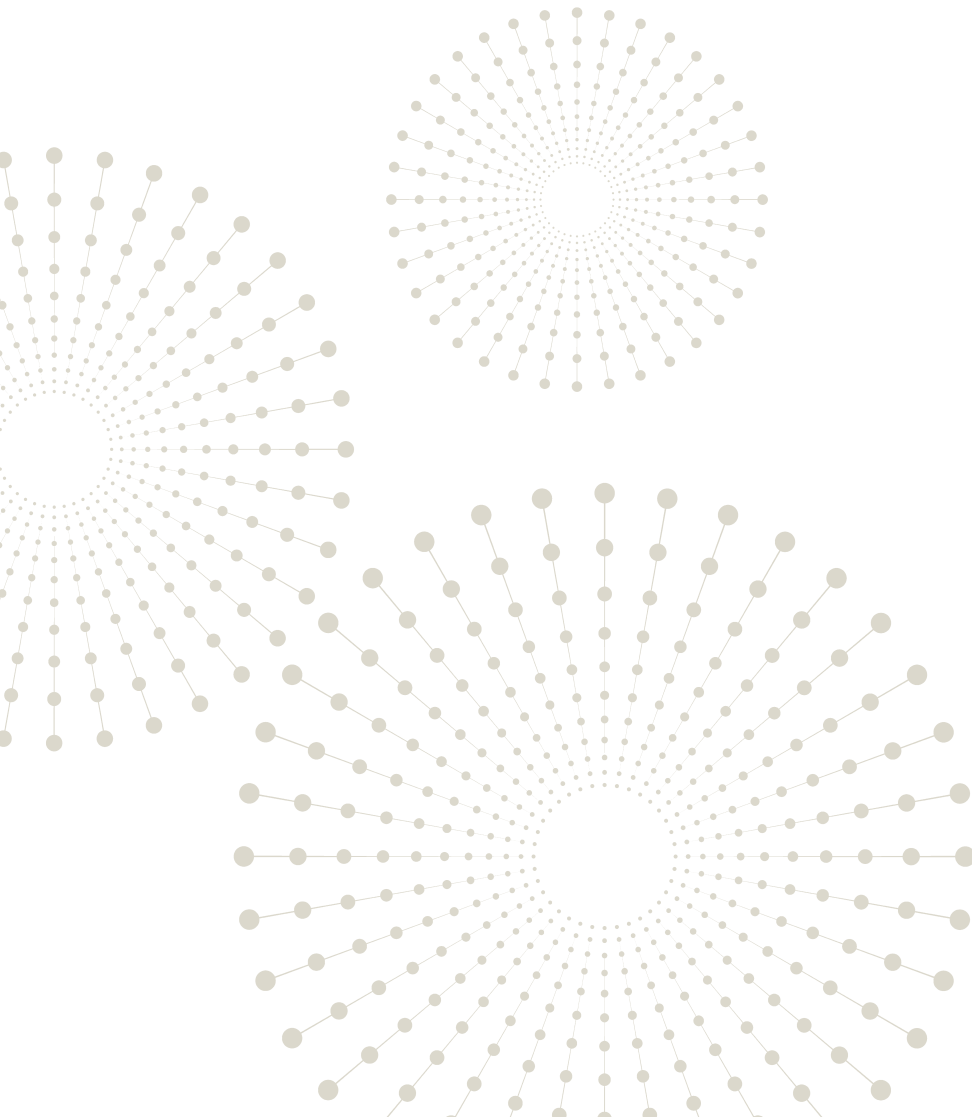


2024/25 Annual Report

FOR THE YEAR ENDED 30 JUNE 2025



Presented to the House of Representatives in
accordance with Section 150 (3) of the Crown
Entities Act 2004

External Reporting Board

Level 6, 154 Featherston Street
Wellington 6011
New Zealand
<http://www.xrb.govt.nz>



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Message from the Chair

I am pleased to introduce this annual report so early in my tenure as Chair of the External Reporting Board (XRB). It was an honour to take on the role of Chair in August, having been a member of the Board since 2017. I am delighted to be working alongside my fellow Board members, including Jacqueline Cheyne, who has been appointed as Deputy Chair. The departure of our former Chair, Michele Embling, marks the end of an era for the XRB. She was a member of the XRB Board from its inception in 2011, and Chair of the XRB Board for the past six years. Michele was an exemplary Chair and thanks to her leadership the XRB is recognised domestically and internationally for the high quality of its work. As Chair she oversaw the expansion of the XRB's mandate into non-financial reporting, brought a strategic and pragmatic lens to standard setting and championed new and innovative thinking. The work referenced in this Annual Report was delivered under Michele's stewardship and I am proud to be taking it forward.

Reflecting on the past year, the XRB has delivered a wide range of work across financial reporting, sustainability, and assurance standards — most notably issuing an auditing standard for less complex entities, the review standard for service performance information, and amendments to the climate standards. The development of these standards reinforces our commitment to high-quality, fit-for-purpose standards that promote trust and confidence in external reporting.

The first climate reports prepared in accordance with the XRB's climate reporting standards were published in 2024. We acknowledge the significant effort that has been applied by climate reporting entities (CREs) in preparing these statements. We responded promptly and pragmatically to feedback from CREs about their experience of the new climate reporting standards. In December 2024, we issued amendments that provide CREs an additional year to comply with some of the more challenging reporting and recently published a consultation paper proposing further relief. We also published extensive guidance to support CREs with implementation.

In addition to issuing standards, guidance, and consultation documents, our team led more than 100 external engagements during the year — including roundtables, webinars, presentations, and meetings with our international counterparts. We continued to strengthen our relationships with assurance practitioners, preparers and others in our ecosystem. Initiatives such as He Tauira — a voluntary non-financial reporting framework — and our outreach to incorporated societies and not-for-profit entities strengthened our commitment to being inclusive in our approach to standard setting. Thank you to everyone who engaged with us during the year.

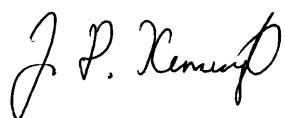
Our strong international relationships and strategy of harmonising with Australian standards are key to us ensuring our standards are internationally aligned and locally relevant. XRB representatives helped to ensure New Zealand's voice continued to be heard this year by securing seats at global standard-setting tables, contributing to international forums, presenting at key standard-setting events and writing submissions to standard-setting bodies.

In December 2024 the Board farewelled April Mackenzie, after a successful and noteworthy five-year term as Chief Executive, and at the start of 2025 we welcomed her successor, Wendy Venter. Having previously served as a member of the New Zealand Auditing and Assurance Standards Board (NZAuASB), Wendy is no stranger to the XRB and brings deep expertise in governance, risk management, and assurance. Her leadership and insights have already shaped our strategic direction, set out in our 2025-2030 Statement of Intent.

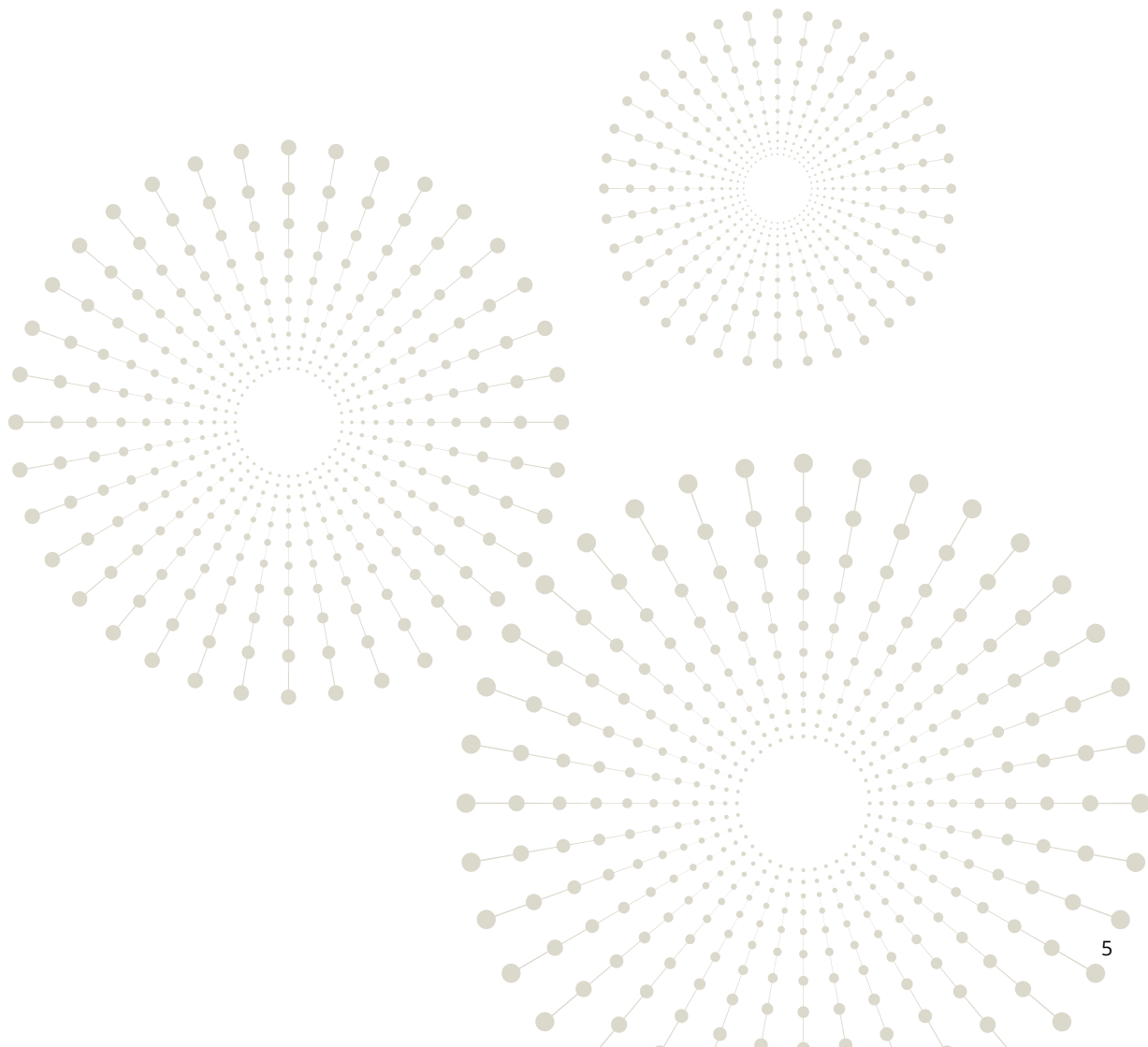
The Sustainability Reporting Board (SRB) held its first meeting in August 2024 and I extend a special welcome to its inaugural members. I also warmly welcome Darby Healey and Todd Beardsworth to the NZAuASB. Over the past year we have had changes at the XRB Board and on the technical boards. I would like to thank the following retiring members for their service: Jane Taylor (XRB), David Hay (NZAuASB), Francis Caetano, and Warwick White on the New Zealand Accounting Standards Board (NZASB). I also thank our departing NZAuASB chair, Marje Russ, for her service. Her knowledge and experience have been much valued by staff. I also pay tribute to Mark Maloney, our NZAuASB member who sadly passed away during the year.

Thank you to my Board colleagues, the leadership team and staff for their continued effort and dedication. I am looking forward to working with you and our stakeholders to meet the evolving needs of information users, preparers and assurance practitioners.

Ngā mihi nui



John Kensington



Message from the Chief Executive

I am pleased to present the results of the XRB's work in 2024/25. My first six months in the role have raced by. I have enjoyed getting to know our people, and engaging with a wide range of our stakeholders, including information preparers, users, auditors, regulatory organisations, and other standard-setting bodies. The conversations have reinforced the relevance and importance of our work and provided valuable insights. I am respectful of the trust placed in us to deliver standards and guidance that meet evolving needs of preparers, assurance practitioners and users of external reporting.

Over the past few months, I have welcomed the opportunity to work with the Board and leadership team to refresh our [Statement of Intent](#), which sets out our strategic direction for the next five years. Our strategy of being internationally aligned and locally relevant, and strategic priorities that include fit for purpose standards and supporting their adoption and implementation, will shape our work over the coming years.

As we continue to develop, amend and issue standards, we recognise that supporting their successful implementation is critical. With that in mind, this year we have produced extensive guidance, hosted webinars and engaged directly with users, preparers and assurance practitioners – virtually and in person.

We also undertook a request for information process to understand the value of international alignment to CREs and primary users of climate statements. Thank you to those who responded to this and other consultations that we undertook during the year.

At the end of the financial year, we launched two important consultations. The first focuses on the challenges that preparers and users face regarding [reporting and assurance of service performance information for Tier 1 and 2 not-for-profit entities](#). The second proposes [new revenue and transfer expense accounting requirements for public benefit entities](#), to improve the consistency, comparability and transparency of their financial reporting.

It was very pleasing to receive our performance survey results in June 2025 and to hear that overall satisfaction with XRB's performance is the strongest it has been since 2018, at 83%. The results set out in this report are a testament to the professionalism, expertise and hard work of the XRB team. I extend my sincere thanks to them for their dedication. An organisation is its people, and I feel privileged to lead such a committed group of individuals who consistently deliver high-quality work that upholds the integrity of external reporting and assurance in New Zealand.

In the coming year I look forward to advancing our strategic priorities, deepening our stakeholder engagement, and further supporting adoption and implementation of our standards.

Ngā mihi nui



Wendy Venter

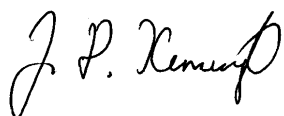
Statement of responsibility

Under the Crown Entities Act 2004 the Board is responsible for preparing the XRB's financial statements and the statement of performance, and for the judgements made in them. The Board is responsible for any year-end performance information provided by the XRB under section 19A of the Public Finance Act 1989.

The Board has the responsibility for establishing, and has established and maintained, a system of internal control designed to provide reasonable assurance about the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the XRB for the year ended 30 June 2025.

Signed on behalf of the Board:



John Kensington
Chair

18 September 2025



Jacqueline Cheyne
Deputy Chair

18 September 2025

About the External Reporting Board

The XRB is an independent Crown entity under the Crown Entities Act 2004. The XRB was initially established under the Financial Reporting Act 1993, with continued existence provided for under section 11 of the Financial Reporting Act 2013.

We develop and issue financial reporting, auditing and assurance, and climate standards for for-profit, not-for-profit and public sector entities. The standards we issue are secondary legislation and must comply with the Legislation Act 2019.

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

Our functions

Our main statutory functions are to issue:

- **Reporting strategies and frameworks** for the issue of standards
- **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, and **professional and ethical standards** that apply to all assurance practitioners applying the XRB auditing and assurance standards

Independent standard setting

The XRB is required under the Financial Reporting Act 2013 to consult affected parties before issuing standards and to act independently. These requirements help ensure that standards are credible, high quality and not unduly influenced

by interested parties (for example, reporting entities, regulators, accounting, auditing and other professional bodies).

Independent standard setting has long been accepted as best practice for international and national standard setters.

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, 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 used its powers under the Crown Entities Act 2004 to establish three subsidiary boards as committees of the XRB Board (technical boards), and has delegated the following functions to these technical boards under the Act:¹

- **New Zealand Accounting Standards Board (NZASB)** – prepare and issue financial reporting² standards and authoritative notices
- **New Zealand Auditing and Assurance Standards Board (NZAuASB)** – prepare and issue auditing, assurance, ethical, and other related services standards
- **Sustainability Reporting Board (SRB)** – prepare and issue climate standards, authoritative notices and non-binding guidance on non-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. These are available on our [website](#).

² Financial reporting includes service performance reporting.

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

Overview of the year

Key highlights

Our strategic intentions and approach to performance measurement for this annual report are set out in our [2022–2027 Statement of Intent](#) and [2024-2025 Statement of Performance Expectations](#). Our new [2025-2030 Statement of Intent](#) was developed this year.

Our work programmes this year have been in line with our annual Letter of Expectations from our Minister and have contributed to wider Government priorities. This has included, for each proposed new standard, considering the value of the standard and the implications of its benefits and costs.

This year, we issued ten standards and amending standards across the XRB, as well as guidance to support effective implementation. Throughout the year, we participated in over 100 external engagements, including webinars, roundtables, and presentations. Our events, including regular need-to-know webinars on assurance and financial reporting standards, continue to be well received by stakeholders.

Key highlights on what we delivered against our strategic intentions are detailed below.

Financial reporting standards



6

**standards
and amending
standards issued**

23

**publications
including guidance
documents and
videos**

15

**consultations and
exposure drafts**

Our work aligned with our reporting strategies for all sectors (for-profit, not-for-profit and public sector). We continued to focus on how we support adoption and implementation of our standards.

- » With the new Incorporated Societies Act 2022, many incorporated societies will be required to report using our reporting standards for the first time. We hosted stakeholder events to support incorporated societies to transition to the new reporting standards.
- » Consultation on the reporting and assurance of service performance information was released.
- » We issued RDR IFRS *Presentation and disclosure of financial statements* with guidance and regular newsletters assisting implementation of both IFRS 18 and RDR IFRS 18.
- » We issued the *Contracts referencing nature dependent electricity* standard.
- » Annual improvements and omnibus amendments to standards issued to ensure NZ financial reports for for-profit entities remain aligned with IFRS.
- » Fact sheets published covering topics including revenue and transfer expenses.

Sustainability reporting

(including climate reporting standards)



1

**amending
standard issued**

13

**publications
including guidance
documents**

2

consultations

To ensure our standards remain fit for purpose and in response to stakeholder needs, we reprioritised our work programme to focus on climate reporting implementation challenges.

- » We issued an amending standard to Aotearoa New Zealand Climate Standards (NZ CS) to address implementation concerns (including topics such as anticipated financial impacts and the reporting and assurance of scope 3 Greenhouse Gas (GHG) emissions).
- » Guidance issued on:
 - interoperability between the frameworks for climate-related disclosures NZ CS and the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures.
 - transition planning guides for executives, directors and staff.
 - transition planning disclosures.
- » We published a request for information on the international alignment of climate reporting given the evolving international landscape.
- » We began an initial trial with 11 Māori reporting entities of the draft He Tauira framework and issued a draft version for public release. This is accompanied by Mā te mahi, a guide to implementing He Tauira. This was a key milestone of our Ngā pou o te kawa ora project.
- » The XRB's newly created technical board, the SRB, held its first official meeting in August 2024.

Auditing and assurance

(including ethical and professional standards)



3

standards
and amending
standards issued

14

publications
including guidance
documents and
videos

4

consultations and
exposure drafts

Our work focused on our standards remaining internationally aligned, whilst being locally relevant to domestic reporting frameworks and the nature of entities in New Zealand.

- » We issued a new review standard *Review of service performance information* given that some charities have a statutory option for a review engagement.
- » We issued a new standalone auditing standard for audits of less complex entities to address concerns that the auditing standards were becoming too complex, noting that many New Zealand entities are less complex.
- » Guidance issued to support implementation and understanding of the assurance reports over GHG emissions disclosures in climate statements, and a snapshot summarising our research on the assurance reports issued to date.
- » XRB staff are working with our Australian Auditing and Assurance Standards Board (AUASB) and International Auditing and Assurance Standards Board (IAASB) colleagues to update the international standard related to a review of financial statements performed by the independent auditor.

International influence and liaison



4

**international
visitors**

11

**submissions made
across the XRB
to international
bodies**

58

**international
meetings**

We continue to maintain global linkages, seek influence and provide thought leadership on the development of standards by international standards boards. This includes continuing to maintain a strong relationship and collaborating closely with Australian standard setters.

- » We were appointed to the International Accounting Standards Board (IASB) Accounting Standards Advisory Forum for 2025-2027, jointly with the Australian Accounting Standards Board (AASB).
- » We hosted international visitors, including:
 - Linda Mezon-Hutter (Vice-Chair of the IASB);
 - Sue Lloyd (Vice-Chair of the International Sustainability Standards Board (ISSB));
 - Ian Carruthers (Chair of the International Public Sector Accounting Standards Board (IPSASB)); and
 - Mark Gough (Chief Executive of the Capitals Coalition).

These visits comprised several virtual and in-person sessions with stakeholders.

- » We provided technical support to Angela Ryan, the New Zealand representative on the IPSASB. With our support, Angela presented an alternative view on the proposals in the exposure draft SRS 1 Climate-related Disclosures. The IPSASB decided to move forward with a two-phase approach, broadly aligned with the alternative view, demonstrating the importance of international liaison.
- » We provided technical advice and support to the New Zealand member on the IAASB, Greg Schollum.
- » Membership of the AASB and the AUASB to maintain harmonisation and cooperation on projects of mutual interest.
- » Staff spoke at a number of international events, sharing our experience and insights.
- » We were appointed to the Asian-Oceanian Standard-Setters Group (AOSSG) Chair's Advisory Committee and lead the working group for business groups and assets.

Financial performance

Financial statements for the year ended 30 June 2025 are provided in the Financial Statements section of this annual report. A summary of the XRB's actual financial performance, compared to budgeted performance for the year, is provided in the table below.

Operating

We have made a deficit this year of \$35k against a planned budgeted deficit of \$834k. The lower than expected spend reflects delays in recruitment for vacant roles for employees and Board members, and active management of costs. We have also not completed as much international engagement, research and communications activity as originally planned. Note 27 to the financial statements provides more detail on major variations in specific expense items.

Financial measure	2024/25 Actual (\$'000)	2024/25 Budget (\$'000)
Funding from the Crown	8,319	8,319
Interest revenue	157	232
Expenses	(8,511)	(9,385)
Operating surplus/(deficit)	(35)	(834)
Equity	4,326	3,211
Net cash flows from operating activities	11	(712)
Net Increase in cash and cash equivalents	581	68

Capital expenditure

Our capital expenditure for the year to 30 June 2025 was \$14k. This was primarily computer equipment, including replacing the technology in one of our meeting rooms.

Organisational health and capability

Our governance and advisory groups

Our Board provides strategic oversight and includes up to nine members who are appointed by the Governor-General on the recommendation of the Minister of Commerce and Consumer Affairs. Our three technical boards – NZASB, NZAuASB and SRB – provide technical expertise and sector experience in on developing and issuing our reporting and assurance standards.

During the year the XRB had two advisory groups, the External Reporting Advisory Panel (XRAP) and the Kaitiaki Group. The XRAP is a forum where the XRB Board and its technical boards can consult with individuals and representatives of organisations affected by our work. The XRAP is a key part of the XRB's strategy to enhance meaningful engagement with the sector. The Kaitiaki Group provided high-level governance to the Ngā pou o te kawa ora project and was a sounding board on key matters, including mātauranga and te ao Māori.

In April 2025, the XRB Board agreed to a transition phase that would retain strategic governance of the Ngā pou o te kawa ora project with the XRB Board and delegate operational governance to the SRB. The final meeting of the Kaitiaki Group was held in August 2025.



XRB Board

John Kensington (Chair) (from August 2025)

Michele Embling (Chair) (until August 2025)

Jacqueline Cheyne (Deputy Chair) (from August 2025)

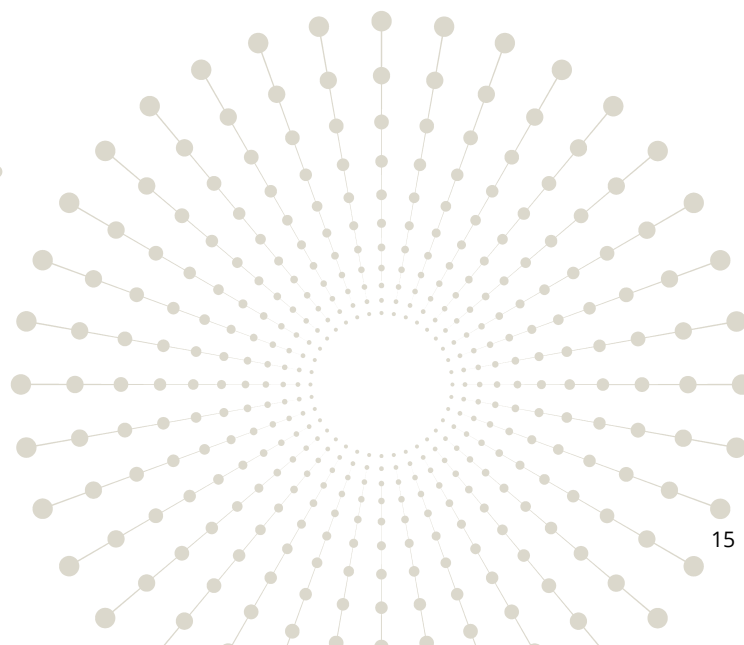
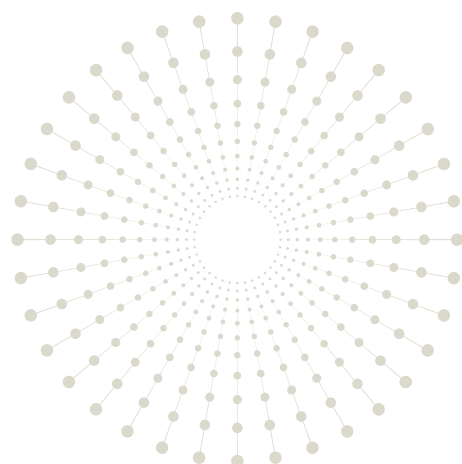
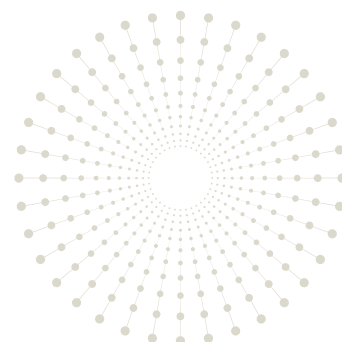
Jane Taylor (Deputy Chair) (to April 2025)

Andrew Mills (Financial Reporting Council – Australia)

Fergus Welsh

Michael Bradbury

Sheree Ryan (Ngāti Maniapoto, Waikato)



Technical boards



New Zealand Auditing and Assurance Standards Board (NZAuASB)

Marje Russ (Chair) (to June 2025)
 Michael Bradbury (Deputy Chair) (from June 2025)
 John Kensington (Deputy Chair) (to May 2025)
 Todd Beardsworth (from January 2025)
 David Hay (to June 2025)
 Darby Healey (from June 2025)
 Richard Kirkland
 Mark Maloney (to November 2024)
 Doug Niven (AUASB)
 Vasana Vanpraseuth
 Wendy Venter (to December 2024)



New Zealand Accounting Standards Board (NZASB)

Carolyn Cordery (Chair)
 Sheree Ryan (Deputy Chair) (from June 2025)
 Michael Bradbury (Deputy Chair) (to May 2025)
 Francis Caetano (to June 2025)
 Keith Kendall (AASB)
 Richard Perry
 Richard Smyth
 Jason Stinchcombe
 Lara Truman
 Warwick White (to June 2025)



Sustainability Reporting Board (SRB)

Becky Lloyd (Chair)
 Joe Hanita (Deputy Chair)
 Jacqueline Cheyne
 Alison Howard (from July 2024)
 Carolyn Mortland (from July 2024)
 Matthew Nelson (from September 2024)
 Alec Tang (from July 2024)

Advisory groups



External Reporting Advisory Panel (XRAP)

Craig Fisher (Chair)	Greg Munford
Barry Baker (from April 2025)	Fiona Oliver (to June 2025)
Russell Bates (from July 2024)	Zowie Pateman
Darren Beatty	Kirsten Patterson
Katie Beith	Tom Scott
Simon Brotherton	Ruth Tolise
Mike Burrell	Cameron Town
Andy Fulbrook	Nadine Tunley (from April 2025)
Peter Gudsell (to June 2025)	Joost van Amelsfort
Rick Jones	Rachel Walsh
Em Lewis (from April 2025)	Rickey Ward
Jo Miller (from April 2025)	Simon Wilkins
Steven Moe	



Kaitiaki Group

Joe Hanita (Chair)
 Darren Beatty
 Michele Embling
 Kiwa Hammond
 April Mackenzie (to January 2025)
 Sheree Ryan
 Wendy Venter (from January 2025)

Changes to XRB Board members on technical boards during the year:

Michael Bradbury joined the NZAuASB replacing John Kensington

Sheree Ryan joined the NZASB replacing Michael Bradbury

Thank you to these members who retired from service during the year:

XRB Board

Jane Taylor

NZAuASB

Marje Russ (Chair)

David Hay

We also pay tribute to the contributions made by Mark Maloney, who served on the NZAuASB from 2021 until his passing in November 2024. His guidance will be missed by all.

NZASB

Francis Caetano

Warwick White

XRAP

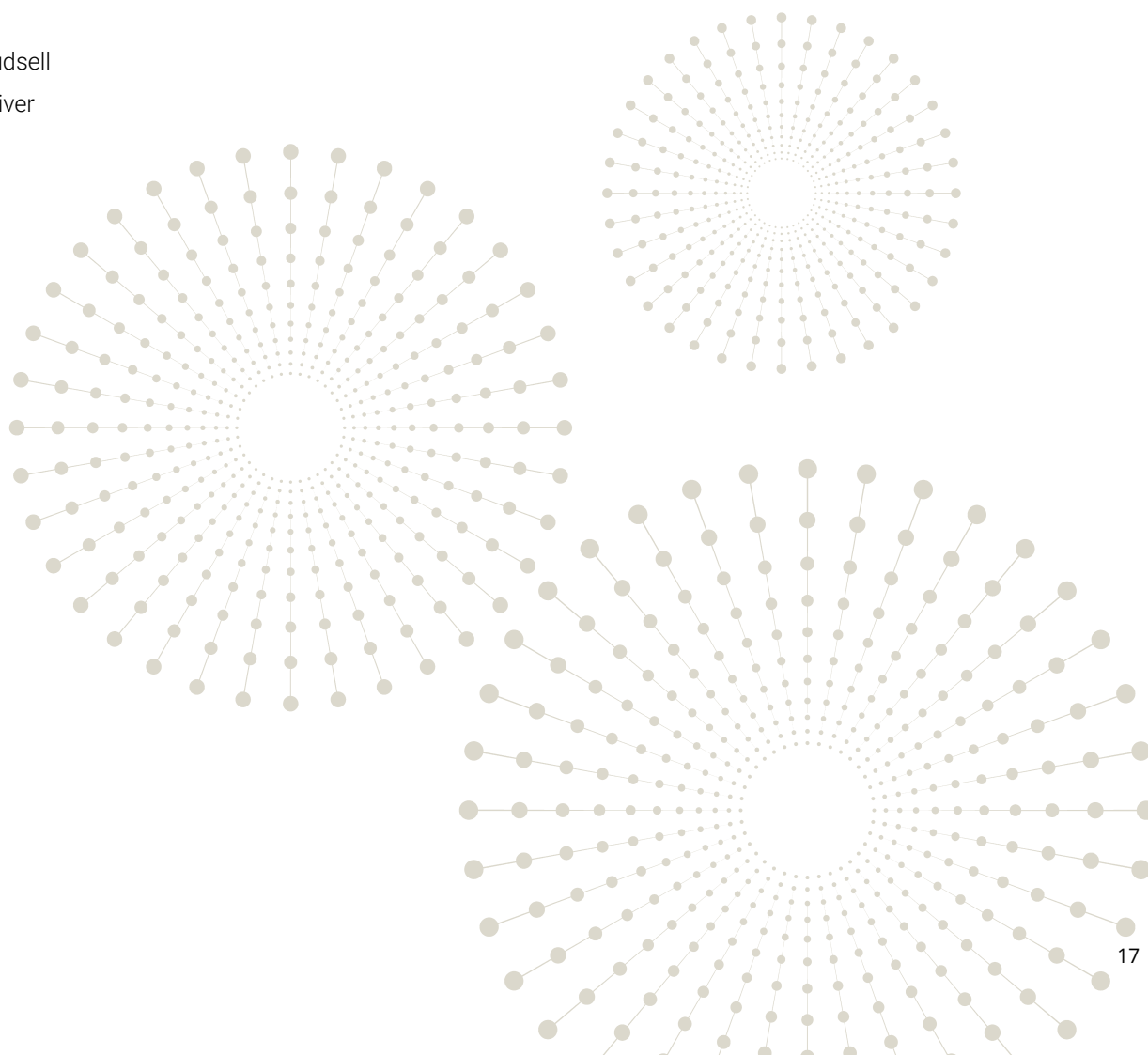
Peter Gudsell

Fiona Oliver

Other information required by the Crown Entities Act

We provide the following information as required by section 151 of the Crown Entities Act 2004:

- The XRB did not undertake any transactions that were in breach of statute.
- The XRB did not grant permission to any Board member to act despite being interested in a matter, in accordance with section 68 of the Crown Entities Act 2004.



Our people

Our people are our most important resource. We strive to provide a caring and inclusive environment that provides equal opportunities for all. As such we endorse and uphold the principles underlying equal opportunity and good employer legislation.

Workforce profile

We are a small organisation where changes in staffing can impact our figures significantly. We traditionally have more women than men in our workforce and currently have women holding all leadership roles.

Workforce ethnicity

We capture ethnicity data as part of our diversity, equity and inclusion action plan. For this year we have allowed employees to identify with multiple ethnicities which explains why the total for 2024/25 is greater than 100%.

Workforce component	2024/25	2023/24
Full Time Equivalent (FTE)	30.0	30.1
Employees (headcount)	34	33
Part-time	10	9
Casual	1	1
Women	65%	67%
Women in management team	100%	100%

Workforce age profile	2024/25	2023/24
Under 30 years of age	2	3
30-39 years of age	12	13
40-49 years of age	8	6
50-59 years of age	10	7
≥60 years of age	2	4

Workforce ethnicity	2024/25	2023/24
European	69.7%	71.0%
Māori	3.0%	3.2%
Pacific	0.0%	3.2%
Asian	12.1%	9.7%
MELAA (Middle Eastern/Latin American/African)	6.1%	3.2%
Other	24.2%	9.7%

Good employer information

Leadership, accountability and culture

The XRB recognises that our people underpin our success as an organisation. We value hard work and celebrate our successes. We encourage collaboration across teams and working across our different functions. Every quarter we bring staff together for a day of information sharing and group activities. The agenda is designed to encourage individuals to connect and learn with staff outside their functional team and provide an opportunity to focus on strategic priorities. We are currently developing organisational values with a group of values champions identified.

Employee development, promotion and exit

To support the development of our people, we maintain a high degree of interaction between the senior leadership and staff. This is augmented through technical training and personal development for all staff. We operate a formal process around annual performance reviews (as well as informal performance discussions during the year). This forms the basis for ongoing dialogue between managers and our people and is also used to recognise good performance and address poor performance, as well as informing remuneration reviews. This year we introduced a career progression framework for our technical roles to help with staff development and promotion.

Diversity, equity and inclusion

We recognise that building a diverse, equitable and inclusive workplace culture results in enhanced relationships with stakeholders and improved financial performance. We are committed to have an inclusive environment where all our people are encouraged to reach their full potential, and individual differences are valued and respected. We have a diversity, equity and inclusion action plan in place.

Recruitment, selection and induction

We operate open and public recruitment processes. Candidates of varying skills and backgrounds are encouraged to apply. We appoint people based solely on qualifications, experience, relevant skills, and ability to operate within the organisational culture. Age, ethnicity, gender, or physical disabilities are not a factor in our recruitment processes.

Flexibility and work design

We operate in three major geographical areas (Wellington, Auckland, and Christchurch), which ensures we can recruit and retain the best possible people regardless of location. We are delivery-focused and allow flexible working designed to meet the needs of the organisation whilst accommodating individual circumstances where possible.

Harassment and bullying prevention

We do not tolerate any form of bullying or harassment, and we are not aware of any instances of either during the financial year. Policies and procedures are in place covering harassment and bullying.

Remuneration, recognition and conditions

Remuneration is reviewed annually. The review considers individual performance, market conditions, and any advice from the Public Service Commission about setting remuneration. External providers are used as needed to provide job-sizing and market data to ensure that remuneration is market aligned. As we are a small organisation, our data on gender or ethnicity pay gaps can be volatile with changes in employees. Our gender pay gap is negative given our size and seniority of women in the organisation.

Wellbeing, health and safety

We promote a positive and flexible work environment that celebrates events in people’s lives and encourages healthy interaction between staff members.

We are committed to ensuring that our people are safe by having trained first aiders and fire wardens and encouraging our people to be prepared for a natural disaster. Workplace assessments and modern desk equipment are provided to ensure employees’ comfort at their desks. All our people are encouraged to take their annual leave in the period they earn it. Our people can also access a confidential Employee Assistance Programme when needed. Wellbeing topics are now regularly included in our team meetings.

Māori-Crown relations

As an Independent Crown Entity, the XRB acknowledges the significance of te Tiriti o Waitangi. We have published a statement that sets out our commitment to te Tiriti o Waitangi, and how it will guide our high-level direction at Board level and within the organisation. The XRB is committed to building our relationships with Māori under te Tiriti o Waitangi, and to observing the now well-established guiding principles of partnership, participation, and protection. Our actions as an Independent Crown entity have an impact on Māori, particularly when Māori entities apply our standards in their reports. In relation to our work, we are committed to ensuring that their rights and interests are represented and respected. We recognise that ongoing education, reflection, and implementation of change within the organisation will be required to deliver on our commitment. Our engagement with Māori has also matured through the delivery of Ngā pou o te kawa ora, our project to develop a voluntary non-financial reporting framework.

Our environmental impact (GHG emissions)

Measuring our scope 1, 2 and 3 GHG emissions commenced in 2022, and we now have access to improved data on business travel emissions.

One of our primary activities is to influence the work of international boards at crucial stages of standards development. This helps ensure that the standards are of high quality, serve the global public interest, and are relevant to New Zealand. To achieve this, we make sure that New Zealand’s perspectives are well understood by international standard setters. Sometimes the best method to achieve this is to travel and attend key international meetings and events in person.

Our two main sources of GHG emissions are both scope 3 emissions: business travel and purchased goods and services. Our 2024/25 emissions were 83 tCO₂e lower than in 2023/24. The reduction in 2024/25 emissions has been as a result of less international travel this year compared to last year.

GHG emissions 2024/25

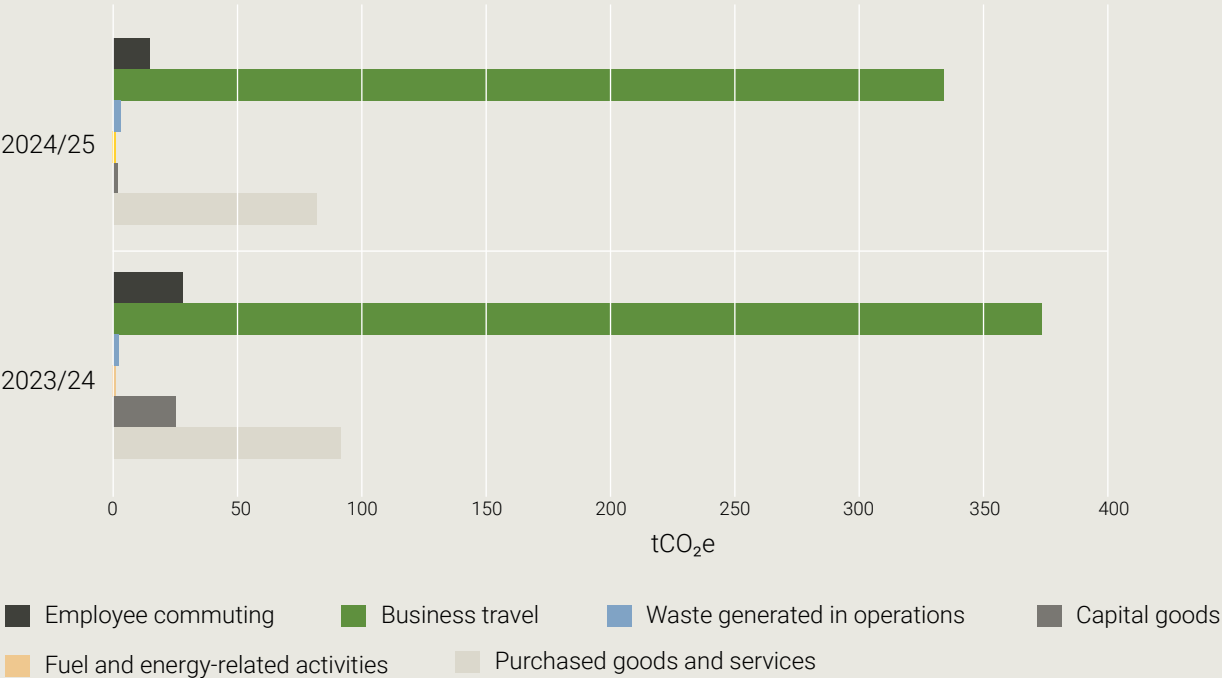
	2024/25 tCO ₂ e	2023/24 tCO ₂ e
Scope 1	0	0
Scope 2	3	3
Scope 3	437	520
Total	440	523

Scope 1 – Produced directly through our operations
Scope 2 – Emissions from purchased electricity
Scope 3 – Emissions from wider supply chain
tCO₂e – Tonnes carbon dioxide equivalent.

Our greenhouse gas (GHG) emissions footprint has been prepared in line with the following standards:

- 1. ISO 14064 - 1: 2019 Greenhouse gases Part 1
- 2. Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard
- 3. Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard

GHG emissions by category³



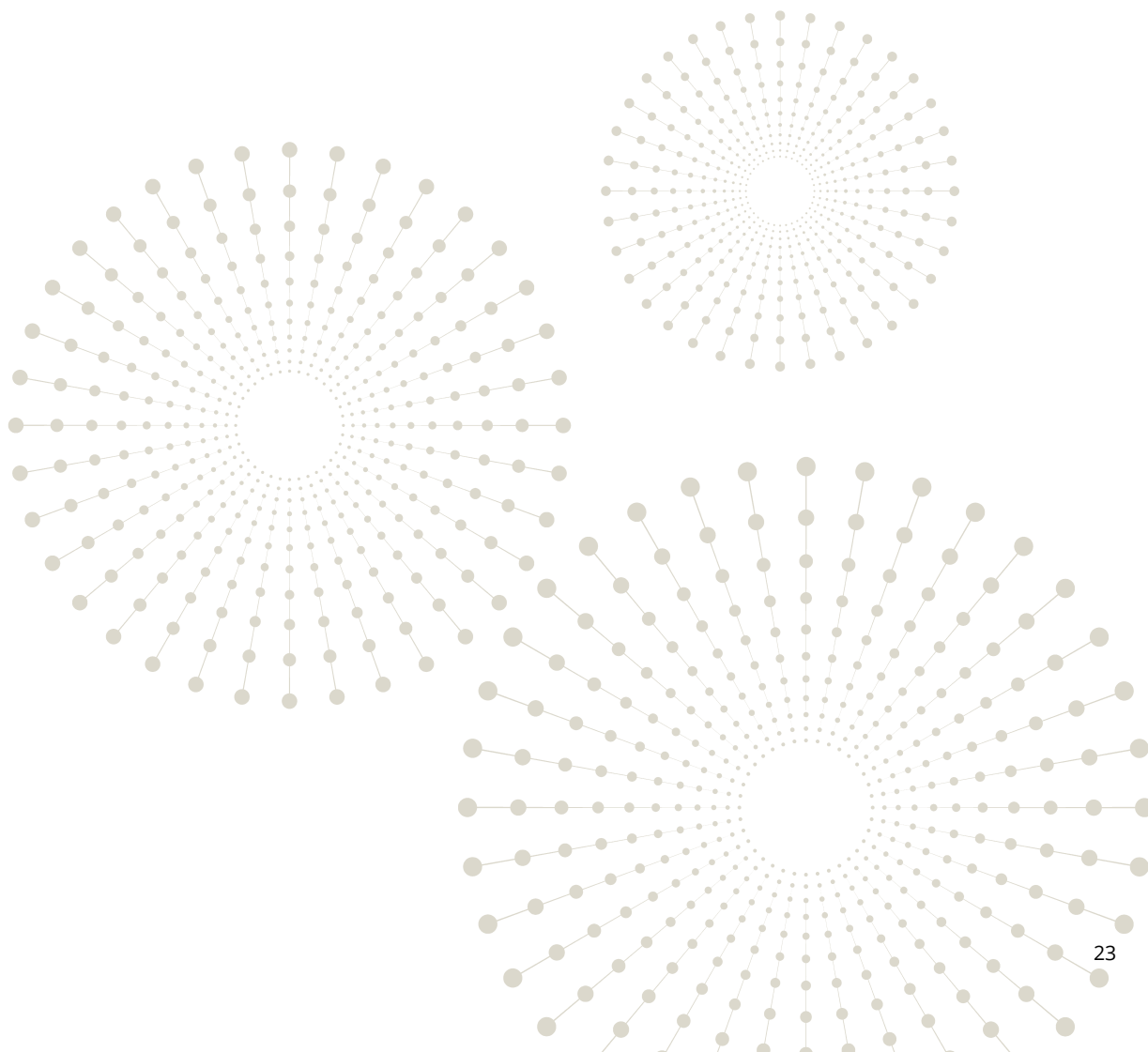
³ We use the operational control consolidation method. Emissions factors used in 2024/25 are from the Ministry for the Environment's Measuring emissions: A guide for organisations: 2025 detailed guide. Air travel emissions include radiative forcing. Well-to-tank emission factors were sourced from the UK's Department of Energy and Net Zero GHG reporting: conversion factors 2025. We also used emissions factors from thinkstep-anz. (2024). Emission Factors for New Zealand: Greenhouse Gas Emission Intensities for Commodities and Industries. v2.0. Wellington. Our emission factors use Global Warming Potentials (GWP100) from the Fifth Assessment Report (IPCC AR5).



Statement of performance

FOR THE YEAR ENDED 30 JUNE 2025

The following section reports on the services we delivered in the year ended 30 June 2025.



Overview

Outcomes

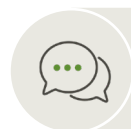
For 2024/25 our work was focused on contributing to the following outcomes as noted in our Statement of Performance Expectations for the year:



Engender trust and confidence in New Zealand financial and non-financial reporting and associated assurance reports.



Contribute to the efficient allocation of capital, including towards activities that are consistent with a transition to a low-emissions, climate-resilient future.



Enable entities to better communicate their performance story and enhance entities' transparency, accountability, and stewardship to stakeholders.

Appropriation

The XRB is funded by a gross appropriation under Vote: Business, Science and Innovation administered by the Ministry of Business, Innovation and Employment (MBIE). This appropriation is intended to achieve the development and issuing of financial reporting, auditing and assurance, and climate standards and supporting guidance for, for-profit, not-for profit and public sector reporting entities in New Zealand. Four areas make up this output class and these are described in the output performance section (pages 29 to 47).

Output class	2024/25 Actual \$000	2024/25 Budget \$000	2023/24 Actual \$000
Description Development and issuing of accounting standards, climate standards, auditing and assurance standards, non-financial reporting guidance, and associated documents	All activities undertaken during the year were within this description	All activities undertaken during the year were within this description	All activities undertaken during the year were within this description
Revenue from the Crown	8,319	8,319	8,730
Revenue from others	157	232	329
Expenses	(8,511)	(9,385)	(9,203)
Operating surplus / (deficit)	(35)	(834)	(144)

Our current deficits reflect prior year surpluses which now allow us to deliver key projects in line with our strategic priorities. Key initiatives this year include commencement of a strategic focus on public sector reporting, an evaluation of the climate-related disclosure framework and digital improvements. These project costs were offset by operational savings including delays in recruitment for vacant roles for employees and Board members.

Output class

The appropriation is limited to the funding of one reportable output class.

The output class comprised the following four areas:

-  1. Financial reporting standards
-  2. Sustainability reporting (including climate reporting standards)
-  3. Auditing and assurance (including ethical and professional) standards
-  4. International influence and liaison

The XRB did not have any reportable class of outputs for which an exemption was granted under section 149F of the Crown Entities Act 2004. The XRB did not supply any class of outputs in the 2024/25 financial year that is not a reportable class of outputs.

Measuring performance

The XRB's purpose is to promote 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. We use the following mechanisms to measure our contribution to the achievement of outcomes and assessment of output delivery:

a) Performance survey

In June 2025 an [XRB performance survey](#) was undertaken by Verian Group. This measured overall satisfaction with the XRB's contribution towards our purpose, and against the measures set out in our Statement of Performance Expectations.

The survey results met or exceeded industry benchmarks across the board. The majority of stakeholders who responded to the survey felt that the XRB performed well, and their experiences of engaging with us were positive.

The overall satisfaction of stakeholders with our contribution towards our purpose exceeds previous years, with 83% being 'very satisfied'. This compares to 75% in the previous year and a Verian Group stakeholder benchmark of 73%.

We asked stakeholders who had engaged with us about their satisfaction with relevant consultation processes and supporting information, XRB-hosted engagements, and implementation documents and guidance material. Our 75% satisfaction performance target was met across all areas except for XRB-hosted engagements on climate standards, which narrowly missed the target, but met the industry benchmark, at 73%. Further detail can be found in the output performance section below.

We are considering the survey feedback and comments in detail and are committed to making improvements to further meet our stakeholders' needs.

b) XRB commissioned research

We undertake research on a range of topics that directly contribute to a better understanding of our performance on contributing to achieving outcomes. These research topics are determined in relation to active topics of interest. For example, we commission research that informs post-implementation reviews of issued standards to determine what, if anything, needs to be changed to ensure each standard is achieving its desired intent. We also undertake work relating to future agenda priorities (including with regards to the agenda priorities of international boards).

At a higher level, we commission research that focuses on the wider impact of our work. For example, the XRB is nearing the end of a multi-year effectiveness evaluation of the climate-related disclosure framework. In January 2024, we published the [methodology and initial findings report](#) provided by the University of Otago. In May 2025, the research team published an [early working paper](#) of the research findings. It found that the framework "significantly increased reporting quantity and quality, particularly for corporate issuers" using an interrupted time series analysis to create a compliance index score (comparing disclosure before and after mandatory reporting took effect). It also found "improved portfolio ESG performance and decreased carbon intensities" for registered managed investment schemes based on a difference-in-difference analysis (examining portfolio level sustainability ratings and ESG risk exposure before and after mandatory reporting took effect). The final evaluation report will be available in December 2025.

c) Broader indicators

Several external indicators and reports have a natural correlation to our impact as standard setters and therefore form part of our evaluation process. We use these indicators when assessing our work programmes and deciding how we deliver. These are as follows:

1. New Zealand's ranking in the global [Corruption Perception Index \(CPI\)](#)

This indicator considers the perceptions of corruption in the public sector. These perceptions are influenced by transparency of financial reporting and access to trusted information amongst other things. Although the XRB does not directly control levels of trust and is only one of many organisations that seek to influence trust, the CPI is one indicator that we continue to monitor.

New Zealand remains one of the least corrupt countries in the world

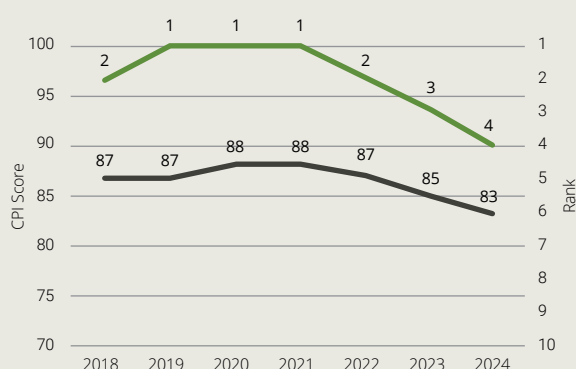
2. The Financial Markets Authority (FMA) Consumer Confidence Survey

This is the first year the FMA has commissioned the Consumer Confidence Survey, which was published in December 2024. The survey includes the key questions from the Investor Confidence Survey from previous years.

Confidence in New Zealand's financial markets has slipped

The FMA notes “the survey shows there is generally positive sentiment among New Zealanders regarding their interactions with, and understanding of, financial markets. Confidence in New Zealand's financial markets has slipped, however, to 57% in 2024, down from 68% in 2023. Confidence in New Zealand's financial markets is strongest amongst those more satisfied and engaged with their personal financial circumstance. In contrast, confidence levels in New Zealand's financial markets are lower amongst those New Zealanders reporting they never have enough to save and are always trying to make ends meet”.

New Zealand CPI score and ranking, 2018-2024



source: Transparency International

How much confidence do you have in New Zealand's financial markets?



source: FMA

3. The FMA [Audit Quality Monitoring Report](#)

The annual FMA Audit Quality Monitoring Report provides findings from the FMA's reviews of the systems, policies and procedures of audit firms registered with the FMA and licensed auditors. The latest report covers their quality reviews of audits conducted by auditors regulated by the FMA carried out between 1 July 2023 and 30 June 2024.

The report also identifies trends in the level of compliance and non-compliance with the audit and assurance standards.

Audit quality remains strong in New Zealand

4. The [CA ANZ Investor Confidence Survey](#)

This survey monitors monitors retail investors' confidence in financial markets.

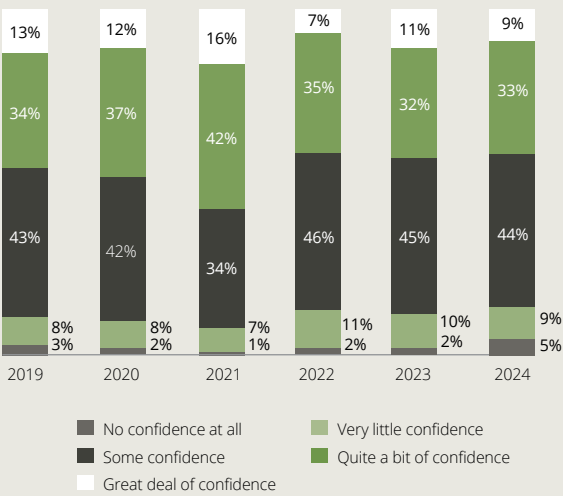
Retail investors have confidence in the audited financial reports of New Zealand companies

Audit files reviewed over the years



source: FMA

How much confidence do you personally have in audited financial information released by publicly listed New Zealand companies?



source: CA ANZ

Output performance

This section sets out what we have achieved against what was planned as set out in our [2024-2025 Statement of Performance Expectations](#).

Financial reporting standards

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.

	2024/25 Actual \$000	2024/25 Budget \$000	2023/24 Actual \$000 ⁴
Crown revenue allocated	2,218	2,218	2,327
Other revenue allocated	42	62	88
Expenses	(1,661)	(1,735)	(1,373)
Attributed overhead costs	(760)	(767)	(911)
Operating surplus/(deficit)	(161)	(222)	131

⁴ During the reporting period, we revised our output areas from five to four. As part of this change, costs previously attributed to the removed output area have been reallocated across the remaining output areas in line with the treatment of overheads. Comparative figures have been restated to reflect this change, ensuring consistency and comparability across reporting periods without affecting total reported expenditure.

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ⁵
Issue the following IASB Exposure Drafts (ED's):	Timing	Overall: 6 Achieved 1 Not achieved	Overall: 5 Achieved 1 Not achieved (Delayed) ⁶
Dynamic risk management	June 2025	Not achieved Awaiting completion of international ED. We anticipate this ED to be released in the next financial year	
Equity method	December 2024	Achieved Issued August 2024	
Provisions	December 2024	Achieved Issued November 2024	
Use of a hyperinflationary presentation currency by a non-hyperinflationary entity	December 2024	Achieved Issued July 2024	

In addition to these IASB Exposure Drafts, we also issued the following:

Climate-related and other uncertainties in financial statements Exposure Draft in August 2024

RDR Concessions: Amendments to the Classification and Measurement of Financial Instruments in December 2024

RDR Concessions: IFRS 18 *Presentation and Disclosure in Financial Statements* and other domestic related consequential amendments in February 2025

	Quality Stakeholders report a satisfaction rate of (at least) 75% with our consultation process and supporting information. Our consultation process considers the value of proposed standards and the implications of their benefits and costs	Achieved 91% of respondents were satisfied or very satisfied with the XRB's consultation process and supporting information on for-profit accounting standards ⁷	64% satisfied or very satisfied with the quality of collateral provided 59% satisfied or very satisfied with the quality of engagement opportunities
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⁵ We have changed and reclassified our classification of our comparative measures for comparability. This year our classifications are 'Achieved', 'Not achieved' and 'Not achieved (Delayed)' and last year they were 'Achieved', 'Progressed', 'Modified' and 'Delayed'.

⁶ Financial Instruments with Characteristics of Equity ED was reported as achieved in the previous year. On the basis that this ED was issued in December 2023 and not before the target date of September 2023, this has been restated as 'Not achieved (Delayed)'.

⁷ There were 45 responses on for-profit accounting standards to [XRB's 2025 Performance survey](#)

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ⁵
Issue the following IPSASB ED's	Timing	Overall: 5 Achieved 2 Not achieved (Delayed)	Overall: 6 Achieved 5 Not Achieved
Improvements	July 2024	Achieved Issued May 2024 (earlier than forecast). This ED was open for consultation until August 2024	
Revenue (adapted)	March 2025	Not achieved (Delayed) Issued June 2025 Due to the complexities included in this ED, we compiled education material to help stakeholders prior to issuing	
Transfer expenses (adapted)	March 2025	Not achieved (Delayed) Issued June 2025 Due to the complexities included in this ED, we are compiling education material to help stakeholders prior to issuing	

In addition to these IPSASB ED's, we also issued the following:

IPSASB ED 90 *Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement* (August 2024)

IPSASB ED 91 *Limited-scope Updates to First-time Adoption of International Public Sector Accounting Standards* (Amendments to IPSAS 33) (August 2024)

IPSASB ED 92 *Tangible Natural Resources* (October 2024)

IPSASB ED 93 *Definition of material* (May 2025)

	Quality Stakeholders report a satisfaction rate of (at least) 75% with our consultation process and supporting information. Our consultation process considers the value of proposed standards and the implications of their benefits and costs	Achieved 84% of respondents were satisfied or very satisfied with the XRB's consultation process and supporting information on PBE Public Benefit Entity accounting standards ⁸	69% satisfied or very satisfied with the quality of collateral provided 67% satisfied or very satisfied with the quality of engagement opportunities
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⁸ There were 55 responses on PBE Public Benefit Entity accounting standards to [XRB's 2025 Performance survey](#)

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ⁵
Issue the following financial reporting standards:	Timing	Overall: 6 Achieved	Overall: 8 Achieved 2 Not achieved 1 Not achieved (Delayed) ⁹
Amendments to the Classification and Measurement of Financial Instruments	December 2024	Achieved Issued June 2024 (earlier than forecast)	
PBE Conceptual Framework	September 2024	Achieved Issued August 2024	

We also issued the following standards and amendments to standards:

2024 Omnibus Amendments to the PBE Standards (October 2024) amends PBE IPSAS 1 *Presentation of Financial Reports* and PBE IAS 12 *Income Taxes*

Annual Improvements to NZ IFRS 2024 (August 2024) amends NZ IFRS 1, NZ IFRS 7, NZ IFRS 9, NZ IFRS 10 and NZ IAS 7

Contracts referencing nature dependent electricity (May 2025) amends NZ IFRS 9 and NZ IFRS 7

RDR IFRS 18 *Presentation and disclosure of financial statements* (June 2025)

Support adoption and implementation through the development and delivery of guidance material on topical issues as they arise including:		Overall: 9 Achieved	Overall: 4 Achieved
Guidance document on new primary financial statements standard	Timing June 2025	Achieved Issued November 2024	

We also issued the following guidance:

Update for Tier 2 for-profit entities: Status of IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (July 2024)

Incorporated Societies- at a glance (September 2024)

Fact sheet - ED PBE IPSAS 47 *Revenue* (June 2025)

Fact sheet - ED PBE IPSAS 48 *Transfer expenses* (June 2025)

NZ IFRS 18 on the 18th Alert series (first edition) (April 2025)

NZ IFRS 18 on the 18th Alert series (second edition) (May 2025)

NZ IFRS 18 on the 18th Alert series (third edition) (June 2025)

NZ IFRS 18 benefits and costs summary (November 2024)

⁹ NZ IFRS 18: Presentation and Disclosure in Financial Statements standard was reported as achieved in the previous year. On the basis that this standard was issued in May 2024 and not before the target date of March 2024, this has been restated as 'Not achieved (Delayed)'.

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ⁵
	Quality Stakeholders report a satisfaction rate of (at least) 75% with financial reporting implementation documents	Achieved 89% of respondents were satisfied or very satisfied with the XRB's implementation documents and guidance material on for-profit accounting standards 84% of respondents were satisfied or very satisfied with the XRB's implementation documents and guidance material on PBE Public Benefit Entity accounting standards ¹⁰	67% satisfied or very satisfied with the quality of collateral provided
Support adoption and implementation through a range of in person and virtual engagements on key topics including:		Overall: 26 Achieved	Overall: 17 Achieved
Need-to-know updates (2) Walk-through webcasts (4) Deep Dive seminars (1)	Timing June 2025	Achieved Need-to-know updates (3) Walk-through webcasts (4) Deep Dive Seminars (1) Other education (7) Other speaking engagements (11)	Need-to-know updates (2) Other education (3) Other speaking engagements (12)

¹⁰ There were 45 responses on for-profit accounting standards and 55 responses on PBE Public Benefit Entity accounting standards to [XRB's 2025 Performance survey](#)

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ⁵
	Quality Stakeholders report a satisfaction rate of (at least) 75% with XRB-hosted financial reporting engagements	Achieved 84% of respondents were satisfied or very satisfied with the XRB-hosted engagements attended on for-profit accounting standards 80% were satisfied or very satisfied with the XRB-hosted engagements attended on PBE Public Benefit Entity accounting standards XRB's implementation documents and guidance material ¹¹	64% satisfied or very satisfied with the quality of engagement opportunities

¹¹ There were 45 responses on for-profit accounting standards and 55 responses on PBE Public Benefit Entity accounting standards to [XRB's 2025 Performance survey](#)

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 reporting¹² 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.

	2024/25 Actual \$000	2024/25 Budget \$000	2023/24 Actual \$000 ¹³
Crown revenue allocated	2,276	2,276	2,389
Other revenue allocated	43	63	90
Expenses	(1,591)	(1,781)	(1,636)
Attributed overhead costs	(780)	(787)	(935)
Operating surplus/(deficit)	(52)	(229)	(92)

¹² Service performance reporting is included in the financial reporting area.

¹³ During the reporting period, we revised our output areas from five to four. As part of this change, costs previously attributed to the removed output area have been reallocated across the remaining output areas in line with the treatment of overheads. Comparative figures have been restated to reflect this change, ensuring consistency and comparability across reporting periods without affecting total reported expenditure.

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ¹⁴
Publish a consultation paper on the XRB's sustainability reporting policy position, including forthcoming agenda priorities	Timing By March 2025 Quality Consultation paper is informed by relevant international developments, government policy and stakeholder input	Not achieved The priority work on the 2024 Climate and Assurance consultation meant that this was not progressed. It is now intended to be delivered in 2025/26	N/A – new work
Support the implementation of Aotearoa New Zealand Climate Standards (NZ CS) by:			
Taking a proactive and pragmatic approach to publishing new/revised guidance that responds to international developments and lessons learned through initial reporting	Timing June 2025	Achieved Five guidance documents were published: <ul style="list-style-type: none"> - transition planning disclosures guidance (December 2024) - climate transition planning: overview (December 2024) - climate transition planning: executives guide (December 2024) - transition planning: a guide for directors (October 2024) - transition planning: a guide for staff (March 2025) 	Four guidance documents were developed

¹⁴ We have changed and reclassified our classification of our comparative measures for comparability. This year our classifications are 'Achieved', 'Not achieved' and 'Not achieved (Delayed)' and last year they were 'Achieved', 'Progressed', 'Modified' and 'Delayed'.

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ¹⁴
	Quality Stakeholder feedback considers XRB implementation guidance is useful and supports implementation of climate reporting, balancing the needs of the investors and users with the impact on business and whether the standards are cost-effective	Achieved 79% of respondents were satisfied or very satisfied with the XRB's implementation documents and guidance material on climate standards ¹⁵	N/A – not measured
Conducting engagements in the form of webinars, events, and forums to promote awareness and support adoption (and address any emerging issues arising in practice)	Quality Stakeholders report a satisfaction rate of (at least) 75% with XRB-hosted climate reporting engagements	We hosted 6 engagements. In addition to this we participated in 28 engagements to promote awareness and support adoption. Not achieved 73% of respondents were satisfied or very satisfied with the XRB-hosted engagements attended on climate standards ¹⁵	Three public webinars were held Post-event surveys showed more than two-thirds of respondents gave the sessions a positive feedback rating of 5 out of 5 stars
Publishing an implementation update on NZ CS (to inform subsequent post-implementation review)	Timing By June 2025	Not achieved Amendments to NZ CS were issued instead in 2024 to address implementation concerns (including topics such as anticipated financial impacts and the reporting and assurance of scope 3 GHG emissions) given stakeholder feedback	N/A – new work
	Quality Stakeholders report a satisfaction rate of (at least) 75% with climate reporting implementation documents.	Achieved 79% of respondents were satisfied or very satisfied with the XRB's implementation documents and guidance material on climate standards ¹⁵	N/A – new work

¹⁵ There were 77 responses on Climate standards to [XRB's 2025 Performance survey](#)

Forecast 2024/25	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ¹⁴
Continuing to support a scenario analysis community of practice	<p>Timing Two sessions by June 2025</p> <p>Quality Stakeholder feedback shows attendees consider the community of practice to be positively benefiting their work</p>	<p>Not achieved A scenario analysis community of practice event was held in June 2025</p> <p>Of the responses received after the event (11% response rate) nearly 90% of respondents showed that attendees consider the community of practice positively benefits their work</p>	One community of practice session was held in October 2023. The session received an overall positive feedback rating of 4.9 out of 5 stars
Issue an interim report on the trial of the non-financial reporting framework with Māori reporting entities	<p>Timing June 2025</p>	<p>Achieved An updated version of He Tauira and an accompanying guide, 'Mā te mahi' (which includes insights reporting on the trial of He Tauira) was published in December 2024</p>	N/A – trial commenced
Issue a comparison document, comparing Aotearoa New Zealand Climate Standards with Australian Sustainability Reporting Standard – Climate-related Financial Disclosures (ASRS S2)	<p>Quality Stakeholders report a satisfaction rate of (at least) 75% with climate reporting implementation documents</p>	<p>Achieved NZ CS and AASB S2 interoperability overview and tool was published in April 2025</p> <p>79% of respondents were satisfied or very satisfied with the XRB's implementation documents and guidance material on climate standards¹⁶</p>	<p>A comparison document between NZ CS and IFRS S2 was published in October 2023</p> <p>Stakeholder feedback indicated the document is relevant for CREs, particularly those with an international connection</p>

We also completed the following:

A consultation on Amendments to Climate and Assurance Standards in October 2024, which resulted in the issuance of amended standards relating to the climate-related disclosure framework (both reporting and assurance) in December 2024

A request for information on the international alignment of climate reporting in April 2025

¹⁶ There were 77 responses on Climate standards to [XRB's 2025 Performance survey](#)

Auditing and assurance (including ethical and professional) standards

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 support high quality and consistent audit and assurance practice and ensure that trust and confidence in reported information is enhanced through independent assurance.

	2024/25 Actual \$000	2024/25 Budget \$000	2023/24 Actual \$000 ¹⁷
Crown revenue allocated	1,967	1,967	2,064
Other revenue allocated	37	55	78
Expenses	(1,378)	(1,539)	(1,459)
Attributed overhead costs	(674)	(680)	(808)
Operating surplus/(deficit)	(48)	(197)	(125)

¹⁷ During the reporting period, we revised our output areas from five to four. As part of this change, costs previously attributed to the removed output area have been reallocated across the remaining output areas in line with the treatment of overheads. Comparative figures have been restated to reflect this change, ensuring consistency and comparability across reporting periods without affecting total reported expenditure.

2024/25 Forecast	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ¹⁸
Issue the following domestic and international (IAASB and the International Ethics Standards Board for Accountants (IESBA)) consultation documents to support the development of auditing and assurance standards:	Timing	Overall: 4 Achieved 1 Not achieved	Overall: 5 Achieved 1 Not achieved
IAASB's Narrow scope amendments to the auditing and assurance standards for use of experts	April 2025	Achieved Issued April 2025	
IESBA's exposure draft related to collective investment vehicles	June 2025	Achieved Issued April 2025	
IESBA's post implementation review of requirements related to non-compliance with laws and regulations	June 2025	Not achieved The IESBA's post implementation review has been delayed, and discussions at the international board are now expected to commence in the third quarter of 2025	

We also issued the following consultation documents:

A consultation document and exposure draft of Proposed Amendments to Climate and Assurance Standards (October 2024)

A consultation document and exposure draft of the International Standard on Auditing (New Zealand) for Less Complex Entities (November 2024)

	Quality Stakeholders report a satisfaction rate of (at least) 75% with our consultation process and supporting information. Our consultation process considers the value of proposed standards and the implications of their benefits and costs	Achieved 89% of respondents were satisfied or very satisfied with the XRB's consultation process and supporting information on audit and assurance standards ¹⁹	75% satisfied or very satisfied with the quality of collateral provided 74% satisfied or very satisfied with the quality of engagement
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¹⁸ We have changed and reclassified our classification of our comparative measures for comparability. This year our classifications are 'Achieved', 'Not achieved' and 'Not achieved (Delayed)' and last year they were 'Achieved', 'Progressed', 'Modified' and 'Delayed'.

¹⁹ There were 61 responses on Audit and assurance standards to [XRB's 2025 Performance survey](#)

2024/25 Forecast	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ¹⁸
Issue the following domestic and international (IAASB and IESBA) Auditing and Assurance Standards:	Timing	Overall: 2 Achieved 1 Not achieved (Delayed) 3 Not achieved	Overall: 3 Achieved
Review standard for service performance information	December 2024	Not achieved (Delayed) The standard was approved in December 2024 and issued in February 2025	
International Standard on Auditing (New Zealand) for Less Complex Entities	June 2025	Achieved Issued June 2025	
ISSA (NZ) 5000 General Requirements for Sustainability Assurance Engagements	June 2025	Not achieved A consultation document and exposure draft, together with exposure drafts related to ethics and independence, was approved in June 2025 and is expected to be issued in 2025/26	
Revised standard on going concern	June 2025	Not achieved The standard was approved in June 2025 but delayed in order to issue as a package with revisions to the fraud standard	
Narrow scope revisions to the auditing and assurance standards for the revised public interest entity definition	June 2025	Not achieved The IAASB's standard was delayed	

We also issued the following standards:

Amendments to Assurance Engagements over Greenhouse Gas Emissions Disclosures responsive to stakeholder feedback (November 2024)

2024/25 Forecast	Measures: Timing, Quality	Actual 2024/25	Actual 2023/24 ¹⁸
Support adoption and implementation by: Conducting engagements in the form of webinars, events, and forums and/or issuing guidance on: The audit of service performance information (SPI) The review of service performance information Assurance over GHG emissions disclosure Publish an implementation update on NZ SAE 1 (to inform the temporary nature of the standard) What is limited or reasonable assurance Going concern Public interest entity requirements	Timing June 2025	Achieved 7 Publications 13 Webinars 6 Forums 4 Events At least one publication and/or engagement in each forecast area: Achieved Achieved Achieved Achieved Achieved Achieved Achieved	7 Publications 5 Webinars 13 Forums 9 Events
<i>We also conducted the following engagements:</i> Webinars, forums, events on the ISA for less complex entities			
	Quality Stakeholders report a satisfaction rate of (at least) 75% with XRB-hosted Audit and Assurance events and a satisfaction rate of (at least) 75% with Audit and Assurance implementation documents	Achieved 84% of respondents were satisfied or very satisfied with the XRB-hosted engagements attended on audit and assurance standards 79% of respondents were satisfied or very satisfied with the XRB's implementation documents and guidance material on audit and assurance standards ²⁰	75% satisfied or very satisfied with the quality of collateral provided 74% satisfied or very satisfied with the quality of engagement opportunities

²⁰ There were 61 responses on Audit and assurance standards to [XRB's 2025 Performance survey](#)

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.

	2024/25 Actual \$000	2024/25 Budget \$000	2023/24 Actual \$000 ²¹
Crown revenue allocated	1,858	1,858	1,950
Other revenue allocated	35	52	73
Expenses	(1,030)	(1,454)	(1,318)
Attributed overhead costs	(637)	(642)	(763)
Operating surplus/(deficit)	226	(186)	(58)

²¹ During the reporting period, we revised our output areas from five to four. As part of this change, costs previously attributed to the removed output area have been reallocated across the remaining output areas in line with the treatment of overheads. Comparative figures have been restated to reflect this change, ensuring consistency and comparability across reporting periods without affecting total reported expenditure.

2024/25 Forecast	Measures: Quality	Actual 2024/25	Actual 2023/24 ²²
Build and maintain relationships and New Zealand membership, representation, and participation with key international and jurisdiction-level standard setting bodies and relevant task forces	Quality 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: IPSASB IAASB AASB AUASB Australian Financial Reporting Council (FRC)	Achieved <i>Memberships throughout the year:</i> IPSASB: Angela Ryan IAASB: Greg Schollum AASB: Carolyn Cordery AUASB: Marje Russ FRC: Michele Embling <i>International visitors hosted:</i> ISSB Vice Chair, Sue Lloyd Capital Coalitions CEO, Mark Gough (October) IASB Vice Chair, Linda Mazon-Hutter (November) IPSASB Chair, Ian Carruthers (February)	IPSASB: Angela Ryan (from January 2024) IAASB: Greg Schollum AASB: Carolyn Cordery AUASB: Marje Russ FRC: Michele Embling IAASB Chair, Tom Seidenstein IESBA Chair, Mark Babington IASB Chair, Dr Andreas Barckow
	Plus: Selection to task forces and working groups Invitations to speak at events Participation in relevant regional and technical groupings	Achieved Various XRB representatives have been selected on task forces and working groups as well as attending and/or speaking at events and international groupings as detailed below	Various XRB representatives selected on task forces and working groups as well as attending and/or speaking at events and international groupings

Task forces and working groups (also project board members) for relevant regional and technical groupings:

Greg Schollum for IAASB – Going concern, Fraud, IAASB/IESBA co-ordination member, modernising the ISA 500 series project

Angela Ryan for IPSASB – Presentation of Financial Statements

Carolyn Cordery for IASB – member of ASAF (appointed from 1 January 2025 jointly with Australia)

Carolyn Cordery as XRB representative of AOSGG and appointed Chairs Advisory Committee (July 2024)

XRB staff member appointed to the GHG Protocol's Corporate Standard Technical Working Group

We have attended and spoken at a number of events and meetings during the year for relevant regional and technical groupings in addition to our membership attendance including:

World Standard Setters conference (September)

International Federation of Accounting Standard Setters (IFASS) (September and March)

Jurisdictional Standard Setters (Audit) (May)

IESBA firm culture and governance meeting (February)

²² We have changed and reclassified our classification of our comparative measures for comparability. This year our classifications are 'Achieved', 'Not achieved' and 'Not achieved (Delayed)' and last year they were 'Achieved', 'Progressed', 'Modified' and 'Delayed'.

2024/25 Forecast	Measures: Quality	Actual 2024/25	Actual 2023/24 ²²
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Make submissions on the following international exposure drafts:

Accounting standards

IASB	Timing	Overall: 5 Achieved 1 Not achieved (Delayed)	Overall: 6 Achieved
Business combinations – disclosures, goodwill and impairment	September 2024	Achieved Issued July 2024	
Equity method	December 2024	Achieved Issued December 2024	
Provisions	December 2024	Not achieved (Delayed) Submitted March 2025. The ED was delayed internationally, and we submitted within the consultation period.	
Updates to the subsidiaries without public accountability disclosures standard	December 2024	Achieved Issued November 2024	

In addition we made submissions on the following IASB topics:

Contracts for Renewable Electricity (August 2024)

Climate-related and Other Uncertainties in Financial Statements (November 2024)

2024/25 Forecast	Measures: Quality	Actual 2024/25	Actual 2023/24 ²²
IPSASB	Timing	Overall: 2 Not achieved (Delayed)	Overall: 3 Achieved
Measurement application	August 2024	Not achieved (Delayed) Submitted November 2024 The ED was delayed internationally, and we submitted within the consultation period	
Natural resources	October 2024	Not achieved (Delayed) Submitted February 2025 The ED was delayed internationally, and we submitted within the consultation period	
Sustainability standards None currently indicated Submissions will be made on relevant sustainability standard setting projects as they are published	N/A	Achieved 2 submissions - IPSASB CRD standard for the public sector (February 2025) - ISSB Amendments to Greenhouse Gas Emission Disclosures (June 2025)	3 submissions
Audit and Assurance Standards None currently indicated Submissions will be made on relevant Audit and Assurance projects as they are published	N/A	Achieved 1 submission - IESBA's Collective Investment Vehicles and Pension Funds – Auditor Independence (June 2025)	6 submissions



The key international and Australian bodies and forums we seek to liaise with and influence are:

Asian-Oceanian Standard-Setters Group (AOSSG)
 Australian Accounting Standards Board (AASB)
 Australian Auditing and Assurance Standards Board (AUASB)
 Financial Reporting Council (FRC - Australia)
 International Accounting Standards Board (IASB)
 International Auditing and Assurance Standards Board (IAASB)
 International Ethical Standards Board for Accountants (IESBA)
 International Federation of Accounting Standard Setters (IFASS)
 International Public Sector Accounting Standards Board (IPSASB)
 International Sustainability Standards Board (ISSB)

Other performance indicators

The below table sets out what XRB has achieved against what was planned as set out in Budget 2024 (The Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025).

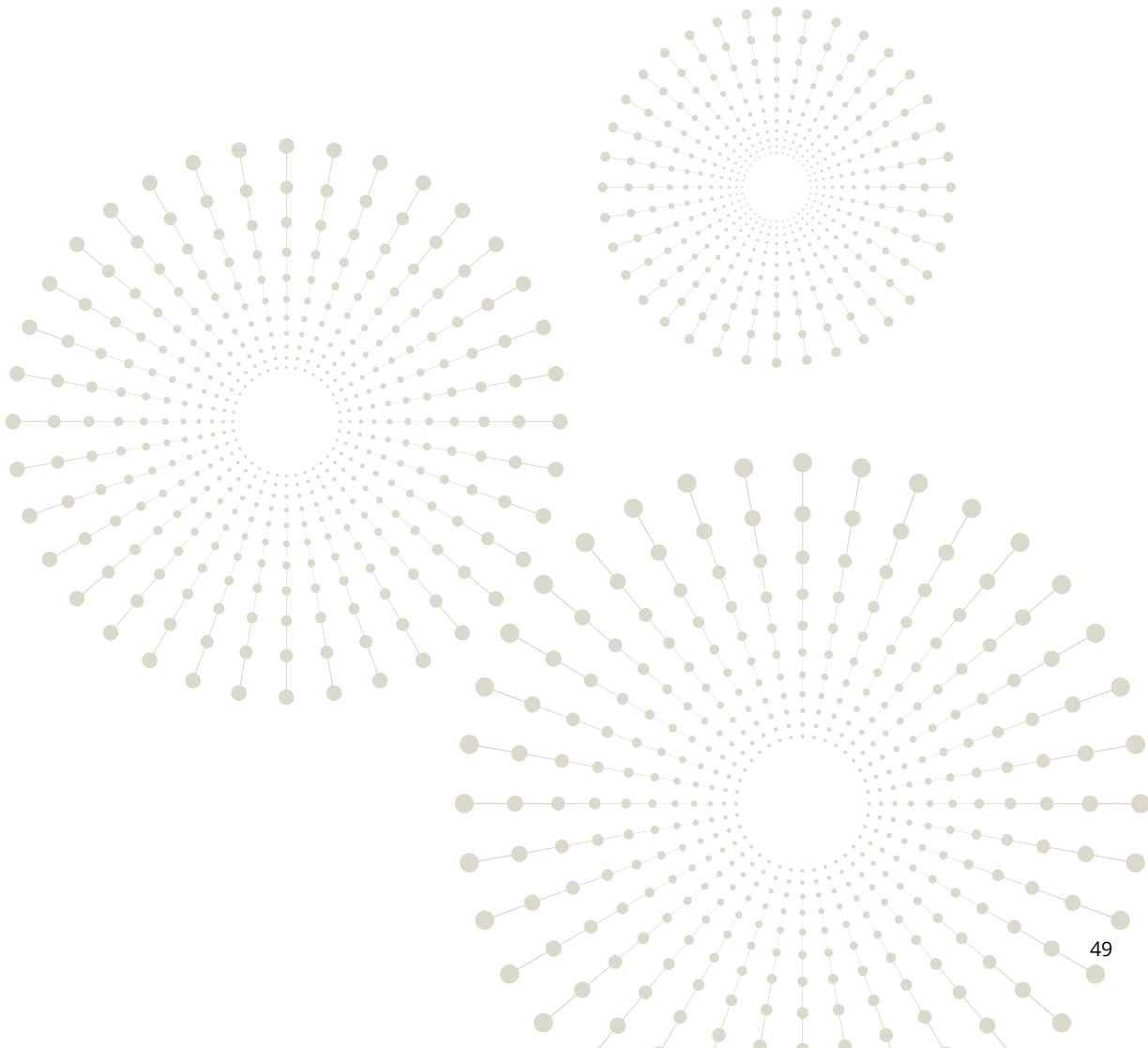
Assessment of Performance	Actual 2024/25	Budget 2024/25
Percentage of standards that reflect relevant international standards with departures only to improve quality and are harmonised with Australia where appropriate	100% compliance	100% compliance
Percentage of statutory due process requirements that are followed	100% compliance	100% compliance
Percentage of standards that are issued in time for the commencement date to be no later than the international commencement date (where relevant)	100% compliance	100% compliance
Number of guidance documents issued to support adoption and implementation of standards across financial reporting, auditing and assurance and climate	21	4



Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

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Statement of comprehensive revenue and expenses

For the year ended 30 June 2025

	Notes	Actual 2025 \$000	*Budget 2025 \$000	Actual 2024 \$000
Total revenue	5	8,476	8,551	9,059
Personnel costs	6,27	(5,594)	(5,784)	(5,741)
Fees to board members	7,8,27	(717)	(872)	(751)
Travel	27	(532)	(800)	(693)
International contributions	27	(512)	(657)	(609)
Depreciation, amortisation and impairment	12,13	(81)	(84)	(74)
General operating costs	9,27	(1,075)	(1,188)	(1,335)
Total expenses		(8,511)	(9,385)	(9,203)
Total comprehensive revenue and expenses		(35)	(834)	(144)

*Budget figures are taken from the Statement of Performance Expectations and are unaudited.

Explanations of major variances to budget are provided in Note 27.

The statement of accounting policies and the notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Statement of changes in equity

For the year ended 30 June 2025

Actual	Contributed capital \$'000	Accumulated revenue and expenses \$'000	Total equity \$'000
Balance at 1 July 2023	725	4,880	5,605
Total comprehensive revenue and expenses	-	(144)	(144)
Return of retained earnings to the Crown	-	(1,100) ²³	(1,100)
Balance at 30 June 2024	725	3,636	4,361
Balance at 1 July 2024	725	3,636	4,361
Total comprehensive revenue and expenses	-	(35)	(35)
Balance at 30 June 2025	725	3,601	4,326

Budget*	Contributed capital \$'000	Accumulated revenue and expenses \$'000	Total equity \$'000
Balance at 1 July 2024	725	4,420	5,145
Total comprehensive revenue and expenses	-	(834)	(834)
Return of retained earnings to the Crown	-	(1,100) ²³	(1,100)
Balance at 30 June 2025	725	2,486	3,211

*Budget figures are taken from the Statement of Performance Expectations and are unaudited.

Explanations of major variances to budget are provided in Note 27.

The statement of accounting policies and the notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

²³ The return of retained earnings to the Crown was provided for in FY23/24 and paid in FY24/25. At the time of the budget preparation this was reflected as being a reduction in equity for FY24/25.

Statement of financial position

As at 30 June 2025

	Notes	Actual 2025 \$000	*Budget 2025 \$000	Actual 2024 \$000
Assets				
Current assets				
Cash and cash equivalents	10, 27	1,096	518	515
Receivables and prepayments	14	86	26	83
Investments	11	3,553	3,122	5,237
Total current assets		4,735	3,666	5,835
Non-current assets				
Property, plant & equipment	12	195	258	261
Intangible assets	13	-	-	3
Total non-current assets		195	258	264
Total assets		4,930	3,924	6,099
Liabilities				
Current liabilities				
Payables and accruals	15	(337)	(478)	(277)
Return of retained earnings to Crown		-	-	(1,100)
Employee entitlements	16	(227)	(213)	(221)
Provisions	17	-	-	(100)
Total current liabilities		(564)	(691)	(1,698)
Non-current liabilities				
Provisions	17	(40)	(22)	(40)
Total non-current liabilities		(40)	(22)	(40)
Total liabilities		(604)	(713)	(1,738)
Net assets		4,326	3,211	4,361
Equity				
Contributed capital		725	725	725
Accumulated surplus		3,601	2,486	3,636
Total equity		4,326	3,211	4,361

*Budget figures are taken from the Statement of Performance Expectations and are unaudited.

Explanations of major variances to budget are provided in Note 27.

The statement of accounting policies and the notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Statement of cash flows

For the year ended 30 June 2025

	Notes	Actual 2025 \$000	*Budget 2025 \$000	Actual 2024 \$000
Cash flows from operating activities				
Receipts from the Crown		8,319	8,319	8,730
Interest from investments		132	232	329
Payments to personnel		(5,688)	(5,767)	(5,642)
Payments to suppliers		(2,359)	(2,839)	(2,871)
International contributions		(412)	(657)	(609)
Goods and services tax (net)		19	-	(12)
Net cash flows from operating activities	27	11	(712)	(75)
Cash flows from investing activities				
Maturity of investments		6,192	6,400	526
Purchase of investments		(4,508)	(4,440)	(270)
Purchase of property, plant & equipment		(14)	(80)	(221)
Net cash flows from investing activities		1,670	1,880	35
Cash flows from financing activities				
Return of retained earnings to Crown		(1,100)	(1,100)	-
Net cash flows from financing activities		(1,100)	(1,100)	-
Net increase/(decrease) in cash and cash equivalents		581	68	(40)
Cash and cash equivalents at the beginning of the year		515	450	555
Cash and cash equivalents at end of the year		1,096	518	515

*Budget figures are taken from the Statement of Performance Expectations and are unaudited.

Explanations of major variances to budget are provided in Note 27.

The statement of accounting policies and the notes to the financial statements form part of, and are to be read in conjunction with, these financial statements.

Notes to the financial statements

For the year ended 30 June 2025

1. Reporting entity and basis of preparation

The External Reporting Board (XRB) was established by the Financial Reporting Act 1993, with its continued existence mandated under the Financial Reporting Act 2013. All members of the XRB Board are appointed by the Governor-General on the recommendation of the Minister of Commerce and Consumer Affairs.

The External Reporting Board is an Independent Crown Entity under the Crown Entities Act 2004.

Due to the level of total expenses the XRB is classified as a Tier 2 entity. The financial statements have been prepared in accordance with Public Benefit Entity (PBE) accounting standards. The financial statements are for the year ended 30 June 2025 and were approved by the XRB Board on 18th September 2025.

Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the PBE Standards Reduced Disclosure Regime as appropriate for Tier 2 public benefit entities. Specific disclosures required under section 152 of the Crown Entities Act 2004 are included in the notes to the financial statements.

Measurement, presentation currency and rounding

The financial statements have been prepared on a historic cost basis and are presented in New Zealand dollars rounded to the nearest thousand dollars (\$000), except where otherwise stated.

2. Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not have a specific note are outlined below.

Going concern

The financial statements have been prepared on a going concern basis.

Budget figures

The budget figures are derived from the Statement of Performance Expectations as approved by the XRB Board on 17th June 2024.

The budget figures have been prepared in accordance with accounting policies that are consistent with those adopted in the preparation of the financial statements. All budget figures are unaudited.

Income Tax

The External Reporting Board 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.

Goods and Services Tax (GST)

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 Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the Inland Revenue Department, 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.

3. Use of judgements and estimates

In preparing these financial statements estimates and assumptions have been made about the future. These estimates and assumptions may differ from actual results. None of the estimates and assumptions made are regarded as being significant.

Management has exercised its judgement in applying accounting policies. None of the judgements exercised are critical.

4. Changes in accounting policy

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

5. Revenue

For the year ended 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Funding from the Crown	8,319	8,730
Interest revenue	157	329
Total revenue	8,476	9,059

The XRB is primarily funded through revenue received from the Crown.

We consider 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.

Interest revenue is earned on investments and is recognised in the period to which it relates using the effective interest method.

6. Personnel costs

For the year ended 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Salaries and contractors	5,340	5,258
Contributions to defined contribution plans	154	145
(Decrease)/Increase in annual leave provision	(15)	(1)
Other personnel costs	115	339
Total personnel costs	5,594	5,741

Employee entitlements for salaries and wages, annual leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees. Contributions to defined contribution plans are contributions to KiwiSaver.

7. Board member remuneration

The Remuneration Authority, an independent body set up by Parliament, determines the remuneration received by Board members. Public servants and cross-appointments from Australian standard-setting organisations are not remunerated.

No Board members received compensation or other benefits in relation to cessation (2024: None).

XRB Board	Actual 2025 \$	Actual 2024 \$
Michael Bradbury	29,835	29,470
Jacqueline Cheyne	24,278	33,108
Michele Embling (Chair)	113,115	144,143
Julia Fink (to June 2024)	-	20,900
John Kensington	30,030	24,510
Andrew Mills (FRC) (non-remunerated role)	-	-
Sheree Ryan	35,198	31,635
Jane Taylor (Deputy Chair) (to April 2025)	21,363	25,950
Fergus Welsh (non-remunerated role)	-	-
Total Board fees	253,818	309,716

Member fees vary in some instances where Board members work on advisory groups and other projects.

8. Technical board remuneration

The XRB has three technical boards – the NZASB, the NZAuASB and the SRB. Technical board members are paid a daily rate determined by the Remuneration Authority. Public servants and cross-appointments from Australian standard-setting organisations are not remunerated.

NZASB	Total 2025 \$	Total 2024 \$
Michael Bradbury (Deputy Chair) (to April 2025)	18,720	22,610
Francis Caetano (to June 2025)	13,900	18,070
Carolyn Cordery (Chair)	88,920	118,180
Denise Hodgkins (to December 2023)	-	11,120
Keith Kendall (AASB) (non-remunerated role)	-	-
Richard Perry	16,680	18,070
Sheree Ryan (Deputy Chair) (from June 2025)	3,120	-
Richard Smyth	16,680	15,250
Jason Stinchcombe	16,680	16,680
Lara Truman	16,680	18,070
Warwick White (to June 2025) (non-remunerated role)	-	-
Total technical board fees - NZASB	191,380	238,050

NZAuASB	Total 2025 \$	Total 2024 \$
Todd Beardsworth (from January 2025) (non-remunerated role)	-	-
Michael Bradbury (Deputy Chair) (from June 2025)	3,120	-
David Hay	16,680	18,765
Darby Healey (from June 2025)	2,780	-
John Kensington (Deputy Chair) (to May 2025)	12,480	19,000
Richard Kirkland	16,680	18,765
Mark Maloney (to November 2024) (non-remunerated role)	-	-
Doug Niven – (AUASB) (non-remunerated role)	-	-
Marje Russ (Chair) (to June 2025)	75,240	92,720
Vasana Vanpraseuth	16,680	22,761
Wendy Venter (to December 2024)	8,340	17,723
Total technical board fees - NZAuASB	152,000	189,734

SRB (from 1st June 2024)	Total 2025 \$	Total 2024 \$
Jacqueline Cheyne	16,283	1,520
Joe Hanita (Deputy Chair)	17,915	4,170
Alison Howard (from July 2024)	11,815	-
Becky Lloyd (Chair)	46,360	7,600
Carolyn Mortland (from July 2024)	15,811	-
Matthew Nelson (from September 2024) (non-remunerated role)	-	-
Alec Tang (from July 2024)	11,815	-
Total technical board fees - SRB	119,999	13,290

9. General operating costs

For the year ended 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Auditor fees for external audit	46	47
Loss on disposal/impairment of fixed assets	1	5
Operating lease expenses	358	335
ICT costs	259	374
Professional fees	102	69
Communications and engagement	84	118
Other operating expenses	225	387
Total general operating costs	1,075	1,335

10. Cash and cash equivalents

As at 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Cash in current account	87	443
Cash on call	1,009	72
Total cash and cash equivalents	1,096	515

There are no restrictions over any of the cash and cash equivalents.

11. Investments

As at 30 June 2025	Rate	Maturity	Actual 2025 \$000	Actual 2024 \$000
ANZ Term deposits	4.05% to 5.10%	July 2025 to December 2025	3,553	-
BNZ Term deposits	2.75% to 4.20%	July 2024	-	5,237
Total investments			3,553	5,237

Investments in bank deposits are initially measured at the amount invested. After initial recognition, investments in bank 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. ANZ has an AA- rating with Standard and Poors (2024:BNZ AA-rating with Standard and Poors).

12. Property, plant and equipment

\$000	Furniture and fittings	Plant and equipment	Property improvements	Computer equipment	Total
Cost					
Opening Balance	197	11	93	321	622
Additions	-	1	-	13	14
Disposals/Impairment	-	-	-	(102)	(102)
Closing Balance	197	12	93	232	534
Accumulated Depreciation					
Opening Balance	111	11	9	230	361
Depreciation	13	-	13	53	79
Disposals/Impairment	-	-	-	(101)	(101)
Closing Balance	124	11	22	182	339
Carrying Amounts					
At 30 June 2025	73	1	71	50	195
At 30 June 2024	86	-	84	91	261

Property, plant and equipment consist of the following asset classes: computer equipment, furniture and fittings, plant and equipment and property improvements. Property, plant and equipment are shown at cost, less any accumulated depreciation.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the XRB and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by calculating the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the statement of comprehensive revenue and expenses.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The depreciation rates of each asset class have been estimated as follows:

- » Computer equipment 40% (2024: 40%)
- » Furniture and fittings 10.5% (2024: 10.5%)
- » Plant and equipment 30% (2024: 30%)
- » Property improvements 14.3% (2024: 14.3%)

Impairment

Property, plant and equipment that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of comprehensive revenue and expenses whenever the carrying amount of an asset exceeds its recoverable amount.

13. Intangible assets

\$000	Computer software	Website	Total
Cost			
Opening Balance	12	34	46
Additions	-	-	-
Disposals	(12)	-	(12)
Closing Balance	-	34	34
Accumulated Amortisation			
Opening Balance	11	32	43
Amortisation	-	2	2
Disposals	(11)	-	(11)
Closing Balance	-	34	34
Carrying Amounts			
At 30 June 2025	-	-	-
At 30 June 2024	1	2	3

Software acquisition and development

Acquired software licences are capitalised based on the costs incurred to acquire and bring into use the specific software. Costs associated with the development and maintenance of the XRB corporate website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the statement of comprehensive revenue and expenses. The value of additions made to an existing asset are amortised over the remaining useful life of the existing asset, where these do not enhance the useful life of the existing asset.

The amortisation rates of each asset class are estimated as follows:

- » Computer software 40% (2024: 40%)
- » Website 25% (2024: 25%)

14. Receivables and prepayments

As at 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Other receivables	24	-
Prepayments	32	34
GST receivable	30	49
Total receivables and prepayments	86	83

Short-term receivables are recorded at the amount due, less an allowance for impairment. These receivables are written off when there is no reasonable expectation of recovery. There are no amounts overdue but not impaired (2024: none).

15. Payables and accruals

As at 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Payables	259	122
Accruals	78	155
Total payables and accruals	337	277

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

16. Employee entitlements

As at 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Holiday pay accrual	206	221
Accrued salaries	21	-
Total employee entitlements	227	221

Employee benefits

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. This is annual leave earned but not yet taken and salaries not yet paid at balance date.

Superannuation schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive revenue and expenses as incurred.

17. Provisions

As at 30 June 2025	Make good of office premises \$000	Restructuring \$000	Total \$000
Opening Balance	40	100	140
Amounts used	-	(80)	(80)
Unused amounts reversed	-	(20)	(20)
Additional provisions made	-	-	-
Closing Balance	40	-	40

A provision is recognised for future expenditure of uncertain timing when there is a present obligation (either legal or constructive) because of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. This provision is required to make good the Wellington office at the end of the lease and is non-current.

18. Operating lease commitments

As at 30 June 2025	Actual 2025 \$000	Actual 2024 \$000
Up to one year	234	228
Between two and five years	748	726
After five years	33	228
Total operating lease commitments	1,015	1,182

The XRB has entered into the following non- cancellable lease agreements:

A lease at 154 Featherston Street, Wellington commenced on 1 September 2023 (expires 31 August 2030). Our lease at 47 Salisbury Street, Christchurch was automatically renewed for another year (expires 30 June 2026).

Our premises in Auckland remain on a cancellable month by month lease.

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 therefore recognised as an expense on a straight-line basis over the term of the lease in the statement of comprehensive revenue and expenses.

19. Financial instruments

We are party to financial instruments as part of our normal operations. These financial instruments include bank accounts, short term deposits, receivables, and payables. All financial instruments are recognised in the Statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the Statement of comprehensive revenue and expenses.

All financial assets and financial liabilities are measured at amortised cost as a result fair value and current value are materially the same.

20. Employee remuneration

Number of employees whose total remuneration and other benefits exceed \$100,000 during the year:

Remuneration range	Actual 2025	Actual 2024
\$100,000 - \$109,999	2	2
\$110,000 - \$119,999	2	1
\$120,000 - \$129,999	1	2
\$130,000 - \$139,999	1	1
\$150,000 - \$159,999	6	6
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	4
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	2	1
\$200,000 - \$209,999	-	2
\$210,000 - \$219,999	2	1
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	-	1
\$270,000 - \$279,999	2	-
\$340,000 - \$349,999	-	1
Total	25	26

21. Related party information

All related party transactions have been entered into on an arm's length basis.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms which are no more or less favourable than those that it is reasonable to expect the XRB would have adopted in dealing with a party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example government departments, Crown entities and state-owned enterprises) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

No transactions were entered into during the year with key management personnel that were not at arm's length (2024: None).

Key management personnel compensation

For the year ended 30 June 2025	Actual 2025	Actual 2024
XRB Board meeting fees (remuneration to XRB Board members) (\$000)	254	310
Full time equivalent members	0.68	0.80
Salaries and other short-term employee benefits (\$000)	1,498	1,387
Full time equivalent employees	5.31	5.35
Total key management personnel compensation (\$000)	1,752	1,696

Key management personnel include the XRB Board, the Chief Executive and direct reports to the Chief Executive. The Board meeting fees included above only include payments relating to work completed for the XRB Board – where members of the XRB Board are also on other boards these fees are excluded.

No XRB Board or technical board members received compensation or other benefits in relation to cessation (2024: None).

22. Severance payments

Severance payments relate to the termination of employment, whether monetary in nature or otherwise. These payments are additional to any final payment of salary, holiday pay or superannuation contributions as required by the Crown Entities Act 2004.

For the year ended 30 June 2025 one severance payment of \$52,033 was made (30 June 2024: None).

23. Indemnity insurance

We have professional indemnity insurance cover during the financial year of \$1,000,000 (2024: \$1,000,000), in respect of the liability or costs of Board members or employees.

24. Capital commitments

The XRB has no capital commitments at 30 June 2025 (2024: None).

25. Contingencies

The XRB has no material contingent assets or contingent liabilities to report (2024: None).

26. Events after the reporting period

No adjusting or non-adjusting subsequent events occurred that require further disclosure (2024: changed our bank provider to ANZ from August 2024).

27. Explanation of major variances against budget

For the year ended or as at 30 June 2025	Actual 2025 \$000	Budget 2025 \$000	Variance \$000
Personnel costs	5,594	5,784	(190)
Fees to Board members	717	872	(155)
Travel	532	800	(268)
International contributions	512	657	(145)
General operating costs	1,075	1,188	(113)
Cash and cash equivalents	1,096	518	578
Net cash flow from operating activities	11	(712)	723

Personnel costs

The work undertaken by the XRB requires highly technical staff in the fields of accounting, audit and assurance, climate and sustainability reporting. Challenges locating and recruiting these skills has resulted in delaying, or not filling vacant roles that have arisen this year.

Fees to board members

There have been fewer Board and technical board meetings than originally planned this year. Also there have been Board and technical board member changes resulting in vacancies during the year.

Travel

The number of international trips for international meetings and events this year has been lower than planned. We also saved costs with a move to a lower travel class for some long-haul trips.

International contributions

Our international contributions were not increased as anticipated during our planning.

General operating costs

We have spent less on research overall this year but continued the evaluation of the climate related disclosures regime. Our technology costs last year were higher with the launch of the XRB Standards Navigator.

Cash and cash equivalents

Timing of investment maturities meant we had more cash on call at 30 June 2025.

Net cash flow from operating activities

The variance is in line with total expenses being lower than budgeted.



BDO Wellington Audit Limited

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF EXTERNAL REPORTING BOARD'S ANNUAL FINANCIAL STATEMENTS AND STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of External Reporting Board ("the XRB"). The Auditor-General has appointed me, Mark Bewley, using the staff and resources of BDO Wellington Audit Limited, to carry out, on his behalf, the audit of:

- the annual financial statements that comprise the *statement of financial position* as at 30 June 2025, the *statement of comprehensive revenue and expenses*, *statement of changes in equity*, and *statement of cash flows* for the year ended on that date and the *notes to the financial statements that include accounting policies and other explanatory information* on pages 49 to 66; and
- the statement of performance for the year ended 30 June 2025 on pages 23 to 48.

Opinion

In our opinion:

- The annual financial statements of the XRB:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") Public Benefit Entity Standards Reduced Disclosure Regime.
- The statement of performance fairly presents, in all material respects, the XRB's service performance for the year ended 30 June 2025. In particular, the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the XRB for each class of reportable outputs, in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects, for each class of reportable outputs:
 - the actual performance of the XRB, as compared with the forecast standards of performance included in the XRB's statement of performance expectations for the financial year; and
 - the actual revenue earned and output expenses incurred, as compared with the expected revenues and proposed output expenses included in the XRB's statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 22 September 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of performance, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements and the statement of performance

The Board is responsible on behalf of the XRB for preparing:

- annual financial statements that fairly present the XRB's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- a statement of performance that:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the XRB for each class of reportable outputs, in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents, for each class of reportable outputs:
 - the actual performance of the XRB, as compared with the forecast standards of performance included in the XRB's statement of performance expectations for the financial year; and
 - the actual revenue earned and output expenses incurred, as compared with the expected revenues and proposed output expenses included in the XRB's statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements, and a statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, and a statement of performance, the Board is responsible on behalf of the XRB for assessing the XRB's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the financial statements, and the statement of performance, as a whole, 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the financial statements, and the statement of performance.

For the budget information reported in the financial statements, and the statement of performance, our procedures were limited to checking that the information agreed to the XRB's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements, and the statement of performance.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, and the statement of performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the XRB's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate whether the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the XRB. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents the actual performance of the XRB for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.
- We evaluate the overall presentation, structure and content of the financial statements, and the statement of performance, including the disclosures, and whether the financial statements, and the statement of performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 22, but does not include the financial statements, and the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements, and the statement of performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, and the statement of performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements, and the statement of performance or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the XRB in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of 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.

Other than in our capacity as auditor, we have no relationship with, or interests in, the XRB.



Mark Bewley
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand

Glossary

A summary of the initialisms, acronyms and abbreviations used in our Annual Report.

AASB	Australian Accounting Standards Board
AOSSG	Asian-Oceanian Standard-Setters Group
ASAF	Accounting Standards Advisory Forum
AUASB	Australian Auditing and Assurance Standards Board
CA ANZ	Chartered Accountants Australia and New Zealand
CRD	Climate-related Disclosures
CRE	Climate Reporting Entities
ED	Exposure draft
FMA	Financial Markets Authority
FRC	Australian Financial Reporting Council
GHG	Greenhouse Gas
IAASB	International Auditing and Assurance Standards Board
IASB	International Accounting Standards Board
IESBA	International Ethical Standards Board for Accountants
IFASS	International Federation of Accounting Standard Setters
IFRS	International Financial Reporting Standard
IPSASB	International Public Sector Accounting Standards Board
ISSA	International Standard on Sustainability Assurance
ISSB	International Sustainability Standards Board
MBIE	Ministry of Business, Innovation and Employment
NZASB	New Zealand Accounting Standards Board
NZAuASB	New Zealand Auditing and Assurance Standards Board
NZ CS	Aotearoa New Zealand Climate Standards
PBE	Public Benefit Entity
RDR	Reduced Disclosure Regime
SPI	Service Performance Information
SRB	Sustainability Reporting Board
SRS	Sustainability Reporting Standard
XRAP	External Reporting Advisory Board
XRB	External Reporting Board