

**New Zealand National Party**  
**Consolidated Annual Report**  
**For the year ended 31 December 2023**

**Registered Office**

41 Pipitea Street  
Thorndon  
Wellington 6011  
New Zealand

**Board of Directors**

Sylvia Wood (President)  
Christopher Luxon (Leader of the National Party)  
Scott Simpson (Caucus Representative) – started 5 December 2023  
Chris Penk (Caucus Representative) – ceased 5 December 2023  
Rachel Bird  
Peter Goodfellow  
Sir Graeme Harrison  
Jannita Pilisi  
David Ryan  
Stefan Sunde

**Bankers**

ANZ Bank New Zealand  
ASB Bank  
Bank of New Zealand  
Westpac New Zealand

**Auditor**

BDO Wellington  
Level 1, Chartered Accountants House  
50 Customhouse Quay  
Wellington 6011  
New Zealand

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**New Zealand National Party  
Statement of Service Performance  
For the year ended 31 December 2023**

The New Zealand National Party was formed in 1936. Our purpose is to promote centre-right government based on the values of:

- Loyalty to our country, its democratic principles and our Sovereign as Head of State.
- Recognition of the Treaty of Waitangi as the founding document of New Zealand.
- National and personal security.
- Equal citizenship and equal opportunity.
- Individual freedom and choice.
- Personal responsibility.
- Competitive enterprise and rewards for achievement.
- Limited Government.
- Strong families and caring communities.
- Sustainable development of our environment.

These values are the fabric of the National Party. They form the foundation of the Party's policies and unite like-minded members in the common purpose of promoting a National-led government. It's these values that have seen the National Party spend more time in Government than any other political party in New Zealand.

At its heart, the National Party is a membership-based organisation. The Party's Head Office works to help electorate organisations maintain and grow membership of the National Party locally, promote membership engagement and participation, and optimise fundraising.

It is only through an active and engaged membership and adequate fundraising that the National Party can remain in a strong position to promote its centre-right values to New Zealand voters, with the ultimate aim of winning election campaigns and running the Government.

**Objective 1 – Maximise membership of the National Party.**

We work to maximise membership of the National Party amongst all New Zealanders with similar political views. By increasing our membership, we promote further awareness of our purpose and values and strengthen our Party overall. We achieved membership growth in 2022 in build up to the election and maintained membership numbers through 2023.

Measures	2023	2022
Total number of memberships	23,222 members	23,394 members
Total year-on-year membership growth (%)	-0.74% membership growth	18.35% membership growth

The Official membership year of the Party is determined by the Party's Constitution and Rules. These state that Annual Subscription shall fall due and be payable on the 1<sup>st</sup> day of January. Due to the timing, any membership purchased from 1 December carries to the 'new' membership year.

**New Zealand National Party  
Statement of Service Performance  
For the year ended 31 December 2023**

**Objective 2 – Promote membership engagement and participation.**

We work to encourage members to actively engage with the Party, and have a voice through inputting into policy development, participating in candidate selection and attending conferences/AGMs. Providing opportunities for our members to engage and have their say helps us to maximise the value of membership and grow membership numbers. Conferences were well attended in both 2022 and 2023, while by-elections and the General Election saw large numbers of members participate in candidate selections.

Measures	2023	2022
Number of electorate selections and level of membership participation.	10 general election selections, involving 600+ members & office holders.  2 repeated general election selections, involving 120+ members & office holders.	2 by-election selections, involving 120+ members & office holders.  17 general election selections, involving 1020+ members & office holders.
Number of regional conferences and level of membership attendance.	5 regional conferences, with 818 members attending across all.	5 regional conferences, with 746 members attending across all.
Number of national conferences and level of membership attendance.	1 annual conference with 543 members attending.	1 annual conference with 614 members attending.

**Objective 3 – Optimise fundraising efforts to support National Party activities.**

To run a modern, professional organisation the Party organisation works to optimise its fundraising efforts. Adequate fundraising assists the Head Office to provide core services to the wider Party organisation underpinned by talent, fit for purpose technology and excellent customer service. It also enables the Party to run sophisticated election campaigns. The primary aim of which is to gain the highest percentage of the party vote and have the first opportunity to form a government. This was achieved at the 2023 General Election with the National Party attaining the largest share of the party vote and forming a coalition Government that it now leads.

Measures	2023	2022
Donation/Fundraising Income	\$10,218,093	\$7,689,802
Percentage of party vote obtained (in most recent election)	38.06%	No election*
Able to form a coalition government?	Yes	No election*

\*No comparative information has been provided for 2022 as no election occurred during this year. The previous election occurred in 2020, where the Party achieved 25.60% of the party vote, and was unable to form a coalition government.

**New Zealand National Party**  
**Consolidated Statement of Comprehensive Revenue and Expense**  
**For the year ended 31 December 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Membership fees and subscriptions	2	116,110	116,970
Party donations	2	7,788,659	5,958,429
Fundraiser donations	2	2,429,434	1,731,373
Other revenue	2	845,874	1,323,234
<b>Total revenue</b>		<b>11,180,077</b>	<b>9,130,006</b>
<b>Expenses</b>			
Depreciation and impairment	10,11	886,941	726,685
Employee costs	3	2,211,509	1,797,678
Operating expenses	4	8,808,147	2,862,137
Other expenses	5	3,659,452	1,597,149
<b>Total expenses</b>		<b>15,566,049</b>	<b>6,983,649</b>
<b>(Deficit)/surplus before net financing costs</b>		<b>(4,385,972)</b>	<b>2,146,357</b>
Finance income	6	176,536	70,989
Finance costs	6	(29,701)	(73,681)
<b>Net finance income /(costs)</b>		<b>146,835</b>	<b>(2,692)</b>
<b>(Deficit)/surplus before tax</b>		<b>(4,239,137)</b>	<b>2,143,665</b>
Tax (expense)/benefit	7	42,295	(8,074)
<b>(Deficit)/surplus for the year</b>		<b>(4,196,842)</b>	<b>2,135,591</b>
<b>Other comprehensive revenue and expense</b>			
Gain/loss on investments		157,182	(44,511)
<b>Total comprehensive revenue and expense for the year</b>		<b>(4,039,660)</b>	<b>2,091,080</b>

The accompanying notes form part of these financial statements

**New Zealand National Party  
Consolidated Statement of Changes in Equity  
For the year ended 31 December 2023**

	Fair value reserve \$	Special purpose reserve \$	Accumulated revenue and expense \$	Total \$
<b>Balance at 1 January 2022</b>	-	100,000	13,646,095	13,746,095
Total comprehensive revenue and expense	(44,511)	-	2,135,591	2,091,080
<b>Balance at 31 December 2022</b>	<b>(44,511)</b>	<b>100,000</b>	<b>15,781,686</b>	<b>15,837,175</b>
Total comprehensive revenue and expense	157,182	-	(4,196,842)	(4,039,660)
<b>Balance at 31 December 2023</b>	<b>112,671</b>	<b>100,000</b>	<b>11,584,844</b>	<b>11,797,515</b>

**Fair value reserve**

The fair value reserve comprises the cumulative net change in the fair value of investments in shares and managed funds designated at fair value through other comprehensive revenue and expense.

**Special purpose reserve**

These reserves are set aside for a special purpose and subject to restrictions that direct the use of these funds for specific projects in the future.

**Accumulated revenue and expense**

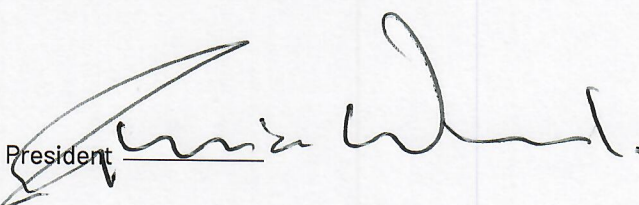
A general reserve reflecting accumulated surplus and (deficit) of the Group. Funds in these reserves can be used towards any unspecified future purpose of the Group.

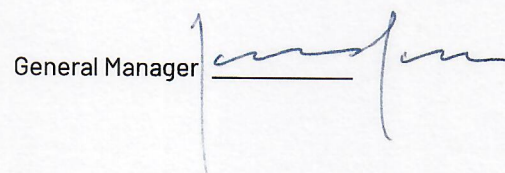
*The accompanying notes form part of these financial statements*

**New Zealand National Party  
Consolidated Statement of Financial Position  
As at 31 December 2023**

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	3,329,780	6,402,344
Investments	12	1,339,652	1,755,149
Receivables	9	410,838	260,052
Prepayments and other assets		151,521	165,090
		<b>5,231,791</b>	<b>8,582,635</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	3,309,004	3,862,014
Investment property	11	2,016,680	2,298,340
Investments	12	2,285,369	2,296,024
		<b>7,611,053</b>	<b>8,456,378</b>
<b>Total assets</b>		<b>12,842,844</b>	<b>17,039,013</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	13	519,935	460,827
Deferred revenue		177,903	313,844
Employee entitlements	14	87,943	87,700
Provisions		14,845	15,000
Borrowings	15	8,131	26,549
		<b>808,757</b>	<b>903,920</b>
<b>Non-current liabilities</b>			
Borrowings	15	47,920	35,202
Deferred tax	7	188,652	262,716
		<b>236,572</b>	<b>297,918</b>
<b>Total liabilities</b>		<b>1,045,329</b>	<b>1,201,838</b>
<b>Net assets</b>		<b>11,797,515</b>	<b>15,837,175</b>
<b>Equity</b>			
Fair value reserve		112,671	(44,511)
Special purpose reserve		100,000	100,000
Accumulated revenue and expense		11,584,844	15,781,686
<b>Total equity</b>		<b>11,797,515</b>	<b>15,837,175</b>

These financial statements were approved by the President and General Manager of the New Zealand National Party and authorised for issue on 27 June 2024.

President 

General Manager 

The accompanying notes form part of these financial statements

**New Zealand National Party  
Consolidated Statement of Cash Flows  
For the year ended 31 December 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Proceeds from:			
Membership fees and subscriptions		149,871	343,427
Party donations		7,788,659	5,958,428
Fundraiser donations		2,429,434	1,731,373
Other operating receipts		797,633	1,231,018
Interest received		172,491	54,807
Interest paid		(13,999)	(5,824)
Payments to suppliers and employees		(14,560,518)	(6,129,209)
Tax paid		(45,964)	(11,611)
GST (net)		(158,994)	(133,506)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(3,441,387)</b>	<b>3,038,903</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments		426,794	2,499
Payments for purchase of property, plant, and equipment		(52,271)	(45,875)
<b>Net cash inflow from investing activities</b>		<b>374,523</b>	<b>(43,376)</b>
<b>Cash flows from financing activities</b>			
Payments of loan principal		(5,700)	(50,853)
<b>Net cash (outflow) from financing activities</b>		<b>(5,700)</b>	<b>(50,853)</b>
Net (decrease)/increase in cash and cash equivalents		(3,072,564)	2,944,674
Cash and cash equivalents at beginning of the year		6,402,344	3,457,670
<b>Cash and cash equivalents at end of the year</b>	<b>8</b>	<b>3,329,780</b>	<b>6,402,344</b>

The accompanying notes form part of these financial statements



**New Zealand National Party**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2023**

**1) Statement of accounting policies**

**REPORTING ENTITY**

The reporting entity is the New Zealand National Party (the "NZNP"). The NZNP entity is a not-for-profit unincorporated society, based in Wellington, New Zealand.

NZNP has designated itself as a public benefit entity for the purposes of financial reporting.

These consolidated financial statements for the year ended 31 December 2023 comprise of NZNP ('the controlling entity') and its controlled entities (together referred to as the 'Group') and individually as 'Group entities'. The consolidated financial statements were approved by the Board of Directors on 27 June 2024.

**BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 not-for-profit public benefit entities, and disclosure concessions have been applied.

The Group qualifies as a Tier 2 reporting entity as it is not publicly accountable or large (operating expenditure has been between \$2m and \$30m in the current and prior period).

**Measurement basis**

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain assets and liabilities as identified in the following accounting policies.

**Functional and presentational currency**

The financial statements are presented in New Zealand dollars (\$), which is the entity's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

There has been no change in the functional currency of the Group during the year.

**First time adoption of PBE Standards RDR**

This is the first set of annual financial statements presented and prepared for the Group. This is also the first set of financial statements to be prepared under PBE Standards RDR and the transition requirements of PBE FRS 47 have been complied with. The comparative opening balances, consolidated statement of revenue and expenses, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cash flow statement have been prepared in accordance with PBE Standards RDR.

On transition to PBE Standards RDR, the Group opted to measure land and buildings and investment properties using deemed cost. Deemed cost represents their fair value at the date of adoption.

A reconciliation of the net assets previously reported by the Party to those presented in these financial statements has been presented below. The previous financial statements were prepared under a special purpose framework and didn't include consolidation of the controlled entities. The net asset position has increased as a result of consolidating these entities and their respective assets and liabilities as required by PBE IPSAS.

	<b>Previously reported</b>	<b>Consolidation of controlled entities</b>	<b>PBE IPSAS Reporting</b>
Net Assets at 1 January 2022	\$3,824,933	\$9,921,162	<b>\$13,746,095</b>
Net Assets at 1 January 2023	\$5,799,542	\$10,037,633	<b>\$15,837,175</b>

**New Zealand National Party  
Notes to the Financial Statements  
For the year ended 31 December 2023**

**1) Statement of accounting policies (continued)**

**New and amended PBE standards that are effective for the current year**

At the date of authorisation of these financial statements, there are no new and revised PBE Standards and amendments issued but not yet effective.

**SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements.

Material accounting policies that do not relate to a specific note are outlined below.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Party and its controlled entities.

Controlled entities are those entities over which the Party has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. In preparing the consolidated financial statements, all intra-group assets, liabilities, equity, revenues, expenses and cash flows relating to transactions between entities within the Group are eliminated in full on consolidation.

Controlled entities are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. On gaining control, the assets, liabilities and contingent liabilities of a controlled entity are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to surplus or deficit in the period of acquisition.

**Goods and services tax**

Items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

**Impairment of non-financial assets**

The initial measurement of property, plant and equipment and investment property is disclosed in Note [10] and [11]. Property, plant and equipment and investment property are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment and investment property are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication exists, the Party estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is recognised in surplus or deficit in the statement of comprehensive revenue and expenditure for the amount by which the asset's carrying amount exceeds its recoverable amount.

**New Zealand National Party**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2023**

### **1) Statement of accounting policies (continued)**

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash-generating assets is the present value of expected future cash flows.

For non-cash generating assets, value in use is determined using an approach based on a depreciated replacement cost (DRC).

#### **Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost within surplus or deficit.

#### **Deferred revenue**

Deferred non-exchange revenue relates to grants, donations, legacies and bequests received to which there are stipulated conditions attached. Non-exchange revenue is recognised at the point-in-time the stipulated conditions are satisfied.

#### **Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### **Judgements**

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

##### ***Whether there is control (or not) over an investee***

The Group exercised judgement in determining whether it has control over entities other than electorates. This assessment required the Group to consider whether it has the power to govern the financial and operating policies of the entity so as to obtain benefits from their activities. The Group considers having power when it has existing rights that give it the ability to direct the relevant activities.

The Group considers factors including structure, legal forms, agreements, and other facts and circumstance. On consideration of these factors the Group identified the entities requiring consolidation in the financial statements.

Details of the Group's controlled entities can be found in Note [17]

**New Zealand National Party  
Notes to the Financial Statements  
For the year ended 31 December 2023**

**Critical accounting judgements, estimates and assumptions (continued)**

***Classification of property, plant and equipment or investment property***

The Group has exercised judgement when determining the use of property, plant and equipment. Where there has been a change in use from owner occupied this results in a reclassification to investment property.

**Assumptions and estimates**

The assumptions and estimation uncertainties that have impacted the result for the year ended 31 December 2023 include the following:

***The useful economic lives and carrying value of property, plant and equipment and investment property***

At each reporting date, the useful lives and residual values of property, plant, and equipment and investment properties are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment and investment properties requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and carrying amount of the asset in the statement of financial position. The Group minimises the risk of this estimation uncertainty by:

- physical inspection of assets
- asset replacement programs
- review of second-hand market prices for similar assets; and
- analysis of previous asset sales.

The Group has not made significant changes to past assumptions concerning useful lives and residual values.

The Group's land and buildings are measured at cost and the key assumptions used to determine the cost along with other details of the Group's property, plant and equipment and investment properties can be found in Notes [10] and [11].

**New Zealand National Party  
Notes to the Financial Statements  
For the year ended 31 December 2023**

**2) Revenue**

**Accounting policy**

Revenue is recognised to the extent that it is probable that the future economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received.

**Revenue from exchange transactions**

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.

Other exchange revenue

Other exchange revenue is recognised when the amount of revenue can be measure reliably and it is probable that economic benefits will flow to the Group, and measured at the fair value of consideration received or receivable. Other exchange revenue includes club and event income, rental income and contributions for office use.

**Revenue from non-exchange transactions**

Non-exchange revenue transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) without directly giving approximately equal value in exchange.

Party donations

The recognition of non-exchange revenue from donations depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue.

Stipulations that are 'conditions' specifically require the Group to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied.

Fundraising donations

The Group's fundraising activities involve fundraising events, auctions and other club and event revenue. Fundraising non-exchange revenue is recognised at the point which cash is received.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from exchange transactions:</b>		
Membership fees and subscriptions	116,110	116,970
Other exchange revenue	845,874	1,323,234
<b>Total revenue from exchange transactions</b>	<b>961,984</b>	<b>1,440,204</b>
<b>Revenue from non-exchange transactions:</b>		
Party donations	7,788,659	5,958,429
Fundraising donations	2,429,434	1,731,373
<b>Total revenue from non-exchange transactions</b>	<b>10,218,093</b>	<b>7,689,802</b>

**3) Employee costs**

**Accounting policy**

**Salaries**

Salaries are recognised as an expense as employees provide services to the Group. Provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave.

**Defined contribution schemes**

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in surplus or deficit when incurred.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Salaries	2,158,280	1,770,386
Defined contribution plan employer contributions	52,986	42,179
Increase/(decrease) in employee entitlements	243	(14,887)
	<b>2,211,509</b>	<b>1,797,678</b>

**4) Operating expenses**

**Accounting policy**

**Operating expenses**

Operating expenses are recognised as goods and services are received.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Campaign expenditure	7,558,909	1,545,397
Fundraising expenses	1,249,239	1,316,740
	<b>8,808,148</b>	<b>2,862,137</b>

**New Zealand National Party  
Notes to the Financial Statements  
For the year ended 31 December 2023**

**5) Other expenses**

**Accounting policy**

**Other expenses**

Other expenses are recognised as goods and services are received.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Advertising	584,660	123,017
Accounting fees	458,307	260,988
Audit fees	211,602	77,788
Insurance	62,997	52,058
IT costs	653,905	167,843
Legal fees	181,673	133,296
Meetings and travel	537,666	249,535
Office costs	379,444	293,807
Other operating expenses	589,198	238,817
	<b>3,659,452</b>	<b>1,597,149</b>

**6) Net finance income/(costs)**

**Accounting policy**

**Finance income**

Finance income comprises interest and dividend income on financial assets, gains on disposal of financial assets. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

**Finance costs**

Finance costs comprise interest expense on financial liabilities, unwinding of the discount on provisions, losses on disposal of financial assets, impairment losses recognised on financial assets.

All borrowing costs are expensed in the period they are incurred.

**New Zealand National Party  
Notes to the Financial Statements  
For the year ended 31 December 2023**

**6) Net finance income/(costs)(continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Finance income</b>		
Interest income on short-term deposits	175,115	69,367
Dividends received	1,421	1,622
<b>Finance income</b>	<b>176,536</b>	<b>70,989</b>
<b>Finance costs</b>		
Interest on borrowings	(13,999)	(5,824)
Fees charged	(15,702)	(67,857)
<b>Finance cost</b>	<b>(29,701)</b>	<b>(73,681)</b>
<b>Net finance income/(costs)</b>	<b>146,835</b>	<b>(2,692)</b>

**7) Tax expense**

**Accounting policy**

Tax expense is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

**Income tax recognised in profit and loss**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current tax	31,771	21,921
Deferred tax	(74,066)	(13,847)
<b>Total tax expense recognised in the current year</b>	<b>(42,295)</b>	<b>8,074</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
(Deficit)/surplus before tax	(4,239,137)	2,143,665
Tax @ 28%	(1,186,958)	600,226
Permanent differences:		
- Non-assessable revenue	(3,059,407)	(2,413,343)
- Non-deductible expenditure	4,216,920	1,821,191
Tax losses utilised	(12,850)	-
<b>Tax expense</b>	<b>(42,295)</b>	<b>8,074</b>

The Group have \$329,375 of losses to carry forward (2022: \$342,225) which can be recognised against future profits.



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**Deferred tax liability**

The following is the analysis of the deferred tax liability presented in the consolidated statement of financial position:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Deferred tax liabilities	(188,652)	(262,716)
	<b>(188,652)</b>	<b>(262,716)</b>

Taxable and deductible temporary differences arise from the following:

<b>2023</b>	Opening Balance	Recognised in Surplus or Deficit	Closing Balance
	\$	\$	\$
Investment Property	304,563	(73,106)	<b>231,458</b>
Property Plant and Equipment	(44,891)	(959)	<b>(45,850)</b>
Other	3,044	-	<b>3,044</b>
<b>Deferred tax liability</b>	<b>262,716</b>	<b>(74,065)</b>	<b>188,652</b>

<b>2022</b>	Opening Balance	Recognised in Surplus or Deficit	Closing Balance
	\$	\$	\$
Investment Property	317,468	(12,905)	<b>304,563</b>
Property Plant and Equipment	(43,949)	(942)	<b>(44,891)</b>
Other	3,044	-	<b>3,044</b>
<b>Deferred tax liability</b>	<b>276,563</b>	<b>(13,847)</b>	<b>262,716</b>

The Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Bill received royal assent on 28 March 2024. As a result of this, building depreciation cannot be claimed from 31 December 2024 and subsequent income tax years. This means that the building depreciation rate will be reduced to 0% and will mean the tax base will be nil and the deferred tax adjusted accordingly.

**8) Cash and cash equivalents**

**Accounting policy**

Cash and cash equivalents are made up of cash on hand, on-demand deposits and other short-term highly liquid investments and are net of bank overdraft. The carrying value of cash on hand, on demand bank deposits and short-term deposits with original maturities of less than three months approximates the fair value.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	3,146,059	5,545,490
Short-term term deposits	183,721	856,854
<b>Cash and cash equivalents</b>	<b>3,329,780</b>	<b>6,402,344</b>

There are no restrictions over any of the cash and cash equivalent balances held by the Group.

The Group has nil unsecured overdraft facilities, of which nil remains undrawn (2022: nil).

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**9) Receivables****Accounting policy**

Receivables are amounts due from members and donors in relation to fundraising and membership activities. They are generally due for settlement within 30 days and are therefore all classified as current. Receivables are initially recognised at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. Details about the Group's impairment policy and the calculation of expected credit loss is provided in the impairment of financial assets accounting policy see Note [16].

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Receivables from exchange transactions	84,136	109,807
Allowance for credit loss	(575)	(3,845)
<b>Net trade receivables from exchange transactions</b>	<b>83,561</b>	<b>105,962</b>
GST receivable	327,277	154,090
Allowance for expected credit loss	-	-
<b>Net trade receivables from non-exchange transactions</b>	<b>327,277</b>	<b>154,090</b>
	<b>410,838</b>	<b>260,052</b>

**10) Property, plant and equipment****Accounting policy**

Property, plant, and equipment consists of the following asset classes: land and buildings, fixtures and fittings, and other equipment and motor vehicles.

On transition to PBE Standards RDR, the Group opted to measure land and buildings using deemed cost. Deemed cost represents their fair value at the date of adoption. The fair value of land and buildings were determined at reporting date by external, independent, qualified property valuers with recent experience in the location and category of the land and buildings being valued.

The method used to determine the fair value is the comparable sales method.

All other categories of property, plant and equipment are recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Subsequently, property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses.

Any capital expenditure incurred subsequent to the commissioning of fixed assets is capitalised to the asset at the time it is incurred. Expenditure incurred to maintain these assets is charged to surplus or deficit in the period incurred.

Depreciation is provided on a straight line basis. The estimated useful lives of the major asset classes have been estimated as follows:

Land	No depreciation
Buildings	6-67 years
Motor vehicles	4-8 years
Fixtures and fittings	2-13 years
Computer equipment	2-3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

New Zealand National Party  
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## 10) Property, plant and equipment (continued)

**Accounting policy - Continued**Disposals:

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit in the period the asset is derecognised.

Impairment assessment:

The carrying amount of asset's are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment is recognised where the assets carrying value exceeds its recoverable amount.

	Land and buildings	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
<b>Balance as at 1 January 2023</b>	<b>4,375,000</b>	<b>29,352</b>	<b>278,020</b>	<b>199,578</b>	<b>4,881,950</b>
Additions	-	9,010	35,879	7,382	52,271
<b>Balance as at 31 December 2023</b>	<b>4,375,000</b>	<b>38,362</b>	<b>313,899</b>	<b>206,960</b>	<b>4,934,221</b>
<b>Accumulated depreciation and impairment</b>					
<b>Balance as at 1 January 2023</b>	<b>(600,000)</b>	<b>(19,599)</b>	<b>(227,757)</b>	<b>(172,580)</b>	<b>(1,019,936)</b>
Depreciation	(45,091)	(3,311)	(14,685)	(12,285)	(75,372)
Impairment	(529,909)	-	-	-	(529,909)
<b>Balance as at 31 December 2023</b>	<b>(1,175,000)</b>	<b>(22,910)</b>	<b>(242,442)</b>	<b>(184,865)</b>	<b>(1,625,217)</b>
<b>Carrying amounts</b>					
As at 31 December 2023	<b>3,200,000</b>	<b>15,452</b>	<b>71,457</b>	<b>22,095</b>	<b>3,309,004</b>
<b>Cost</b>					
<b>Balance as at 1 January 2022</b>	<b>4,375,000</b>	<b>29,352</b>	<b>258,763</b>	<b>172,960</b>	<b>4,836,075</b>
Additions	-	-	19,257	26,618	45,875
Disposals	-	-	-	-	-
<b>Balance as at 31 December 2022</b>	<b>4,375,000</b>	<b>29,352</b>	<b>278,020</b>	<b>199,578</b>	<b>4,881,950</b>
<b>Accumulated depreciation and impairment</b>					
<b>Balance as at 1 January 2022</b>	<b>-</b>	<b>(17,887)</b>	<b>(215,637)</b>	<b>(151,387)</b>	<b>(384,911)</b>
Depreciation	(45,656)	(1,712)	(12,120)	(21,193)	(80,681)
Impairment	(554,344)	-	-	-	(554,344)
<b>Balance as at 31 December 2022</b>	<b>(600,000)</b>	<b>(19,599)</b>	<b>(227,757)</b>	<b>(172,580)</b>	<b>(1,019,936)</b>
<b>Carrying amounts</b>					
As at 31 December 2022	<b>3,775,000</b>	<b>9,753</b>	<b>50,263</b>	<b>26,998</b>	<b>3,862,014</b>

**11) Investment property**

**Accounting policy**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or for administrative purposes.

**Recognition and measurement**

On transition to PBE Standards RDR, the Group opted to measure investment property using deemed cost. Deemed cost represents their fair value at the date of adoption. The fair value of investment properties was determined at reporting date by external, independent, qualified property valuers with recent experience in the location and category of the investment property being valued.

The method used to determine the fair value is the direct capitalisation method. Capitalisation rates between 4.75% and 5.5% have been used.

Subsequently, investment property is held at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight line basis. The estimated useful life of investment property is estimated as follows:

Land	No depreciation
Buildings	6-67 years

Impairment assessment:

The carrying amount of investment properties are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the investment properties recoverable amount is estimated.

**Derecognition**

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

Any gains or losses on disposal of an investment property are recognised in surplus or deficit in the year of disposal.

	2023 \$	2022 \$
<b>Cost</b>		
<b>Balance as at 1 January</b>	<b>2,390,000</b>	<b>2,390,000</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31 December</b>	<b>2,390,000</b>	<b>2,390,000</b>
<b>Accumulated depreciation and impairment</b>		
<b>Balance as at 1 January</b>	<b>(91,660)</b>	-
Depreciation	(26,558)	(27,060)
Impairment	(255,102)	(64,600)
<b>Balance as at 31 December</b>	<b>(373,320)</b>	<b>(91,660)</b>
<b>Carrying amounts</b>	<b>2,016,680</b>	<b>2,298,340</b>

The investment property assets are pledged as security over the secured borrowings.

**New Zealand National Party**  
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**12) Investments****Accounting policy****Term deposits**

Term deposits are initially recognised at fair value and held at amortised cost. Interest is recognised as it accrues, using the effective interest method.

**Shares and investment funds**

Shares and investments are held at fair value through other comprehensive revenue and expense. Dividends earned on investments are recognised in surplus of deficit as they are declared.

For further details on financial instruments refer to note [16].

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Shares	20,492	23,717
Investment funds	2,264,877	2,091,307
Term deposits	1,339,652	1,936,149
	<b>3,625,021</b>	<b>4,051,173</b>
<b>Current</b>	1,339,652	1,755,149
<b>Non-current</b>	2,285,369	2,296,024
	<b>3,625,021</b>	<b>4,051,173</b>

**13) Payables****Accounting policy****Payables**

Short term payables are recorded at their face value as they are non-interest bearing and settled within 30 days.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Trade and other payables from exchange transactions</b>		
Creditors	249,067	268,744
Other payables - accruals	270,868	192,083
	<b>519,935</b>	<b>460,827</b>

**New Zealand National Party**

**Notes to the Financial Statements**

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**14) Employee entitlements**

**Accounting policy**

**Short-term employee benefits**

Short-term employee benefit liabilities include wages, salaries, annual leave and accumulated sick leave and are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Employee entitlements</b>		
Short-term employee benefits	87,943	87,700
	<b>87,943</b>	<b>87,700</b>
<b>Current</b>	87,943	87,700
<b>Non-current</b>	-	-
	<b>87,943</b>	<b>87,700</b>

**15) Borrowings**

**Accounting policy**

Borrowings are initially recognised at fair value, less any attributable transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method. Borrowing costs are expensed in the period in which they are incurred.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Bank loans	56,051	61,751
	<b>56,051</b>	<b>61,751</b>
<b>Current</b>	8,131	26,549
<b>Non-current</b>	47,920	35,202
	<b>56,051</b>	<b>61,751</b>

**(i) Terms and repayment schedule**

	Currency	Effective Interest Rate	Year of Maturity	2023		2022	
				Face value \$	Carrying amount \$	Face value \$	Carrying amount \$
Secured loans	NZD	8-11%	2023-2031	56,051	56,051	61,751	61,751

**(ii) Security held**

At reporting date, the bank loans were secured by first mortgage over certain items of investment property (see Note [11]).

**New Zealand National Party  
Notes to the Financial Statements  
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**16) Financial instruments**

**Accounting policy**

**Classification**

The Group classifies financial assets into the those to be measured subsequently at fair value either through other comprehensive revenue and expense (OCRE) or through surplus or deficit, and those to be measured at amortised cost. The classification depends on the entities business model for managing the financial assets and the contractual terms of the cash flows.

The Group has the following categories of financial instruments: Loans and receivables (including cash and cash equivalents and receivables), investments in shares and managed funds; and financial liabilities measured at amortised cost (including payables).

**Recognition and derecognition**

The Group initially recognises financial instruments when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

The Group holds receivables and cash and cash equivalents at amortised cost.

The Group holds investments at fair value through other comprehensive revenue and expense.

The Group holds financial liabilities at amortised cost being payables, borrowings and employee entitlements.

The Group classifies its financial assets at amortised cost only if both of the following criteria are met: the asset is held within a business model whose objective is to collect the contractual cash flows; and the contractual terms give rise to cash flows that are solely payments of principal and interest.

**Impairment of financial assets**

At the end of each financial year, a provision is made if there is objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment loss is incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event), and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

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**Notes to the Financial Statements**  
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**16) Financial instruments (continued)**

**Assets carried at amortised cost**

For loans and receivables the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred), discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of loss is recognised in the surplus or deficit. If in the subsequent financial year, the amount of loss decreased and the decrease is related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the surplus or deficit.

If in the subsequent financial year, the amount of loss decreased and the decrease is related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the surplus or deficit.

**Expected credit loss**

For trade receivables, the Group applies the simplified approach permitted by PBE IPSAS 41, which requires expected lifetime losses to be recognised from initial recognition of receivables.

**Liabilities carried at amortised cost**

Financial liabilities classified as amortised cost are non-derivative financial liabilities that are not classified as fair value through surplus or deficit financial liabilities.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

**(i) Classification of financial instruments**

The tables below show the carrying amount of the Group's financial assets and liabilities.

**Group – 31 December 2023**

	<b>Fair value through other comprehensive revenue and expense</b>	<b>Amortised cost</b>	<b>Total carrying amount</b>
	\$	\$	\$
<b>Financial assets</b>			
Cash and cash equivalents	-	3,329,780	3,329,780
Shares	20,492	-	20,492
Investment funds	2,264,877	-	2,264,877
Term deposits	-	1,339,652	1,339,652
Receivables	-	83,561	83,561
	<b>2,285,369</b>	<b>4,752,993</b>	<b>7,038,362</b>
<b>Financial liabilities</b>			
Borrowings	-	56,051	56,051
Payables	-	519,935	519,935
	<b>-</b>	<b>575,986</b>	<b>575,986</b>



New Zealand National Party  
Notes to the Financial Statements  
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## 16) Financial instruments (continued)

## Group – 31 December 2022

	Fair value through other comprehensive revenue and expense \$	Amortised cost \$	Total carrying amount \$
<b>Financial assets</b>			
Cash and cash equivalents	-	6,402,344	6,402,344
Shares	23,717	-	23,717
Investment funds	2,091,307	-	2,091,307
Term deposits	-	1,936,149	1,936,149
Receivables	-	105,962	105,962
	<b>2,115,024</b>	<b>8,444,455</b>	<b>10,559,479</b>
<b>Financial liabilities</b>			
Borrowings	-	61,751	61,751
Payables	-	460,827	460,827
	<b>-</b>	<b>522,578</b>	<b>522,578</b>

## 17) Group entities

The Group have included all the controlled entities and does not have non-controlling equity interest. A listing of the Group's significant controlled entities is presented below:

	Type	Country
Chinese Group	SIG	NZ
BlueGreens	Advisory Group	NZ
National Party Foundation	Assoc Trust	NZ
Pacific Blues	SIG	NZ
Friends of National House	Advisory Group	NZ
KASAMA	SIG	NZ
Kahurangi National	SIG	NZ
IndoNats	SIG	NZ
BlueDragons	SIG	NZ
SuperBlues	SIG	NZ
41 Pipitea Street Limited	Assoc Company	NZ
<b>Held by Electorates</b>		
Wellington Metro	Assoc Society	NZ
Lil Wakely Trust	Assoc Trust	NZ
Electorate Holdings	Assoc Society	NZ
Toorak Chambers	Assoc Society	NZ
Auckland Nationalist Centre	Assoc Society	NZ
Divisional Holdings	Assoc Society	NZ
Wynyard Street Investments	Assoc Society	NZ
Timaru National Centre Trust	Assoc Trust	NZ
National Club Masterton Inc	Assoc Society	NZ
Nationalist Centre of Invercargill	Assoc Society	NZ

\*Special interest group (SIG)

**New Zealand National Party  
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**17) Group entities (continued)**

Some controlled entities have a reporting date different to the parent entity. Financial information used in the preparation of this consolidated annual report is based on the parent entities reporting date.

There are no significant restrictions regarding to the transfer of dividends, loan repayments, and other funds from controlled entities.

In accordance with the Rules of the Auckland Nationalist Centre Incorporated Society ("the ANC"), ANC has the legal title of the ground floor of 107 Great South Road and such cash assets held in the ANC bank account are owned by the ANC.

**18) Related party transactions**

NZNP is controlled by the Board of Directors.

Sylvia Wood is President of the National Party and Director of Knowhow Limited. During the year the Group paid \$27,648 to Knowhow Limited for executive assistant support (2022: nil).

**(i) Key management personnel compensation**

The Group classifies its key management personnel into one of two classes:

- Board of Directors
- Executive Leadership Team

Members of the Board do not receive an annual fee or honoraria for attending board meetings. The acting General Manager was paid an honorarium of \$87,000 during the period (2022: nil).

**(ii) Key management personnel compensation**

The Executive Leadership Team are employees of the Group, on normal employment terms.

The aggregate level of remuneration paid and number of persons (measured in 'people' for Members of the governing body, and 'full-time equivalents' (FTE's) for the Executive Leadership Team) in each class of key management personnel is presented below:

	2023		2022	
	Remuneration \$	FTE	Remuneration \$	FTE
Executive Leadership Team	830,844	4.8	892,606	5.5
	<b>830,844</b>	<b>4.8</b>	<b>892,606</b>	<b>5.5</b>

**New Zealand National Party  
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**19) Operating lease arrangements**

**Accounting policy**

**Operating lease as a lessee**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in surplus or deficit as a reduction of rental expense over the lease term.

**Operating lease as a lessor**

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as operating leases. When the terms of the lease do not transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as an operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**(i) Operating lease as a lessee**

The Group does not have any non-cancellable operating leases (2022: nil).

**(ii) Operating lease as a lessor**

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between 3 months to 2 years, with no extension option. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases of investment properties are as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	36,250	85,000
Later than one year and not later than five years	26,667	62,917
Later than five years.	-	-
	<b>62,917</b>	<b>147,917</b>

**20) Commitments and contingencies**

The Party has a subscription for Software as a Service. At reporting date the non-cancellable subscription payable was \$79,892 (2022: \$228,074).

**21) Events after reporting date**

No significant events occurred after the reporting date (2022: nil).

**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF THE NEW ZEALAND NATIONAL PARTY**

## **Opinions**

We have audited the consolidated annual report of New Zealand National Party (“the Party”) and its controlled entities (together, “the Group”), which comprise the consolidated financial statements on pages 5 to 27 and the consolidated statement of service performance on pages 3 to 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 equity 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.

### *Opinion on the Consolidated Statement of Service Performance*

In our opinion, the accompanying consolidated annual report presents fairly, in all material respects, the consolidated service performance for the year ended 31 December 2023, in accordance with the group’s service performance criteria, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

### *Qualified Opinion on the Consolidated Financial Statements*

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present 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 in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

### **Basis for Qualified Opinion on the Consolidated Financial Statements**

In common with other similar organisations, control over party donations and fundraiser donations revenue received prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. This results in the completeness of this income being unable to be determined.

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 statement of service performance in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Annual 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 Party, or any of its controlled entities.

### **Emphasis of Matter**

We draw attention to Note 1, specifically the paragraph 'First time adoption of PBE Standards RDR' to the consolidated financial statements, which describes the effects of preparing the consolidated annual report under PBE Standards RDR. Previously the Party prepared special purpose unconsolidated financial statements for the purposes of the Board. This note describes the impact of transitioning to reporting from special purpose to PBE Standards RDR. Our opinion is not modified in respect of this matter.

### **Board's Responsibilities for the Consolidated Annual Report**

Those charged with governance are responsible on behalf of the Group for:

- (a) the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and;
- (b) service performance criteria that are suitable in order to prepare the consolidated statement of service performance in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) for such internal control as those charged with governance determines is necessary to enable the preparation of consolidated financial statements and consolidated statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual report, the Board are responsible on behalf of the Group 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 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 Annual Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance 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 annual report.

A further description of our responsibilities for the audit of the consolidated annual report is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

### Who we Report to

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

*BDO Wellington Audit Limited*

**BDO WELLINGTON AUDIT LIMITED**

Wellington  
New Zealand  
27 June 2024