inter-entity receivable		-	11,002,761	-
Prepayments		61,096	48,677	66,798
<b>Total current assets</b>		<b>11,160,721</b>	<b>22,075,256</b>	<b>436,602</b>
<b>Non-current</b>				
Property, plant and equipment	10	1,048,087	1,048,087	1,022,995
Intangible assets	11	104,667	104,667	177,640
Investment property	12	10,736,500	-	-
Investment	13	7,300,000	7,300,000	-
<b>Total non-current assets</b>		<b>19,189,254</b>	<b>8,452,754</b>	<b>1,200,635</b>
<b>TOTAL ASSETS</b>		<b>30,349,975</b>	<b>30,528,010</b>	<b>1,637,237</b>
<b>LIABILITIES</b>				
<b>Current</b>				
Payables	14	328,510	350,258	311,336
Credit Cards		11,941	11,941	22,204
Employee entitlements	15	64,347	64,347	107,699
		<b>404,798</b>	<b>426,546</b>	<b>441,239</b>
<b>Non-current</b>				
Provisions under Guarantees	20	8,949	8,948	8,948
<b>Total non-current liabilities</b>		<b>8,949</b>	<b>8,948</b>	<b>8,948</b>
<b>TOTAL LIABILITIES</b>		<b>413,747</b>	<b>435,494</b>	<b>450,187</b>
<b>NET ASSETS</b>		<b>29,936,228</b>	<b>30,092,516</b>	<b>1,187,050</b>
<b>EQUITY</b>				
Accumulated funds		(541,168)	(384,881)	548,380
Other equity reserves		30,477,396	30,477,397	638,670
<b>TOTAL EQUITY</b>		<b>29,936,228</b>	<b>30,092,516</b>	<b>1,187,050</b>

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

This statement should be read in conjunction with the attached notes to the financial statements



# The Electrical Contractors Association of New Zealand Incorporated

## Statement of Changes in Net Assets For the year ended 31 December 2023

Group	Accumulated funds	Revaluation Reserves	Total
	\$	\$	\$
Balance 1 January 2023	548,380	638,670	1,187,050
Surplus for the year	28,749,179	-	28,749,179
Transfer to Capital Reserve	(29,838,727)	29,838,727	-
<b>Total comprehensive revenue and expense</b>	<b>(1,089,548)</b>	<b>29,838,727</b>	<b>28,749,179</b>
<b>Balance 31 December 2023</b>	<b>(541,168)</b>	<b>30,477,397</b>	<b>29,936,229</b>
Balance 1 July 2022	933,475	638,670	1,572,145
Loss for the year	(385,095)	-	(385,095)
<b>Total comprehensive revenue and expense</b>	<b>(385,095)</b>	<b>-</b>	<b>(385,095)</b>
<b>Balance 31 December 2022</b>	<b>548,380</b>	<b>638,670</b>	<b>1,187,050</b>

Parent	Accumulated funds	Revaluation Reserves	Total
	\$	\$	\$
Balance 1 January 2023	548,380	638,670	1,187,050
Surplus for the year	28,905,468	-	28,905,468
Transfer to Capital Reserve	(29,838,727)	29,838,727	-
<b>Total comprehensive revenue and expense</b>	<b>(933,259)</b>	<b>29,838,727</b>	<b>28,905,468</b>
<b>Balance 31 December 2023</b>	<b>(384,879)</b>	<b>30,477,397</b>	<b>30,092,518</b>
Balance 1 July 2022	933,475	638,670	1,572,145
Loss for the year	(385,095)	-	(385,095)
<b>Total comprehensive revenue and expense</b>	<b>(385,095)</b>	<b>-</b>	<b>(385,095)</b>
<b>Balance 31 December 2022</b>	<b>548,380</b>	<b>638,670</b>	<b>1,187,050</b>

This statement should be read in conjunction with the attached notes to the financial statements

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# The Electrical Contractors Association of New Zealand Incorporated

## Statement of Cash Flows For the year ended 31 December 2023

	Group	Parent	Parent & Group*
	12 months 31 December 2023	12 months 31 December 2023	6 months 31 December 2022
Notes	\$	\$	\$
<b>Cash flow from operating activities</b>			
<i>Cash was provided from/(applied to):</i>			
Fees, subscriptions and other receipts from members	1,328,119	1,328,119	1,000,856
Receipts from providing goods or services	1,398,531	906,111	337,151
Payments to suppliers and employees	3,076,866	3,253,809	(1,623,350)
GST	(65,095)	(46,942)	(34,089)
Interest received	250,701	250,701	1,296
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<b>Net cash from/(used in) operating activities</b>	<b>5,989,122</b>	<b>5,691,798</b>	<b>(318,137)</b>
<b>Cash flow from investing and financing activities</b>			
<i>Cash was provided from/(applied to):</i>			
Disposal/(Purchase) of property, plant and equipment	(10,956,848)	(56,848)	(23,631)
Sale/(Purchase) of financial assets	13,939,727	3,039,727	-
<b>Net cash from/(used in) investing activities</b>	<b>2,982,879</b>	<b>2,982,879</b>	<b>(23,631)</b>
<b>Cash flow from financing activities</b>			
<i>Cash was provided from/(applied to):</i>			
Repayment of Loans			
Inter-entity transfers	(206,876)	14,642	136,864
<b>Net cash from/(used in) financing activities</b>	<b>(206,876)</b>	<b>14,642</b>	<b>136,864</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,765,126</b>	<b>8,689,319</b>	<b>(204,904)</b>
Cash and cash equivalents, beginning of the year	119,493	119,493	324,397
Cash and cash equivalents at end of the year	8,884,619	8,808,812	119,493
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\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

This statement should be read in conjunction with the attached notes to the financial statements

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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### 1 Reporting entity

The Electrical Contractors Association of New Zealand Inc is registered under the Incorporated Societies Act 1908.

These financial statements have been approved and were authorised for issue by the Board of Directors on the date as stated in page 5 of these financial statements.

A professional trade association which represents its members who are owners of electrical contracting businesses.

### 2 Basis of preparation

#### (a) Statement of compliance

The Society's financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board. For the purposes of complying with NZ GAAP, the Society is eligible to apply Tier 2 - PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Directors have elected to report in accordance with Tier 2 - PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions. However, the Society has decided to continue preparing a Statement of Service Performance.

#### (b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for assets and liabilities that have been measured at fair value.

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.

All numbers are rounded to the nearest dollar, except when otherwise stated.

#### (d) Change of balance date

The Board approved to change the balance date of the organisation from 30 June to 31 December effective from 31 December 2022. Last financial statements are prepared for the six-month period from 1st July 2022 to 31 December 2022 to align with the new balance sheet date.

#### (e) Comparatives

The comparative financial period is 6 months. The current period being reported on is twelve months (see note 2(d) above).

The net asset position and net surplus or deficit reported in comparatives is consistent with previously authorised financial statements.

#### (f) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### (g) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are disclosed where applicable in the relevant notes to the Financial Statements. Judgements made by management in the application of the PBE Standards RDR that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the notes to the Financial Statements.

### 3 Summary of significant accounting policies

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

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

#### (a) Cash and cash equivalents

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

#### (b) Debtors and other receivables

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

An allowance for impairment is established where there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivable.

#### (c) Inventories

Inventories are stated at the lower of cost and net realisable value. In determining cost, the first-in-first-out basis has been followed.

#### (d) Creditors and other payables

Trade creditors and other payables are stated at cost.

#### (e) Property, plant and equipment

Property, plant and equipment are 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 replacing part of an item of property, 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 Company 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 property, 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.

Revaluation model: fair value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

  
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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### (e) Property, plant and equipment - continued

Gains and losses on revaluation are recognised in other comprehensive revenue and expense and presented in the revaluation surplus reserve within accumulated funds. Any revaluation losses in excess of credit balance of the revaluation surplus for that class of property, plant and equipment are recognised in surplus or loss as an impairment.

#### Disposals

An item of property, 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 property, 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.

Upon disposal, any revaluation reserve relating to the particular asset being sold is reclassified to accumulated funds.

#### Depreciation

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

<i>Building &amp; improvements</i>	4% - 10%	DV
<i>Computer Equipment</i>	30% - 50%	DV
<i>Office equipment &amp; Furniture</i>	9.5% - 30%	DV
<i>Motor vehicles</i>	30%	DV

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

#### Impairment

At each reporting date, the Society reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that its property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of the property, plant and equipment is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognised immediately in the statement of comprehensive revenue and expenses. Where an impairment loss subsequently reverses, the carrying amount of the property, plant and equipment is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the property, plant and equipment. The reversal of an impairment loss is recognised immediately in income.

### (f) Intangible assets

Intangible assets are initially measured at cost less accumulated amortisation and impairment. The Society has no intangible assets with indefinite useful lives. Intangible assets are amortised on a straight line basis over 2 – 5 years and DV with a rate of 50%.

  
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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### (g) Investment Property

The accounts for investment properties in accordance with PBE IPSAS 16.

Investment properties, principally comprising direct property investments, are held for long term capital appreciation and to earn rentals. Investment properties are initially measured at cost, plus related costs of acquisition. Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties that are being constructed or developed for future use are classified as investment properties. All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualifying as acquisition costs, are capitalised.

Subsequent to initial recognition, investment properties are carried at their historical costs less any depreciation and impairment charges. Depreciation is charged at 2% per year by using DV method. Depreciation is charged to the Statement of Comprehensive Revenue and Expense.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gains or losses of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the period in which the property is derecognised.

### (h) Consolidation

ME Property Investments Limited is 100% owned by The Electrical Contractors Association of New Zealand Incorporated and was incorporated on 23 March 2023. As at 31 December 2023 there was \$11,002,761 payable to The Electrical Contractors Association of New Zealand Incorporated. ME Property Investments Limited pays management fee of \$39,130.43 per month to The Electrical Contractors Association of New Zealand Incorporated.

### (i) Leased assets

Leases where the Company 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.

Upon initial recognition finance leased assets are measured at an amount equal to the lower of their fair value and the present value of minimum leased payments at inception of the lease. A matching liability is recognised for minimum lease payment obligations excluding the effective interest expense. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

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.

### (j) 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, and other financial liabilities.

### Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Financial assets and financial liabilities are recognised when the reporting entity becomes a party to the contractual provisions of the financial instrument.



# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### (j) *Financial instruments continued*

#### **Derecognition of financial instruments**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Company transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **Subsequent measurement of financial assets**

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition into one of two categories defined below, and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through profit or loss are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

The classification of financial instruments into one of the two categories defined below, determines the basis for subsequent measurement and the whether any resulting movements in value are recognised in the reported surplus and deficit or other comprehensive revenue and expense.

#### (i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's cash and cash equivalents, trade debtors and most other receivables fall into this category of financial instruments.

After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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.

#### (ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as held-to-maturity if the Company have the intention and ability to hold them until maturity.

Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in surplus or deficit.

#### **Subsequent measurement of financial liabilities**

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through surplus or deficit, that are subsequently measured at fair value with gains or losses recognised in the surplus or deficit.

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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### (k) Employee entitlements

#### Short-term employee benefits

Employee benefits, previously earned from past services, that the Company 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.

### (l) Revenue

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

The Company assess 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 Company'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 Membership fees and subscriptions

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time that period covering the membership or subscription occurs.

#### Revenue from Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

#### Rendering of services

Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of completion of the transaction at the reporting date. Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

#### Interest income

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

#### Rental income

Rental Income from investment properties is recognised in the Statements of Comprehensive Revenue and Expenses on a straight-line basis over the term of the lease. Contingent rentals are recognised as income in the reporting period in which they are earned.

### (m) Income tax

The taxes payable method of tax-effect accounting has been adopted whereby the Income Tax expense shown in the statement of comprehensive revenue and expenses is based on the profit before tax, adjusted for any permanent differences.

### (n) 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.

### (o) Internal Charges

Internal charges are included within the contra accounts as both revenue and expenses to reflect the economic use of resources. These are eliminated, where appropriate, on consolidation.

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# The Electrical Contractors Association of New Zealand Incorporated



## Notes to the financial statements

4 Expenses	Group	Parent	Parent &
	12 months	12 months	Group*
	31 December	31 December	31 December
	2023	2023	2022
	\$	\$	\$
<i>The following amounts were expensed in the surplus for the year:</i>			
Event Costs	284,965	284,965	261,836
Staff Expenses	1,501,722	1,482,972	597,309
Brand Marketing	176,351	176,351	17,977
Branch Rebate Levies	378,917	378,917	136,026

5 Depreciation, amortisation and impairment expenses	Group	Parent	Parent &
	12 months	12 months	Group*
	31 December	31 December	31 December
	2023	2023	2022
	\$	\$	\$
Depreciation of property, plant and equipment	199,381	35,881	9,598
Amortisation of intangibles	71,203	71,203	37,988
<b>Total depreciation, amortisation and impairment expenses</b>	<b>270,583</b>	<b>107,083</b>	<b>47,586</b>

6 Finance income and costs	Group	Parent	Parent &
	12 months	12 months	Group*
	31 December	31 December	31 December
	2023	2023	2022
	\$	\$	\$
Financing income			
Interest income on bank deposits	331,624	331,624	1,296
<b>Total finance income and costs</b>	<b>331,624</b>	<b>331,624</b>	<b>1,296</b>

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

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Notes to the financial statements

7 Cash and cash equivalents	Group	Parent	Parent &
	12 months	12 months	Group*
	31 December	31 December	31 December
	2023	2023	2022
	\$	\$	\$
Cash at bank and in hand	633,025	557,218	119,493
Cash at Forsyth Barr	8,251,594	8,251,594	-
<b>Total cash and cash equivalents</b>	<b>8,884,619</b>	<b>8,808,812</b>	<b>119,493</b>

The carrying amount of cash and cash equivalents approximates their fair value. Cash at bank earns interest at floating rates on daily deposit balances.

8 Receivables	Group	Parent	Parent &
	12 months	12 months	Group*
	31 December	31 December	31 December
	2023	2023	2022
	\$	\$	\$
Trade debtors	16,753	16,753	212,441
Related party receivables	70,012	70,012	-
Other receivables	84,533	84,533	24,687
<b>Total receivables</b>	<b>171,298</b>	<b>171,298</b>	<b>237,128</b>

Trade debtors and other 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 31 December 2023, all overdue receivables have been assessed for impairment and appropriate allowances made. All receivables are subject to credit risk exposure.

9 Inventories	Group	Parent	Parent &
	12 months	12 months	Group*
	31 December	31 December	31 December
	2023	2023	2022
	\$	\$	\$
<b>Inventory held for distribution or provision of services commercial terms</b>			
Finished goods	14,056	14,056	12,734
<b>Total inventory</b>	<b>14,056</b>	<b>14,056</b>	<b>12,734</b>

No inventories have been pledged as security over borrowings and other liabilities.



Notes to the financial statements

10 Property, plant and equipment

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

Group	Land	Buildings	Computer equipment	Office equipment & Furniture	Motor vehicles	Total
2023	\$		\$	\$	\$	\$
<b>Gross carrying amount</b>						
Opening balance	810,000	133,492	107,195	104,353	47,815	1,202,856
Additions	-	-	15,136	4,568	72,842	92,546
Disposals	-	-	(72,371)	(4,085)	(63,470)	(139,925)
Closing balance	810,000	133,492	49,961	104,836	57,188	1,155,476
<b>Accumulated depreciation and impairment</b>						
Opening balance	-	(663)	(95,637)	(52,175)	(31,387)	(179,862)
Depreciation for the period	-	(198)	(10,596)	(8,747)	(16,339)	(35,881)
Depreciation written back on disposal	-	-	69,981	4,085	34,286	108,353
Closing balance	-	(861)	(36,252)	(56,837)	(13,440)	(107,390)
<b>Carrying amount 31 December 2023</b>	<b>810,000</b>	<b>132,631</b>	<b>13,709</b>	<b>47,999</b>	<b>43,748</b>	<b>1,048,087</b>

Parent & Group*	Land	Buildings	Computer equipment	Office equipment & Furniture	Motor vehicles	Total
2022	\$		\$	\$	\$	\$
<b>Gross carrying amount</b>						
Opening balance	810,000	133,492	103,631	60,352	125,092	1,232,567
Additions	-	-	3,564	44,001	-	47,566
Disposals	-	-	-	-	(77,277)	(77,277)
Revaluation Gain/(Loss)	-	-	-	-	-	-
Closing balance	810,000	133,492	107,195	104,353	47,815	1,202,856
<b>Accumulated depreciation and impairment</b>						
Opening balance	-	(560)	(91,668)	(49,548)	(89,529)	(231,305)
Depreciation for the period	-	(103)	(3,969)	(2,627)	(2,900)	(9,598)
Depreciation written back on disposal	-	-	-	-	61,042	61,042
Closing balance	-	(663)	(95,637)	(52,175)	(31,387)	(179,862)
<b>Carrying amount 31 December 2022</b>	<b>810,000</b>	<b>132,829</b>	<b>11,558</b>	<b>52,178</b>	<b>16,428</b>	<b>1,022,995</b>

The Society owns premises at 220A Thorndon Quay, Wellington. The land and building have been valued by an independent registered valuer based on observed sales of similar properties in compliance with the professional standards of the Property Institute. The market value of the property was valued as \$940,000 as at 30 June 2021. The decrease in land value has been recorded in the revaluation reserve.



# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### 10 Property, plant and equipment(Continue)

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

#### Parent

	Land	Buildings	Computer equipment	Office equipment & Furniture	Motor vehicles	Total
	\$		\$	\$	\$	\$
<b>2023</b>						
<b>Gross carrying amount</b>						
Opening balance	810,000	133,492	107,195	104,353	47,815	1,202,856
Additions	-	-	15,136	4,568	72,842	92,546
Disposals	-	-	(72,371)	(4,085)	(63,470)	(139,925)
Closing balance	810,000	133,492	49,961	104,836	57,188	1,155,476
<b>Accumulated depreciation and impairment</b>						
Opening balance	-	(663)	(95,637)	(52,175)	(31,387)	(179,862)
Depreciation for the period	-	(198)	(10,596)	(8,747)	(16,339)	(35,881)
Depreciation written back on disposal	-	-	69,981	4,085	34,286	108,353
Closing balance	-	(861)	(36,252)	(56,837)	(13,440)	(107,390)
<b>Carrying amount 31 December 2023</b>	<b>810,000</b>	<b>132,631</b>	<b>13,709</b>	<b>47,999</b>	<b>43,748</b>	<b>1,048,087</b>
<b>2022</b>						
<b>Gross carrying amount</b>						
Opening balance	810,000	133,492	103,631	60,352	125,092	1,232,567
Additions	-	-	3,564	44,001	-	47,566
Disposals	-	-	-	-	(77,277)	(77,277)
Revaluation Gain/(Loss)	-	-	-	-	-	-
Closing balance	810,000	133,492	107,195	104,353	47,815	1,202,856
<b>Accumulated depreciation and impairment</b>						
Opening balance	-	(560)	(91,668)	(49,548)	(89,529)	(231,305)
Depreciation for the period	-	(103)	(3,969)	(2,627)	(2,900)	(9,598)
Depreciation written back on disposal	-	-	-	-	61,042	61,042
Closing balance	-	(663)	(95,637)	(52,175)	(31,387)	(179,862)
<b>Carrying amount 31 December 2022</b>	<b>810,000</b>	<b>132,829</b>	<b>11,558</b>	<b>52,178</b>	<b>16,428</b>	<b>1,022,995</b>

The Society owns premises at 220A Thorndon Quay, Wellington. The land and building have been valued by an independent registered valuer based on observed sales of similar properties in compliance with the professional standards of the Property Institute. The market value of the property was valued as \$940,000 as at 30 June 2021. The decrease in land value has been recorded in the revaluation reserve.

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Notes to the financial statements

11 Intangible assets

Movements for each class of intangible assets are as follows:

Group	Acquired computer software and licences \$	Total \$
<b>2023</b>		
<b>Gross carrying amount</b>		
Opening balance	316,229	316,229
Additions	-	-
Disposals	(70,888)	(70,888)
Closing balance	245,341	245,341
<b>Accumulated depreciation and impairment</b>		
Opening balance	(138,589)	(138,589)
Current period amortisation	(71,203)	(71,203)
Amortisation written back on disposal	69,117	69,117
Closing balance	(140,674)	(140,674)
<b>Carrying amount 31 December 2023</b>	<b>104,667</b>	<b>104,667</b>

Parent & Group*	Acquired computer software and licences \$	Total \$
<b>2022</b>		
<b>Gross carrying amount</b>		
Opening balance	316,229	316,229
Additions	-	-
Disposals	-	-
Closing balance	316,229	316,229
<b>Accumulated depreciation and impairment</b>		
There were no material events subsequent to 31 December 2023 to disclose except for the comm	(100,601)	(100,601)
Current year amortisation	(37,988)	(37,988)
Amortisation written back on disposal	-	-
Closing balance	(138,589)	(138,589)
<b>Carrying amount 31 December 2022</b>	<b>177,640</b>	<b>177,640</b>

Capital Commitments

The Society has no capital commitments outstanding as at 31 December 2023 (December 2022: Nil)

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

*Handwritten signatures and initials: CML and CS*



Notes to the financial statements

11 Intangible assets (Continue)



Movements for each class of intangible assets are as follows:

Parent

	Acquired computer software and licences \$	Total \$
<b>2023</b>		
<b>Gross carrying amount</b>		
Opening balance	316,229	316,229
Additions	-	-
Disposals	(70,888)	(70,888)
Closing balance	245,341	245,341
<b>Accumulated depreciation and impairment</b>		
Opening balance	(138,589)	(138,589)
Current period amortisation	(71,203)	(71,203)
Amortisation written back on disposal	69,117	69,117
Closing balance	(140,674)	(140,674)
<b>Carrying amount 31 December 2023</b>	<b>104,667</b>	<b>104,667</b>
<b>2022</b>		
<b>Gross carrying amount</b>		
Opening balance	316,229	316,229
Additions	-	-
Disposals	-	-
Closing balance	316,229	316,229
<b>Accumulated depreciation and impairment</b>		
There were no material events subsequent to 31 December 2023 to disclose except for the commercial building owned by the ME Property Investment Ltd.	(100,601)	(100,601)
Current year amortisation	(37,988)	(37,988)
Amortisation written back on disposal	-	-
Closing balance	(138,589)	(138,589)
<b>Carrying amount 31 December 2022</b>	<b>177,640</b>	<b>177,640</b>

Capital Commitments

The Society has no capital commitments outstanding as at 31 December 2023 (December 2022: Nil)

  
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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### 12 Investment property

	Group 2023 \$
Opening balance	
Additions	10,900,000
Depreciation	(163,500)
<b>Closing balance</b>	<b>10,736,500</b>

A summary of the investment properties held is as follows:

	2023 \$
24A Allright Place, Mount Wellington, Auckland	7,839,409
20 Helland Drive, Bombay, Auckland	3,060,591
Depreciation	(163,500)
<b>Closing balance</b>	<b>10,736,500</b>

The total value for two properties is \$10,900,000 as per sales and purchase agreements. The value of each property is proportional according to the value in the Auckland City Council.

### 13 Investment

	Group 12 months 31 December 2023 \$	Parent 12 months 31 December 2023 \$	Parent & Group* 6 months 31 December 2022 \$
ICE Shareholding	7,300,000	7,300,000	-
<b>Total Investment</b>	<b>7,300,000</b>	<b>7,300,000</b>	<b>-</b>

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year



Notes to the financial statements

14 Payables	Group	Parent	Parent & Group*
	12 months 31 December 2023 \$	12 months 31 December 2023 \$	6 months 31 December 2022 \$
<b>Current</b>			
Trade creditors	132,564	132,564	115,732
Non trade payables and accrued expenses	126,000	126,000	10,390
ECANZ Trust Intercompany Account	-	-	136,864
Branch rebate accounts	129,066	129,066	41,209
GST payable / (refundable)	(59,120)	(37,372)	7,140
<b>Total payables under exchange transactions</b>	<b>328,510</b>	<b>350,258</b>	<b>311,336</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.

15 Employee entitlements	Group	Parent	Parent & Group*
	12 months 31 December 2023 \$	12 months 31 December 2023 \$	6 months 31 December 2022 \$
<b>Current</b>			
Annual leave entitlements	64,347	64,347	107,699
<b>Total employee entitlements</b>	<b>64,347</b>	<b>64,347</b>	<b>107,699</b>

Short-term employee entitlements represent the Company'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 and salaries at the reporting date.

16 Operating leases	Group	Parent	Parent & Group*
	12 months 31 December 2023 \$	12 months 31 December 2023 \$	6 months 31 December 2022 \$
Operating leases are held for office equipment and premises			
<i>Non-cancellable operating leases are payable as follows:</i>			
Less than one year	67,436	67,436	67,436
Between one and five years	197,596	197,596	265,032
More than five years	-	-	-
<b>Total</b>	<b>265,032</b>	<b>265,032</b>	<b>332,468</b>

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

*CM*  
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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### 17 Financial instruments

#### (a) Classification of financial instruments

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

Group	Financial assets at fair value through surplus or deficit	Held-to- maturity investments	Loans and receivables	Available-for- sale financial assets	Total
31 December 2023					
<b>Financial assets</b>					
Cash and cash equivalents	8,884,619	-	-	-	8,884,619
Trade debtors and other receivables	-	-	237,047	-	237,047
Other financial assets	-	2,025,000	-	-	2,025,000
<b>Total financial assets</b>	<b>8,884,619</b>	<b>2,025,000</b>	<b>237,047</b>	<b>-</b>	<b>11,146,666</b>

	Financial liabilities at fair value through surplus or deficit	Financial Liabilities at amortised cost	Total
31 December 2023			
<b>Financial liabilities</b>			
Trade creditors and other payables		340,451	340,451
<b>Total finance liabilities</b>		<b>340,451</b>	<b>340,451</b>

Parent & Group*	Financial assets at fair value through surplus or deficit	Held-to- maturity investments	Loans and receivables	Available-for- sale financial assets	Total
31 December 2022					
<b>Financial assets</b>					
Cash and cash equivalents	119,493	-	-	-	119,493
Trade debtors and other receivables	-	-	237,128	-	237,128
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>119,493</b>	<b>-</b>	<b>237,128</b>	<b>-</b>	<b>356,621</b>

	Financial liabilities at fair value through surplus or deficit	Financial Liabilities at amortised cost	Total
31 December 2022			
<b>Financial liabilities</b>			
Trade creditors and other payables		333,540	333,540
<b>Total finance liabilities</b>		<b>333,540</b>	<b>333,540</b>

\*ME Property Investment was incorporated on 23 March 2023 therefore it was not consolidated as group with ECANZ last year

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*CS*





Notes to the financial statements

17 Financial instruments ( Continue)

(a) Classification of financial instruments

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

Parent

31 December 2023	Financial assets at fair value through surplus or deficit	Held-to- maturity investments	Loans and receivables	Available-for- sale financial assets	Total
<b>Financial assets</b>					
Cash and cash equivalents	8,808,812	-	-	-	8,808,812
Trade debtors and other receivables	-	-	11,227,388	-	11,227,388
Other financial assets	-	2,025,000	-	-	2,025,000
<b>Total financial assets</b>	<b>8,808,812</b>	<b>2,025,000</b>	<b>11,227,388</b>	<b>-</b>	<b>22,061,201</b>

31 December 2023	Financial liabilities at fair value through surplus or deficit	Financial Liabilities at amortised cost	Total
<b>Financial liabilities</b>			
Trade creditors and other payables	-	362,198	362,198
<b>Total finance liabilities</b>	<b>-</b>	<b>362,198</b>	<b>362,198</b>

31 December 2022	Financial assets at fair value through surplus or deficit	Held-to- maturity investments	Loans and receivables	Available-for- sale financial assets	Total
<b>Financial assets</b>					
Cash and cash equivalents	119,493	-	-	-	119,493
Trade debtors and other receivables	-	-	237,128	-	237,128
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>119,493</b>	<b>-</b>	<b>237,128</b>	<b>-</b>	<b>356,621</b>

31 December 2022	Financial liabilities at fair value through surplus or deficit	Financial Liabilities at amortised cost	Total
<b>Financial liabilities</b>			
Trade creditors and other payables	-	333,539	333,539
<b>Total finance liabilities</b>	<b>-</b>	<b>333,539</b>	<b>333,539</b>

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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### 18 Contingent assets and contingent liabilities

There are no contingent assets or liabilities in the current period.

### 19 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 Company.

The Company has a related party relationship with its Directors and other key management personnel.

#### Transactions with related parties

The following transactions were carried out with related parties:

(a) Other related party transactions	Group		Parent	
	12 months 31 December 2023	6 months 31 December 2022	12 months 31 December 2023	6 months 31 December 2022
<i>Income:</i>	\$	\$	\$	\$
ECANZ Education Trust (Management Fees)	100,000	58,333	100,000	58,333
ME Property Investments Limited (Management fees)	-	-	355,194	-
The Skills Organisation (Industry contribution, roadshow & sponsorship income)	438,910	60,948	438,910	60,948
Electrical Training Co. (Industry contribution, roadshow & sponsorship income)	-	146,000	-	146,000
<b>Total</b>	<b>538,910</b>	<b>265,281</b>	<b>894,104</b>	<b>265,281</b>

	Group		Parent	
	12 months 31 December 2023	6 months 31 December 2022	12 months 31 December 2023	6 months 31 December 2022
<i>Accounts receivable:</i>	\$	\$	\$	\$
ECANZ Education Trust	70,012	(136,864)	70,012	(136,864)
<b>Total</b>	<b>70,012</b>	<b>(136,864)</b>	<b>70,012</b>	<b>(136,864)</b>

#### (b) Key management compensation

The Company has a related party relationship with its key management personnel. Key management personnel include the Entity's Board of Directors and Senior Management.

	12 months 31 December 2023	6 months 31 December 2022
<i>Key management personnel compensation includes the following expenses:</i>	\$	\$
Salaries and other short-term employee benefits	495,678	93,018
<b>Total remuneration</b>		
Number of persons recognised as key management personnel	2	1

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# The Electrical Contractors Association of New Zealand Incorporated

## Notes to the financial statements

### 20 Master Electricians Guarantee Reserve

This provision represents funds set aside to meet potential claims against the Society in relation to the Master Electricians Guarantee.

### 21 Subsidiary Company

The Society owns 100% of the shares of the ME Property Investment Limited (MEPI). These shares were given to the Society and hence no cost is shown in the statement of financial position.

The financial statements of MEPI have been consolidated with the financial statements of the Association.

### 22 Sales of ETCO

Total Consideration	\$30,247,322
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#### *Consideration Breakdown*

Land under ME Property Investment Ltd	\$10,900,000
Cash received in total	\$12,047,322
ICE Shares	\$7,300,000
<b>Total</b>	<b>\$30,247,322</b>

#### *Related Expense*

Direct Costs	\$102,788
Cost under Project Sparks	\$179,807
Indirect Costs - Direct Fees	\$126,000
<b>Total</b>	<b>\$408,595</b>

<b>Capital Gain</b>	<b>\$29,838,727</b>
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# The Electrical Contractors Association of New Zealand Incorporated



## Notes to the financial statements

### 23 Income Tax

The Society is subject to income tax obligations under the Income Tax Act and is therefore required to file an IR9G tax return.

	Group 12 months 31 December 2023 \$	Parent 12 months 31 December 2023 \$
Operating surplus before tax	28,749,179	28,905,467
Non-taxable profits/(losses) for entities with charitable status	-	-
<b>Operating surplus subject to taxation</b>	<b>28,749,179</b>	<b>28,905,467</b>
Prima facie tax expense at 28% on operating surplus before tax	8,049,770	8,093,531
<i>Income tax effect of:</i>		
Gain/(Loss) on Shares disposal	8,354,844	8,354,844
<b>Total income tax expense recognised in the current year</b>	<b>8,354,844</b>	<b>8,354,844</b>
Imputation credits converted to losses	-	-
<b>Tax Expense</b>	<b>-</b>	<b>-</b>

	Group 12 months 31 December 2023 \$	Parent 12 months 31 December 2023 \$
Opening balance (payable) / refundable	448	448
<i>Plus:</i>		
RWT paid	4,743	4,743
<i>Less:</i>		
Taxation refund received	(539)	(539)
Tax expense	-	-
<b>Closing balance Tax Refund / (Payable)</b>	<b>4,652</b>	<b>4,652</b>

### 24 Events subsequent to balance date

There were no material events subsequent to 31 December 2023.

  
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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Electrical Contractors Association of New Zealand

#### Opinion

We have audited the consolidated general purpose financial report of Electrical Contractors Association of New Zealand (the Society) and its controlled entities (the Group) which comprise the consolidated financial statements on pages 5 to 27, and the consolidated service performance information on page 4. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated general purpose financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended; and
- the consolidated service performance of the Group for the year ended 31 December 2023 in accordance with the entity's service performance criteria

in accordance with Public Benefit Entity Accounting Standards issued by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report* section of our report. We are independent of the Group 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, the Group.

#### Board of Directors' Responsibilities for the Consolidated General Purpose Financial Report

The Board of Directors are responsible on behalf of the Group for:

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.

Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

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- (a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Accounting Standards issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare consolidated service performance information in accordance with Public Benefit Entity Accounting Standards; and
- (c) such internal control as the Board of Directors determine is necessary to enable the preparation of the consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated general purpose financial report, the Board of Directors are responsible for assessing the Group'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 Board of Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Consolidated General Purpose Financial Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole and the consolidated service performance information 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 conducted in accordance with ISAs (NZ) and NZ AS 1 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 consolidated general purpose financial report.

As part of an audit in accordance with ISAs (NZ) and NZ AS 1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the consolidated service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and the consolidated service performance information 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 Group'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 what and how to report its consolidated service performance.
- Evaluate whether the service performance criteria are suitable so as to result in consolidated service performance information that is in accordance with the Public Benefit Entity Accounting Standards Reduced Disclosure Regime.





- 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 Group'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 consolidated general purpose financial 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated general purpose financial report, including the disclosures, and whether the consolidated general purpose financial report represents the underlying transactions, events and service performance information in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and service performance information of the entities or business activities within the Group to express an opinion on the consolidated general purpose financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

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.

#### Restriction on Use

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

**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS  
6 May 2024

