

Performance Report

Business North Harbour
For the year ended 30 June 2022

Prepared by Vision Accounting Solutions Limited

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Entity Information

Business North Harbour For the year ended 30 June 2022

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. It is collected by Auckland Council, as per the rules and conditions outlined in the Auckland Council Business Improvement District (BID) 2016 Partnership programme.

The other sources of income include Associate Membership subscriptions, Gold Sponsors, Silver Sponsorship 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 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

Peter Lamberton, Chairman (reappointed 4 November 2021)

Terry Ottow, Deputy Chair (reappointed 4 November 2021)

Ketien Chuor (reappointed 4 November 2021)

Ryan de Zwart (reappointed 4 November 2021)

Greg Cramond (reappointed 4 November 2021)

Samantha Mills (reappointed 4 November 2021)

Bronwen Newcombe (reappointed 4 November 2021)

Alisha Abercrombie (reappointed 4 November 2021)

TN Chan (appointed 4 November 2021)

Ashley Baldry (resigned 4 November 2021)

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

Contact Details

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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 2022

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. Due to Covid restrictions in-person events were very limited with many being delivered as online options.
- Hosting and Promoting the annual One Day Sale - a business to consumer NHBID-wide sale.
- Hosting and Promoting the annual Business Expo, to help build new supplier, partner and customer relationships. This event was cancelled due to Covid restrictions.
- 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 2022

	NOTES	2022 \$ ACTUAL	2022 BUDGET (UNAUDITED)	2021 \$ ACTUAL
Revenue				
NHBID Targeted Rate Levy		725,152	725,152	690,621
Grants Received		34,945	26,500	28,780
Sponsorship		72,000	68,000	56,500
Subscription from Members		25,538	23,022	22,737
Function & Events Income		12,853	78,003	46,402
Advertising Income		20,350	22,500	19,593
Interest Revenue		862	1,110	1,446
Other Revenue		200	-	100
Total Revenue		891,900	944,287	866,179
Expenses				
Employee Related Costs	2	492,600	504,188	543,406
Costs re Member Programmes & Services	3	194,223	307,278	325,089
Lease and Rental Expenses	4	66,214	64,173	53,263
Other Expenses	5	62,867	64,825	63,522
Total Expenses		815,904	940,464	985,280
Net Surplus Before Depreciation		75,996	3,823	(119,101)
Less Depreciation Adjustments				
Depreciation	8	14,280	23,724	19,624
Amortisation of Intangibles	9	2,880	3,576	2,996
Loss (Gain) on Disposal of Property, Plant and Equipment		5,751	-	-
Total Depreciation Adjustments		22,910	27,300	22,620
Surplus/(Deficit) for the Year		53,085	(23,477)	(141,721)

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 2022

	2022	2021
Equity		
Opening Balance	192,719	334,440
Increases		
Profit for the Period	53,085	(141,721)
Total Increases	53,085	(141,721)
Total Equity	245,804	192,719

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 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Bank Accounts and Cash	6	356,642	302,602
Trade Receivables		4,058	19,433
Prepayments		6,010	2,318
Interest Accrual		117	53
Goods and Services Tax		8,106	7,094
Total Current Assets		374,933	331,500
Non-Current Assets			
Term Deposits	7	69,403	69,403
Property, Plant and Equipment	8	44,991	48,139
Intangible Assets	9	5,520	8,400
Total Non-Current Assets		119,914	125,942
Total Assets		494,847	457,442
Liabilities			
Current Liabilities			
Business Credit Cards		1,324	(689)
Trade Payables		21,329	21,909
Accruals and Provisions		4,900	4,900
Receipts In Advance	10	183,901	201,015
Wages and Holiday Pay Accrued		34,872	36,626
Hire Purchase Liability		2,715	962
Total Current Liabilities		249,043	264,724
Total Liabilities		249,043	264,724
Total Assets less Total Liabilities (Net Assets)		245,804	192,719
EQUITY			
Retained Earnings		245,804	192,719
Total EQUITY		245,804	192,719

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: 29 Sept 22

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 2022

	2022	2021
Cash Flows from Operating Activities		
Cash was Received From:		
NHBID Targeted Rate Levy	726,965	699,265
Fees, Subscriptions and Other Receipts from Members	25,100	23,656
Sponsorship, Donations, Fundraising and Other Similar Receipts	82,542	55,305
Receipts from Providing Goods or Services	67,382	99,259
Interest, Dividends and Other Investment Receipts	798	1,832
Net GST Refund Received	1,159	(1,520)
Cash was Applied To:		
Payments to Suppliers and Employees	(836,633)	(982,248)
Total Cash Flows from Operating Activities	67,313	(104,452)
Cash Flows from Investing Activities		
Cash was Received From		
Receipts from Sale of Investments	348	108,165
Cash was Applied To		
Payments to Acquire Property, Plant and Equipment	(15,024)	(7,460)
Payments to Purchase Investments	(348)	(71,235)
Total Cash Flows from Investing Activities	(15,024)	29,470
Cash Flows from Financing Activities		
Proceeds from loans borrowed from other parties	3,258	-
Repayments of loans borrowed from other parties	(1,506)	(1,649)
Total Cash Flows from Financing Activities	1,752	(1,649)
Net Increase/ (Decrease) in Cash	54,040	(76,631)
Cash Balances		
Cash and cash equivalents at beginning of period	302,602	379,233
Cash and cash equivalents at end of period	356,642	302,602
Net change in cash for period	54,040	(76,631)

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 2022

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.

	2022	2021
2. Employment Related Costs		
BID Administration Costs	238,171	286,141
Transport Programme Costs	21,292	17,650
Crime Prevention Programme Costs	43,157	42,608
Local Advocacy	70,988	70,887
Regional Advocacy	98,979	107,387
ACC Levy	1,640	842
Kiwisaver - Employer Contribution	13,024	12,671
Staff Training	1,104	5,220
Recruitment expenses	225	-
Wellbeing	4,021	-
Total Employment Related Costs	492,600	543,406
	2022	2021

3. Costs Related to Providing Member Programmes and Services

Business and Economic Development Costs	121,455	249,642
Crime Prevention Scheme Costs	65,678	67,156
Transport Management Programme Costs	3,008	5,431
Waste Management Programme	4,082	2,861
Total Costs Related to Providing Member Programmes and Services	194,223	325,089
	2022	2021

4. Lease and Rental Expenses

Rent, Rates & Body Corp Fees	66,214	53,263
Total Lease and Rental Expenses	66,214	53,263

	2022	2021
5. Other Expenses		
Accountancy Fees	4,000	5,000
Audit Fees	4,682	4,693
Bad Debts	6,579	823
Bank Charges	599	503
Board Honorariums	7,529	7,630
Board Support	194	1,639
Cleaning & Laundry	1,990	1,813
General Expenses	5,509	4,376
Insurance	5,923	6,885
IT Expenses	7,692	7,666
Legal Expenses	5,767	5,329
Meeting Costs	437	521
Postage & Courier	187	182
Printing & Stationery	2,594	2,982
Subscriptions, Licenses & Registrations	2,210	2,441
Telephone, Tolls & Internet	4,495	6,035
Travel - National & Mileage	1,233	3,880
Vehicle Costs	1,246	1,124
Total Other Expenses	62,867	63,522

	2022	2021
6. Bank Accounts and Cash		
ASB BNH Cheque Account	33,598	31,523
ASB NHBID Targeted Rate Account	322,995	271,030
Westfield Vouchers Held in Stock	50	50
Total Bank Accounts and Cash	356,642	302,602

	2022	2021
7. Investments		
Term Deposit - 6 months	69,403	69,403
Total Investments	69,403	69,403

	2022	2021
8. Property, Plant & Equipment		
Motor Vehicles		
At Cost	36,504	36,504
Less Accumulated Depreciation	(21,300)	(14,784)
Total Motor Vehicles	15,204	21,720
Current Year Depreciation	6,516	9,309

	2022	2021
Office Furniture & Equipment		
At Cost	53,123	43,051
Less Accumulated Depreciation	(34,225)	(32,539)
Total Office Furniture & Equipment	18,898	10,512
Current Year Depreciation	6,881	5,558
Plant & Equipment		
At Cost	13,379	128,559
Less Accumulated Depreciation	(2,490)	(112,652)
Total Plant & Equipment	10,889	15,907
Current Year Depreciation	882	4,758
Total Property, Plant & Equipment	44,991	48,139
Total Depreciation for the year	14,280	19,624

	2022	2021
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9. Intangibles

Intangible Assets		
Intangibles At Cost	25,200	25,200
Accumulated Amortisation	(19,680)	(16,800)
Total Intangible Assets	5,520	8,400
Current Year Amortisation	2,880	2,996
	2022	2021

10. Receipts In Advance

Funding Received in Advance	183,101	186,234
Sponsorship in Advance	-	13,167
Subscriptions In Advance	800	1,615
Total Receipts In Advance	183,901	201,015
	2022	2021

11. Commitments

Commitments to lease or rent assets		
Lease of Property - Current	50,000	50,000
Lease of Property - Non-Current	191,667	233,333
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.

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	2022	2021
Peter Lamberton	Board Chair and Director of Primacc Systems	Advertising Sales	1,980	2,479
Terry Ottow	Board Member and Director of AMPM	Sponsorship Income Website Design, Promotions	- (1,705)	6,000 (2,590)
Samantha Mills	Finance Committee and Phone Plus Business Services	Sponsorship Advertising & Attendance Fees	3,000 -	3,000 908
Bronwen Newcombe	Board Member and Lawyer at Davenports Law	Attendance Fees Sponsorship Legal Advice	- 3,000 (5,372)	75 - (3,867)
Alisha Abercrombie	Board Member and Director of Trio Events	Advertising Catering Services	- (357)	250 (2,734)
Ashley Baldry	Board Member and Director of High Performance Profiling	Sponsorship	500	-
Ryan de Zwart	Board Member and Associate Director of Colliers Group	Advertising Income	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	2022	2021
Primacc Systems (Peter Lamberton)	Receivable for Advertising	-	569
Colliers Group (Ryan de Zwart)	Receivable for Advertising	1,707	-
Phone Plus (Samantha Mills)	Receivable for Sponsorship	862	-

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

13. Contingent Liabilities and Guarantees

The Covid-19 Pandemic is expected to continue to have an impact on advertising and sponsorship income, and income from events (2021: the pandemic was a threat)

14. 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).

15. 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 Performance Report

Opinions

We have audited the performance report of Business North Harbour Incorporated (the entity), which comprises the the statement of financial position as at 30 June 2022, the entity information, statement of service performance, statement of financial performance and statement of cash flows for the year ended 30 June 2022, and the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report gives a true and fair view of:
 - i) the entity information for the year then ended;
 - ii) the service performance for the year then ended; and
 - iii) the financial position of Business North Harbour Incorporated as at 30 June 2022 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 Opinions

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of our report. We are independent of the entity 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 entity.

ACCOUNTANTS & ADVISORS

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William Buck Audit (NZ) Limited

Responsibilities of the Board for the Performance Report

The Board are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation of a performance report on behalf of the entity that gives a true and fair view, which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance reportin accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board 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 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 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 ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board 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.

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 entity's members 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
29 September 2022