Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

E30

Statement of Performance Expectations

For the period 1 July 2025 to 30 June 2026

June 2025

Prepared in accordance with the Crown Entities Act 2004

External Reporting Board
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New Zealand
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Statement of responsibility

This is the External Reporting Board's Statement of Performance Expectations for the period 1 July 2025 to 30 June 2026. It has been prepared in accordance with the Crown Entities Act 2004 (the Crown Entities Act).

The Board is responsible for the content of this document, which comprises the prospective financial and non-financial statements for the year, including the assumptions on which they are based, and the judgements used in preparing them.

This Statement of Performance Expectations has been prepared in accordance with the Crown Entities Act and the prospective financial statements in accordance with generally accepted accounting practice in New Zealand.

In accordance with the Crown Entities Act, the External Reporting Board (XRB) has consulted with the Minister of Commerce and Consumer Affairs in preparing this Statement. As the XRB is an independent Crown entity, the Minister may not direct the XRB to have regard to, or give effect to, a government policy relating to the XRB's standard setting functions and as a result no such matters are included in this Statement of Performance Expectations.

Michele Embling
Chair
25 June 2025

Fergus Welsh
Board member
25 June 2025

About the External Reporting Board

The XRB is an independent Crown entity under the Crown Entities Act.

The Financial Reporting Act 2013 (the Financial Reporting Act) sets out our functions and responsibilities, which are to develop and issue:

- Financial reporting standards that describe how to report an entity's financial activities to make financial information meaningful and comparable for users
- Climate standards that describe how to report an entity's climate-related risks and opportunities
- Auditing and assurance standards that establish the objectives and requirements for conducting audits and other assurance engagements
- Non-binding guidance on a wider range of non-financial matters

XRB standards and guidance apply to for-profit, not-for-profit and public sector entities.

The XRB is not a regulator; monitoring and enforcement functions are carried out by the Financial Markets Authority (FMA).

The XRB's Crown funding in 2025/26 is $8.319m. We have 33 employees.

Our governance arrangements

The XRB's powers are exercised by, or under the authority of the XRB Board. The Governor-General appoints up to nine members to the XRB Board on the recommendation of the Minister of Commerce and Consumer Affairs.

The XRB Board is responsible for the overall governance of the organisation, overall reporting and standard-setting strategy and oversight of its subsidiary technical boards (see below). The Board has appointed a Chief Executive responsible for the management of the organisation.

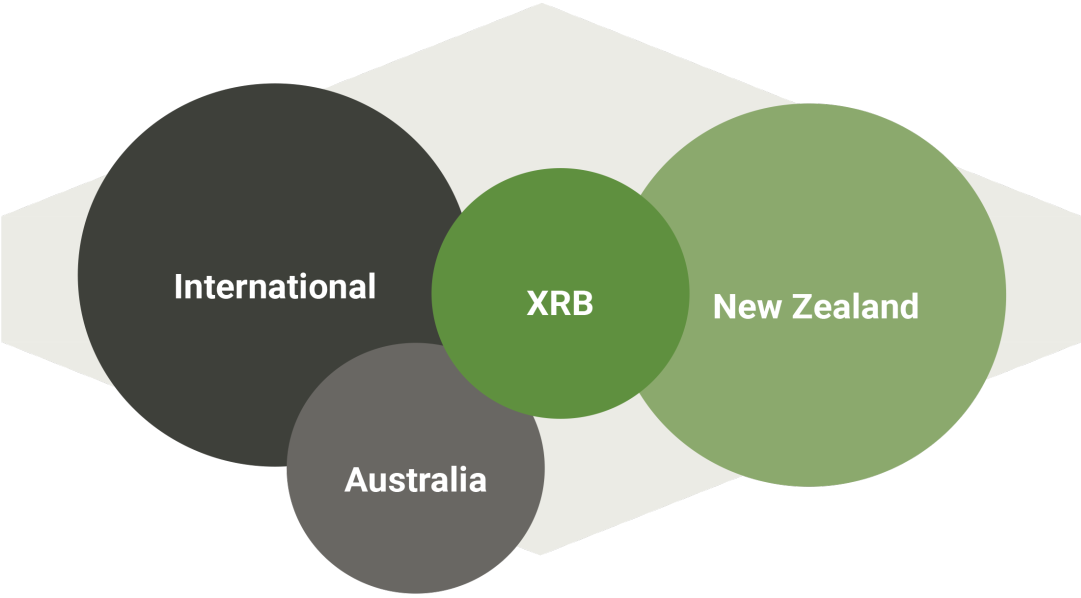
The XRB Board has used its powers under the Crown Entities Act to establish three subsidiary boards as committees of the XRB Board (technical boards), and has delegated the following functions[1] to these technical boards under the Act:

- **New Zealand Accounting Standards Board** – prepare and issue financial reporting standards and authoritative notices
- **New Zealand Auditing and Assurance Standards Board** – prepare and issue auditing, assurance, ethical, and other related services standards
- **Sustainability Reporting Board** – prepare and issue climate standards, authoritative notices and non-binding guidance on financial reporting.

All three technical boards also have the power to liaise with international or national organisations that perform corresponding or similar functions

[1] Subject to the requirements and expectations in the respective terms of reference for each board.

Our ecosystem



New Zealand stakeholders

Regulatory and other bodies

- Charities Services
- Commerce Commission
- Financial Markets Authority (FMA)
- Ministry of Business, Innovation and Employment (MBIE)
- NZX
- Office of the Auditor General (OAG)
- Professional bodies
- Reserve Bank of New Zealand (RBNZ)

Information users

- Funders
- Investors, lenders and other creditors
- Parliament
- Public

Information preparers

- Governance and management
  - For-profit organisations
  - Not-for-profit organisations
  - Public sector organisations
- Accounting and other advisers
- Other third party preparers (eg bookkeepers)

Audit and assurance practitioners

- Audit firms
- Other assurance practitioners

International standard-setting bodies

International

- International Accounting Standards Board (IASB)
- International Auditing and Assurance Standards Board (IAASB)
- International Ethics Standards Board for Accountants (IESBA)
- International Public Sector Accounting Standards Board (IPSASB)
- International Sustainability Standards Board (ISSB)
- National standard setters

Australia

- Accounting Professional and Ethical Standards Board (APESB)
- Auditing and Assurance Standards Board (AUASB)
- Australian Accounting Standards Board (AASB)
- Financial Reporting Council (FRC)

Our strategic framework

Our purpose

Promoting trust and confidence, transparency and accountability through high-quality external reporting and assurance.

We do this by establishing and maintaining robust frameworks and standards that are internationally credible and relevant to New Zealand.

The outcomes we seek

Trusted

Reporting and assurance that promotes confidence, transparency and accountability across all sectors of the economy

Informative

Reporting and assurance that generates relevant and useful information to support informed decision making

Integrated

Reporting that encompasses financial and non-financial information that supports good governance, stewardship and intergenerational wellbeing

What we aim to achieve

Our ultimate objective is an external reporting and assurance system in New Zealand that enables sustainable economic growth, transparency, accountability and informed decision making through the provision of trusted, integrated information that meets users' needs.

We enable trust and confidence in the external reporting and assurance system by setting high-quality standards that are internationally credible and locally relevant.

What we deliver

- Reporting strategies and frameworks
- Financial reporting standards
- Climate standards
- Auditing and assurance standards

How we deliver

- Our governance, people and ways of working
- Our relationships and how we engage and influence
- Our financial and physical resources and use of natural resources

Our approach

- Open, engaging and transparent
- Attuned to user needs, costs and benefits
- Agile and pragmatic
- Responsive to changing global and local context

Measuring our performance

This section outlines our approach to measuring our outcome and output performance.

Outcome performance

The outcomes we seek are subject to many external factors and influences. These include economic and financial conditions, policy and regulatory trends in major markets, the activities of international standard-setters, and how the eco-system of all those involved in reporting and assurance operates in practice, such as reporting entities, audit and assurance practitioners, investors, regulators.

We use research and outcome indicators to assess our contribution to the achievement of these outcomes.

Research

We undertake and use research on a range of topics to give us an understanding of our contribution to achieving desired outcomes.

Our work involves using knowledge gained through existing or new research, both in New Zealand and overseas on reporting and assurance matters in relation to our standard-setting activities and/or to inform our future agenda priorities. We leverage existing and new research undertaken by others, and commission research ourselves.

We directly engage with our stakeholders, as part of our due process requirements, to gather evidence and information so that we develop evidence-informed standards. We also conduct post-implementation reviews to assess whether our standards are achieving the desired outcomes and objectives.

In 2025/26:

- The multi-year effectiveness evaluation that we have commissioned of the climate-related disclosure framework will be completed and published.
- We will develop a programme of work to better understand user needs, costs and benefits, taking a strategic and integrated approach across our portfolio of standards.
- We will develop and communicate thought-leadership on the key trends, risks and opportunities for external reporting and assurance to inform our future agenda and research priorities.
- We will also investigate what ongoing regular research we can commission to provide insight into outcome performance over time.

Outcome indicators

Several external indicators and reports have a natural correlation to the outcomes we seek and will form part of our evaluation process. We use the following sources:

1. **New Zealand's ranking in Transparency International's Global Corruption Perceptions Index**: this index ranks countries by their perceived levels of public sector corruption. High rankings are an indicator of strong transparency

2. **Chartered Accountants Australia and New Zealand Investor Confidence Survey**: this survey monitors retail investor's confidence in financial markets and provides insights in investors views to help understand what is needed to ensure investors have the information and confidence to make informed decisions.

3. **The Financial Markets Authority Audit Quality Monitoring Report:** this annual report provides findings from the FMA's reviews of registered audit firms and licensed auditors and trends in audit quality.
4. **Financial Markets Authority Consumer Confidence Survey:** this survey provides insights into New Zealanders level of confidence in financial markets, amongst other things.

We will also monitor for other surveys / reports published in 2025/26 that provide insight into outcome performance.

Stakeholder surveys

We utilise surveys as a method to measure our stakeholders' perceptions of our performance. In recent years, we have surveyed our broad stakeholder base annually but have, like other organisations, experienced reduced response rates due to survey fatigue. As a result, we are making changes to our approach going forward to ensure we get appropriate, regular and meaningful assessment of our performance.

We will undertake a stakeholder survey every three years of all our key stakeholder groups to get insight into stakeholder opinions and perceptions of organisational performance,[2] strengths and areas for improvement.

In the intervening years we will obtain annual direct feedback from the XRB Board's External Reporting Advisory Panel (XRAP)[3] about their perceptions of our performance, what we are doing well and what we can do better.

Output performance

To measure output performance, we will undertake targeted annual surveys to measure satisfaction with the quality of our products and interactions in different areas.

The output performance measures for the specific areas are set out in the next section of the document.

[2] Such as advocacy or net promoter score measures.

[3] As part of its constituent engagement activities, the XRB Board has established an XRAP. This panel is a forum for the XRB Board and its technical boards to consult individuals and representatives of organisations affected by its work. The terms of reference for XRAP are available at [External Reporting Advisory Panel: Terms of Reference]

Appropriation

The XRB is funded by an appropriation Commerce and Consumer Affairs: External Reporting and Assurance Standard Setting under Vote Business, Science, Innovation administered by the Ministry of Business, Innovation and Employment.

The XRB does not have any reportable class of outputs for which an exemption has been granted under section 149F of the Crown Entities Act. The XRB does not intend to supply any class of outputs in the 2025/26 financial year that is not a reportable class of outputs.

Reportable output class

The appropriation funds one reportable output class.

The appropriation is limited to the development and issuing of accounting standards, climate standards, auditing and assurance standards, non-financial reporting guidance, and associated activities.

The output class comprises the following four main areas:

- Financial reporting
- Sustainability reporting (including climate reporting standards)
- Auditing and assurance (including professional and ethical standards)
- International influence and liaison

2025/26 appropriation and cost breakdown

	2025/26 Forecast $000	**2024/25 Estimated actual $000**
Revenue from the Crown	8,319	8,319
Revenue from others	138	131
Costs	(8,943)	(8,533)
Operating deficit	**(486)**	**(83)**

The planned deficit reflects an ongoing pipeline of projects. For 2025/26 this includes:

- Continuing reengagement with international standard setters and establishing relationships with global bodies focused on non-financial reporting
- Our significant work programme for 2025/26 including climate and public sector performance reporting

The planned deficit will be funded through the use of retained earnings.

Forecast service performance

Financial reporting

This area covers the work we do in setting financial reporting standards and providing guidance for the for-profit, not-for-profit, and public sectors and engaging with stakeholders on financial and service performance reporting matters.

We develop or adopt, implement and maintain internationally aligned and locally relevant financial reporting standards that enable reporting entities to transparently communicate their performance, and be held accountable to a range of stakeholders. The standards allow users of financial and service performance reports to have trust and confidence in the reporting and make informed decisions.

How performance will be assessed

Performance measure	2025/26 Performance Target
Issue all relevant[4] international consultation and exposure drafts	**Timing:** All consultations and exposure drafts are issued within 3 weeks from international release. **Quality:** 100% compliance with due process[5]
Issue all relevant[6] international (IASB and IPSASB) accounting standards in line with the XRB's convergence and harmonisation policy[7].	**Timing** <u>IASB Standards:</u> Issue a minimum of 6-12 months, depending on the significance, before the international effective date. <u>IPSASB Standards:</u> Issue a minimum of 6-12 months, depending on the significance, before the national effective date. **Quality:** 100% compliance with due process
Contribute to the enhancement and evolution of public benefit entity performance reporting: • Develop the domestic exposure draft amendments to PBE FRS 48: *Service Performance Reporting* in response to the feedback received from the 2024/25 Discussion Paper	**Timing:** Dec 2025 **Quality:** 100% compliance with due process

[4] Relevant means that the international consultation and exposure draft is within the XRB mandate and applicable in the New Zealand context.

[5] Section 22 of the Financial Reporting Act 2013 requires the XRB to take reasonable steps to consult the persons who would be substantially affected by the issue of a standard, amendment or revocation. The XRB Board has a set of due process guidelines which must be followed. An explanation of our standard-setting process and due process guidelines can be accessed at How are our standards set? » XRB.

[6] Relevant means that the international standard is within the XRB mandate and applicable in the New Zealand context.

[7] The XRB convergence and harmonisation policy is detailed in the XRB governance manual and referred to in the Explanatory Guide A1: Guide to application of the accounting standards framework (EG A1)

Performance measure	2025/26 Performance Target
• Collaborate with stakeholders to understand the issues and opportunities in public sector performance reporting: o Develop an XRB public sector reporting strategy o Contribute to the Parliamentary inquiry[8] into performance reporting and public accountability, as relevant	**Number** of engagements[9] – 4 **Timing:** June 2026
Support the adoption and implementation of key financial reporting standards through consultation outreach activities and implementation support (including walk through and deep dive webinars, workshops, feedback forums, guidance material):	**Number** of adoption and implementation support activities and publications**:** 10 **Quality:** 75% of survey respondents are satisfied with the quality of the XRB's financial reporting related consultation outreach, adoption and implementation support.

Allocation of revenue and costs

	2025/26 Forecast $000
Crown revenue allocated	2,502
Other revenue allocated	42
Costs	(1,886)
Attributed overhead costs	(804)
Operating deficit	**(146)**

[8] The Finance and Expenditure select committee inquiry was initiated on 12 February 2025.

[9] These engagements will be XRB hosted events including meetings, consultations and facilitated group discussions with key stakeholders as listed on page 6.

Sustainability reporting (including climate reporting standards)

This area covers the work we do in setting climate reporting standards, providing voluntary sustainability reporting guidance, and engaging with stakeholders on sustainability reporting matters. In using the term sustainability reporting, the XRB means non-financial reporting[10] topics.

Providing climate reporting entities with a climate-related disclosure framework enables high-quality, consistent, and transparent reporting on climate-related risks and opportunities. This in turn supports the allocation of capital towards activities that are consistent with a transition to a low-emissions, climate resilient future. Providing and engaging with stakeholders on voluntary sustainability reporting guidance enables users to better understand the interaction between an entity's activities and internal and external sustainability outcomes.

How performance will be assessed

Performance measure	2025/26 Performance Target
Support the adoption and implementation of Aotearoa New Zealand Climate Standards (NZ CS) by: • Consulting on the differential reporting and international alignment aspects of the climate-related disclosure framework (as part of the framework's post-implementation review) • Providing adoption and implementation support (e.g., outreach activities and guidance publications)	**Timing:** Complete the consultation on the climate-related disclosure framework in line with the following timetable: • Complete Request for Information (RFI) process by September 2025 • If stakeholder feedback necessitates: 1) publish a paper on initial options/proposals for change within three months of completing the RFI process and 2) issue relevant standards by June 2026. **Number** of adoption and implementation support activities and publications: 10 **Quality:** • 100% compliance with due process for differential reporting/international alignment consultation • 75% of survey respondents are satisfied with the quality of the XRB's climate-related consultation outreach activities, adoption and implementation support
Continue the Ngā pou o te kawa ora project by: • Supporting the voluntary uptake of He Tauira • Sharing lessons learnt through the development with domestic and international stakeholders	**Timing:** Updated version of He Tauira incorporating trial insights published by December 2025 **Number** of engagements to promote the voluntary uptake of He Tauira (beyond the initial cohort) or sharing lessons learned with domestic and international stakeholders: 10 **Quality:** Two-thirds of entities trialling He Tauira continue to use He Tauira to guide their reporting beyond the official trial end date
Develop a sustainability reporting strategy based on current and emerging trends in sustainability and integrated reporting	**Timing:** June 2026

[10] Non-financial information includes service performance reporting is included in the financial reporting area.

Allocation of revenue and costs

	2025/26 Forecast $000
Crown revenue allocated	2,168
Other revenue allocated	36
Costs	(1,634)
Attributed overhead costs	(697)
Operating deficit	**(127)**

Auditing and assurance

This area covers the work we do in setting auditing, assurance and other related services standards and guidance, and includes engaging with our stakeholders on these matters. References to auditing and assurance standards also includes professional and ethical standards.

Internationally credible audit, assurance, and ethical standards supports high quality and consistent audit and assurance practice and ensures that trust and confidence in reported information is enhanced through independent assurance.

How performance will be assessed

Performance measure	2025/26 Performance Target
Issue all relevant[11] international (IAASB and IESBA) consultation documents and exposure drafts	**Timing:** All consultations and exposure drafts are issued within 3 weeks of international release. **Quality:** 100% compliance with due process.
Issue all relevant[12] international (IAASB and IESBA) auditing and assurance standards in line with the XRB's convergence and harmonisation policy[13].	**Timing:** Issue a minimum of 6-12 months, depending on the significance, before the international effective date. **Quality:** 100% compliance with due process.
Support adoption and implementation of key auditing and assurance standards through consultation outreach and implementation support activities (including need to know updates, deep dive webinars, feedback forums and workshops, guidance material)	Number of adoption and implementation support activities and publications: 15 **Quality:** 75% of survey respondents are satisfied with the quality of the XRB's audit and assurance-related consultation outreach, adoption and implementation support.

Allocation of revenue and costs

	2025/26 Forecast $000
Crown revenue allocated	2,180
Other revenue allocated	36
Costs	(1,643)
Attributed overhead costs	(700)
Operating deficit	**(127)**

11 Relevant means that the consultation, exposure draft or standard is within the XRB's mandate and is applicable in the New Zealand context

12 Relevant means that the international standard is within the XRB's mandate and is applicable in the New Zealand context

13 NZAuASB Policy and Process for International Conformance and Harmonisation of Standards

International influence and liaison

This area is about the activities we undertake to harmonise standards with Australia and influence the work of the international boards during the appropriate stages of standards development to ensure high-quality global standards that are both suitable in the New Zealand context and in the New Zealand public interest.

By influencing the work of international standard setting boards, we aim for global standards that are relevant in a New Zealand context and align with our regulatory and legislative environment.

International standard setting decisions are typically undertaken over multiple years. For this reason, assessing the degree to which our presence at various meetings has influenced specific results can be challenging. However, maintaining strong engagement by contributing to debates builds New Zealand's reputation as a credible and expert standard setter in the international community.

How performance will be assessed

Performance measure	2025/26 Performance Target
Build and maintain relationships and New Zealand membership, representation, and participation with key international and jurisdiction-level standard setting bodies and relevant task forces.	Demonstrated relationships with and access to, key decision makers (e.g., via meetings, email communication, participation in mutual events) including maintaining New Zealand membership on and participation with the following boards: • International Public Sector Accounting Standards Board (IPSASB) • International Auditing and Assurance Standards Board (IAASB) • Australian Accounting Standards Board (AASB) • Australian Auditing and Assurance Standards Board (AUASB) • Australian Financial Reporting Council (FRC) Plus: • Selection to task forces and working groups • Invitations to speak at events • Participation in relevant regional and technical groupings
Make submissions to the IASB, IPSASB, ISSB, IAASB, and IESBA international exposure drafts as relevant[14].	**Timing:** Before the comment period closes internationally.

[14] Relevant means that the exposure draft is within the XRB's mandate and is applicable in the New Zealand context.

Allocation of revenue and costs

	2025/26 Forecast $000
Crown revenue allocated	1,469
Other revenue allocated	24
Costs	(1,107)
Attributed overhead costs	(472)
Operating deficit	**(86)**

Prospective financial statements

The prospective financial statements for the year ending 30 June 2026 have been prepared in accordance with generally accepted accounting practice in New Zealand. They have not been audited and should not be relied upon for any other purpose.

Prospective statement of comprehensive revenue and expense

For the year ending 30 June 2026

	Notes	2025/26 Forecast $000	2024/25 Estimated actual[15] $000
Revenue from the Crown	2	8,319	8,319
Interest income		138	131
Total revenue		**8,457**	**8,450**
Board meeting expenses	3	323	255
Technical committee expenses	4	561	480
Communication and engagement		125	80
Depreciation		79	82
Contributions to international bodies	5	521	512
Personnel costs	6	5,598	5,620
Travel costs	7	571	529
Research	8	116	74
General operating costs	9	1,049	901
Total expenses		**8,943**	**8,533**
(Deficit) and total comprehensive revenue and expense		(486)	(83)

[15] Actuals are up to May 2025 and estimated to year end.

Prospective statement of changes in equity

For the year ending 30 June 2026

	Contributed capital $000	Accumulated surplus $000	Total equity $000
Estimated actual balance at 1 July 2025	725	3,553	4,278
Total comprehensive revenue and expense	-	(486)	(486)
Forecast balance at 30 June 2026	725	3,067	3,792

Prospective statement of financial position

As at 30 June 2026

	30 June 2026 Forecast $000	30 June 2025 Estimated actual $000
Equity		
Contributed capital	725	725
Accumulated surplus	2,806	3,553
Total equity	**3,531**	**4,278**
Current assets		
Cash and cash equivalents	518	450
Receivables and prepayments	9	9
Investments	3,623	4,389
Total current assets	**4,150**	**4,848**
Current liabilities		
Payables and accruals	(420)	(400)
Other payables	(364)	(334)
Total current liabilities	**(784)**	**(734)**
Non-current assets		
Property, plant and equipment	205	204
Total non-current assets	**205**	**204**
Non-current liabilities		
Provisions	(40)	(40)
Total non-current liabilities	**(40)**	**(40)**
Total net assets	**3,531**	**4,278**

Prospective cash flow statement
For the year ending 30 June 2026

	2025/26 Forecast $000	2024/25 Estimated actual $000
Cash flows from operating activities		
Cash was provided from:		
Revenue from the Crown	8,319	8,319
Interest received from investments	138	131
	8,457	**8,450**
Cash was disbursed to:		
Payments to employees	(5,568)	(5,607)
Payments to suppliers	(2,725)	(2,121)
Contributions to international standards boards	(521)	(512)
	(8,814)	**(8,240)**
Net cash flow from operating activities	**(357)**	**210**
Cash flows from investing activities		
Cash was provided from:		
Sale of property, plant and equipment	-	1
Investments	505	848
Cash was disbursed to:		
Purchase of property, plant and equipment	(80)	(24)
Net cash flow from investing activities	**425**	**825**
Cash flow from financing activities		
Cash was disbursed to:		
Return of retained earnings to Crown	-	(1,100)
Net cash flow from financing activities	**-**	**(1,100)**
Net increase/(decrease) in cash and cash equivalents	68	(65)
Add opening cash and cash equivalents	450	515
Closing cash and cash equivalents	**518**	**450**

Reporting entity, basis of preparation and summary of significant accounting policies

Reporting entity

The XRB is an independent Crown entity under the Crown Entities Act 2004. We are responsible under the Financial Reporting Act 2013 for preparing and issuing accounting, auditing and assurance, and climate standards and the issue of non-binding guidance on a wider range of non-financial matters.

Due to the level of total expenses, we are classified as a Tier 2 entity. Our prospective financial statements have been prepared in accordance with PBE accounting standards. The prospective financial statements were approved by the XRB Board on 25 June 2025.

Statement of compliance

These prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 2 PBE Standards and disclosure concessions have been applied (PBE Standards RDR). This includes PBE FRS 42 *Prospective Financial Statements*.

These prospective financial statements have been prepared on a going concern basis.

Measurement base

The prospective financial statements have been prepared on a historical cost basis, unless otherwise specified.

Functional, presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars, which is also the functional currency of the XRB. All values are rounded to the nearest thousand dollars ($000) unless otherwise specified.

Significant accounting policies

Revenue from the Crown

The XRB is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the XRB meeting its objectives as specified in the Statement of Intent. The XRB considers that there are no conditions attached to the Crown funding and as such it is recognised as revenue at the point of entitlement and is measured at the fair value of consideration received or receivable.

Goods and services tax (GST)

Items in the prospective 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 prospective 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 prospective statement of cash flows.

Income tax

The XRB is a public authority and consequently is exempt from the payment of income tax under the Income Tax Act 2007. Accordingly, no provision has been made for income tax.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the XRB are classified as operating leases. Payments are recognised as an expense on a straight-line basis over the term of the lease in the Prospective statement of comprehensive revenue and expense.

Cost allocation

Direct costs are charged directly to output areas. Attributed overhead costs and other revenues are amounts that cannot be attributed to a specific output area in an economically feasible manner. These are charged to output areas based on cost drivers or usage information.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and impairments. Depreciation is provided on a straight-line basis over their useful lives.

Investments

Investments consist of term deposits. These are initially measured at the amount invested. After initial recognition, investments in term deposits are measured at amortised cost using the effective interest rate method, less any provision for impairment. The carrying amount of term deposits approximates their fair value.

Changes in accounting policies

The accounting policies set out above have been applied consistently to all periods presented in these prospective financial statements.

Significant assumptions and explanatory notes relating to the prospective financial statements

1. General

The following assumptions have been used in preparing these prospective financial statements:

- The XRB will continue to operate in its current structure and form.
- The XRB’s statutory functions will remain unchanged.
- Externally driven costs have been adjusted based on known actuals or estimated based on inflation.
- There will be no unexpected external events (such as a natural disaster) that will require significant operating or capital expenditures to be incurred.

Should any of these factors change this could lead to a material difference in the forecasted results.

2. Revenue from the Crown

The Crown appropriation for 2025/26 is $8,319,000.

3. Board meeting expenses

These are primarily Board member fees at rates as set by the REM authority.

4. Technical committee expenses

These are committee member fees at rates set by the REM authority for our NZ Accounting Standards Board, NZ Auditing & Assurance Standards Board, and the Sustainability Reporting Board.

5. International contributions

International contributions have been budgeted at the same total level as 2024/25 to various international organisations such as the International Accounting Standards Board, and the International Public Sector Accounting Standards Board.

6. Personnel costs

The budget reflects similar staffing levels to the 2024/25 year.

7. Travel costs

Travel costs reflect similar levels to the current year, including continuing our international reengagement to seek influence and provide thought leadership on the development of standards by international standards boards and their governance and oversight bodies. This includes continuing to maintain a strong relationship and collaborating closely with Australian standard setters.

8. Research

Research costs budgeted reflect our planned work to understand user needs and the cost versus benefits of our standards.

9. General operating costs

Budgeted costs have increased because of inflation and the planned investment in our ICT roadmap, which includes a website refresh during 2025/26. Our work plan also includes engaging additional contracted and other support to assist in our work on public sector reporting.