

Performance Report

Business North Harbour
For the year ended 30 June 2023

Prepared by Vision Accounting Solutions Limited

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Entity Information

Business North Harbour

For the year ended 30 June 2023

Legal Name of Entity

Business North Harbour Incorporated

Entity Type and Legal Basis

Incorporated Society, registered under the Incorporated Societies Act 1908.

Registration Number

1277568

Entity's Purpose or Mission

Our main purpose is to deliver programmes and services to those commercial property and business owners located within the North Harbour Business Improvement District (NHBID). Business North Harbour manages and delivers these programmes to enable these members to maximise their financial return and business potential. We do this by creating opportunities for them to connect, communicate and collaborate with one another and through the provision of business support, training and advocacy services.

Entity Structure

The entity is an incorporated society. The member programmes are delivered by the General Manager, and Project Management teams, supported by finance and administration staff. Governance is provided by the Executive Committee, which is elected at each Annual General Meeting (AGM).

Main Sources of Entity's Cash and Resources

The organisation's main source of income is the NHBID Targeted Rate levied on all commercial rated properties within the NHBID. This is collected by Auckland Council, as per the rules and conditions outlined in the Auckland Council Business Improvement District (BID) Policy (2022).

The other sources of income include Associate Membership subscriptions, Platinum Sponsors, Gold Sponsors, Silver Sponsors and Event Sponsorship plus Auckland Council, CCO's and Upper Harbour Local Board grants. This is supplemented by income generated from functions, events, training and advertising services.

Main Methods Used by Entity to Raise Funds

The level of targeted rate is agreed through the AGM Budgetary process, in consultation with members, Upper Harbour Local Board and Auckland Council. Auckland Council collects the BID contributions through their rate collection process. One hundred percent of the NHBID targeted rate collected is remitted to Business North Harbour Incorporated on a quarterly basis.

Parties who elect to be associate members, and those who choose to be sponsors are invoiced for their contributions on an annual or pro rata basis.

Where specific projects are proposed, government or local body funding is sought, and the organisation submits complete and thorough proposals to obtain this funding.

Entity's Reliance on Volunteers and Donated Goods or Services

The entity is self-funding and does not rely to any great extent on volunteers and donated goods or services.

Officers

Ketien Chuor (reappointed 20 October 2022)

Greg Cramond (reappointed 20 October 2022)

Samantha Mills (reappointed 20 October 2022)

Lisa Hill (appointed at AGM 20 October 2022)

Jenny Chen (appointed at AGM 20 October 2022)

Janet Marshall (appointed at AGM 20 October 2022)

Lance Manins (appointed June 2023)

Natalie Bell (appointed June 2023)

Peter Lambertson (resigned at AGM 20 October 2022)

Terry Ottow (resigned at AGM 20 October 2022)

Ryan de Zwart (resigned at AGM 20 October 2022)

Bronwen Newcombe (resigned 28 July 2022)

Alisha Abercrombie (resigned March 2023)

TN Chan (resigned 12 June 2023)

Kevin O'Leary (General Manager appointed 29 July 2019)

Contact Details

Physical Address: Level 1, Unit 2, 322 Rosedale Road, Rosedale, Auckland

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Website: <http://businessnh.org.nz>

Facebook: BusinessNorthHarbour

LinkedIn: [linkedin.com/company/business-north-harbour](https://www.linkedin.com/company/business-north-harbour)

Instagram: @businessnorthharbour

Statement of Service Performance

Business North Harbour

For the year ended 30 June 2023

Business Development

Our purpose is to create opportunities for our members to connect, communicate and collaborate with one another.

We achieved this by

- Hosting and Promoting Business Breakfasts, Business Luncheons, Business After Five, Women In Business and Business Capability Workshops. After Covid restrictions were lifted, Business North Harbour returned to a full programme of in-person events and workshops.
- Hosting and Promoting the annual One Day Sale - a business to consumer NHBID-wide sale.
- The annual Business Expo, which helped build new supplier, partner and customer relationships, was replaced by an evening table-top B2B networking event. This achieved the desired outcomes for members.
- Hosting and Promoting other special interest groups for Property Owners, Asian Business Owners and Company CEOs.
- In partnership with Massey University providing a business and leadership mentoring programme.

Traffic Management Programme

The traffic management programme continued to assist members and their staff by maintaining and supporting the Look Before You Leave Traffic cameras.

We continued to represent the interests of our members by attending regular meetings with Auckland Transport, NZTA, and other transport sector providers and ensuring that local needs are recognised.

Crime Prevention Programme

The crime prevention programme is designed to act as a deterrent for criminal behaviour, and offers both education and practical resources and training to empower business and property owners to protect their investment.

Nightly security patrols continue to operate 365 days per year, across the NHBID, to enhance individual member security measures.

Other Crime Prevention initiatives include formalised meetings between Auckland Council, NZ Police, and security sector experts which result in intel sharing and combination of resources. Crime prevention benefits such as installing vehicle number plate secure screws, not only benefit the business, but also the employees and therefore the wider community. Educational resources are distributed through resource kits and member visits.

Waste Minimisation

Initiatives to reduce the impact of commercial waste offer members the opportunity to reduce landfill and reduce waste disposal costs. Our programme focuses on two key areas: our twice annual inorganic collection, and the food waste collections.

Advocacy

Formal submissions are delivered to local and central government on key issues which impact on the efficiency and capacity of the NHBID, the operational costs to business, and the returns received through commercial property ownership and investment.

Statement of Financial Performance

Business North Harbour

For the year ended 30 June 2023

	NOTES	2023 \$ ACTUAL	2023 BUDGET (UNAUDITED)	2022 \$ ACTUAL
Revenue				
NHBID Targeted Rate Levy		732,404	732,403	725,152
Grants Received		45,000	33,000	34,945
Sponsorship	2	80,988	79,500	72,000
Subscription from Members		19,923	23,022	25,538
Function & Events Income		43,117	66,250	12,853
Advertising Income		29,638	36,000	20,350
Interest Revenue		2,458	950	862
Other Revenue		1,600	-	200
Total Revenue		955,127	971,125	891,900
Expenses				
Employee Related Costs	3	548,178	532,910	492,600
Costs re Member Programmes & Services	4	288,806	318,960	194,223
Lease and Rental Expenses	5	75,889	66,901	66,214
Other Expenses	6	56,018	63,180	62,867
Total Expenses		968,891	981,951	815,904
Net Surplus Before Depreciation		(13,764)	(10,826)	75,996
Less Depreciation Adjustments				
Depreciation	9	13,149	12,720	14,280
Amortisation of Intangibles	10	2,880	2,880	2,880
Loss (Gain) on Disposal of Property, Plant and Equipment		141	-	5,751
Total Depreciation Adjustments		16,170	15,600	22,910
Surplus/(Deficit) for the Year		(29,934)	(26,426)	53,085

This statement should be read in conjunction with the Notes to the Performance Report

Movements in Equity

Business North Harbour

For the year ended 30 June 2023

	2023	2022
Equity		
Opening Balance	245,804	192,719
Increases		
Profit for the Period	(29,934)	53,085
Total Increases	(29,934)	53,085
Total Equity	215,870	245,804

This statement is to be read in conjunction with the notes to the Performance Report.

Statement of Financial Position

Business North Harbour

As at 30 June 2023

	NOTES	30 JUN 2023	30 JUN 2022
Assets			
Current Assets			
Bank Accounts and Cash	7	217,671	356,642
Trade Receivables		11,267	4,058
Prepayments		1,158	6,010
Interest Accrual		298	117
Goods and Services Tax		7,214	8,106
Total Current Assets		237,609	374,933
Non-Current Assets			
Term Deposits	8	69,403	69,403
Property, Plant and Equipment	9	36,375	44,991
Intangible Assets	10	2,640	5,520
Total Non-Current Assets		108,418	119,914
Total Assets		346,027	494,847
Liabilities			
Current Liabilities			
Business Credit Cards		1,495	1,324
Trade Payables		28,438	21,329
Accruals and Provisions		4,900	4,900
Receipts In Advance	11	52,721	183,901
Wages and Holiday Pay Accrued		40,078	34,872
Hire Purchase Liability		2,526	2,715
Total Current Liabilities		130,157	249,043
Total Liabilities		130,157	249,043
Total Assets less Total Liabilities (Net Assets)		215,870	245,804
EQUITY			
Retained Earnings		215,870	245,804
Total EQUITY		215,870	245,804

The accompanying notes form part of the Performance Report and should be read in conjunction with the reports contained herein.

For and on behalf of the Association:



(Chairperson)

Date: 12 September 2023

This statement should be read in conjunction with the Notes to the Performance Report.

Statement of Cash Flows

Business North Harbour

For the year ended 30 June 2023

	2023	2022
Cash Flows from Operating Activities		
Cash was Received From:		
NHBID Targeted Rate Levy	549,303	726,965
Fees, Subscriptions and Other Receipts from Members	19,156	25,100
Sponsorship, Donations, Fundraising and Other Similar Receipts	142,137	82,542
Receipts from Providing Goods or Services	104,762	67,382
Interest, Dividends and Other Investment Receipts	2,277	798
Net GST Refund Received	805	1,159
Cash was Applied To:		
Payments to Suppliers and Employees	(953,232)	(836,633)
Total Cash Flows from Operating Activities	(134,791)	67,313
Cash Flows from Investing Activities		
Cash was Received From		
Receipts from Sale of Property, Plant and Equipment	-	-
Receipts from Sale of Investments	-	348
Cash was Applied To		
Payments to Acquire Property, Plant and Equipment	(4,675)	(15,024)
Payments to Purchase Investments	-	(348)
Total Cash Flows from Investing Activities	(4,675)	(15,024)
Cash Flows from Financing Activities		
Proceeds from loans borrowed from other parties	3,398	3,258
Repayments of loans borrowed from other parties	(2,903)	(1,506)
Total Cash Flows from Financing Activities	495	1,752
Net Increase/ (Decrease) in Cash	(138,971)	54,040
Cash Balances		
Cash and cash equivalents at beginning of period	356,642	302,602
Cash and cash equivalents at end of period	217,671	356,642
Net change in cash for period	(138,971)	54,040

This statement is to be read in conjunction with the Notes to the Performance Report.

Notes to the Performance Report

Business North Harbour

For the year ended 30 June 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Business North Harbour Incorporated is a non-profit organisation registered under the Incorporated Societies Act 1908.

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. 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.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

a) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

b) Property, Plant & Equipment

The entity has the following classes of Property, Plant & Equipment:

- Office Equipment
- Furniture & Fittings
- Plant & Equipment
- Motor Vehicles

All property, plant & equipment is stated at cost less depreciation. Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007.

c) Intangibles

Intangible Assets are amortised by the straight-line method over the period during which any benefit is expected, not exceeding 10 years.

d) Goods and Services Tax

These financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

e) Income Tax

No provision for Income Tax has been made as there is no current or deferred tax payable. The Association is exempt from tax pursuant to section CW40(1) of the Income Tax Act 2007.

f) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

g) Revenue Recognition

Grants and donations are recognised as income when they become receivable, unless the Association has a liability to repay the grant if the requirements of the grant are not fulfilled. A liability is recognised to the extent that any such conditions are unfulfilled at the end of the reporting period.

Interest income is recognised on a cash received basis.

All other revenue is reported when it is earned.

	2023	2022
2. Sponsorship		
Platinum Sponsorship	8,000	-
Gold Sponsorship	42,358	59,500
Silver Sponsorship	15,130	7,167
Annual Event Sponsorship	8,000	5,333
Asian Business Sponsorship	4,000	-
Business Breakfast/Luncheon Sponsorship	3,500	-
Total Sponsorship	80,988	72,000

A partnership agreement has been signed with North Harbour Hyundai. In exchange for specified promotional services provided by Business North Harbour, North Harbour Hyundai has agreed to provide the use of two vehicles for a period of twelve months. The agreement runs from 1 March 2023 to 29 February 2024. The value of the benefit received during this financial year is \$8,000, disclosed above as Platinum Sponsorship.

	2023	2022
3. Employment Related Costs		
BID Administration Costs	283,165	238,171
Transport Programme Costs	14,176	21,292
Crime Prevention Programme Costs	40,852	43,157
Local Advocacy	76,945	70,988
Regional Advocacy	111,805	98,979
ACC Levy	878	1,640
Kiwisaver - Employer Contribution	15,028	13,024
Staff Training	724	1,104
Recruitment expenses	-	225
Wellbeing	4,605	4,021
Total Employment Related Costs	548,178	492,600

	2023	2022
4. Costs Related to Providing Member Programmes and Services		
Business and Economic Development Costs	200,447	121,455
Crime Prevention Scheme Costs	65,034	65,678
Transport Management Programme Costs	20,450	3,008
Waste Management Programme	2,875	4,082
Total Costs Related to Providing Member Programmes and Services	288,806	194,223
	2023	2022
5. Lease and Rental Expenses		
Rent, Rates & Body Corp Fees	67,889	66,214
Motor Vehicle Lease	8,000	-
Total Lease and Rental Expenses	75,889	66,214
	2023	2022
6. Other Expenses		
Accountancy Fees	4,000	4,000
Audit Fees	5,232	4,682
Bad Debts	475	6,579
Bank Charges	659	599
Board Honorariums	7,205	7,529
Board Support	664	194
Cleaning & Laundry	3,073	1,990
General Expenses	6,830	5,509
Insurance	5,090	5,923
Interest	4	-
IT Expenses	8,758	7,692
Legal Expenses	-	5,767
Meeting Costs	470	437
Postage & Courier	200	187
Printing & Stationery	3,948	2,594
Subscriptions, Licenses & Registrations	2,480	2,210
Telephone, Tolls & Internet	3,387	4,495
Travel - National & Mileage	1,397	1,233
Vehicle Costs	2,145	1,246
Total Other Expenses	56,018	62,867
	2023	2022
7. Bank Accounts and Cash		
ASB BNH Cheque Account	50,354	33,598
ASB NHBID Targeted Rate Account	167,317	322,995
Westfield Vouchers Held in Stock	-	50
Total Bank Accounts and Cash	217,671	356,642

	2023	2022
8. Investments		
Term Deposit - 6 months	69,403	69,403
Total Investments	69,403	69,403
	2023	2022
9. Property, Plant & Equipment		
Motor Vehicles		
At Cost	36,504	36,504
Less Accumulated Depreciation	(25,862)	(21,300)
Total Motor Vehicles	10,643	15,204
Current Year Depreciation	4,561	6,516
Office Furniture & Equipment		
At Cost	53,792	53,123
Less Accumulated Depreciation	(38,158)	(34,225)
Total Office Furniture & Equipment	15,634	18,898
Current Year Depreciation	7,797	6,881
Plant & Equipment		
At Cost	13,379	13,379
Less Accumulated Depreciation	(3,281)	(2,490)
Total Plant & Equipment	10,098	10,889
Current Year Depreciation	791	882
Total Property, Plant & Equipment	36,375	44,991
Total Depreciation for the year	13,149	14,280
	2023	2022
10. Intangibles		
Intangible Assets		
Intangibles At Cost	25,200	25,200
Accumulated Amortisation	(22,560)	(19,680)
Total Intangible Assets	2,640	5,520
Current Year Amortisation	2,880	2,880
	2023	2022
11. Receipts In Advance		
Funding Received in Advance	52,321	183,101
Subscriptions In Advance	400	800
Total Receipts In Advance	52,721	183,901

12. Related Parties

During the year there have been material transactions, being income received (and expenses paid) between Business North Harbour Incorporated and related parties, as follows:

Related Party	Relationship	Type of Transaction	2023	2022
Peter Lamberton	Board Chair and Director of Primacc Systems	Advertising Sales		1,980
Ketien Chuor	Board member and Strategic Partnership Manager ASB Bank	Attendance Fees	640	
Terry Ottow	Board Member and Director of AMPM	Website Design, Promotions	(4,372)	(1,705)
Lisa Hill	Board member and director of Eclipse Recruitment	Event Sponsorship	8,000	
Samantha Mills	Finance Committee and Phone Plus Business Services	Sponsorship	3,000	3,000
Bronwen Newcombe	Board Member and Lawyer at Davenports Law	Sponsorship Legal Advice	3,000	3,000 (5,372)
Lance Manins	Board member and CEO of Driveline	Sponsorship	6,000	
Ashley Baldry	Board Member and Director of High Performance Profiling	Sponsorship		500
Janet Marshall	Board Member and Director of Colliers Group	Advertising Income	3,625	4,705

At balance date the following balances were included in trade debtors and trade creditors being receivable from (owing to) related parties:

Related Party	Type of Balance	2023	2022
Davenports Law (Bronwen Newcombe)	Receivable for Sponsorship	288	
Driveline Fleet Ltd (Lance Manins)	Receivable for Sponsorship	575	
Eclipse Recruitment (Lisa Hill)	Receivable for Sponsorship	767	
Colliers Group (Janet Marshall)	Receivable for Advertising	569	1,707
Phone Plus (Samantha Mills)	Receivable for Sponsorship	288	862

All related party transactions are on normal commercial terms. No related party balances have been written off.

	2023	2022
13. Commitments		
Commitments to lease or rent assets		
Lease of Property - Current	52,531	50,000
Lease of Property - Non-Current	148,838	191,667
Lease of Assets - Current	-	-
Lease of Assets - Non-Current	-	-

Commitment to purchase property, plant and equipment

There are no commitments to purchase property, plant and equipment.

In support of the commercial property lease commitment, the organisation has provided a bank guarantee in the amount of \$69,402 to the landlord. This amount is equivalent to 12 months gross rent.

14. Contingent Liabilities and Guarantees

There are no contingent liabilities as at 30 June 2023. While sponsorship and advertising income was lower than budgeted, Business North Harbour has recovered well following Covid. (2022: The Covid-19 Pandemic was expected to continue to have an impact on advertising and sponsorship income, and income from events).

There are no guarantees apart from those disclosed in the Commitments note above.

15. 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).

16. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

Business North Harbour Incorporated Independent auditor's report to the Members

Report on the Financial Statements

Opinion

We have audited the financial statements contained in the Performance Report of Business North Harbour Incorporated (the entity), which comprise the statement of financial position as at 30 June 2023, statement of financial performance and statement of cash flows for the year ended 30 June 2023, and the statement of accounting policies and other explanatory information.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Business North Harbour Incorporated as at 30 June 2023 and of its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis of Opinion

We conducted our audit of the Performance Report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of Business North Harbour Incorporated in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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 entity.

Information Other than the financial statements and Auditor's Report Thereon

The Board Members are responsible for the other information. The other information is the entity information and statement of service performance but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the Financial Statements

The Board Members are responsible for:

- a. the preparation of financial statements on behalf of the entity that give a true and fair view in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- b. for such internal control as the Board Members determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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) 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 economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>

This description forms part of our independent auditor's report.

The engagement director on the audit resulting in this independent auditor's report is Michael Wood.

Restriction on Distribution and Use

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



William Buck Audit (NZ) Limited
Auckland
15 September 2023